

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the Members of Samtel India Limited will be held on Monday, **the 30th day of September, 2013 at 4.00 P.M.** at the Registered Office of the Company at Village Naya Nohra, Kota Baran Road, Tehsil- Ladpura, Distt- Kota, Rajasthan-324001, to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013, and the Profit and Loss Account for the year ended on that date together with Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Om Wadhwa who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration. M/s S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

SPECIAL RESOLUTION

4. To pass with or without modification the following resolution as a Special Resolution.
 "RESOLVED THAT Mr. Ajit Singh, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th May, 2013 and who holds office upto the date of this Annual General Meeting in terms of the provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice u/s 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, liable to retire by rotation, be and is hereby appointed as a Director of the Company."

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

By Order of the Board
For Samtel India Limited

Sd/-
Satish Kumar Kaura
Chairman & Managing Director

Place : New Delhi
 Date : 14th August, 2013

NOTES :

1. MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting. Shareholders are requested to kindly bring their copies of Annual Report to the meeting.
3. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of

the Company during office hours on all working days, except Sundays and holidays between 11.00 AM and 1.00 PM upto the date of the Annual General Meeting.

4. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of item No. 4 is annexed and forms part of this Notice.
5. Register of Members and Share Transfer Books of the Company will remain closed from 23rd September 2013 to 28th September 2013 (both days inclusive).
6. Members are requested to notify promptly any change in their addresses, bank particulars, ECS mandate etc. quoting their folio number to the Company' at its Registered Office or Corporate Office or to the Share Transfer Agent M/s MCS Ltd., F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi 110020. Members who hold share in demat form are requested to update their particulars with their respective depository participant.
7. Appointment / Re-appointment of Directors:

At the ensuing Annual General Meeting Mr. Om Wadhwa, retire by rotation and being eligible, offer himself for re-appointment . Mr. Ajit Singh has been appointed as an Additional Director of the Company w.e.f. 30th May, 2013.

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

Mr. Om Wadhwa

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

Mr. Ajit Singh

Mr. Ajit Singh, aged about 56 years, professional and degree of accounting and financial management expertise and is on the Board of the Company since 30th May, 2013.

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

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

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

ITEM NO.4

Mr. Ajit Singh, aged about 56 years, has degree of accounting and financial management expertise. Mr. Ajit Singh is a professional consultant and is on the Board of the Company since 30th May, 2013. He is also Directors in other Group companies i.e. M/s Samtel Color Ltd. (2) M/s Samtel Glass Ltd.

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

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

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

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

Place : New Delhi
Date : 14th August, 2013.

By Order of the Board

Sd/-
Satish Kumar Kaura
Chairman & Managing Director

Directors' Report

To the Members of Samtel India Limited

Your Directors are pleased to present the 31st Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2013.

FINANCIAL RESULTS:

The key financial highlights are as under:

(Rs in Thousands)

| Particulars | Year Ended 31.03.2013 | Year Ended 31.03.2012 |
|--|--------------------------|--------------------------|
| Gross Sales & Other Income | 7905 | 11397 |
| Gross Profit before Interest and Depreciation | 2378 | (404) |
| Interest and Financial charge | 3023 | 2526 |
| Depreciation | 2 | 24 |
| Profit/(Loss) from operations | (648) | (2954) |
| Bad Debts/Capital work in progress written off/ Misc. Balance written off/Loss on account of provision made for Diminution in the value of trade investments | 21881 | 53232 |
| Net Profit/(Loss) | (22666) | (56409) |
| Profit/(Loss) after Tax | (22666) | (56409) |
| Loss Brought forward from previous year | (118069) | (61660) |
| Balance Carried to Balance Sheet | (140735) | (118069) |

OPERATIONS:

During the financial year under review, the Company registered gross turnover of Rs.79.05 lacs as against a turnover of Rs. 113.97 lacs during the previous financial year. The Company ended the financial year with net loss of Rs. 6.48 lacs as against net loss of Rs. 29.54 lacs during the previous financial year.

As discussed in the last Directors' Report of 2011-12, the Company after obtaining all requisite approvals ventured into the business of outsourcing primarily supply of man power to various business and industrial houses.

However, the business has not been able to deliver the expected turnover and profit due to depressed market condition and uncertainty in the industrial and manufacturing sector all over India. The continuing difficult phase in the industrial and manufacturing sector has impacted quite adversely the outsourcing business and thus the business plan of your Company could not be implemented fully. However, your Directors are hopeful that in the coming years the business of outsourcing including manpower supplies/consultancy will help the Company immensely.

DIVIDEND:

Your directors do not recommend any dividend for the year, due to inadequate profits.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of sub-section 2AA of Section 217 of the Companies Act, 1956, your Directors state and confirm:

1. That in the preparation of Annual Accounts for the financial year ended 31st March 2013; the applicable accounting standards have been followed and that there has been no material deviation.
2. That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and also of the loss of the Company for the year ended 31st March, 2013.
3. 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 frauds and other irregularity have been ensured.
4. That the Directors have prepared the Annual Accounts for the year ended 31st March 2013, on a going concern basis.

FIXED DEPOSITS:

During the year under review, no deposits have been invited or accepted from the Public.

DIRECTORS:

Mr. Ajit Singh was appointed as an Additional Director of the Company with effect from May 30, 2013. Mr. Ajit Singh a professional by qualification of MBA in finance and experience in finance & commercial since last more than 25 years and have valuable knowledge and experience on administration, finance and personal matters. The tenure of Mr. Singh is upto the date of the ensuing Annual General Meeting and the Company has received a Notice from a Member of the Company proposing his candidature for the office of Director of the Company liable to retire by rotation.

Pursuant to Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Om Wadhwa, Director of the Company, is liable to retire by rotation and being eligible, offers himself for re-appointment.

Your Directors recommend the appointments/re-appointments of the Directors for your approval.

AUDITORS:

The Auditors of the Company, M/s S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi retire at the forth coming 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 limits under section 224(1B) of the Companies Act, 1956. The Board of Directors recommends their re-appointment, as Statutory Auditors for the financial year 2013-14 for your approval.

AUDITORS' REPORT:

The Auditors' Report are self-explanatory and thus, do not require any explanation.

PARTICULARS OF EMPLOYEES:

The Company did not have any employee on its rolls during the year, drawing salary in excess of the limits prescribed under section 217 (2A) of the Companies Act, 1956.

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 Exchange. A separate Report on the Corporate Governance along with necessary certificates and reports on Management Discussion & Analysis are enclosed as part of this Annual report.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:

The Company had closed its manufacturing operations in 2005. Therefore, the particulars as prescribed under subsection (1) (e) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are not disclosed.

For and on behalf of the Board of Directors

For Samtel India Limited

Sd/-

Satish K. Kaura

Chairman & Managing Director

Place: New Delhi

Date : 30th May, 2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

PERFORMANCE REVIEW AND OUTLOOK:

The year under review has been a difficult year for the Company. Even though the Company diversified into outsourcing business, particularly to man power supply activities, but the business plan of the Company could not be implemented successfully due to overall depressed market and economic conditions.

The Company ended the financial year on 31st March, 2013 with a gross turnover of Rs.79.06 lacs as against Rs.113.97 lacs of the previous financial year. The Company incurred a net loss of Rs. 226.66 lacs during the year under review as against net loss of Rs. 564.09 lacs during the previous financial year.

The subdued industrial atmosphere and declining trend of diversification and expansion of existing manufacturing facilities all across the Country has adversely impacted the business plan of the Company of venturing into man power supply activities.

To come out of the situation and increase the revenue of the Company, the Management is seriously exploring various options including manufacturing activities. In this regard it has entered into an agreement with a real estate developer to identify and facilitate acquiring of suitable industrial/commercial space. If so required all statutory approval including approval of members will be sought for initiation of new business plan of the Company.

BALANCE SHEET ANALYSIS:

- a) **Loans: Unsecured**
Inter Corporate Deposit of Rs. 100 lacs was outstanding as on 31st March 2013 (Previous Year Rs. 170 lacs).
- b) **Fixed Assets:**
The net fixed assets at the end of the financial year were Rs. 5.50 lacs as against Rs. 5.53 lacs as on 31st March, 2012.
- c) **Current Assets:**
The total current assets increased to Rs. 483.95 lacs as on 31st March, 2013 from Rs. 285.62 lacs as on 31st March, 2012. Cash and Bank Balances increased to Rs.25.46 lacs from Rs.21.04 lacs. Loans and advances decreased to Rs. 8.64 lacs this year from Rs.262.34 lacs at the end of the previous year.
- d) **Current Liabilities:**
Current Liabilities have increased to Rs. 566.96 lacs as on 31st March, 2013 from Rs. 551.88 lacs as on 31st March, 2012.

INTERNAL CONTROL SYSTEMS & ITS ADEQUACY:

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

OPPORTUNITIES & THREATS:

Even though, the Company diversified into new activities of man power supply. However, due to constraints beyond the control, the business plan of the Company could not be implemented fully and successfully.

To further the business interest and have a continuous revenue flow, the Management is exploring various other opportunities including manufacturing activities.

However, such activities will be initiated only after carrying out all due diligence and the same can be time consuming.

CAUTIONARY STATEMENT:

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

REPORT ON CORPORATE GOVERNANCE
(Clause 49 of the Listing Agreement)

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

I. BOARD OF DIRECTORS

Composition of the Board

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

Mr. Satish K. Kaura, Promoter, Chairman & Managing Director, is the only Executive Director of the Company who is responsible for overall management of the Company.

Mr. Purshottam Dass has been confirmed as Director in the last Annual General meeting held on 29th Sept., 2012. The other Independent Director is Mr. Om Wadhwa.

Mr. Ajit Singh has been inducted as additional Director on the Board of the company and Mr. Purshottam Dass has resigned from the Board of the company effective from 30.05.2013.

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

Number of Board Meetings

During the Financial Year 2012-13, the Board of Directors of the Company met four times on May 15, 2012, August 14, 2012, August 30, 2012, November 15, 2012 and February 15, 2013. The maximum time gap between any two meetings was less than four months.

Directors' attendance record & directorship held (As on 31st March, 2013):

| Name of Directors | Category / Status of Directorship | No. of Board meetings held during 2012-13 | No. of Board meetings attended during 2012-13 | Attendance in last AGM held on 28 th September, 2012 | No. of Directorship in other Public Limited Companies | No. of Committee positions held | |
|---------------------|-----------------------------------|---|---|---|---|---------------------------------|--------|
| | | | | | | Chairman | Member |
| Mr. Satish K. Kaura | Executive/ Promoter Director | 5 | 5 | No | 4 | - | 1 |
| Mr. Om Wadhwa | Independent Director | 5 | 5 | Yes | - | 1 | - |
| Mr. Purshottam Dass | Independent Director | 5 | 5 | Yes | - | - | - |

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

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management or and associates which may affect independence of the Director

- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board
- Have not been an executive of the Company in the immediately preceding three financial years
- Are not partners or executives or were not partners or executives during the preceding three years of the:
 - Statutory Audit Firm or Internal Audit Firm that is associated with the Company
 - Legal Firm(s) and Consulting Firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director
- Are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.
- Have furnished annual disclosure that they satisfy the conditions of their being independent as laid down under Clause 49 of the Listing Agreement.

Information supplied to the Board

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

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

Remuneration of Directors

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

Remuneration paid or payable to Directors for 2012-13

(in Rs.):

| Name of the Director | Category / Status of Directorship | Sitting fees | Salaries, allowances and perquisites | Commission | Total |
|----------------------|-----------------------------------|--------------|--------------------------------------|------------|-------|
| Mr. Satish K. Kaura | Executive/ Promoter Director | 0 | 0 | 0 | 0 |
| Mr. Om Wadhwa | Independent Director | 4000 | 0 | 0 | 4000 |
| Mr. Purshottam Dass | Independent Director | 0 | 0 | 0 | 0 |

Pecuniary relationship or transaction between non-executive Directors and Company

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

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

Board Level Committees

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

Audit Committee

The Audit Committee of the Company comprises of three Directors, out of which two are independent Directors. Mr. Om Wadhwa, independent Director is the Chairman of the Committee. Mr. Purusottam Dass is the member of the committee. Mr. Satish K. Kaura, Chairman & Managing Director is the other member of the Committee.

During the Financial Year under review the Audit Committee met five times i.e on May 15, 2012, August 14, 2012, August 30th 2012, November 15, 2012 and February 15, 2013.

The attendance of members at the meetings is as follows:

| Name of Directors | No. of Meetings held | No. of Meetings attended |
|--------------------------|-----------------------------|---------------------------------|
| Om Wadhwa | 5 | 5 |
| Mr. Purshottam Dass | 5 | 5 |
| Mr. Satish K. Kaura | 5 | 5 |

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

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

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

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

Share Transfer & Investors' Grievance Committee

The Share Transfer & Investors' Grievance Committee approves and monitors transfers, transmission, splitting and consolidation of shares issued by the Company. This Committee also monitors complaints of shareholders relating to transfer of shares, non receipt of Annual Report etc. The Share transfer Committee as on March 31, 2012 was comprised of two Directors i.e. Mr. Purshottam Dass , Non Executive Independent Director as Chairman and Mr. Satish K. Kaura, Chairman & Managing Director of the Company as member.

During the year under review the Company has not received any complaint from its investors/shareholders.

Risk Management

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

II MANAGEMENT

Management Discussion & Analysis Report:

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

Disclosures:

- a) **Related Party Transactions:**
Disclosure of all related party transactions has been made in the notes to the accounts of the annual accounts, which forms part of the annual report. All the Directors have disclosed their interest in form No. 24AA pursuant to Section 299 of the Companies Act, 1956 and as and when there is any change of directorship or other interest, the same is placed before the Board for their information in their meeting.
- b) **Penalties or Strictures imposed on the Company:**
During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other Statutory Authorities on any matters relating to the capital markets.
- c) **Particulars of Director to be appointed/re-appointed:**
Information pertaining to particulars of Director to be re-appointed at the forth coming Annual General Meeting is being included in the Notice convening the Annual General Meeting.
- d) **Proceeds from Preferential Issue of Equity Shares/Warrants/FCCBs:**
During the year the Company has not issued any Equity Shares/Warrants/FCCBs.
- e) **Code of Conduct:**
The Board has laid down the Code of Conduct for all Board members and senior management of the Company. All personnel to whom the Code is applicable have confirmed compliance with the Code of Conduct for the financial year ended on 31st March, 2012. A declaration to the effect, duly signed by the Chairman & Managing Director, is annexed hereto.
- f) **Disclosure of Accounting Treatment:**
In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

CEO/CFO Certification

The CEO and CFO certificate on financial and cash flow statement as per the prescribed format was submitted to the Board of Directors.

III 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. The Company has not send any half yearly reports to the shareholders of the Company.

General Body Meetings

The details of the last three Annual General Meetings are as under

| Year | Date | Time | Venue | No. of special resolutions passed |
|-----------|------------|------------|--|-----------------------------------|
| 2011-2012 | 28.09.2012 | 11.30 A.M. | Village Naya Nohra, Kota Baran Road, Tehsil- Ladpura, Distt-Kota, Rajasthan- 324001. | - |
| 2010-2011 | 30.09.2011 | 11.00 A.M. | Village Naya Nohra, Kota Baran Road, Tehsil- Ladpura, Distt- | - |

| | | | | |
|-----------|------------|------------|---|---|
| 2009-2010 | 30.09.2010 | 11.00 A.M. | Kota, Rajasthan- 324001. Village Naya Nohra, Kota Baran Road, Tehsil- Ladpura, Distt- Kota, Rajasthan- 324001. | - |
|-----------|------------|------------|---|---|

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.

Shareholdings

a. Shareholding pattern of the Company as on 31st March, 2013

| S. No. | Category | No. of Shares | %age of shares |
|--------|--|----------------|----------------|
| 1. | Promoters & Associates | 3616140 | 51.07 |
| 2. | Non Resident Indians | 1079041 | 15.24 |
| 3. | Overseas Corporate Bodies | 414349 | 5.85 |
| 4. | Mutual Fund & UTI | 5430 | 0.08 |
| 5. | FIIS | 585 | 0.01 |
| 6. | Banks/Financial Institutions/Insurance Companies | 344703 | 4.87 |
| 7. | Private Bodies Corporate | 128511 | 1.81 |
| 8. | Indian Public | 1491775 | 21.07 |
| | Total | 7080534 | 100 |

Excluding 7409 partly paid up equity shares.

b. Distribution of shareholding as on 31st March, 2013

| No. of shares | No. of Shareholders | %age to Total (Holders) | No. of shares | % age to total (Shares) |
|------------------|---------------------|-------------------------|----------------|-------------------------|
| 1-500 | 6684 | 94.57 | 700277 | 9.88 |
| 501-1000 | 203 | 2.81 | 153119 | 2.16 |
| 1001-2000 | 84 | 1.17 | 124554 | 1.76 |
| 2001-3000 | 34 | 0.47 | 84395 | 1.19 |
| 3001-4000 | 17 | 0.24 | 59464 | 0.84 |
| 4001-5000 | 9 | 0.13 | 39567 | 0.56 |
| 5001-10000 | 9 | 0.13 | 66964 | 0.95 |
| 10001 to 50000 | 17 | 0.24 | 354416 | 5.01 |
| 50001 to 100000 | 8 | 0.11 | 554884 | 7.84 |
| 100000 and above | 9 | 0.13 | 4942894 | 69.81 |
| Total | 7074 | 100 | 7080534 | 100 |

Excluding 7409 partly paid up equity shares.

Share Price Performance:

The monthly high and low quotations of equity shares of Samtel India Ltd. traded on Bombay Stock Exchange Limited (BSE) are tabled below:

| Month | At Bombay Stock Exchange | |
|-----------------|--------------------------|-----------|
| | High (Rs.) | Low (Rs.) |
| April, 2012 | 6.28 | 5.40 |
| May, 2012 | 6.00 | 5.50 |
| June, 2012 | 5.90 | 5.61 |
| July, 2012 | 5.90 | 5.61 |
| August, 2012 | 5.60 | 5.60 |
| September, 2012 | 5.96 | 5.35 |
| October, 2012 | 6.93 | 5.13 |
| November, 2012 | 6.59 | 4.89 |
| December, 2012 | 4.93 | 3.68 |
| January, 2013 | 3.87 | 3.26 |
| February, 2013 | 4.06 | 2.87 |
| March, 2013 | 2.86 | 2.49 |

(Sources: www.bseindia.com)

Dematerialisation of Shares:

The Company's shares have been covered under compulsory dematerialisation with effect from 29th January 2001 vide circular no. SMDRP/Policy/cir-23/2000 dated June 29, 2000 issued by Securities and Exchange Board of India (SEBI). Presently, the Company's shares are held by the Members both in electronic and physical mode.

As on 31st March 2013, 43,92,604 numbers (62.04%) of equity shares of Rs.10/- each are in dematerialised mode.

Share Transfer Systems:

The Share Transfer & Investors' Grievance Committee meeting of the Company is generally held twice in a month for approving share transfers and other related activities. The facility of transfer in electronic mode is also available.

Dividend:

The Company has not declared any dividend for the year 2012-13, due to inadequate profits.

Financial Reporting Calendar

- For the quarter ending June, 2012 : 2nd week of August, 2012
- For the quarter ending September 2012 : 2nd week of November, 2012
- For the quarter ending December, 2012 : 2nd week of February, 2013
- For the year ending March 31, 2013 : 2nd week of May, 2013

Annual General Meeting

The Annual General Meeting of the Company will be held on Monday, the 30th September, 2013 at 9.00 A.M. at Village Naya Nohra, Kota Baran Road, Tehsil- Ladpura, Dist. Kota, Rajasthan.

Book Closure

Register of members of the Company will remain closed from September 20, 2012 to September 28, 2012 (both days inclusive).

Listing and Stock Code/ISIN

| | |
|-------------------------------------|-------------------|
| Stock Exchange | Stock code |
| Bombay Stock Exchange Limited (BSE) | 500371 |
| ISIN | INE538C01017 |

The Annual Listing Fees for the year 2012-2013 have been paid to the above Stock Exchange

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 | Not Constituted as no remuneration is paid to any Director |
| 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 |

Investors' Correspondence:

Registrar & 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

Registered Office

Village Naya Nohra
Kota Baran Road, Tehsil- Ladpura
Distt- Kota, Rajasthan- 324001.

Corporate Office

501, 5th Floor,
Copia Corporate Suites,
District Centre, Jasola,
New Delhi - 110 025
Phone : 011 - 4242 4000
Fax : 011 – 4242 4099
website: www.samtelgroup.com

R.S. Chauhan & Associates
Company Secretaries
P-44, Ground Floor, Pandav Nagar,
Near Alcon Public School, Mayur Vihar Phase-1,
New Delhi 110091
Phone No(O):- 011-22758918, Mob No(P):- +91 9971988920

CERTIFICATE

To,
The Members,
SAMTEL INDIA LIMITED
Registered office: Village Naya Nohra,
Tehsil- Ladpura, Kota Baran Road
Distt.- Kota, Rajasthan-324001

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

For R.S.CHAUHAN & ASSOCIATES
Company Secretaries
Sd/-

(Rakesh Kr Singh Chauhan)
Proprietor
C.P.No.7491

Date: 30th May, 2013
Place: New Delhi

S S KOTHARI MEHTA & CO
CHARTERED ACCOUNTANTS

146-148 Tribhuvan Complex
Ishwar Nagar
Mathura Road
New Delhi-110065
Phones : +91-11-4670 8888
Fax : +91-11-6662 8889
E-mail : delhi@sskmin.com

**Independent Auditors' Report
To The Members of Samtel India Limited**

Report On the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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



Emphasis of Matter

- i) We draw the attention to Note 28 of the financial statements stating the reasons for preparation of financials on going concern basis. Our report is not qualified in this respect.
- ii) We also draw attention to Note 29 of the financial statements stating the reasons for making reference to Board of Industrial and Financial Reconstruction (BIFR) as per the provisions of Sick Industrial Companies Act, 1985. Our report is not qualified in this respect.

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. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For S. S. KOTHARI MEHTA & CO.

Chartered Accountants

Firm Registration No:-000756N

(K. K. Tulshan)

Partner

Membership No. 085033



Place: New Delhi

Date: 30 May 2013

Re: Samtel India Limited

Referred to in paragraph 1 of report on other legal and regulatory requirement's paragraph of our report on the financial statement of even date,

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us and according to the information and explanation provided to us all the fixed assets have been physically verified by the management with a program of yearly verification. In our opinion, the frequency of such physical verification is reasonable having regard to the size of the Company and the nature of fixed assets. We have been explained that no material discrepancies were noticed on such verification as compared to books records.

(c) The Company has not disposed-off any of its fixed assets during the year.
- ii. During the year, the Company has not carried any business for the goods and therefore no inventories were held by the Company at any point of time. Accordingly paragraph 4(ii) (a), (b) and (c) of the Order are not applicable.
- iii. (a) The Company has not granted any loan, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies act, 1956. Accordingly, clauses 4(iii) (b) to (d) of the order are not applicable.

(b) The Company has taken unsecured loans from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved and the year-end balance from them are Rs. 170 lacs and Rs. 100 lacs respectively, excluding the interest thereon.

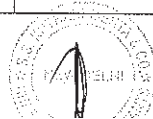
(c) In our opinion the rate of interest and other terms & conditions on which these loans have been taken are not prime facie prejudicial to the interest of the Company.

(d) The Company is regular in payment of interest and there is no overdue amount in respect of these loans
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. Further, on the basis of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of a continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that all the particulars of contracts or arrangements that need to be entered in 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 contracts or arrangements entered into the register in pursuance to section 301 of the Companies Act, 1956 and exceeding the value of Rs.5 lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices
- vi. The Company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 including the Companies (Acceptance of Deposit) Rules, 1975
- vii. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business. However it needs to be strengthened further in terms of its periodicity.
- viii. Cost records as prescribed by the Central Government under the section 209(1)(d) of the Companies Act, 1956 has not been maintained during the year as there is no manufacturing activity.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is *irregular* in depositing undisputed statutory dues in respect of 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 *except Provident Fund by Rs. 14,78,406, Service tax (including cess) by Rs. 16,19,382 and Employee State Insurance Scheme by Rs. 5,50,590 which are outstanding at the year-end for a period of more than six months from the date they became payable.*
- (b) According to the information and explanations given to us and the records of the Company examined by us, the following are the particulars of disputed dues on account of sales tax, excise duty and income tax as at 31 March, 2013 that have not been deposited by the Company:

| Name of the Statute | Nature of Dues | Amount involved* (Rs in thousand) | Amount paid under protest (Rs in thousand) | Period to which amount relates | Forum where dispute is pending |
|---------------------|----------------|-----------------------------------|--|---|--|
| Sales Tax Laws | Sales Tax | 29018 | 18119 | 1985-86, 1986-87, 1988-89, 1989-90, 1990-91, 1991-92, 1992-93, 1993-94, 1994-95 & 1995-96 | Additional Commissioner, Sales Tax Appeal has remand back the file to relevant assessing officer. |
| | | 312 | 105 | 1999-00, 2000-01 | Deputy Commissioner (Appeals), Jaipur |



S S KOTHARI MEHTA & CO

| | | | | | |
|---------------------|-------------|----------|------|-----------|-------------------------------------|
| Central Excise Laws | Excise Duty | 2059 | 500 | 1989-90 | Rajasthan High Court, Jaipur |
| | | 884 | 880 | 1997-98 | CESTAT, Delhi |
| | | 2404 | 2401 | 1998-99 | Commissioner (Appeals), Jaipur |
| Income Tax Laws | Income Tax | 555 | 555 | 1992-93 | Asst. Commissioner of Income Tax |
| | | 669.03 | - | 2005-06 | Commissioner of Income Tax (Appeal) |
| | | 16749.40 | - | 2007-08 | Commissioner of Income Tax (Appeal) |
| | | 10253.24 | 0.68 | 2009-2010 | Commissioner of Income Tax (Appeal) |

* Amount as per demand order, including interest and penalty wherever quantified in the order.

- x. *The accumulated losses of the Company as at 31 March, 2013 are more than fifty percent of its net worth as that date. The Company has incurred cash losses in the current financial year and in the immediately preceding financial year.*
- xi. According to the records of the Company examined by us and on the basis of the information and explanation given to us, the Company has not taken any loan from bank or financial institutions and has not issued debentures during the year.
- xii. In our opinion and according to the information & explanation given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Hence, the provisions of clause 4(xiii) of the order are not applicable to the company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable to the company.
- xv. According to the information and explanations given to us, the Company has given security in the form of pledge upto 59 lacs fully paid up equity shares of Rs. 10 each of Samtel Color Ltd (SCL) held by the Company in favour of a bank, acting as trustee for itself and as agent for other lenders of SCL as per the Corporate Debt Restructuring (CDR) Scheme of SCL as approved by CDR Cell of Reserve Bank of India. In our opinion and according to the information and explanations given to us, the terms and conditions of such security, approved by the shareholders, are not, prima facie, prejudicial to the interest of the Company.
- xvi. On the basis of records made available and according to information and explanations given to us the Company has not raised any term loan during the year.



S S KOTHARI MEHTA & CO

- xvii. *According to the information and explanations given to us and on the basis of an overall examination of the balance sheet of the Company, the short term funds of Rs.2,31,60,110 have been used for the long term investment.*
- xviii. According to the information and explanation given to us the Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. According to the information and explanation given to us during the year the Company has not issued any debentures. Therefore the provisions of clause 4(xix) of the order are not applicable to the company.
- xx. During the year the Company has not raised any money through public issue, therefore the provisions of clause 4(xx) of the order are not applicable to the company.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view and on the basis of the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit 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: 30 May 2013

| SATEL INDIA LIMITED | | | |
|--------------------------------------|---------|---------------------------------------|---------------------------------------|
| Balance Sheet as at 31st March, 2013 | | | |
| (Figures in Rs) | | | |
| Particulars | Note No | As at 31 st March, 2013 | As at 31 st March, 2012 |
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 3 | 70,842,385 | 70,842,385 |
| (b) Reserves and Surplus | 4 | (65,191,044) | (42,524,791) |
| (2) Current Liabilities | | | |
| (a) Short-term borrowings | 5 | 11,073,263 | 17,473,801 |
| (b) Trade payables | 6 | 3,785,344 | 3,785,344 |
| (c) Other current liabilities | 7 | 56,696,039 | 55,188,452 |
| Total | | 77,205,987 | 104,765,191 |
| II. Assets | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 8 | 150,129 | 152,843 |
| (ii) Capital work-in-progress | 8 | 400,000 | 400,000 |
| (b) Non-current investments | 9 | 27,397,060 | 49,415,200 |
| (c) Long term loans and advances | 10 | 864,262 | 26,234,234 |
| (2) Current assets | | | |
| (a) Trade receivables | 11 | 811,811 | 6,913,233 |
| (b) Cash and cash equivalents | 12 | 2,545,615 | 2,103,577 |
| (c) Short-term loans and advances | 13 | 45,037,110 | 19,546,104 |
| (d) Other current assets | 14 | - | - |
| Total | | 77,205,987 | 104,765,191 |

Overview & Significant Accounting Policies

1 & 2

See accompanying notes to the financial statements

In terms of our report of even date

For S.S.KOTHARI MEHTA & CO.

Chartered Accountants

Firm Registration No. : 000756N

K. K. TULSHAN

Partner

Membership No. 085033



For & on behalf of the Board

Satish K Kaura

SATISH K KAURA

Chairman and Managing Director

Ajit Singh

AJIT SINGH

Director

Place : New Delhi

Dated: 30th May, 2013

| SAMTEL INDIA LIMITED | | | |
|--|---------|---|---|
| Statement of Profit and Loss for the Year ended 31st March, 2013 | | | |
| | | | (Figures in Rs.) |
| Particulars | Note No | For the year ended 31 st March, 2013 | For the year ended 31 st March, 2012 |
| Revenue from operations | 15 | 4,468,487 | 10,631,836 |
| Other Income | 16 | 3,437,392 | 765,182 |
| Total Revenue | | 7,905,879 | 11,397,018 |
| Expenses: | | | |
| Employee benefit expense | 17 | 4,224,133 | 10,110,445 |
| Financial costs | 18 | 3,023,390 | 2,525,994 |
| Depreciation and amortization expense | 8 | 2,714 | 24,143 |
| Other expenses | 19 | 1,303,755 | 1,690,607 |
| Total Expenses | | 8,553,992 | 14,351,189 |
| Profit before exceptional and extraordinary items and tax | | (648,113) | (2,954,171) |
| Exceptional Items | 24 | 22,018,140 | 53,454,800 |
| Profit before tax | | (22,666,253) | (56,408,971) |
| Tax expense: | | - | - |
| Profit/(Loss) for the year | | (22,666,253) | (56,408,971) |
| Earning per equity share: | 25 | | |
| (1) Basic | | (3.20) | (7.97) |
| (2) Diluted | | (3.20) | (7.97) |

Overview & Significant Accounting Policies

1 & 2

See accompanying notes to the financial statements

In terms of our report of even date

For S.S.KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No. : 00756N


K. K. TOLSHAN
Partner
Membership No. 085033



For & on behalf of the Board


SATISH K KAURA
Chairman and Managing Director


AJIT SINGH
Director

Place : New Delhi
Dated:30th May, 2013

| SAMTEL INDIA LIMITED | | | |
|---|--|--|--|
| Cash flow statement for the Period ended 31st March, 2013 | | | |
| | | (Figures in Rs.) | |
| Particulars | | For the year ended 31 st March, 2013 | For the year ended 31 st March, 2012 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net profit/ (loss) before tax | | (22,666,253) | (56,408,971) |
| <u>Adjustments for:</u> | | | |
| Depreciation | | 2,714 | 24,143 |
| Interest expense | | 3,023,390 | 2,525,994 |
| Provision for diminution of Investment | | 22,018,140 | 53,454,800 |
| Bad debts and advances written off | | - | - |
| Debit balance written off | | - | 500,000 |
| Provisions and liabilities no longer required, written back | | - | (589,547) |
| Interest income | | (137,392) | (132,694) |
| Operating profit before working capital changes | | 2,240,599 | (626,275) |
| <u>Adjustments for:</u> | | | |
| Trade and other payables | | 1,507,587 | 6,797,501 |
| Trade and other receivables | | 6,101,422 | (7,413,233) |
| Inventories | | - | - |
| Other current assets | | (121,034) | 188,627 |
| Net cash from / (used in) operating activities | | 9,728,574 | (1,053,380) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest received | | 137,392 | 132,694 |
| Net cash from / (used in) investing activities | | 137,392 | 132,694 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Unsecured Loan | | (6,400,538) | 2,621,869 |
| Interest paid | | (3,023,390) | (2,525,994) |
| Net cash (used in) / from financing activities | | (9,423,528) | 95,675 |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | | 442,038 | (825,011) |
| Cash and cash equivalents (opening balance) | | 2,103,577 | 2,928,587 |
| Cash and cash equivalents (closing balance) | | 2,545,615 | 2,103,577 |

Overview & Significant Accounting Policies

1 & 2

See accompanying notes to the financial statements

In terms of our report of even date

For Sd/- KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No. : 00756N

K. K. TULSHIAN
Partner
Membership No. 085033



For & on behalf of the Board

Satish K Kaura
SATISH K KAURA

Chairman and Managing Director

Ajit Swain
AJIT SWAIN

Director

Place : New Delhi
Dated: 30th May, 2013

SAMTEL INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(Figures in `)

3 SHARE CAPITAL

| | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| Authorized | | |
| 100,00,000 (Previous year 1,00,00,000) Equity Shares of ` 10 each | 100,000,000 | 100,000,000 |
| Issued | | |
| 70,87,943 (Previous year 70,87,943) Equity Shares of ` 10 each fully called up | 70,879,430 | 70,879,430 |
| Subscribed and Fully paid up | | |
| 70,80,534 (previous year 70,80,534) Equity shares of ` 10 each fully paid up | 70,805,340 | 70,805,340 |
| Subscribed and not fully paid up | | |
| 7,409 (previous year 7,409) Equity Shares of ` 10 each, ` 5 paid up (see note (d) below) | 37,045 | 37,045 |
| Total Share Capital | 70,842,385 | 70,842,385 |

(a) Reconciliation of the number of shares:

| | No of Shares | No of Shares |
|---|------------------|------------------|
| Fully paid up Equity Shares | | |
| Equity Shares outstanding as at the beginning of the year | 7,080,534 | 7,080,534 |
| Add: Bonus Issue | - | - |
| Equity Shares outstanding as at the close of the year | 7,080,534 | 7,080,534 |
| Partly paid up Equity Shares | | |
| Equity Shares outstanding as at the beginning of the year | 7,409 | 7,409 |
| Add: Adjustment during the year | - | - |
| Equity Shares outstanding as at the close of the year | 7,409 | 7,409 |

(b) Rights, preferences and restrictions attached to shares:

The Company has only one class of equity shares having a par value of ` 10 per share. Each Shareholder is eligible for one vote per share held. The company declares dividends in Indian rupees. In case 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.

(c) Details of shareholders holding more than 5% shares:

| Particulars | Current year | | Previous year | |
|------------------------------|---------------|-----------|---------------|-----------|
| | No. of Shares | % holding | No. of Shares | % holding |
| Samtel Color Limited | 1336812 | 18.86 | 1336812 | 18.86 |
| Teletube Electronics Limited | 1433344 | 20.22 | 1433344 | 20.22 |
| Keswani Haresh | 498698 | 7.04 | 498698 | 7.04 |

(d) Calls in arrears

| | | |
|--|-------|-------|
| On 7409 (previous year 7409) equity shares of Rs. 10 each Rs. 5 paid up. | 37045 | 37045 |
|--|-------|-------|

4. RESERVES AND SURPLUS

| | | |
|--|----------------------|----------------------|
| a) Capital Reserve | | |
| As per last account | 1,500,000 | 1,500,000 |
| Add: During the year | - | - |
| Less: Transferred during the year | - | - |
| | 1,500,000 | 1,500,000 |
| b) Securities Premium | | |
| As per last account | 74,116,337 | 74,116,337 |
| Less: Arrears/ Adjustments (Refer note no. 31) | (72,559) | (72,559) |
| Add: During the year | - | - |
| Less: Transferred during the year | - | - |
| | 74,043,778 | 74,043,778 |
| d) Surplus in Profit and Loss Account | | |
| As per last account | (118,068,569) | (61,659,598) |
| Add: During the year | (22,688,253) | (58,408,971) |
| | (140,756,822) | (118,068,569) |
| Total Reserves & Surplus | (65,191,044) | (42,524,791) |



✓ *[Signature]*

SAMTEL INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(Figures in `)

| | As at 31st March, 2013 | As at 31st March, 2012 |
|---|---------------------------|---------------------------|
| 5 SHORT-TERM BORROWINGS | | |
| Unsecured Short term Borrowings | | |
| Loans and advances from Related parties | 10,000,000 | 17,000,000 |
| Other loans & advances | 1,073,263 | 473,801 |
| Total Short Term Borrowings | 11,073,263 | 17,473,801 |

Terms & Conditions, Repayment Schedule and Interest rate on loan

The loan of Rs. 1,00,00,000 is from Samtel Color Limited at interest rate of 14% p.a. It is repayable on 27th February, 2014. Loan of Rs. 10,28,263 and Rs. 45,000 are interest free loans from Funsawat Consultants Pvt. Ltd. and Swaka Consultants Pvt. Ltd. These loans are repayable on demand.

Defaults in Repayment of Principal and interest thereon

| Particulars | 2012-13 | 2011-12 |
|--|-----------|-----------|
| Defaults in payment of interest (included in note no. 7 below) | 7,283,161 | 5,141,162 |

| | | |
|---|-------------------|-------------------|
| 6 TRADE PAYABLES | | |
| Due to MSME Parties (Refer note no. 23) | | |
| Other than MSME Parties | 3,785,344 | 3,785,344 |
| Total Trade Payables | 3,785,344 | 3,785,344 |
| 7 OTHER CURRENT LIABILITIES | | |
| Interest Accrued & due | 7,283,161 | 5,141,162 |
| Other Payables | | |
| Statutory Dues | 31,880,788 | 33,195,251 |
| Security Deposits and Advances | | |
| Payable to employees | 5,367,083 | 5,426,701 |
| Others | 12,155,007 | 11,425,338 |
| | 56,686,039 | 55,188,452 |
| Total Other Current Liabilities | 63,979,200 | 60,329,614 |

(Figures in Rs.)

| | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| 10 LONG TERM LOANS & ADVANCES (UNSECURED CONSIDERED GOOD) | | |
| a) Security Deposits | 180,000 | 180,000 |
| b) Loans & Advances to Related Parties | 318,630 | 25,775,020 |
| c) Other Loans & Advances | | |
| Advance income tax | 370,632 | 279,214 |
| Total Long Term Loans & Advances | 864,262 | 26,234,234 |
| 11 TRADE RECEIVABLES | | |
| Exceeding Six Months | | |
| Others | | |
| Unsecured Considered Good | 811,811 | 8,913,233 |
| Total Trade Receivables | 811,811 | 8,913,233 |
| 12 CASH & BANK BALANCES | | |
| a) Cash & Cash Equivalents | | |
| Cash on hands | 165 | 5,391 |
| Bank balances in current account * | 503,903 | 180,261 |
| others | 22,637 | 22,637 |
| b) Other Bank Balances | | |
| Fixed Deposit* Margin money accounts** | 2,018,710 | 1,895,058 |
| Total Cash & cash Equivalents | 2,545,815 | 2,103,577 |

* Current account balances with PNB and ICICI bank(s) has been seized by Income Tax Authority against demand.

** Provided as security against bank guarantee

| | | |
|---|-------------------|-------------------|
| 13 SHORT TERM LOANS & ADVANCES (UNSECURED & CONSIDERED GOOD) | | |
| Loans and Advances to Others | 26,142,071 | 719,353 |
| Balances with government department & others | 18,895,039 | 18,826,751 |
| Total Short Term Loans & Advances | 45,037,110 | 19,546,104 |
| 14 OTHER CURRENT ASSETS | | |
| Excise Duty Claim Recoverable | 4,856,967 | 4,856,967 |
| Considered Doubtful | (4,856,967) | (4,856,967) |
| Less: Provision for bad and doubtful debts | | |
| Total Other Current Assets | 0 | 0 |



✓ *Devi Seena*

SAMTEL INDIA LIMITED

Note No 8

(Figures in `)

FIXED ASSETS

| Particulars | Gross Carrying Value | | | Depreciation | | | Net Carrying Value | | |
|---------------------------------|------------------------------|-----------|----------------|-------------------------------|------------------------------|-----------------------------|--------------------|-------------------------------|-------------------------------|
| | Balance as at 1st April 2012 | Additions | Disposals/A dj | Balance as at 31st March 2013 | Balance as at 1st April 2012 | Depreciation for the period | Other Adjustments | Balance as at 31st March 2013 | Balance as at 31st March 2012 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Plant and Machinery | 154,689 | - | - | 154,689 | 146,955 | (0) | - | 146,955 | 7,734 |
| Furniture and Fixtures | 42,895 | - | - | 42,895 | 16,354 | 2,715 | - | 19,069 | 26,541 |
| Vehicles | 2,371,348 | - | - | 2,371,348 | 2,252,781 | - | - | 2,252,781 | 118,567 |
| Total | 2,568,932 | - | - | 2,568,932 | 2,416,090 | 2,715 | - | 2,418,804 | 152,842 |
| Previous year | 2,568,932 | - | - | 2,568,932 | 2,364,157 | 27,790 | - | 2,391,947 | 176,985 |
| Capital work in progress | | | | | | | | 400,000 | 400,000 |

No depreciation is provided where net carrying value of an asset is equal to or less than 5% of the gross carrying value.



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SAMTEL INDIA LIMITED

Note No 9

(Figures in Rs.)

| | | As at 31st March, 2013 | As at 31st March, 2012 |
|--|--|---------------------------|---------------------------|
| INVESTMENTS - LONG TERM, NON-TRADE | | | |
| (A) | QUOTED EQUITY SHARES | | |
| i) | Samtel Color Limited*# | 47,370,000 | 47,370,000 |
| | 59,22,000 (previous year 59,22,000) Equity Shares of Rs. 10/- each fully paid up | | |
| | Less Provision for Diminution | (37,124,940) | (26,050,800) |
| | Sub Total (A) | 10,245,060 | 21,319,200 |
| INVESTMENTS - LONG TERM, NON-TRADE | | | |
| (B) | UNQUOTED EQUITY SHARES | | |
| i) | Samtel Glass Limited (formerly Samcor Glass Limited)*# | 55,600,000 | 55,500,000 |
| | 32,00,000 (Previous Year 32,00,000) Equity Shares of Rs. 10/- each fully paid up | | |
| | Less : Provision for Diminution | (38,348,000) | (27,404,000) |
| | Sub Total (B) | 17,152,000 | 28,096,000 |
| (C) | UNQUOTED INVESTMENT IN SHARES OF ASSOCIATE COMPANIES | | |
| i) | Akla Investments Private Limited, (Mauritus)** | 13,307,500 | 13,307,500 |
| | 2,50,000 (Previous Year 2,50,000) Equity Shares of Euro 1 each fully paid up | | |
| | Less : Provision for diminution | (13,307,500) | (13,307,500) |
| | Sub Total (C) | - | - |
| Total Investments - Long Term and Current - (A+B+C) | | 27,397,060 | 49,415,200 |
| | Aggregate book value of quoted investments | 47,370,000 | 47,370,000 |
| | Market value of quoted investments | 10,245,060 | 21,319,200 |
| | Aggregate book value of unquoted investments | 68,807,500 | 68,807,500 |
| | Aggregate Provision for diminution in value of quoted and unquoted investment | 88,780,440 | 66,762,300 |

* The Company has given undertaking to certain financial institutions not to dispose off these investments without their prior consent till the loans sanctioned by them to the investee companies remain outstanding. Also refer note no. 31.

Companies under the same management.

** During the previous year, the Company has given undertaking to a bank not to dispose, transfer, pledge charge or create a lien on the existing or future shares of Akla Investments private Limited (Mauritus), till the financial assistance granted by the bank in the form of bank guarantee in favour of an associate company remains due and outstanding.



✓ *[Handwritten Signature]*

SAMTEL INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

| | (Figures in Rs.) | |
|--|--|--|
| | For the year ended 31 st March, 2012 | For the year ended 31 st March, 2011 |
| 15 REVENUE FROM OPERATIONS | | |
| Sale of Services | | |
| Revenue from Manpower Supply | 4,468,487 | 10,631,836 |
| Total Revenue from operations | 4,468,487 | 10,631,836 |
| 16 OTHER INCOME | | |
| Interest Income | 137,392 | 132,694 |
| Other Non Operating Income | 3,300,000 | 42,941 |
| Excess Provision of Liabilities Written Back | - | 89,547 |
| Unclaimed Balances Written Back | - | 500,000 |
| Total Other Income | 3,437,392 | 765,182 |
| 17 EMPLOYEE BENEFIT EXPENSES | | |
| Salary and Wages | 3,566,982 | 8,657,179 |
| Contribution to Provident and Other Funds | 597,037 | 1,396,360 |
| Workmen & Staff Welfare Expenses | 60,114 | 56,906 |
| Total Employee Benefit Expenses | 4,224,133 | 10,110,445 |
| 18 FINANCE COST | | |
| Interest Expense | | |
| Interest on Loans | 3,019,469 | 2,524,556 |
| Interest on Taxes | 3,921 | 1,438 |
| Total Finance Cost | 3,023,390 | 2,525,994 |
| 19 OTHER EXPENSES | | |
| Rent | 19,800 | 26,400 |
| Fees & Taxes | 21,334 | 11,388 |
| Auditor Remuneration | | |
| -Audit Fees | 193,000 | 193,000 |
| -Other Services | 66,180 | 64,820 |
| -Reimbursement of Expenses | - | 1,456 |
| Miscellaneous Expenses | 152,569 | 244,906 |
| Directors sitting fees | 6,000 | 16,000 |
| Advertisement | 49,653 | 197,880 |
| Legal & Professional Expenses | 795,219 | 434,757 |
| Gratuity fund value written off | - | 500,000 |
| Total Other Expenses | 1,303,755 | 1,690,607 |



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

1. OVERVIEW

Samtel India Limited which commenced operations in the year 1983, manufacture picture tubes for black & white televisions, trades color television tubes and supplies skilled and unskilled manpower. It is listed on the National Stock Exchange of India and Bombay Stock Exchange of India. The corporate office is situated in New Delhi.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, on a going concern basis and in terms of the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 in compliance with Section 211(3C) of the Companies Act, 1956. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of incomes. Accounting policies not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles in India.

The Company has prepared its financial statements in accordance with Schedule VI as inserted by 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). The Schedule does not impact recognition and measurement principle followed for the preparation of financial statements. However it has necessitated significant changes in the presentation of and disclosures in financial statements. The Company has reclassified its previous year figures to conform to the classification as per the aforesaid Schedule.

ii) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities and commitments at the end of the financial statements and results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

iii) Fixed Assets and Depreciation

a) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Costs include costs of acquisitions or constructions, including incidental expenses thereto and other attributable costs of bringing the asset to its working condition for its intended use and are net of available duty/tax credits



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

b) Expenditure during construction period

Expenditure related to and incurred during implementation of new/expansion-cum-modernisation projects is included under capital work-in-progress and the same is allocated to the respective fixed assets on completion of its construction/erection.

c) Intangible Assets

Assets are recognized and disclosed as per Accounting Standard 26 "Intangible Assets"

d) Depreciation and Amortization

Depreciation on fixed assets is provided on straight-line method (SLM) at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

iv) Impairment of Assets

The carrying amount of assets is reviewed for impairment at each balance sheet date wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount.

v) Valuation of Inventories

Stores & spares are valued at cost or under net realizable value. Stock-in-trade is valued at the lower of cost and net realizable value. Cost is arrived at on the weighted average basis. Appropriate share of labour and other overheads are included in the case of work in progress and finished goods.

vi) Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing at the date of the transaction. Monetary items denominated in foreign currency are reported using the closing exchange rates on the date of the balance sheet.

In case of forward foreign exchange contracts, the premium or discount, arising at the inception of such contracts, is as income or expense over the life of the contract and the exchange differences on such contracts, i.e., difference between the exchange rate at the reporting/ settlement date and the exchange rate on the date of inception of contract/ the last reporting, is recognized as income /expense for the period.

vii) Investments



A handwritten signature in black ink, appearing to read "S.S. Kothari".

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

Long term investments are stated at cost unless there is a permanent diminution in the value thereof.

vii) **Revenue Recognition**

- a) Sales are inclusive of excise duty but net of returns, rebates, VAT and sales tax. Products returned/rejected are accounted for in the year of return/rejection.
- b) Export sales are accounted for on the basis of the date of bill of lading/airways bill.
- c) Export benefits available under the Export Import policy of the Government of India are accounted for in the year of export, to the extent measurable.
- a) Income from services is accounted for at the time of completion of service and billing thereof.

ix) **Employee Benefits**

Expenses & liabilities in respect of employee benefits are recorded in accordance with Accounting Standard (AS)-15 -'Employee Benefits'.

- i) The contributions to the provident fund for all employees and the contributions to the superannuation and gratuity funds for managerial staff are charged to revenue. Provision for gratuity (other than for managerial staff), determined on an arithmetical (or actuarial) basis at the end of the year is charged to the revenue.
- ii) Provision for leave entitlement, determined on an arithmetical (or actuarial) basis at the end of the year, is charged to revenue.

Warranty

Provision for warranty is made on the basis of average cost as per past experience.

x) **Taxes on Income**

Provision for current tax is made considering various allowances and benefits available to the Company under the provisions of the Income Tax Act, 1961.

In accordance with Accounting Standard (AS-22) 'Accounting for Taxes on Income', deferred taxes resulting from timing differences between book and tax profits are accounted for at the tax rate substantively enacted by the Balance Sheet date to the extent the timing differences are expected to be crystallized. Deferred tax assets are recognized and reviewed at each Balance Sheet date to the extent there is reasonable/virtual certainty of realizing such assets against future taxable income.



A handwritten signature in black ink, appearing to read 'M. D. S. J. S.', written over a horizontal line.

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

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

x) **Provisions, contingent liabilities, commitments and contingent assets**

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability and commitments, unless the probability of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities and commitments unless the probability of outflow of resources embodying economic benefits is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

xii) **Cash Flow Statements**

Cash flow statements are reported using the indirect method; where by a profit before tax is adjusted for the effects of the transactions of non-cash nature & any deferrals or accruals of past or future cash receipts or payments. The cash flows from the operating, investing & financing activities of the Company are segregated.

xiii) **Earnings per share**

The earnings considered in ascertaining the Company's earnings per share (EPS) comprise of the net profit after tax attributable to equity shareholders. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period adjusted for events of bonus issue post period end, bonus elements in right issue to existing shareholders, share split, and reverse share split (consolidation of shares). The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effect of potential dilutive equity shares unless impact is anti-dilutive.



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

20. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities not provided for in respect of:

(FIGURES IN `)

| | Description | Current Year | Previous Year |
|----|--|--------------|---------------|
| a) | Disputed Excise Duty and Other demands | 15,70,000 | 15,70,000 |
| b) | Income Tax demands where the cases are pending at various stages of appeal with the authorities | 2,76,71,668 | NIL |
| c) | Sales Tax Demand where the case are pending before assessing officer after remand from Joint commissioner Sales Tax. | 36,20,500 | 36,20,500 |

21. In the opinion of the Board, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities has been made and considered adequate.

22. taxation

The Company has carried forward losses/unabsorbed depreciation under the Income tax Act, 1981. However, in view of uncertainty of future taxable income of the Company, in accordance with Accounting Standard AS-22 "Accounting for Taxes on Income" notified in the Companies Accounting Standard Rule 2006, the net deferred tax assets have not been recognized in the accounts.

23. The Company has already started the process of identifying the Micro, Small and Medium Enterprises as defined under the "The Micro, Small and Medium Enterprises Development Act, 2006". However, based on the information available with the Company as of now, no enterprises have been identified, who are registered under the said Act.

24. The management has recognized a permanent diminution in the value of the investments in Samtel Colors Limited (SCL) and Samtel Glass Limited (SGL), thereby the investment value has been reduced by `3,71,24,940 (previous year ` 2,60,50,800)/- and `3,83,48,000 (previous year ` 2,74,04,000)/- respectively. In case of Samtel Color Limited, the above figures has been arrived as a difference between book value and market value of the shares of Company and in case SGL diminution has been derived as a difference between book value and average of the three years net worth of the Company (including the current year)



↓ *[Handwritten Signature]*

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

25. 'Earnings per share', in accordance with Accounting Standard (AS-20):

(FIGURES IN `)

| | Current Year | Previous Year |
|---|--------------|---------------|
| Profit attributable to ordinary shareholders | 2,26,66,253) | (5,64,08,971) |
| Number of Equity Shares (in nos.) | | |
| a) Issued and subscribed | 70,87,943 | 70,87,943 |
| b) Number of potential equity shares (under Employees' stock option scheme) | NIL | NIL |
| Total number of shares including potential equity shares | 70,87,943 | 70,87,943 |
| Basic earnings per Share (`) | (3.20) | (7.96) |
| Diluted earnings per Share (`) | (3.20) | (7.96) |

26. Disclosure as required by Accounting Standard (AS-17) 'Segment Reporting':

Based on the guiding principles given in Accounting Standard AS17 "Segment Reporting" Notified in the Companies (Accounting Standard) Rule 2006, the Company's only business segment during the year relates to "Supply of manpower" in India. As a result the additional disclosure requirements of AS-17 are not required.

27. Disclosures as required by Accounting Standard (AS-18) 'Related Party Disclosures':

A. List of Related Parties and Relationships

| Sl. No. | Nature of Relationship | Name of Related party |
|---------|---|---|
| a | Related parties where control exists | None |
| b | Other related parties in respect of which the Company had transaction | |
| | (i) Associates | a) Teletube Electronics Limited b) Akla Investment Private Limited |
| | (ii) Enterprises over which key management personnel and/ or his relatives exercise significant influence | a. Samtel Color Limited b. Samtel Display Systems Limited c. Samtel Glass Limited |



[Handwritten Signature]

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

B. Transactions with Related Parties

(FIGURES IN `)

| Particulars | Associates | | Enterprises over which key management personnel or his relatives exercise significant influence | | Total | |
|---|--------------|---------------|---|---------------|---------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Supply of Manpower | | | | | | |
| Samtel Color Limited | | | 32,15,172 | 1,03,93,219 | 32,15,172 | 1,03,93,219 |
| Samtel Display Systems Ltd | | | 90,333 | 2,38,616 | 90,333 | 2,38,616 |
| Samtel Machines & Projects | 16,17,227 | Nil | | | 16,17,227 | Nil |
| Balances as at year end | | | | | | |
| (i) Receivables | | | | | | |
| -Teletube Electronics limited | | Nil | | | | Nil |
| - Samtel Color Limited | | | 7,98,157 | 68,68,012 | 7,98,157 | 68,68,012 |
| - Samtel Display Systems Limited | | | 3,13,630 | 2,58,20,241 | 3,13,630 | 2,58,20,241 |
| (ii) Payable | | | | | | |
| - Samtel Color Limited | | | 1,58,23,156 | 1,36,81,157 | 1,58,23,156 | 1,36,81,157 |
| - Samtel Glass Limited | | | 37,85,344 | 37,85,344 | 37,85,344 | 37,85,344 |
| - Teletube Electronics limited | 97176 | 12,509 | | | 97176 | 12,509 |
| (iii) Inter corporate deposit (payable) | | | | | | |
| Samtel Color Limited | | | (1,00,00,000) | (1,70,00,000) | (1,00,00,000) | (1,70,00,000) |
| (iv) Investments | | | | | | |
| - Akla Investment Private Limited @ # | 1,33,07,500 | 1,33,07,500 | | | 1,33,07,500 | 1,33,07,500 |
| - Samtel Color Limited # | | | 4,73,70,000 | 4,73,70,000 | 4,73,70,000 | 4,73,70,000 |
| - Samtel Glass Limited # | | | 5,55,00,000 | 5,55,00,000 | 5,55,00,000 | 5,55,00,000 |
| (v) Security in the form of pledge given related to Samtel Color Limited* | | | | | | |



L *[Signature]*

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

The Company has given undertakings to certain financial institutions not to dispose off its investments without their prior consent till the loans sanctioned by them to the investee companies remain outstanding fully provided. (Refer Note No. 9).

28. After the cessation of plant (Black and White pictures for Black and white TV Sets), Samtel India Limited had aimed to commence its operation in trading of color picture tubes, however such proposal could not be established/executed, due to low market demand. The management of Samtel India Limited has a strong believe in entering into new segment therefore it entered into the business for supplying manpower to manufacturing unit, (especially to picture tube manufacturing units). Since the demand of Cathode Ray Tube has sharply declined, the business of manpower supply has been adversely affected. The Company is further exploring other business opportunities including manufacturing and for that the company intend to by acquire suitable property, accordingly the company has entered into an agreement with M/S Amberley Estates Pvt. Ltd. having its registered office at A-81, East of Kailash, New Delhi 110065, to assist the company in identifying/ facilitating buying of suitable commercial industrial plots/space. The company will take requisite steps as and when required for obtaining necessary statutory / legal approvals. In the light of above mentioned proposal, the management has prepared and maintained its books of accounts on the concept of "going concern".
29. The accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth. The Management will file necessary application for reference to the Board of Industrial & Financial Reconstruction (BIFR) within the prescribed time period as per the provisions of The Sick Industrial Companies (Special Provisions), Act, 1985.
30. During the previous year ended on 31st March 2011, the Company has made reconciliation of Provident Fund Trust with the Company's books. On reconciliation, it was found that the value of the assets was less than the obligation of provident fund by ₹ 44,87,356/- This is basically the interest liability of the balance outstanding of provident fund as at 31st March 2011. The balance outstanding as at 31.3.2013 is ₹ 17,82,871.
31. In earlier years, the Company has given security in the form of pledge upto 59 lacs fully paid up equity shares of Rs.10 each of Samtel Color Limited (SCL) held by the Company in favor of the bank acting as trustee for itself and as agent for other lenders of SCL as per the Corporate Debt Restructuring (CDR) Scheme of SCL as approved by CDR Cell of RBI, as it has major investment in SCL and in view of the management it would add long term value to the Company.
32. Unpaid portion in share premium, calls in arrears on equity share issued in earlier years was ascertained on reconciliation during the previous year, ended as at 31st March 2012.
33. 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).
34. Previous year figures have been regrouped / rearranged wherever necessary to conform to this year's classification.



✓ *[Handwritten Signature]*

SAMTEL INDIA LIMITED

Registered Office: Village Naya Nohra, Kota Baran Road, Tehsil- Ladpura, Distt- Kota, Rajasthan-324001
Corporate Office: 501, 5th Floor, District Centre, Jasola, New Delhi 110025.

PROXY FORM

I/We (Name(s)).....of
(Address).....

being a Member / Members of SAMTEL INDIA 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 31st Annual General Meeting of Samtel India Limited to be held on Monday, the 30th September 2013 at 4.00 P.M. at Village Naya Nohra, Kota Baran Road, Tehsil- Ladpura, Distt- Kota, Rajasthan-324001.

Signed this.....day of....., 2013

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 INDIA LIMITED

Registered Office: Village Naya Nohra, Kota Baran Road, Tehsil- Ladpura, Distt- Kota, Rajasthan-324001
Corporate Office: 501, 5th Floor, District Centre, Jasola, New Delhi 110025

ATTENDANCE SLIP

I hereby record my presence at the at the 31st Annual General Meeting of Samtel India Limited to be held on Monday, the 30th September 2013 at 4.00 P.M. at Village Naya Nohra, Kota Baran Road, Tehsil- Ladpura, Distt- Kota, Rajasthan-324001.

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.

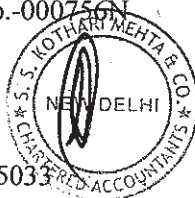
FORM A

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

| | | |
|---|--|---|
| 1 | Name of the Company: | SAMTEL INDIA LIMITED |
| 2 | Annual financial statements for the year ended | 31 st March 2013 |
| 3 | Type of Audit observation | <p>Un - qualified / Matter of Emphasis</p> <p>According to the information and explanations given and the records of the Company examined by them, in their opinion,</p> <p>(a) As per the Note no. 28 of the financial statements stating the reasons for preparation of financials on going concerns basis, and the auditors' report is not qualified in this respect.</p> <p>(b) As per the Note no. 29 of the financial statements stating the reasons for making reference to Board of Industrial and Financial Reconstruction (BIFR) as per the provisions of Sick Industrial Companies Act, 1985, and the auditors' report is not qualified in this respect.</p> |
| 4 | Frequency of observation | The above said matter of emphasis in point no. 3 appeared first time. |

For **SS Kothari Mehta & Associate**
Chartered Accountants
Firm Registration No.-0007561

K K Tulshan
Partner
Membership NO. 085033



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

Satish Kaura
(Satish K Kaura)
Chairman &
Mg. Director

Ajit Singh
(Ajit Singh)
Director
(Chairman
of the Audit
Committee)

BB Sarpal
(BB Sarpal)
C F O

For SAMTEL INDIA LTD

Authorized Signatory