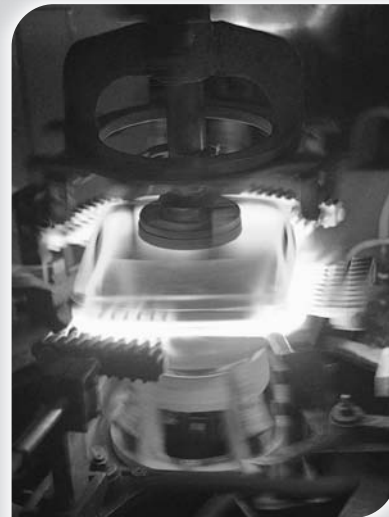




SAMTEL COLOR LIMITED

24th

ANNUAL REPORT
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BOOK - POST

if undelivered, please return to:

SAMTEL COLOR LIMITED

Registered Office: 6th Floor, 7 TDI Centre,
District Centre, Jasola, New Delhi 110025

Company Information

Board of Directors	: Mr. Satish K. Kaura (Chairman & Managing Director) Mr. Puneet Kaura Mr. S. P. Gugnani Mr. Arun Bharat Ram Mr. Subodh Bhargava Mr. V. Narayanan Mr. Yogesh Rastogi (ICICI Bank Nominee) Mr. Sharad Srivastva (LIC Nominee)
Company Secretary	: Mr. Prabhat Kumar Nanda
Statutory Auditors	: S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi
Bankers	: Punjab National Bank, Canara Bank, ICICI Bank Ltd. State Bank of India, Yes Bank Ltd.
Registered Office	: Samtel Color Limited. 6th Floor, 7 TDI Centre, Distt. Centre, Jasola, New Delhi - 110025 Ph.: 011-42424000, Fax : 011-42424099
Works :	
Color Picture Tubes Manufacturing Unit (I)	: Village Chhaproula, Bullandshehar Road, Distt. Ghaziabad (now in Distt. Goutam Budh Nagar) (U.P.) - 201 009
Color Picture Tubes Manufacturing Unit (II)	: Plot 2, Village Chhaproula, Bisrakh Road, Greater Noida Industrial Development Area, Distt. Goutam Budh Nagar - 201 009 (U.P.)
Color Picture Tubes Manufacturing Unit (III)	: Village Naya Nohra, Kota-Baran Road, Kota (Rajasthan)
Color Electron Gun Manufacturing Unit	: C-1/1, C-2, C-3 Sector XXII, Industrial Area, Meerut Road, Ghaziabad - 201 003 (U.P.)
Deflection Yoke Manufacturing Unit	: Plot No. 6, Sector-2, Industrial Area, Parwanoo, Distt. Solan (H.P.)
Subsidiary Companies	: (I) Paramont Capfin Lease P. Ltd. 6th Floor, 7 TDI Centre, Distt. Centre, Jasola, New Delhi - 110025 (II) Blue Bell Trade Links P. Ltd. 6th Floor, 7 TDI Centre, Distt. Centre, Jasola, New Delhi - 110025
Register & Share Transfer Agent	: MCS Limited F-65, 1st Floor, Okhla Industrial Area, Phase I, New Delhi - 110 020 Ph. : 011-41406149, Fax : 011-41709881

Chairman's Letter

Dear Shareholders,

I have great pleasure in interacting with you once again through this communique.

The year gone by has been quite significant for the Company in many aspects. The Company was successful in restructuring its debts, which to a great extent eased the liquidity and helped the Company to stage a recovery. I take this opportunity to express my sincere thanks and gratitude to all the lenders, who responded with speed to meet the situation and impart liquidity to the company to ramp up its operations. This provided the stimulus for better operating profits and the Company was able to recoup the accumulated losses and end the financial year 2009-10 with a balance of Rs. 190 lacs in the Profit & Loss Account.

It would not be out of place to commend the untiring efforts of all the employees in bringing back the Company to profits.

However, the business environment remains challenging with Flat Panel technologies continuing to dominate the global TV market, and the demand for CPT based televisions has shrunk to 60M a year. Domestically, while the demand for color TVs grew by 14% from 18M last year to 20.5M in 2009-10, the market for CPT based sets grew by 11% from 16.8M to 18.7M. The growth was mainly led by the TV distribution scheme of a state government.

Notwithstanding the market situation, your Company showed a growth of 22% during 2009-10, by producing 9.2M CPTs as compared to 7.5M in the corresponding twelve months. The capacity utilization grew to 90% and all the manufacturing lines contributed to the growth. Owing to higher volumes, better operating efficiencies and reduction in material costs, the operating profits (PBIDT) also showed a turnaround at Rs 107 Crores compared to a loss of Rs 12 Crores during the nine months period ended 31st March 2009. With the projected growth of 3-5% in the market for CPT based televisions during the coming years, we hope to continue moving up the slope.

Your company has also leveraged its R&D capabilities to develop ultra slim tubes, which were launched during the last financial year. We are continuously making conscious efforts to innovate new designs for tubes/alternative & cheap source of raw materials and to improve productivity, efficiencies to remain competitive in this market.

We value all the shareholders for their encouragement and faith in the Company, and hope for your unwavering cooperation & support in the years to come as well. Before I conclude, let me thank all of you for your support.

With Best Regards

SATISH K KAURA

Chairman & Managing Director

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of Samtel Color Limited will be held on Wednesday, the 4th day of August, 2010 at 11.30A.M. at Air Force Auditorium, Subroto Park, New Delhi – 110 010, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and the Profit & 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. Arun Bharat Ram who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. S P Gugnani who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the 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 BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, (“the Act”) (including any statutory amendments thereto or modifications or re-enactments thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Associations of the Company and the Regulations / Guidelines / Clarifications, if any, prescribed by the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), the Foreign Exchange Management Act, 1999 (“FEMA”) and the Listing Agreement entered into by the Company with the Stock Exchanges and all other applicable Laws and Regulations and subject to all other statutory and regulatory approvals, consents, permissions and/or sanctions of Government of India, as may be required from any and/or all Governmental or Regulatory Authorities/SEBI/RBI/Stock Exchanges and/or all other Institutions and bodies including banks and subject to such terms, conditions and modifications as may be prescribed by any of the approving authorities while granting any such approval, permission and/or sanctions, which the Board of Directors of the Company (hereinafter referred to as “Board”, which term shall be deemed to include any Committee of Directors constituted by the Board) be and is hereby authorised to accept, if it thinks fit in the interest of the Company the consent and approval of the Company be and is hereby accorded to the Board for issuance and allotment of not exceeding 13745704 warrants, each having an optional right of conversion into one equity share (hereinafter referred as “Warrant”) of face value of Rs. 10.00 each at a premium of Rs. 4.55 per share to M/s Teletube Electronics Ltd. and/or M/s CEA Consultants Pvt. Ltd., and/or M/s Lenient Consultants Pvt. Ltd. (Promoters / Promoters Group Companies) on a preferential allotment basis in one or more tranches, on such terms and conditions and in such manner as the Board may think fit, without offering the same to any persons / Shareholders / Members who at the date of offer are holders of equity shares of the Company”.

“RESOLVED FURTHER THAT -

1. The 13745704 Warrants of the Company shall be issued in the manner and at the conversion price computed in accordance with Chapter VII of SEBI (Issue of Capital & Disclosure Requirements) Regulations 2009, as amended from time to time.
2. The said Warrants be allotted & issued under the approved CDR Package (CDR -II) and in terms of the provisions of Chapter VII of SEBI (Issue of Capital & Disclosures Requirement) Regulations, 2009, and that the effective date i.e. 30th June, 2009 be the “Relevant Date’ on the basis of which the minimum price for issue of the Warrants has been calculated for the purpose of Chapter VII of the SEBI (Issue of Capital & Disclosures Requirement) Regulations, 2009.
3. Consent, authority and approval of the Company be and is hereby accorded to the Board, and the Board is authorised to, offer, issue and allot not exceeding 13745704 warrants, each having an optional right of conversion into one equity share (hereinafter referred as “Warrant”) of face value of Rs. 10.00 each at a

premium of Rs. 4.55 each to the said Promoters/Promoters Group companies.

4. The offer, issue and allotment of the aforesaid warrants shall be made at such time or times as the Board may in its absolute discretion decide, subject however to applicable Guidelines, Notifications, Rules and Regulations and the terms of the agreement.
5. The equity shares to be issued upon conversion of warrants by the Company as stated aforesaid shall rank pari-passu with all existing equity shares of the Company.
6. The Board be and is hereby authorised to decide and approve the other terms and conditions of the issue of the above mentioned warrants and also will be entitled to vary, modify or alter any of the terms and conditions, including size of the issue, as it may be deemed expedient.
7. The Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Director or any other officer or officers of the Company including the power to execute any documents on behalf of the Company and to represent the Company before any Government/Regulatory Authorities and to engage any professional advisors/consultants/advocates as may be required, in order to give effect to the aforesaid Resolutions.

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolutions, the Board be and is hereby authorised, on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable, , including but without limitations to enter into arrangements / agreement and also to settle all questions, difficulties or doubts that may arise in regard to such issue as the Board, in its absolute discretion deem fit and take all such steps which are incidental or ancillary in this connection”.

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311, 316 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force and such other approvals/sanctions as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Satish K Kaura as the Managing Director of the Company for a period of 3 (three) years with effect from 12th February, 2010 on the terms and conditions including as to remuneration, minimum remuneration in case of loss or inadequacy profit in any Financial Year as set out in the agreement entered into between the Company and Mr. Satish K Kaura, a copy whereof is placed before this meeting which agreement is hereby specifically sanctioned and forms part of this Resolution with liberty to the Board of Directors (hereinafter referred as “the Board”, which terms shall be deemed to include any committee, which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement subject to various provisions of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and/or modification(s) that may hereafter be made thereto by the Central Government in this regard from time to time, or any amendment thereto as may be agreed to between the Board and Mr. Satish K Kaura.”

“RESOLVED FURTHER that where in any financial year closing after 31st March 2010, the Company has no profits or its profits are inadequate, the Company do pay to Mr. Satish K Kaura, remuneration by way of salary, perquisites and allowances as set out in the Agreement and Explanatory Statement forming part of this Resolution as minimum remuneration subject to such sanctions/approvals as may be required in this regard.”.

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution and to settle any question or difficulty in connection therewith or incidental thereto.”

Registered Office:
6th Floor, 7 TDI Centre,
District Centre, Jasola,
New Delhi 110 025

Dated : April 24, 2010

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

Sd/-
Prabhat Kumar Nanda
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE 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 SCHEDULED COMMENCEMENT OF THE ANNUAL GENERAL 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 Saturdays, and holidays, between 11.00 A.M and 1.00 P.M. 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 Nos. 5 to 6 is annexed and forms part of this notice.
5. Register of Members and Share Transfer Books of the Company will remain closed from 26th, July, 2010 to 4th, August, 2010 (both days inclusive) for the purpose of Annual General Meeting.
6. Shareholders seeking any information with regard to Accounts are requested to write to the Company at least 10 days in advance before the date of Annual General Meeting so as to enable the Management to keep the information ready.
7. Pursuant to the provision of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March, 2003 (Declared as final dividend), and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March 2003 or any subsequent financial years are requested to make their claim to the Company. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.
8. Members holding shares in physical form are requested to immediately notify any change in their address, ECS mandate, bank particulars etc. quoting their Ledger Folio Number to the Company at its Registered Office or to the Share Transfer Agent i.e. M/s MCS Ltd., F-65, 1st Floor, Okhla Industrial Area, Phase I, New Delhi 110020.
9. Members holding shares in the demat form are requested to immediately notify any change in their address / ECS mandate / bank particulars etc. to their Depository participant.
10. Appointment/Re-appointment of Directors: -
 - (i) According to the Articles of Association of the Company, one third of the current Directors (excluding nominee Director) are liable to retire by rotation. At the ensuing Annual General Meeting, Mr. Arun Bharat Ram and Mr. S P Gugnani shall be retiring by rotation and being eligible offer themselves for reappointment. Their particulars in brief are as under:

Mr. Arun Bharatram, aged about 70 years, is an Industrialist and is the Chairman & Managing Director of SRF Limited. He is on the Board of the Company since 16th March, 1988.

He is, also holding Directorships in following companies.

SRF Overseas Ltd.	DCM Shriram Consolidated Ltd.	Bharti Airtel Ltd.
J K Paper Ltd.	Moser Baer India Ltd.	Samtel Glass Ltd.
SRF Holiday Home Ltd.	SRF Fluoro Chemicals Ltd.	SRF Energy Ltd.
Shri Educare Ltd.	SRF Industex Belting (Proprietary) Ltd.	SRF Tech Textile (Thailand) Ltd.

Details of Chairmanship/Membership of Committees are as follow:

Audit Committee	Shareholders' & Investors' Grievance Committee
Bharti Airtel Limited – Member	SRF Limited – Member
DCM Shriram Consolidated Ltd. - Member	J K Paper Limited – Member

Mr. S P Gugnani, aged about 81 years, possesses high degree of accounting and financial management expertise and is on the Board of the Company since 16th March 1988. He is also Director in Chemcaps Limited and Teletube Electronics Limited.

- (ii) **Mr. Satish K. Kaura**, is aged about 66 years, has done his Bachelor of Engineering from IIT Kanpur and Masters in Electronics from Carleton University from Canada. Mr. Kaura, a first generation enterpruner, is the Promoter of SAMTEL group of Companies. He has been conferred **Padam Shri** by the Govt. of India in 2005 for distinguished services in the field of Science and Technology. He has also been honoured as the Electronics Man of the Year Award in the past by ELCINA and CETMA. He has also been past president of Confederation of Indian Industries (CII) (NR).

Under the able guidance of Mr. Satish K. Kaura, Chairman & Managing Director, the Company, which made a modest beginning on 02.07.1986 has become the leader in the field of manufacturing of Color Picture Tubes for Televisions (CPT). The Company has already crossed the sales turnover of Rs.1,000 crores.

Mr. Satish K Kaura, has been associated with the Company since 15th May 1986. He is also Managing Director of M/s Samtel India Ltd. and M/s Samtel Glass Ltd. He is on the Board of the following public limited companies as well

M/s SRF Limited

M/s Samtel Display Ltd.

M/s Samtel HAL Display System Ltd.

11. As the shareholders are aware, the Company's equity shares are compulsorily traded and settled only in dematerialised form. MCS Ltd., New Delhi has been appointed as the Common Agency for the Transfer of Shares and Demat purposes.

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

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

ITEM NO. 5

The Corporate Debt Restructuring (CDR) Cell after due consideration of the proposal of the Company for second financial restructuring has sanctioned CDR Package II w.e.f 30th June 2009 vide their letter dated 1st September 2009. The respective Banks/Financial Institutions (existing CDR Lenders) have also sanctioned / implemented the CDR package. As per the letter dated 1st September 2009 issued by CDR cell , the promoters of the Company have to infuse Rs. 50.00 crores by way of equity share capital as their contribution as part of the restructuring Scheme out of which, Rs. 10.00 crores have to be brought in by December 2009 and next Rs. 20.00 crores by December 2010 and balance Rs. 20.00 crores by Financial Year 2011-2012.

As part of Promoters' contribution, M/s Teletube Electronics Ltd. (a Promoter Company) has already infused Rs. 10.00 crs. by subscribing to 6872852 warrants convertible into equity shares and the conditions of CDR Package II as on 31st December, 2009 have already been complied with. The Company has already submitted necessary applications to the Stock Exchanges seeking their consent/approval for issuance and allotment of aforesaid warrants convertible into Equity Shares of Rs. 10/- each at a premium of Rs. 4.55 per share in terms of the subsisting Guidelines/Rules of Securities Exchange Board of India (SEBI). Necessary consent/approval of the Members of the Company in this regard has already been obtained in the 23rd Annual General Meeting of the Company held on 31st October, 2009.

In order to comply with the terms & conditions of CDR Package II, M/s Teletube Electronics Ltd. and/or M/s CEA Consultants Pvt. Ltd. and/or M/s Lenient Consultants Pvt. Ltd. (Promoters and promoter group companies) have agreed to infuse the second trench aggregating to Rs. 20 crores by offering to subscribe 13745704 warrants optionally convertible into equity shares (hereinafter referred as "Warrant") of face value of Rs. 10.00 each at a premium of Rs. 4.55 each on Preferential basis. Issuance and allotment of the said warrants and subsequent conversion into equity shares will be made in terms of the relevant provisions of the Companies Act, 1956 and Chapter VII of SEBI (Issue of Capital and Disclosures Requirement) Regulations, 2009 and/or as per the Financial Restructuring Scheme sanctioned by the Bankers/Financial Institutions.

The induction of fund in the approved CDR Package by the Promoters through preferential allotment of warrants/equity shares is one of the most cost effective methods and beneficial to the Company as no merchant banker needs to be appointed and majority of share issue related expenses are not required to be incurred. Preferential allotment of equity shares shall be subscribed by M/s Teletube Electronics Ltd. and/or M/s CEA Consultants Pvt. Ltd. and/or M/s Lenient Consultants Pvt. Ltd. (Promoters/Promoter Group Companies) only in terms of the Corporate Debts Restructuring Package II sanctioned by CDR EG vide letter dated 1st September 2009 issued by the Corporate Debt Restructuring (CDR) Cell.

The salient features of the issues are as follows “

1. **13745704** warrants, each having the optional right of conversion into one equity shares (hereinafter referred as “**Warrant**”) of face value of Rs. 10.00 each at a premium of Rs. 4.55 per share will be issued and allotted to M/s Teletube Electronics Ltd. and/or M/s CEA Consultants Pvt. Ltd. and/or M/s Lenient Consultants Pvt. Ltd. (promoter company) pursuant to the aforesaid resolution. The issue price of Rs.14.55 (inclusive of a premium of Rs. 4.55 per share) per equity shares to be issued on conversion of aforesaid 13745704 warrants, is in accordance with the relevant regulation, rules, as specified in Chapter VII of SEBI (Issue of Capital and Disclosures Requirements), Regulations 2009, issued by SEBI and amended from time to time.
2. The equity shares shall be issued as fully paid up equity shares of Rs. 10/- each of the Company representing **14.88%** of the fully diluted share capital of the Company as per SEBI Guidelines.
3. The allotment price of warrants optionally convertible into equity share shall remain the same as issue price of equity shares has been calculated in accordance with relevant regulation, rules, prescribed in Chapter VII of (Issue of Capital and Disclosures Requirements) Regulation, 2009, issued by SEBI.
4. In terms of the relevant SEBI Guidelines, Rs. 5.00 crs., i.e. 25% of the issue price determined in accordance with relevant SEBI Guidelines, will become payable by the allottee(s) at the time of allotment of warrants and the allottee(s) will have the right to convert the allotted warrants into equity shares of Rs. 10 each at a premium of Rs. 4.55 per share by paying the balance 75% of the issue price i.e. Rs. 15.00 crs. at any time within a period of 18 months from the date of allotment. The warrants till the time of conversion into equity shares will carry no voting or dividend rights.
5. The Company has received letters from M/s Teletube Electronics Ltd./M/s CEA Consultants Pvt. Ltd./M/s Lenient Consultants Pvt. Ltd (Promoter/Promoter Group companies) conveying its/their intention to apply for the allotment of the aforesaid warrants having optional right of conversion into equity shares. The warrants to be issued and allotted will be subject to lock-in as per subsisting SEBI Guidelines, however, the same would be allowed to be transferred amongst the promoters/entity owned and controlled by the Promoter Group. In the event any of the warrants remaining un-subscribed by the aforesaid entities or subsequent holder(s) for any reason whatsoever, the initial subscription made by the proposed allottee(s) will be forfeited by the Company.
6. The warrants / equity shares so issued under Preferential route will be subject to Lock-in for a period of one year from the date of allotment. The lock in on the shares allotted on exercise of the option attached to the warrants shall be reduced to the extent, the warrants have already been locked in. The entire pre- preferential allotment shareholding of such allottees shall be under lock-in from the relevant date upto a period of 6 months from the date of preferential allotment. However, the warrants / equity shares under lock-in, may be transferred to and amongst promoters / promoters group subject to continuation of lock -in, in the hands of the transferee(s) for the remaining period.
7. The present resolution is proposed to be passed to enable the Board of Directors of the Company to make the above-mentioned preferential issue of warrants subject to receipt of requisite approvals. The aforesaid issue and allotment of warrants will be governed by the relevant provisions, regulation, rules of Companies Act, 1956/ Chapter VII of SEBI (Issue of Capital and Disclosures Requirements), Regulation, 2009, issued by SEBI.
8. The issue price of Rs. 14.55 per equity share has been calculated as per SEBI Guidelines and necessary certificate in this regard has already been obtained from the Statutory Auditors of the Company.

Disclosures in terms of Clause 73 (1) of Chapter VII of SEBI (Issue of Capital and Disclosures Requirements) Regulation, 2009 are given here under:

i. The object of the issue through preferential offer.

The Financial Restructuring Scheme effective from 30th June, 2009, sanctioned by CDR EG vide letter dated 1st September, 2009 of the Corporate Debt Restructuring (CDR) Cell and respective Banks/Financial Institutions (existing CDR Lenders), requires the promoters of the Company to infuse further capital of Rs. 20.00 crores by December 2010 by way of subscription to equity as part of their contribution.

ii. The intention of Promoters / Promoters Group Companies to subscribe to the offer.

Preferential allotment of warrants shall be subscribed by M/s Teletube Electronics Ltd. and/or M/s CEA Consultants Pvt. Ltd. and/or M/s Lenient Consultants Pvt. Ltd. (Promoters/Promoters Group Companies) only as per the terms & conditions imposed in the CDR Package II sanctioned by CDR EG (effective from 30th June 2009) vide letter dated 1st September 2009 issued by CDR cell and letter of acceptances issued by the respective Banks/Financial Institutions (CDR Lenders).

iii. Shareholding pattern of the Company before and after the proposed issue of equity shares pursuant to the resolution.

Sr. No.	Category	Pre-Issue Equity Shareholding		Proposed Issue Equity Shareholding		Post Issue Equity Shareholding	
		In Nos.	%Age	In Nos.	%Age	In Nos.	%Age
1.	Promoters Group						
1 (a)	Existing	26588133	28.79			26588133	25.06
1 (b)*	Existing proposed allotment to M/s Teletube Electronics Ltd. (Promoter company)	6872852	7.44			6872852	6.48
1 (c)	Proposed allotment of Warrants to M/s Teletube Electronics Ltd. and/or M/s CEA Consultants Pvt. Ltd. and/or M/s Lenient Consultants Pvt Ltd. (Promoter Company) under aforesaid resolution			13745704	14.88	13745704	12.95
	Total Promoter Group	33460985	36.33	13745704	14.88	34835555	44.49
2. (a)	Institutional Investors	1258470	1.36			1258470	1.19
2. (b)*	Institutional Investors (CDR Lenders) proposed allotment to be made on conversion of debts	31901831	34.54			31901831	30.06
	Total Institutional Investors	33160301	35.90			33160301	31.25
3	Private Corporate Bodies	3890292	4.21			3890292	3.67
4	Indian Public	13708188	14.83			13708188	12.92
5	NRIs & OCBs	7440783	8.06			7440783	7.01
6	FII's	704900	0.76			704900	0.66
	Total Paid up Share Capital	92365449	100	13745764	14.88	106111153	100

iv. Proposed time within which allotment will be completed.

The allotment of equity shares and/or warrants will be made within the time limit stipulated in the relevant SEBI (ICDR) Regulations 2009.

- iv. **Identity of the proposed allottee and percentage post preferential issued capital that may be held by them.**

Identity of the proposed allottee(s)	Equity Shares to be allotted on conversion of Warrants (in Nos.)	%Age	Holding in Total Equity Share Capital of the company (In Nos.)	%Age
M/s Teletube Electronics Ltd. and/or M/s CEA Consultants Pvt. Ltd. and/or M/s Lenient Consultants Pvt. Ltd. (the Promoter/Promoter Group Companies)	13745704	12.95	33460985	31.53

- vi. The allotment and issuance of aforesaid warrants and subsequent conversion into Equity Shares will not result in change of Management of the Company in any manner.
- vii. The company will re-compute, if any, the issue price of the warrants in terms of provisions of the SEBI (ICDR) Regulations 2009 and amount payable on account of the re-computation of price if not paid within the time stipulated in the aforesaid regulations, the warrants will continued to be locked-in till the time such amount is paid by the allottees.

Except Mr. Satish K Kaura, Chairman & Managing Director and Mr. Puneet Kaura, Director, none of the Directors of the Company may be deemed to be concerned or interested in passing of this resolution.

The Directors recommend the above resolution for the approval of the members to be passed as a special resolution.

ITEM NO. 6

Mr. Satish K. Kaura was re-appointed as the Chairman & Managing Director of the Company for a period of 5 years w.e.f. 12.2.2005 in accordance with the provisions of Section 198, 269, 309, 310 & 311 read with Schedule XIII of the Companies Act, 1956.

The Members of the Company at the 19th Annual General Meeting held on 16th July, 2005 had approved the re-appointment on such terms and conditions including remunerations as detailed in the Explanatory Statement attached and forming part of the Notice convening the 19th Annual General Meeting. The tenure of Mr. Kaura as Chairman & Managing Director ended on 11.2.2010. The remuneration drawn by Mr. Satish K. Kaura during the financial year 2009-10 has been given in detail in the Corporate Governance Report forming part of this Annual Report.

On the recommendations of Remuneration & Compensation Committee, the Board of Directors in their meeting held on 24th April 2010, has approved the reappointment of Mr. Satish K Kaura as Chairman & Managing Director for a further of 3 years with effect from 12th February 2010 on the following terms & conditions:

A) Basic Salary:

Basic Salary Rs. 5,00,000 per month which may be increased by the Board of Directors / its committee from time to time subject to the maximum Salary of Rs. 10,00,000 p.m.

B) P.F. / Superannuation Contribution:

As per rules.

C) Commission:

Commission to be decided and approved by the Committee / Board every year depending upon the net profits of the Company computed in accordance with section 309 (5) of Companies Act, 1956.

D) Perquisites: (Upto a maximum of 100% of the Basic Salary):

a) **HRA** : 60% of Basic Salary.

b) **LTA** : Rs. 400000/- per Annum.

c) **Hard Furnishing**: Cost of perquisites to company will be as per Income Tax Guidelines i.e. 10% of the cost of Hard Furnishing.

d) **Gas/Power/Water**: Actual cost to the company.

e) **Medical Reimbursement**: Upto One Month Basic Salary (Shortfall to be carried forward).

- f) **Bonus/Ex-Gratia:** Rs. 1,00,000/- per Annum.
 - g) Any other benefit, amenities etc. as per the policy/rules of the Company.
- E) **Gratuity:** Payable as per applicable laws.
- F) **Other:**
- The company will provide Mr. Satish K. Kaura, a car and driver and telephone at residence for use on Company's business. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Satish K. Kaura.
 - Leave Encashment as per Company's Policy and reimbursement of fees of any two clubs in India, including admission or entrance fees and monthly or annual subscriptions".

For the purpose of calculating the above ceilings, the perquisites will be evaluated as per Income Tax rules, where ever applicable and in the absence of any such Rule, the perquisites will be evaluated at actual cost. However, the following shall not be included in the aforesaid perquisites limit:

- i) Contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisite to the extent these either singly or put together are not taxable under the Income Tax Act.
- ii) Gratuity; As per the policy of the Company.
- iii) Leave encashment as per the Policy of the Company.

Mr. Satish K.Kaura will not be paid any sitting fee for attending the meeting of Board or Committee thereof.

He is also the Chairman & Managing Director of Samtel India Limited and Samtel Glass Limited but does not receive any remuneration from either of the two companies. However, his total remuneration including remuneration from any other company, if any, will not exceed the higher maximum limit admissible under the Companies Act, 1956 for all the managerial personnel as reduced by the remuneration paid to other managerial personnel , if any, of the respective companies without the approval of Central Government.

In the event of inadequacy or absence of profits under Section 349 and Section 350 of the Companies Act, 1956, if the remuneration exceeds the limit prescribed under Schedule XIII, the same shall be subject to the approval of the Central Government.

The terms & conditions governing re-appointment and the remuneration payable to Mr. Satish K Kaura may be revised, alter, vary, increase, restructure from time to time within the overall limit as specified in different provisions of the Companies Act, 1956 by the Board / Committee thereof without requiring any further resolution or consent or approval or reference the members in General Meeting.

The brief profile of the Company as well as Mr. Satish K. Kaura are given hereunder:

Samtel Color incorporated in 1986 is the manufacturer of largest range of colour picture tubes in the Country. With an installed capacity of 10.2 million Colour Picture Tubes and market share of approximately 48%, the Company is the undisputed leader of this segment in the domestic market. Besides Colour Picture Tubes, it has also facilities for manufacturing Colour CRT, Electron Guns, heaters, Cathodes & Deflection Yokes.

Its state of the art manufacturing facilities are located at various locations serving a wide range of customers which includes all the leading names in the CTV industry.

Despite stiff competition from other domestic manufacturers and overseas players, specifically cheap imports from China and other countries, the Company has been able to maintain its position in the market because of the world class quality of its products, which is constantly being monitored and upgraded by the in house R & D Team.

Since inception, the Company has been recording exceptional growth barring the last couple of years. The performances during the last couple of years were primarily impacted due to severe competition, dumping of cheap products by overseas manufacturers and overall recession across the globe.

To come out of the difficult situation, the Company had approached Corporate Debt Restructuring (CDR) Cell for Debt Restructuring and both the package approved by CDR EG have since been implemented by the Company as well as CDR Lenders. Further, to improve the performance and efficiency, the Company has put in place several cost cutting measures and stringent financial discipline and efforts are being made to increase

the sales volume in the market. The efforts of the Company has started yielding positive results. The Company achieved a turnover of Rs 111428.60 lacs during the financial year 2009-10 and ended the year with an net profit of Rs. 7645.97 lacs. It is expected that the measures put in by the Company will further strengthen/improve its performance as well as profitability in the years to come.

The Company is active in the International market also and has been consistently earning valuable foreign exchange for the country.

Mr. Satish K Kaura, is a Graduate from IIT, Kanpur, and have done his Masters in Electronics from from Carleton University, Canada.

After obtaining valuable work experience in North America, Shri Kaura returned back 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 is also chiefly responsible for all major business policy decision of the Company.

Under the able guidance of Mr. Satish K. Kaura, the Company, which, made a modest beginning in 1986 has become the leader in its field of manufacturing of Color Picture Tubes for Televisions (CPT).

Besides his business interest, Mr. Kaura is active in other fields as well. He has been the President of Electronic Components Industries Association and Chairman of Confederation of Indian Industry (Northern Region).

He was given the distinguished Alumni Award by IIT, Kanpur in 1989. ELCINA honoured him with the Electronics Man of the Year award in 1988 and CETMA conferred on him Man of Electronics Award for 1996.

Mr. Satish K Kaura has been recognized and honoured by various organizations in different walks of life. His concern for environment was recognized by the Care for Nature Award presented by H.R H. Phillip, International President WWF at the National Conservation Congress Delhi in November, 1994. He is involved with managing schools and free health services in villages.

He has been conferred Padam Shri by the Govt. of India in 2005 for distinguished services in the field of Science and technology. He has also been past president of Confederation of Indian Industries (CII) (NR).

Mr. Satish K. Kaura has the pecuniary relationship with the Company as he is the Chairman & Managing Director of the Company and eligible for remuneration as per terms of appointment.

The Draft agreement proposed to be entered into between the Company and Mr. Satish K Kaura is available for inspection at the Registered office of the Company alongwith other documents on any working day excluding Saturday and other holidays, upto the date of ensuring Annual General Meeting during working hours.

The above may be treated as an abstract of the agreement proposed to be entered / entered into between the company and Mr. Satish K Kaura in compliance of Section 302 of the Companies Act 1956.

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

None of the Director of the company except Mr. Satish K Kaura, and Mr. Puneet Kaura, Director of the Company are interested in the resolution.

INSPECTION OF DOCUMENTS

The material documents referred to herein above will be open for inspection by the members at the Registered Office of the Company on all working days from the date hereof upto the date of the meeting during business hours.

Registered Office:
6th Floor, 7 TDI Centre,
District Centre, Jasola,
New Delhi 110 025

Dated : April 24, 2010

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

Sd/-
Prabhat Kumar Nanda
Company Secretary

(Rs. in Lacs)

Profit and Loss Account	FOR THE YEAR ENDED				
	31.3.10 12 Months	31.3.09 9 Months	30.6.08 12 Months	30.6.07 15 Months	31.3.06 12 Months
Sale	121,203	80,963	90,914	134,521	87,133
Other Income	8,371	1,537	5,457	3,570	2,504
Gross Income	129,574	82,500	96,371	138,091	89,637
Manufacturing & Other Exp.	102,665	74,064	82,442	113,738	69,583
Excise Duty	9,815	9,254	13,215	17,750	11,531
PBIDT	17,094	(818)	714	6,603	8,523
Interest	3,155	4,483	5,594	8,134	3,502
Cash Profit	13,939	(5,301)	(4,880)	(1,531)	5,021
Depreciation & Misc. Exp. W/off	6,289	4,847	6,375	7,680	5,077
Profit/(Loss) before tax	7,650	(10,148)	(11,255)	(9,211)	(56)
Provision for tax payable / FBT	-	50	59	80	78
Provision for deferred tax	-	(2,793)	(4,230)	(3,161)	(217)
Prior period expenditure/(income)	4	51	-	470	-
Profit/(Loss) after tax	7,646	(7,456)	(7,084)	(6,600)	83

Balance Sheet	POSITION AS ON				
	31.3.10	31.3.09	30.6.08	30.6.07	31.3.06
Sources of Funds					
Share Capital	8,439	8,206	8,048	4,660	4,658
Reserves & Surplus/Advance Subscription	16,753	3,698	10,862	17,202	23,838
Deferred Tax Liability	-	-	2,793	7,024	9,735
Secured Term Loans	36,094	50,809	50,108	37,024	38,143
Unsecured Loans	2,576	2,498	2,642	1,969	1,000
Bank Borrowings	-	1,070	1,467	5,893	4,872
Deferred Liability	-	-	-	240	328
Total	63,862	66,281	75,920	74,012	82,574
Application of Funds					
Gross Fixed Assets	131,478	131,288	131,298	129,244	122,663
Net Fixed Assets	69,753	75,729	80,566	84,795	85,724
Investment	3,301	3,301	3,301	3,301	3,301
Inventories	8,993	8,816	9,867	12,499	14,932
Debtors	8,293	7,918	4,918	16,964	3,936
Loans & Advances	2,929	2,905	3,950	4,961	6,242
Cash & Bank Balances	487	208	1,256	294	376
Current Liabilities & Provisions	(29,894)	(32,596)	(27,938)	(48,802)	(31,937)
Total	63,862	66,281	75,920	74,012	82,574

Market**Global**

The global TV market is now dominated by the Flat Panel Technologies (LCD, PDP etc.) and the demand for Color Picture Tube (CPT) based televisions has declined to 60 million nos. per annum. The demand for CPT's is expected to remain at the same level in the next financial year.

Domestic

The total demand for Color televisions in India grew from 18 million nos. in 2008-09 to 20.50 million in 2009-10 showing a growth of 14% per annum. However the market for Color Picture Tubes (CPT) based television sets grew by 11% per annum from 16.80 million to 18.7 million mainly led by the demand from a state government for distribution of sets. Imports of CPT's has not declined inspite of the imposition of Anti Dumping Duties and Overseas based suppliers continue to pose a challenge to the domestic CPT industry.

Operations

During the period under review, the company produced 9.2 million CPTs as compared to 7.5 million in the corresponding twelve month period showing a growth of 22%. All the manufacturing lines of the company contributed in this growth and capacity utilization increased to 90% during the year.

The operating profits (PBIDT) of the company during the year under review was Rs. 107 Crores against an operating loss of Rs.12 Crores during the nine months period ended 31st March 2009. The growth in operating profits was mainly driven by higher volumes, better operating efficiencies and reduction in material costs. This reflects the ability of the company to continuously improve productivity and efficiencies in a challenging environment.

Rs. Crores

	2009-10 12 Months	2008-09 9 Months
Net Sales	1114	717
Other Income	20	12
Total Revenue	1134	729
Manufacturing Expenses	1027	741
PBDIT	107	(12)
Exceptional Income	64	3
Depreciation & Ammortisation	63	48
PBIT	108	(57)
Financial Charges	32	45
PBT	76	(102)
Taxes	0.04	(27)
PAT	76	(75)

Financial Restructuring

During the financial year under review the participating financial institutions and banks have at the request of the company sanctioned a debt restructuring scheme. The sheme has been designed to enable the company to utilize the operating profits in the next two year to repay debts and significantly reduce its debt burden. As a consequence, there has been reduction in the interest outgo. The debts restructuring also includes waiver of principal amount of Rs. 6053 lacs by the lenders and conversion of debts of Rs. 4642 lacs into equity at a premium of Rs. 4.55 per share.

Research & Development

The company continued to leverage its R&D capabilities to further enhance its product range by developing ultra slim tubes. It has launched in the market the mid size ultra slim tube in the year under review. Further efforts are being made to reduce material costs by developing components with cheaper input materials and re-designing tubes.

Outlook

The market for CPT based televisions is expected to grow by 3-5% during the next financial year. However the total demand may decline in the year 2011-12 as the programme for distribution of sets by a state government comes to an end. Efforts are on to explore options with other state governments to launch similar schemes. The company is also taking steps to reduce imports by ensuring better implementation of Anti Dumping measures.

Internal Control Systems

Samtel Color Limited has put in place an integrated ERP system to leverage the best practices and processes. The systems based on standard operating processes are being continuously reviewed and strengthened across functions.

The company has an independent audit committee which plays a strong oversight role by reviewing and evaluating the financial reporting and other internal control systems, their adequacy and audits etc. For more information on the Audit committee, please refer to the chapter on corporate governance in this report.

Cautionary Statement

Statements in this “Management Discussion and Analysis Report” describing the company’s objectives, production, estimates & expectations may be ‘forward looking statements’ within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the company’s operations include a downtrend in the Television industry – global or domestic, significant changes in political and economic environment in India or Key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs. Samtel Color Ltd. undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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 GOVERNANCE 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.

BOARD OF DIRECTORS

COMPOSITION OF THE BOARD

The Board of Samtel Color comprises of 8 Directors, of which six are independent including two nominee Directors—one each from ICICI Bank Ltd., and LIC. The Chairman and Managing Director is the only executive Director on the Board. 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, which stipulates that at least 50 per cent of the Board should consist of non-executive Directors and in case the Chairman is an Executive Director, majority of the Board should be independent. 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 2009-10, the Board of Directors met five times as against the minimum requirement of four meetings. The dates on which meetings were held are 16th May, 2009, 21st July, 2009, 3rd October, 2009, 31st October 2009, and 18th January, 2010. The maximum time gap between any two consecutive meetings was less than four months.

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIP HELD (As on March 31, 2010)

Table 1: Details of the Board of Directors.

Name of the Director	Category/Status of Directorship	No. of Board meetings held during 2009-10 (Twelve months)	No. of Board meetings attended during 2009-10 (Twelve months)	Attendance in last AGM held on 31st October 2009	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	5	NIL	3
Mr. S.P. Gugnani	Independent Director	5	5	Yes	2	NIL	NIL
Mr. Arun Bharat Ram	Independent Director	5	3	Yes	13	NIL	4
Mr. Subodh Bhargava	Independent Director	5	5	Yes	11	2	6
Mr. V. Narayanan	Independent Director	5	1	No	7	4	3
Mr. Sharad Srivastva@	Independent Director (LIC Nominee)	5	2	Yes	NIL	NIL	NIL
Mr. Yogesh Rastogi @	Independent Director (ICICI Bank Nominee)	5	2	No	2	NIL	1
Mr. Puneet Kaura*	Non Independent Promoter Director	5	3	No	4	NIL	NIL

@ The sitting fees are being paid directly to the financial institutions.

*Mr. Puneet Kaura has been appointed as Director of the company effective from 31st October 2009.

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

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

INFORMATION SUPPLIED TO THE BOARD

The Board is presented with the agenda for each Board Meeting along with explanatory notes well in advance of the Board meeting. All Board members are free to suggest any item they consider important to the agenda. The Board has unfettered and complete access to all information within the Company. Whenever necessary, senior executives of the Company are invited to the Board meeting to provide additional insights on the matter being discussed. The information regularly supplied to the Board inter-alia includes:

- Annual operating plans and budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results for the Company and operating divisions and business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.
- Details of investment of surplus funds available with 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 details of remuneration paid to Directors during the financial year 2009-10 are given in Table 2. The Company did not advance any loans to any of its Directors in the year under review.

Table 2: REMUNERATION PAID OR PAYABLE TO DIRECTORS FOR 2009-10 (12 Months)(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	8553367	0	8553367
Mr. S.P. Gugnani	Independent Director	325000	0	0	325000
Mr. Arun Bharat Ram	Independent Director	55000	0	0	55000
Mr. Subodh Bhargava	Independent Director	175000	0	0	175000
Mr. V. Narayanan	Independent Director	15000	0	0	15000
Mr. Sharad Srivastava @	Independent Director, (LIC Nominee)	75000	0	0	75000
Mr. Yogesh Rastogi @	Independent Director, (ICICI Bank Nominee)	30000	0	0	30000
Mr. Puneet Kaura*	Non Independent Promoter Director	45000	0	0	45000

@ The sitting fees are being paid directly to the financial institutions.

* Mr. Puneet Kaura has been appointed as Director in the category of Non Independent Promoter Director effective from 31.10.2009.

Details of the shareholding of independent Directors as on March 31, 2010 is given in Table 3. None of the Independent Directors hold any stock options.

Table 3: Equity shares and convertible instruments held by Independent Directors

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. Arun Bharat Ram	Independent Director	50000	0
Mr. Subodh Bhargava	Independent Director	0	0
Mr. V. Narayanan	Independent Director	0	0
Mr. Sharad Srivastva	Independent Director, (LIC Nominee)	0	0
Mr. Yogesh Rastogi	Independent Director, (ICICI Bank Nominee)	0	0

REMUNERATION POLICY

Samtel Color does not pay any remuneration to non-executive Directors except sitting fees of Rs. 15,000 for attending each Board or Audit Committee meeting and Rs. 5,000 for attending each Share Transfer and Investors Grievance Committee, Finance Committee meeting and/or other committee constituted by the Board from time to time. The Company pays remuneration to its Chairman and Managing Director by way of salary, perquisites and allowances (a fixed component) and commission (a variable component). Resolution for approval of payment of remuneration to the Chairman and Managing Director is placed before the Shareholders in General Meeting and is subject to the overall ceiling as stipulated in Sections 198 and 309 and Schedule XIII of the Companies Act, 1956.

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 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 2010, the Company's Audit Committee comprises of three independent Directors. In 2009-10, the Audit Committee met six times on 16th May 2009, 21st July 2009, 3rd October, 2009, 31st October 2009, 18th January, 2010 and 20th March, 2010. Minimum two number 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 given in Table 4.

Table 4: DETAILS OF THE AUDIT COMMITTEE

Name of the Member	Position	No. of Meetings held	No. of Meetings Attended	Sitting fees (Rupees)
Mr. Subodh Bhargava	Chairman	6	6	90000
Mr. S P Gugnani	Member	6	6	90000
Mr. Sharad Srivastva@	Member	6	3	45000

@ The sitting fees are being paid directly to the financial institutions.

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, which includes the following.

Financial Statements

- To review the financial reporting process and the disclosures of financial information to ensure that the financial statement reflects a true and fair position, and complies with all disclosure requirements.
- To review with the management, periodic financial statements before recommending to the Board of Directors for approval, focusing primarily on:
 - Change in Accounting Policies and practices.
 - Major accounting entries based on exercise of judgement by management.
 - Qualification in draft audit report.
 - Significant adjustments arising out of audit.
 - Compliance with accounting standards and requirements of stock exchange (s).
 - Any related party transactions that may have potential conflict with the interest of the Company at large.
 - Reviewing the Company's Financial and Risk Management policy.

Internal Control

- To review with the management, Statutory and Internal Auditors the adequacy of Internal control systems.

Internal Audit

- To review the adequacy of internal audit function, approval of the audit plan and its execution, reporting structure, coverage and frequency of internal audit.
- To discuss with Internal Auditors any significant findings and follow up thereon.
- To review the findings of any investigations by the Internal Auditors.

External Audit

- To discuss with the Statutory Auditors the nature and scope of audit and areas of concern.
- To give recommendations on the appointment and removal of external auditor, fixation of audit fee and payment for other services.

Default

- To examine the reason for substantial default in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.

Compliance

- To review the effectiveness of the system in monitoring compliance with laws and regulations.
- To review the findings on compliance of any examination by regulatory agencies and / or audit observation.

Reporting Responsibilities

- To brief 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.
- To provide an avenue of communication between internal auditors, statutory auditors and the Board of Directors
- The Chairman of the Audit Committee shall be present at the Annual General Meeting to answer shareholder queries and clarification on matters relating to audit.
- The Annual Report of the Company shall make appropriate disclosures on the composition and function of the Audit Committee.

Subsidiary Companies

- The audit committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary company.

Others

- To perform such other activities related to this charter as may be assigned by the Board of Directors from time to time.
- The Audit Committee may institute and oversee special investigation, if needed.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Management letters / letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the chief internal auditor and the chief financial officer.
- The uses/applications of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc), as part of the quarterly declaration of financial results (whenever applicable).
- On an annual basis, statement certified by the statutory auditors, detailing the use of funds raised through public issues, rights issues, preferential issues for purposes other than those stated in the offer document/prospectus/notice (whenever applicable).

With regard to information on related party transactions, whenever applicable, the Audit Committee is presented with the following information:

- A statement in summary form of transactions with related parties in the ordinary course of business.
- Details of material individual transactions with related parties which are not in the normal course of business.
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same.

Pursuant to its terms of reference, the Audit Committee is empowered to:

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

The Company 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 second member of the Committee. Details of complaints received and resolved during the financial year 2009-10 are as under:

Table 5: SHAREHOLDERS'/INVESTORS' GRIEVANCES COMMITTEE

Nature of Complaints	2009-10 (12 months)				2008-09 (9 months)			
	Opening	Received	Settled	Pending	Opening	Received	Settled	Pending
Relating to Transfers, Transmission, Dividend, Interest, Demat / Remat and Change of Address	0	28	28	0	0	32	32	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.

FINANCE COMMITTEE

The Finance Committee of the Board of Directors comprises two members, Mr. Satish K Kaura and Mr. S P Gugnani. The Chairman of the Committee is Mr. Satish K Kaura, Chairman and Managing Director of the Company. The Committee met Five (5) times during the year.

The role of the Finance Committee is:

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

REMUNERATION AND COMPENSATION COMMITTEE

The Remuneration and Compensation Committee of the Board of Directors comprises three members Mr. Arun Bharat Ram, Mr. Subodh Bhargava, and Mr. S P Gugnani all of whom are independent Directors. The Chairman of the Committee is Mr. Arun Bharat Ram.

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.

MANAGEMENT

MANAGEMENT DISCUSSION AND ANALYSIS

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 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

A disclosure of all related party transactions has been made in the notes to the accounts of the balance sheet presented in 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 any changes in their interests take place, they are placed before the Board at its meetings.

INITIATIVES ON PREVENTION OF INSIDER TRADING PRACTICES

In compliance with the SEBI (Insider Trading) (Amendment) Regulations, 2002, Regulation on Prevention of Insider Trading, the Company has instituted 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 has followed 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

Your Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges, SEBI and other Statutory Authorities. No penalties or strictures have been imposed on your Company by the Stock Exchanges or SEBI or any other Statutory Authorities in connection with violation of Capital Markets norms, rules, regulations, etc. in the last three years, The Company has paid the listing fee to the Stock Exchanges where its shares are listed for the year 2010-11.

CEO / CFO Certification

The CEO and CFO certification of the financial statements and the cash flow statement for the year is given at end of the report.

SHAREHOLDERS**MEANS OF COMMUNICATION**

During the year the quarterly and annual results has been published in The Pioneer (English) and Veerarjun (Hindi). 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 and Extraordinary General Meetings are as given in Table 6:

Table 6: DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS

Year	Date	Time	Venue	No. of Spl. Resolutions passed	No. of Members presented by	
					In person	Proxy
2008-09	31 Oct., '09	3.30 P.M.	Sri Satya Sai International, Lodhi Road, New Delhi - 110003	6	397	48
2007-08	22 Dec., '08	11.30 A.M.	Air Force Auditorium, Subroto Park, New Delhi - 110010	0	428	52
2006-07	29 Nov., '07	11.30 A.M.	Air Force Auditorium, Subroto Park, New Delhi - 110010	5	469	45

No extra-ordinary General Meeting of members of the Company was held during the year under review.

POSTAL BALLOT

There was no item, which required approval through postal ballot during the year.

ADDITIONAL SHAREHOLDER INFORMATION**ANNUAL GENERAL MEETING**

Date : 4th August, 2010
 Day : Wednesday
 Time : 11.30 a.m.
 Venue : Air Force Auditorium, Subroto Park, New Delhi.

FINANCIAL RESULTS

In the financial year 2010-11 the interim financial results will be announced (tentatively) on:

1st week of August, 2010 : First quarter.
 2nd week of November, 2010 : Second quarter and half yearly results.
 1st week of February, 2011 : Third quarter results.
 4th week of April, 2011 : Forth quarter and audited results for the year ended 2010-11.

BOOK CLOSURE

The register of members will remain closed from 26th July, 2010 to 4th August, 2010.

DIVIDEND

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

LISTING AND STOCK CODES

1. Stock codes / Symbol of the Company

Stock Exchanges	Stock codes
BSE	500372 / SAMTEL
NSE	SAMTEL

- 2 ISIN No. : INE 381A01016

STOCK DATA

Table 1 gives the details.

- 1: Share prices of Samtel Color at BSE/NSE in 2009-10 (12 months)

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Share in '000)	High (Rs.)	Low (Rs.)	Volume (No. of Share in '000)
April-09	7.97	6.56	145	8.00	6.60	298
May-09	10.00	6.55	231	9.90	6.50	198
June-09	17.00	9.55	942	17.25	9.70	838
Jul-09	16.85	11.55	502	17.05	11.85	764
Aug-09	18.10	12.77	855	17.90	12.85	699
Sep-09	20.70	17.00	1122	20.50	17.10	1247
Oct-09	22.60	17.05	1784	22.85	17.00	2655
Nov-09	21.15	15.80	3952	21.30	17.30	4710
Dec-09	21.40	17.20	1757	21.15	17.25	2146
Jan-10	25.40	17.10	7893	25.40	17.50	8946
Feb-10	22.40	16.95	1158	22.25	17.10	1495
March-10	20.50	16.20	1073	20.35	16.10	1324

SHAREHOLDING PATTERN

1. Shareholding pattern by ownership as on 31st March, 2010

Particulars	No. of share Holders	%age of share holders	No. of shares held	% of share Holding
Directors, Promoters and family members	19	0.07	26588133	49.61
FII's	17	0.06	704900	1.32
Mutual Funds	11	0.04	8400	0.02
Financial Institutions/Banks	15	0.06	1250070	2.33
NRI's / OBC's	387	1.44	7440783	13.87
Corporates	683	2.55	3890292	7.26
Individuals Public	25702	95.78	13708188	25.59
Total	26834	100	53590766	100

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

2. Shareholding pattern by size-class as on 31st March, 2010

Categories	No. of share Holders	% of share holders	No. of shares held	% of shareholding
1-500	22538	83.94	3885949	7.25
501-1000	2181	8.12	1880791	3.51
1001-2000	950	3.54	1526559	2.85
2001-3000	315	1.17	826338	1.54
3001-4000	148	0.55	537185	1.00
4001-5000	206	0.77	996981	1.86
5001-10000	251	0.94	1934745	3.61
10001 and above	260	0.97	42002218	78.38
Total	26849	100	53590766	100

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

DEMATERIALISATION OF SHARES

With effect from 26th June 2000, the shares of the Company were admitted to compulsory 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 90 per cent 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 also 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 group have to infuse Rs. 15.00 crs. (Rs. 10.00 crs. within 3 months and balance Rs. 5.00 crs. within 12 months from the date of approval) by way of debts/Equity as part of their contribution to the debts restructured package. An amount of Rs. 15.00 crores have been infused by M/s Teletube Electronics Ltd. and M/s CEA Consultants P Ltd. (promoter companies) & the terms of CDR Package has already been complied with as under:

- (i) On January 25, 2008, the company had issued 4651163 equity shares of face value of Rs. 10.00 each at a premium of Rs. 11.50 per shares as per SEBI (DIP) Guidelines, 2000 to M/s Teletube Electronics Ltd. and M/s CEA Consultants P Ltd. against Rs. 10.00 crores received within 3 months from the date of approval of CDR package as subscription / allotment money from these promoter companies.
- (ii) The company has received Rs. 50.00 lacs from M/s CEA Consultants P Ltd. (promoter company) towards their subscription to 2325581 warrants having optional right of conversion into equity share of face value of Rs. 10.00 each at a premium of Rs. 11.50 per share.
- (iii) The company had also received Rs. 50.00 lacs on 24.07.2008 and Rs. 400.00 lacs on 26.09.2008 from M/s CEA Consultants P Ltd. (promoter company) towards their subscription to 2325581 warrants having optional right of conversion into equity share of face value of Rs. 10.00 each at a premium of Rs. 11.50 per share as per the Preferential Issues of SEBI (DIP) guidelines 2000.
- (iv) On July 24, 2009 the company had also allotted & issued 2325581 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. 11.50 per shares as per the Preferential Issues of SEBI (DIP) guidelines 2000.
- B. Pursuant to revised Corporate Debts Restructuring (CDR) package (CDR-II) approved by CDR EG vide its letter dated 01.09.2009, the promoters/promoter group have to infuse Rs. 50.00 crs. (Rs. 10.00 crs. within 4 months and further Rs. 20.00 crs. within 18 month from the date of approval and balance of Rs. 20.00 in the FY 2011-12) by way of Equity as part of their contribution to the revised debts restructured package. An amount of Rs. 10.00 crores have been infused by M/s Teletube Electronics Ltd. (promoter company) by way of subscription to 6872858 warrants having optional right of conversion into 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.

OUTSTANDING WARRANTS AND THEIR IMPLICATIONS ON EQUITY

There is no warrant(s) outstanding as on date but company has received payments from Promoter/promoter companies towards subscription to 6872858 warrants having optional right of conversion into one equity share of face value of Rs. 10.00 each at a premium of Rs. 4.55 per share in pursuant to SEBI (ICDR) Regulations 2009 and the same will be issued on receipt of the "in principle" 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	<p>Remuneration Committee</p> <p>(i) The above committee has been constituted as per the provisions contained in Schedule XIII of the Companies Act, 1956 solely for the purpose of ratifying the remuneration payable to the Managing Director in accordance with the approval of the Central Government.</p> <p>(ii) The Chairman of the Committee is an Independent Director.</p> <p>(iii) All the Members of the Committee have been present at the meetings held so far.</p> <p>(iv) The Chairman of the Committee was present at the Last Annual General Meeting.</p>	<p>Adopted</p> <p>Adopted</p> <p>Adopted</p> <p>Not Adopted</p>
3	<p>Independent Directors</p> <p>Independent Directors may have a tenure not exceeding in the aggregate, a period of 9 years on the Board of the company.</p>	Not adopted
4	<p>Shareholders rights</p> <p>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</p>	Not adopted

Sl. No.	Particulars	Status
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 : 6th Floor, 7 TDI Centre, Dist. Centre, Jasola,
New Delhi - 110025
Phone : (011) 42424000.
Fax : (011) 42424099

PLANT LOCATIONS

Colour Picture Tubes Manufacturing Unit (I) – Village Chhaprula, Bullandshehar Road,
Tehsil Dadri,
Distt. Goutam Budh Nagar - 201 009 (U.P.)

Colour Picture Tubes Manufacturing Unit (II) – Plot 2, Village Chhaprula, Bisrakh Road,
Greater Noida Industrial Development Area,
Dist. Goutam Budh Nagar - 201 009 (U.P.)

Colour Picture Tubes Manufacturing Unit (III) – Village Naya Nohra,
Kota-Baran Road, Kota (Rajasthan).

Color Electron Gum Manufacturing Unit – C-1/1, C-2/ C-3, Sector-XXII, Industrial Area,
Meerut Road, Ghaziabad - 201 003 (U.P.)

Black & White Gun & Deflection
Yoke Manufacturing Unit – Plot No. 6, Sector-2, Industrial Area,
Parwanoo, Distt. Salon (H.P.)

**CERTIFICATE ON CORPORATE GOVERNANCE
FOR THE YEAR ENDED 31ST MARCH, 2010**

1. We have examined the compliance of conditions of Corporate Governance by SAMTEL COLOR LIMITED for the 12 months period from April 1, 2009 to March 31, 2010, as stipulated in clause 49 of the Listing Agreement executed by the said Company with Stock Exchange in 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 abovementioned 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 Ramamurthy Associates
Company Secretaries

Sd/-

T R Ramamurthy
Proprietor
CP No. 2528

Place : New Delhi
Date : April 20, 2010

The Board of Directors,
Samtel Color Limited,
6th Floor, 7 TDI Centre,
District Centre, Jasola,
New Delhi 11 0025

In relation to the Audited Financial Accounts of the Company as at March 31, 2010 we hereby certify that

- a) We have reviewed the financial statement and the cash flow statement for the year and that to the best of our knowledge and belief.
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards applicable laws and regulations.
- b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of internal controls, of any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee.
 - i) significant changes in internal control over financial reporting during the year.
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi
Date : April 24, 2010

Sd/-
Satish K Kaura
Chairman & Managing Director

Sd/-
Ravindra Saksena
General Manager (Finance)

DECLARATION AS REQUIRED 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, 2009 to March 31, 2010.

Place : New Delhi
Date : April 24, 2010

Sd/-
Satish K Kaura
Chairman & Managing Director

To the Members Samtel Color Limited

Dear Shareholders,

Your Directors have pleasure in presenting this 24th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March 2010.

Financial Results

Your Directors take great pleasure to announce that due to the sustained efforts of the Management and timely support of the Lenders, the Company has been able to recoup accumulated losses and ended the financial year under review with a balance of Rs. 190 lacs in the profit & loss account. The key financial highlights of the Company for the year ended 31st March 2010 are as under: -

(Rs in Crores)

Particulars	Year ended 31-03-2010	9 Month Period Ended 31-03-2009
Gross Turnover	1231.84	821.74
Gross Profit before Interest	107.03	(11.45)
Exceptional Income - waiver of principal amount of loan and Interest by lenders	63.90	3.26
Interest (Net)	31.55	44.83
Depreciation/Misc. Expenses written off	62.89	48.47
Tax Payable	0.04	1.01
Deferred Tax Liability	—	(27.93)
Net Profit / (Loss) for the year	76.46	(74.56)
Profit/(Loss) carried forward to Balance Sheet	1.90	(74.56)

Note: The figures for the previous year are for nine months period ended 31st March, 2009 and are to that extent not comparable with those of the current financial year which are for a period of 12 months.

Financial Restructuring and change in Capital Structure

During the year under review the Corporate Debt Restructuring Empowered Group (CDR EG) approved the proposal of the Company for revised restructuring of its debts under the CDR mechanism. All the participating financial institutions and banks have restructured the debts of the Company in accordance with the approved packages.

In accordance with the terms & conditions of the revised restructuring scheme and after obtaining necessary approvals from the members in the Annual General Meeting held on 31st October, 2009, the company has filed requisite applications to stock exchanges, seeking their "in-principle" approval for :

- Issue & Allotment of 68,72,852 number of warrants to M/s Teletube Electronics Ltd. (Promoter company) on preferential basis each having optional right for conversion into one equity shares of Rs. 10/- each at a premium of Rs. 4.55 per share aggregating to Rs. 10.00 Crs. within 18 months from the date of allotment.
- Issue & Allotment of 3,19,01,831 equity shares of face value of Rs. 10.00 each at a premium of Rs. 4.55 per share on preferential basis to CDR Lenders on conversion of debts aggregating to Rs. 46.42 crores.

Further, in terms of the approved CDR Scheme, during the financial year 2010-11, the Promoters & Associates need to infuse an additional Rs. 20 crores into equity of the Company. Accordingly, approval of the Members is being sought in the ensuing Annual General Meeting for issuance and allotment of **13745704** warrants on preferential basis to Promoters & Associates, each having an optional right for conversion into one equity shares of Rs. 10/- each at a premium of Rs. 4.55 per share.

Your Directors would like to take this opportunity to place on record their deep sense of gratitude and sincere thanks for the support and co-operations extended by the CDR Lenders and the Corporate Debt Restructuring Cell.

Dividend

In view of a small balance in profit and loss account and the need to conserve liquidity, the Directors do not recommend any dividend on the Preference and Equity Shares of the Company for the financial year ended 31st March, 2010.

Operations

The Color Picture Tubes (CPTs) market in India, during the year under review witnessed a healthy growth of about 11% from 16.80 million numbers in the previous years to 18.74 million. The growth in demand amongst other reasons was primarily driven by the increased demand of color television sets by a State Government.

Your Company was successful in meeting the increased demand in the market by enhancing the productivity of all its manufacturing lines and achieved production of 9.21 million CPTs as compared to 5.64 million CPTs in the previous year. The sales of CPTs also increased to 9.14 million nos. in the financial year ended 31.03.2010 as compared to 5.64 million in nine months period ended 31.03.2009 resulting in a domestic market share of 48% as against 43% of the previous financial year.

Outlook

The market for CPTs is expected to show nominal growth of 3-5% during the coming years. The increased dependence on imported CPTs by the color television manufacturers, despite levy of anti-dumping duties continues to pose a grave challenge to the domestic players.

In this challenging environment, your Company has been focusing on producing innovative products to suit the requirements of domestic televisions manufacturers at a very competitive rates by reducing the cost of production through productivity improvements, product re-design and alternative sourcing of raw materials.

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

Directors

In accordance with the provisions of Section 256 of the Companies Act, 1956 read with Article 85 of the Articles of Association of the of the company, Mr. Arun Bharat Ram and Mr. S P Gugnani, Directors of the Company retire by rotation and being eligible offer themselves for reappointment.

Mr. Satish K Kaura has been re-appointed as the Chairman & Managing Director of the Company for a period three years w.e.f.12th February, 2010. Your consent is being sought at the ensuing Annual General Meeting for Re-appointment which shall be subject to the approval of the Central Government.

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 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, 2010, 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 judgement 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 profit 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.

The Company is controlled by SAMTEL GROUP (Promoters/Promoter Group) being a group as defined under the Monopolies and Restrictive Trade Practice Act 1969. The Promoters/Promoter Group consists of various individuals and corporate bodies who are in a position to and who jointly exercise control over and company. A list of these individual and corporate entities is as follows:

(i) Mr. Satish K Kaura	(vii) M/s Samtel India Ltd.	(xiii) M/s CEA Consultants Pvt. Ltd.
(ii) Mrs. Alka Kaura	(viii) M/s Teletube Electronics Ltd.	(xiv) M/s Lenient Consultants Pvt. Ltd.
(iii) Mr. Puneet Kaura	(ix) M/s Samtel Glass Ltd.	(xv) M/s Tish Consultants Pvt. Ltd.
(iv) Mrs. Sakshi Kaura	(x) M/s Samtel Display Systems Ltd.	(xvi) M/s SW Consultants Pvt. Ltd.
(v) Mr. V.P. Kaura	(xi) M/s Kaura Properties Pvt. Ltd.	
(vi) Mrs. Kailash Kaura	(xii) M/s Kaura Investment Pvt. Ltd.	

Employee Stock Option Scheme

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

Fixed Deposits

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

Auditors & Audit

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

The observations of the Auditors and the relevant notes on the accounts are self-explanatory and therefore do not call for any further comments.

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, alongwith their annual accounts 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.

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.

Insurance

All the properties of your Company, including its building, plant & machinery and stocks, where necessary, and to the extent required, have been adequately insured.

Statutory Disclosures

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

Particulars of employees as required u/s 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are given in Annexure 'B' forming part of this Report.

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 'C' forming part of this Report.

Employee Relations

The Company continues to pay focused attention to development of its human resource base and their skills across all levels. Industrial relation remained satisfactory through out the year. Your Directors wish to place on record their sincere appreciation for the continued and devoted services rendered by all employees of the Company.

Acknowledgment

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

For and on Behalf of the Board

Place : New Delhi
Date : April 24, 2010

Sd/-
Satish K. Kaura
Chairman & Managing Director

ANNEXURE "A" TO THE DIRECTORS' REPORT: DETAILS OF STOCK OPTIONS GRANTED DURING THE YEAR 2009-10

1	Total number of Stock Options granted	Nil
2	Pricing Formula	The options were priced at closing price on the same date of grant at Bombay Stock Exchange.
3	Options Vested during the year	38494
4	Options exercised during the year	0
5	Options lapsed	38494
6	Salient Terms of option	
	a)	Each option will entitle the holder to apply for 1 equity share at the closing price of Bombay Stock Exchange on grant date.
	b)	The options will vest in employees in 3 equal installments at the end of 1st, 2nd and 3rd year from the date of grant.
	c)	There will be no lock in period for sale of shares after employees have exercised their options
7	Total number of option in force	42701
8	Details of options granted to Senior Management Personnel : No options has been given during the year ended 31st March 2010.	

ANNEXURE 'B' TO THE DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) rules 1975 and forming part of the Directors Report

Sr. No.	Name	Age	Qualification	Experience (Years)	Designation/ Nature of Duties	Date of Commencement of employment	Remuneration (Rs.)	Particulars of Last Employment
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EMPLOYED THROUGHOUT THE FINANCIAL YEAR

1	Satish K Kaura	66	IIT. M.Tech.	47	Chairman & Managing Director	15.05.86	8,353,370	Samtel India Ltd. Managing Director
2	D V Gupta	59	MSc. PGDBA	40	Executive Vice President-Operation	07.12.87	3,981,827	Sr. Executive India Polyfibers Ltd.
3	R. Kakkar	51	B.Tech. PGDM	26	Vice President-Business Planning	24.06.00	5,027,346	Business Manager ICI (India) Ltd.
4	M S Kohli	48	BE (Elect.)	25	Vice President	01.09.86	3,913,104	Asst. Manager Samtel India Ltd.
5	Rajiv Lochan	53	B.Sc (Mech. Engg.) MBA	30	Vice President	18.05.98	3,173,874	General Manager (O) Indfos Industries Ltd.
6	O P Gogia	54	CS, ICWA	22	General Manager (Finance)	05.07.06	3,975,141	Consultant (Finance)
7	A S Pandey	52	B E (Elect.)	30	General Manager (Quality)	22.04.90	3,049,758	Dy. Manager-HAL, Korwa
8	Ravindra Saxena	51	BA., CA.	25	General Manager (Finance)	15.04.92	3,597,545	Manager Unicol Bottlers Ltd.
9	Purshotam Das	48	BSc Engg.	23	General Manager (Elect.)	01.08.87	3,008,699	Management Trainee Samtel India Ltd.
10	Rajiv Sethi	44	BE (Elect.& Electronics)	22	General Manager	02.11.87	3,504,262	Management Trainee Samtel India Ltd.
11	Anil Dutt	49	M.Sc. & CCEM	27	General Manager (Marketing)	27.05.88	2,742,086	Manager-Marketing Samtel India Ltd.
12	Amitabh Ranjan Sinha	45	BE Mech. Diploma in Management	23	General Manager (Plant)	26.12.03	2,788,368	BDDL DGM - P Engg.
13	Sudhir Kr. Mittal	51	M.Sc., M.Tech	24	Chief Information Officer	06.12.07	2,724,225	Dangate Group of Industries Head - IT

EMPLOYED FOR PART OF THE FINANCIAL YEAR

1	Sunil Kumar Gupta	52	ICSI, ICWA	30	General Manager	16.01.07	2,752,798	Vice President & Co. Secretary DCM Ltd.
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- Note :** (1) Remuneration received includes: Salary, Allowance, Payment in respect of Unfurnished Accommodation, Hard Furnishing, Company contribution to Provident Fund and Superannuation Fund, Medical Reimbursement and LTA.
(2) None of the above employees except the Chairman & Managing Director are relative of any Director or Manager of the Company
(3) Employment in the Company is non contractual
(4) Designation denotes the nature of duties.

ANNEXURE 'C' TO THE DIRECTORS' REPORT**1. Conservation of Energy:****A) Energy conservation measures taken and consequent impact on the cost of production of goods :-**

- i. Reduction of Clean Air Pressure, optimization of furnace operations and optimization of Electrical Load
- ii. The above Measures are expected to generate saving of Rs.90 Lac per annum.

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

- i. Elimination of one furnace to reduce Natural Gas consumption.
- ii. Segregation of HP & LP Compressed Air Generation to reduce electrical power consumption
- iii. Optimization of Electrical Heating Load to reduce electrical power consumption
- iv. Installation of Exhaust Gas and Jacket Water WHRU on Gas Engines to reduce Natural Gas consumption

2. Technology Development, Absorption and Research & Development Activities**a) Specific areas in which R&D carried out by your company**

- i) Design and Development of 21" Ultra Slim Tube successfully completed and commercial production started.
- ii) Developed and produced deflection yokes using aluminum wire.

b) Benefits derived as a result of the above activities

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

c) Future plan of action

- i) Design & Development of new version of mid size ultra slim Tube for cost reduction in TV manufacturing
- ii) Re-design of 15" CPT for quality improvement and cost reduction

d) Expenditure on R&D**(Rs in Lakhs)**

Particulars	For the Year ended 31-03-2010	9 Month Period Ended 31-03-2009
Recurring	536.15	686.02
Capital	—	117.05
Total	536.15	803.07
Percentage of total turnover	0.44%	0.98%

1. Technology Absorption, Adoption & Innovation

The company has developed capability to design and develop CPTs, their components, materials and equipment while it is in the process of building capability to design and develop plasma display panels.

2. Foreign Exchange Earning/ Outgo:**(Rs in Lakhs)**

Particulars	For the Year ended 31-03-2010	9 Month Period Ended 31-03-2009
CIF Value of Imports	26,897.56	13,180.49
Others	110.36	100.09
Total	27,007.92	13,280.58
Earnings in Foreign Currency:		
FOB Value of Exports	1,066.64	592.20

TO
THE MEMBERS OF SAMTEL COLOR LIMITED

1. We have audited the attached Balance Sheet of Samtel Color Limited, as at March 31, 2010, and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 {as amended by the Companies (Auditors Report) (Amendment) Order, 2004} {hereinafter referred to as 'Order'} issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *As indicated in Note 1K on Schedule 'Q', managerial remuneration aggregating Rs.104.18 lacs is subject to approval by the Central Government. (including Rs.46.53 lacs relating to the year ended March 31st, 2009).*
5. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
6. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and *subject to paragraph 4 above*, 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 March 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the Profit 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.

For **S.S.Kothari Mehta & Co.**
Chartered Accountants
Firm Reg.No.:000756N

Sd/-
Yogesh K. Gupta
Partner
Membership No.: 93214

New Delhi, April 24, 2010

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Samtel Color Limited on the financial statements for the year ended March 31, 2010]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, all the fixed assets of the Company have been physically verified by the management. No material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
Accordingly, paragraphs (iiib), (iiic) and (iiid) of the Order are not applicable.
(b) The Company has taken unsecured loan in earlier years from 3 parties covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year as well as the balance at year end of such loans amounted to Rs. 286.77 lacs, excluding interest thereon.
(c) 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.
(d) In respect of the aforesaid loans, the Company is regular in repayment of principal amounts and is also regular in payment of interest, as stipulated.
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 do 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 and services. 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 has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular 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.
- (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 March 31, 2010 which have not been deposited on account of a dispute, are as follows-

Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where the dispute is pending	Amount (Rs. in lacs)
Central Sales Tax Act, 1956	Trade Tax	F. Y. 1995-96	Supreme Court	431.60
	Trade Tax	F. Y.1999-00	High Court, Allahabad	47.28
	Trade Tax	F. Y.1996-97	High Court, Allahabad	6.00
	Trade Tax	F. Y. 1997-98	High Court, Allahabad	201.56
	Trade Tax	F. Y.1995-96	Tribunal, Ghaziabad	1.95
	Trade Tax	F. Y. 1996-97	Tribunal, Noida	2.10
The U.P. Tax on Entry of Goods Act, 2000	Entry Tax	F. Y. 2003-04	High Court, Allahabad	0.82
	Entry Tax	F. Y. 2000-01	High Court, Allahabad	55.92
	Entry Tax	F. Y. 2002-03	High Court, Allahabad	21.59
	Entry Tax	F. Y.2008-09	Addl. Commissioner Appeals	1.75
U.P. VAT Act	Sales Tax	F.Y. 2007-08	High Court, Allahabad	343.33
Central Customs Act, 1962	Customs Duty	F.Y. 2006-08	Customs, Excise & Service Tax Appellate Tribunal	1316.12
	Customs Duty	F.Y. 2003-04	Commissioner Customs	7.49
Central Excise Act, 1944	Excise Duty	F. Y. 1994-99	Supreme Court	109.00
	Excise Duty	F. Y. 1992-93	High Court, Allahabad	86.50
	Excise Duty	F. Y. 1997-98	High Court, Allahabad	66.38

Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where the dispute is pending	Amount (Rs. in lacs)
	Excise Duty	F. Y. 2000-01	High Court, Allahabad	64.25
	Excise Duty	F. Y. 2003-04	High Court, Allahabad	8.64
	Excise Duty	F. Y. 2004-05	High Court, Allahabad	3.03
	Excise Duty	F. Y. 2005-06	Customs, Excise & Service Tax Appellate Tribunal	574.37
	Excise Duty	F. Y. 2001-02	Customs, Excise & Service Tax Appellate Tribunal	1469.97
	Excise Duty	F. Y. 2005-06	Customs, Excise & Service Tax Appellate Tribunal	81.04
Central Excise Act, 1944	Excise Duty	F. Y. 1998-99	Customs, Excise & Service Tax Appellate Tribunal	0.73
	Excise Duty	F. Y. 1996-97	Customs, Excise & Service Tax Appellate Tribunal	1.99
	Service Tax	F. Y. 2002-07	Customs, Excise & Service Tax Appellate Tribunal	32.57
	Excise Duty	F. Y. 2006-07	Jt. Secretary, Ministry of Finance	27.66
	Excise Duty	F. Y. 2004-05	Commissioner Appeals	10.00
	Excise Duty	F. Y. 2004-05	Dy. Commissioner Excise	1.68

10. The Company does not have any accumulated losses as at 31st March, 2010. The Company has not incurred cash losses during the financial year covered by the audit but incurred cash losses in the 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 not defaulted in repayment of dues to financial institutions and banks.
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 Rs. 1211.20 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, and on an overall basis, 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, in our opinion and according to the information and explanations given to us, no funds raised on a short-term basis have been used for long-term investment.
18. According to the information and explanation given to us, The Company has made preferential allotment of shares to company covered in the register maintained under Section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
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. We have been informed that an employee of the company has misappropriated funds. The entire amount has since been recovered and the employee has been terminated.

For **S.S.Kothari Mehta & Co.**
Chartered Accountants
Firm Reg.No.:000756N

Sd/-
Yogesh K. Gupta
Partner
Membership No.: 93214

New Delhi, April 24, 2010

	SCHEDULE		As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A	8,438.66	8,206.10	
Advance Subscription	AA	5,641.72	500.00	
Reserves and Surplus	B	11,111.16	3,197.75	11,903.85
			25,191.54	
Loan Funds				
Secured Loans	C	36,094.60	51,879.30	
Unsecured Loans	D	2,575.50	2,497.71	54,377.01
			38,670.10	
TOTAL			63,861.64	66,280.86
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	E	131,465.74	131,096.39	
Less: Depreciation/Amortisation		61,724.42	55,559.10	
Net Block		69,741.32	75,537.29	
Capital Work-in-progress		12.17	191.26	
			69,753.49	75,728.55
			3,300.99	3,300.99
Investments				
Current Assets, Loans and Advances				
Inventories	G	8,993.48	8,815.52	
Sundry Debtors	H	8,293.12	7,917.89	
Cash and Bank Balances	I	487.48	207.61	
Loans and Advances	J	2,928.93	2,905.44	
			20,703.01	19,846.46
Current Liabilities and Provisions				
Current Liabilities	K	28,148.80	30,810.42	
Provisions	L	1,747.05	1,784.72	
			29,895.85	32,595.14
Net Current Assets			(9,192.84)	(12,748.68)
TOTAL			63,861.64	66,280.86
Significant Accounting Policies	P			
Notes to Accounts	Q			

Schedules "A" to "L" and "P" to "Q" annexed hereto form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date

	For and on behalf of the Board of Directors		
Sd/-	Sd/-	Sd/-	Sd/-
Yogesh Gupta	Satish K. Kaura	Subodh Bhargava	Prabhat Kumar Nanda
Partner	Chairman and	Director	Company Secretary
Membership No. : 93214	Managing Director		

For and on behalf of
S. S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. : 000756N

Place : New Delhi
Date : April 24, 2010

Profit and Loss for the year ended 31st March, 2010
SAMTEL COLOR LIMITED

SCHEDULE	For the Year Ended 31.03.2010 Rs. in lacs	For the 9 Months period ended 31.03.2009 Rs. in lacs
I. INCOME		
Sales (Gross) (Refer to Note 'G' on schedule 'P')	121,203.22	80,963.43
Less : Excise Duty	9,774.62	9,226.05
Sales (Net)	111,428.60	71,737.38
Other Income	8,371.08	1,536.51
	119,799.68	73,273.89
II. EXPENDITURE		
Manufacturing and Other Expenses	102,665.78	74,064.48
Excise Duty on Increase/(Decrease) in Finished Goods	39.88	28.37
Interest (Net) and Finance Charges	3,155.30	4,482.71
Depreciation / Amortisation	6,288.87	4,847.29
Profit / (Loss) for the year before Taxation	7,649.85	(10,148.96)
Tax Expense (Refer to Note 'L' on schedule 'P' and Note '3' on schedule 'Q')		
Tax provision of earlier years	3.88	50.97
Fringe Benefits Tax	-	49.73
Deferred Tax (Credit)	-	(2,793.49)
Net Profit / (Loss) for the year after Taxation	7,645.97	(7,456.17)
Balance brought forward from Previous Year	(7,456.17)	-
Balance carried forward to Balance Sheet	189.80	(7,456.17)
Earnings per share (face value Rs. 10 each)		
- Basic	8.53	(14.96)
- Diluted	7.46	(14.96)
(Refer to Notes 'P' on schedule 'P' and '7' on schedule 'Q')		
Significant Accounting Policies	P	
Notes to Accounts	Q	

Schedules "M" to "Q" annexed hereto form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date

For and on behalf of the Board of Directors			
Sd/- Yogesh Gupta Partner Membership No. : 93214	Sd/- Satish K. Kaura Chairman and Managing Director	Sd/- Subodh Bhargava Director	Sd/- Prabhat Kumar Nanda Company Secretary
For and on behalf of S. S. Kothari Mehta & Company Chartered Accountants Firm Registration No. : 000756N			

Place : New Delhi
Date : April 24, 2010

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SCHEDULE A : SHARE CAPITAL		
(Refer to Note 'N' on schedule 'P' and Note '6' and '11' on schedule 'Q')		
AUTHORISED		
12,49,90,000 (Previous Year 7,49,90,000) Equity Shares of Rs. 10 each	12,499.00	7,499.00
50,01,000 (Previous Year 50,01,000) Redeemable Preference Shares of Rs. 100 each	5,001.00	5,001.00
	17,500.00	12,500.00
ISSUED		
5,35,96,766 (Previous Year 5,12,71,185) Equity Shares of Rs. 10 each	5,359.68	5,127.12
21,10,116 (Previous Year 21,10,116) 8 % Non Convertible Cumulative Redeemable Preference Shares of Rs. 100 each.	2,110.12	2,110.12
9,69,163 (Previous Year 9,69,163) 0% Non Convertible Cumulative Redeemable Preference Shares of Rs. 100 each	969.16	969.16
	8,438.96	8,206.40
SUBSCRIBED AND PAID - UP		
5,35,90,766* (Previous Year 5,12,65,185) Equity Shares of Rs. 10 each fully paid-up	5,359.08	5,126.52
Add : Forfeited equity shares pending reissue 6,000 shares (Previous year 6,000) Rs. 5 paid-up	0.30	0.30
21,10,116 (Previous Year 21,10,116) 8 % Non Convertible Cumulative Redeemable Preference Shares of Rs. 100 each to be redeemed in four quarterly instalments beginning from 30th June, 2017	2,110.12	2,110.12
9,69,163 (Previous Year 9,69,163) 0% Non Convertible Cumulative Redeemable Preference Shares of Rs. 100 each to be redeemed in two instalments beginning from 30th June, 2011	969.16	969.16
	8,438.66	8,206.10

*Of the above, 894,000 (Previous Year 894,000) Equity Shares of Rs. 10 each are held by Paramount Capfin Lease Pvt. Ltd., a subsidiary company

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SCHEDULE AA: ADVANCE SUBSCRIPTION		
(Refer to Note '11' on schedule 'Q')		
Advance Subscription for Warrants (68,72,852 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)	1,000.00	500.00
Advance subscription for equity shares (3,19,01,831 Equity Shares of face value of Rs. 10.00 each at a premium of Rs. 4.55 per share to lenders by conversion of debt to equity)	4,641.72	–
	<u>5,641.72</u>	<u>500.00</u>
SCHEDULE B : RESERVES AND SURPLUS		
Capital Reserve	460.07	460.07
Investment Allowance (Utilised) Reserve	45.00	45.00
Share Premium Account (Refer to Note '12' on schedule 'Q')	5,099.37	4,831.93
General Reserve		
Opening Balance	5,316.92	4,416.92
Add : Transferred from Debenture Redemption Reserve	–	900.00
Closing Balance	<u>5,316.92</u>	<u>5,316.92</u>
Profit and Loss Account	189.80	(7,456.17)
Debenture Redemption Reserve		
Opening Balance	–	900.00
Less : Transferred to General Reserve	–	900.00
Closing Balance	<u>–</u>	<u>–</u>
TOTAL	<u><u>11,111.16</u></u>	<u><u>3,197.75</u></u>

	Notes	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SCHEDULE C: SECURED LOANS			
(Refer to Notes '5' and '11' on schedule 'Q')			
FROM FINANCIAL INSTITUTIONS			
Rupee Term Loans	1	1,971.73	2,544.93
Interest accrued and due		–	63.52
FROM TECHNOLOGY DEVELOPMENT BOARD			
Interest accrued and due	2	113.26	198.21
FROM BANKS			
Cash Credit	1	–	1,070.31
Rupee Working Capital Loans	1	–	3,406.47
Rupee Term Loans	1	31,269.49	40,275.30
Foreign Currency Term Loans	1	1,195.92	1,544.25
Zero Coupon Bonds	1	1,539.64	1,539.64
Vehicle Loans	3	4.56	15.98
Interest accrued and due			
– Foreign Currency Term Loans		–	23.00
– Rupee Term Loans		–	917.72
– Rupee Working Capital Loans		–	261.48
		36,094.60	51,879.30

Notes :

(1) Secured by way of charge created / to be created as follows:

- Hypothecation charge over current and moveable assets and first charge over immoveable properties, by way of deposit of title deeds of the immoveable properties (both present and future) of the Company on pari-passu basis in favour of M/s 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.
- The loans for Rs. 35,091.06 Lacs (Previous year Rs. 49,419.50 Lacs) are further secured by pledge of 1,57,00,442 nos. (previous year 1,33,29,442 nos.) equity shares of Samtel Color Limited held by promoter Companies with M/s 3i Infotech Trusteeship Services Limited (Security Trustee of CDR Lenders)
- The Company has pledged 15,00,000 shares of Samtel Glass Limited with CDR lenders pending creation of security on the Kota leasehold land.
- Foreign Currency Loan from Rabo Bank Limited secured by way of first pari-passu charge created on immoveable assets of the Company situated at Plot no. 2, Greater Noida Industrial Area, Gautam Budha Nagar, U.P. for Rs. 541.68 Lacs (previous year Rs. 611.40 Lacs).
- Rupee Loan from ICICI Bank Limited towards Research and Development projects secured by way of exclusive charge on the specific immoveable assets used for the said projects for Rs. 344.04 Lacs (previous year Rs. 350.00 Lacs).

(Refer Note no. 11 on schedule Q on Financial Restructuring)

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

(2) Secured by a Corporate Guarantee given by the Company and by way of specific charge created on assets purchased from the proceeds of this loan for the purpose of the Research and Development project for Rs. 113.26 Lacs (Previous year Rs. 198.21 Lacs).

(3) Secured by hypothecation of specific vehicles for Rs. 4.56 Lacs (Previous year Rs. 15.98 Lacs).

Term loans repayable within one year Rs. 9,306.80 lacs (Previous year Rs. 6,866.69 lacs)

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SCHEDULE D: UNSECURED LOANS		
Inter Corporate Deposits	244.48	244.48
Loan from Directors	42.30	42.30
Loan from Life Insurance Corporation of India	78.58	98.85
Loan from Centre for Scientific and Industrial Research	2,063.00	1,946.00
Loan from Foreign Bank	147.14	166.08
	2,575.50	2,497.71

Amounts repayable within one year Rs. 229.11 lacs (Previous year Rs. Nil)

SCHEDULE E : FIXED ASSETS

(Refer to Notes 'B', 'C', 'J', 'K' and 'O' on schedule 'P' and Notes '1B' and '5' on schedule 'Q')

Rs. in lacs

Particulars of Assets	Gross Block (at Cost)				Depreciation / Amortisation				Net Block	
	As At 31/03/2009	Additions	Sales/ Adjustments	As At 31/03/2010	Up to 31/03/2009	For The Year	On Sales / Adjustment	Upto 31/03/2010	As At 31/03/2010	As At 31/03/2009
TANGIBLE ASSETS										
Freehold Land	93.62	-	-	93.62	-	-	-	-	93.62	93.62
Leasehold Land	1,295.67	-	-	1,295.67	129.48	14.35	-	143.83	1,151.84	1,166.19
Leasehold Improvements	114.96	-	-	114.96	2.57	38.32	-	40.89	74.07	112.39
Factory Building	11,453.48	-	-	11,453.48	2,760.17	381.02	-	3,141.19	8,312.29	8,693.31
Non-Factory Building	606.32	-	-	606.32	111.76	9.61	-	121.37	484.95	494.56
Plant and Machinery	114,587.26	492.04	-	115,079.30	50,399.92	5,503.65	-	55,903.57	59,175.73	64,187.34
Furniture, Fixtures and Office Equipment	1,007.54	21.70	74.22	955.02	654.81	98.74	69.15	684.40	270.62	352.73
Vehicles (acquired on Finance Lease)	327.35	2.44	72.61	257.18	172.84	36.07	54.40	154.51	102.67	154.51
INTANGIBLE ASSETS										
Goodwill	120.01	-	-	120.01	120.01	-	-	120.01	-	-
Technical Designs / Drawings	1,153.87	-	-	1,153.87	894.35	163.11	-	1,057.46	96.41	259.52
Software for Internal Use	427.18	-	-	427.18	313.19	44.00	-	357.19	69.99	113.99
Total	131,187.26	516.18	146.83	131,556.61	55,559.10	6,288.87	123.55	61,724.42	69,832.19	75,628.16
Less: Provision for obsolete assets	90.87	-	-	90.87					90.87	90.87
Net Total	131,096.39	516.18	146.83	131,465.74					69,741.32	75,537.29
Previous Year	130,467.90	665.77	37.28	131,096.39	50,731.30	4,847.29	19.49	55,559.10		
Capital work-in-progress									12.17	191.26

Notes:-

- (1) Additions to Fixed Assets include additions aggregating Rs. Nil (Previous year Rs. 117.05 lacs) acquired for Research and Development activities.
- (2) Capital Work-in-progress include Capital Advances (net) - Rs. Nil (Previous year Rs. 33.58 lacs).

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

			As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SCHEDULE F: INVESTMENTS				
(Refer to Note 'D' on schedule 'P')				
	Number	Face Value Rs.		
Long Term Investments				
Quoted:				
Trade Equity shares of Samtel India Ltd. (Previous year 1,336,812)	1,336,812	10 each	295.20	295.20
Unquoted :				
Trade Equity Shares of Samtel Glass Ltd. (Previous year 23,330,000)	23,330,000	10 each	2,790.87	2,790.87
Others				
Equity shares of Coromandal Stamp Ltd. (Previous year 40,000)	40,000	10 each	4.00	4.00
Equity shares of Dolsun Containers (Pvt.) Ltd. (Previous year 64,000)	64,000	10 each	6.40	6.40
In Subsidiary Companies				
Equity shares of Paramount Capfin Lease (Pvt.) Ltd. (Previous year 2,000,000)	2,000,000	10 each	199.98	199.98
Equity shares of Bluebell Trade Links (Pvt.) Ltd. (Previous year 45,560)	45,560	10 each	4.54	4.54
			3,300.99	3,300.99
Notes:-				
Aggregate value of Quoted Investments				
Market value			143.04	98.12
Book value			295.20	295.20
Aggregate value of Unquoted Investments				
Book value			3,005.79	3,005.79

Notes:-

- (1) The Company has furnished undertakings for non-disposal of its investment in Samtel Glass Ltd. (SGL) to IFCI and ICICI Bank on behalf of SGL for the purpose of securing a foreign currency loan for SGL and subscription to equity capital of SGL.
- (2) The Company has pledged 4,37,216 shares of Samtel India Limited to a bank for securing a loan taken from them. The loan has been fully repaid and the Company has initiated the process of getting the scrips returned.
- (3) The Company has pledged 15,00,000 shares of Samtel Glass Limited with CDR lenders pending creation of security on the Kota leasehold land.
- (4) The Company has not purchased / sold any investments during the year.

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SCHEDULE G: INVENTORIES		
(as taken, valued and verified by management)		
(Refer to Note 'E' on schedule 'P')		
Raw Materials and Components	4,762.81	3,855.23
Stores and Spares	1,341.89	1,411.12
Work-in-Process	1,157.18	1,804.36
Finished Goods	1,731.60	1,744.81
	<u>8,993.48</u>	<u>8,815.52</u>
SCHEDULE H: SUNDRY DEBTORS		
Unsecured		
Debts exceeding Six Months:		
Considered Good	372.30	74.58
Considered Doubtful	1,836.50	1,802.29
Less : Provision for Doubtful Debts	(1,836.50)	(1,802.29)
Other Debts:		
Considered Good	7,920.82	7,843.31
	<u>8,293.12</u>	<u>7,917.89</u>
SCHEDULE I: CASH AND BANK BALANCES		
Cash and Cheque in hand	37.16	12.47
Balances with Scheduled Banks in		
– Current Accounts	328.35	92.81
– Dividend Accounts	26.61	34.43
– Fixed Deposit/Margin Money Accounts @	95.36	67.90
	<u>487.48</u>	<u>207.61</u>

@ Held as Margin Money against Bill Discounting and Bank Guarantees

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SCHEDULE J: LOANS AND ADVANCES		
(Refer to Note 'L' on schedule 'P')		
Unsecured, considered good unless specified otherwise		
Advances Recoverable in cash or in kind or for value to be received		
Considered Good	985.75	1,003.06
Considered Doubtful	332.28	332.28
Less : Provision for Doubtful Advances	(332.28)	(332.28)
	<u>128.58</u>	<u>253.62</u>
Advance Income Tax	128.58	253.62
Inter Corporate Deposits	107.00	107.00
Advances / Loans (interest free) to wholly owned Subsidiaries		
Paramount Capfin Lease Pvt. Ltd. (Maximum balance due during the year Rs.69.52 lacs (Previous year Rs. 69.25 lacs))	69.52	69.25
Bluebell Trade Links Pvt. Ltd. (Maximum balance due during the year Rs. 0.89 lacs (Previous year Rs. 0.74 lacs))	0.89	0.74
Advances to companies under the same management		
– Inter Corporate Deposits @	170.00	170.00
– Others @@	148.62	119.33
Security Deposits	491.53	406.35
Balances with Government Departments	827.04	776.09
	<u>2,928.93</u>	<u>2,905.44</u>

@ Inter Corporate Deposits

Samtel India Ltd. (Maximum balance due during the year Rs. 170.00 lacs) (Previous year Rs. 170.00 lacs).

@@ Others

Samtel India Limited Rs.140.87 lacs (Previous year Rs. 116.12 lacs) (Maximum balance due during the year Rs.140.87 lacs) (Previous year Rs.116.12 lacs) and to Samtel HAL Display Systems Limited Rs. 7.65 lacs (previous year Rs.3.21 lacs) (Maximum balance due during the year Rs.7.65 lacs) (Previous year Rs.3.21 lacs).

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SCHEDULE K: CURRENT LIABILITIES		
(Refer to Note 'I' on schedule 'P' and Note '10' on schedule 'Q')		
Acceptances	10,215.17	10,079.43
Sundry Creditors		
Total outstanding dues of Micro, Small and Medium Enterprises #	212.14	199.65
Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	15,132.09	17,560.32
Advances Received from Customers	672.77	179.62
Investor Education and Protection Fund - Unclaimed Dividend	26.61	34.43
Other Liabilities	740.75	1,070.45
Interest accrued but not due on Loans	1,103.32	1,642.62
Security Deposits	45.95	43.90
	<u>28,148.80</u>	<u>30,810.42</u>

As certified by the management based on the information provided by the Creditors.

SCHEDULE L: PROVISIONS

(Refer to Notes 'H', 'M' & 'Q' on schedule 'P' and "8" on schedule 'Q')

Provision for Gratuity	1,354.92	1,256.55
Provision for Leave Encashment	343.11	465.57
Provision for Warranty :		
Opening Balance	60.88	52.98
Add: Provision made during the year	6.74	17.86
Less: Provision used during the year	19.60	9.96
	<u>48.02</u>	<u>60.88</u>
Provision for Wealth Tax	1.00	1.72
	<u>1,747.05</u>	<u>1,784.72</u>

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

	For the Year Ended 31-03-2010 Rs. in lacs	For the 9 Months Period Ended 31-03-2009 Rs. in lacs
SCHEDULE M: OTHER INCOME		
(Refer to Notes 'G' & 'I' on schedule 'P' and '11' on schedule 'Q')		
Export Incentives	74.22	40.75
Income from Service Contract	–	308.00
Profit on Sale of Fixed Assets	10.34	8.75
Scrap Sale	869.60	566.07
Foreign Currency Fluctuation (Net)	909.24	–
Provision no longer required, written back	13.70	61.13
Liabilities no longer required, written back	24.50	157.70
Waiver of principal amount by lenders	6,053.39	326.04
Excess Provision for Interest, cumulative interest, penal interest and liquidated damages, written back	337.04	47.84
Miscellaneous Income	79.05	20.23
	<u>8,371.08</u>	<u>1,536.51</u>
SCHEDULE N: MANUFACTURING AND OTHER EXPENSES		
(Refer to Notes 'F' , 'H' , 'I' , 'K' and 'M' on schedule 'P' and Notes '4' , '8' and '1K' on schedule 'Q')		
Raw Material and Components Consumed	75,796.56	55,545.62
(Increase)/Decrease in stocks of finished goods and work in process		
Opening Stock		
Work-in-Process	1,804.36	1,504.77
Finished Goods	1,744.81	1,273.84
	<u>3,549.17</u>	<u>2,778.61</u>
Less: Closing Stock		
Work-in-Process	1,157.18	1,804.36
Finished Goods	1,731.60	1,744.81
	<u>2,888.78</u>	<u>3,549.17</u>
	660.39	(770.56)
Personnel Costs		
Salaries, Wages, Gratuity and other Benefits	8,784.48	6,274.18
Contribution to Provident Fund and Superannuation Fund	778.08	676.97
Staff Welfare Expenses	460.21	358.29
	<u>10,022.77</u>	<u>7,309.44</u>

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

	For the Year Ended 31-03-2010 Rs. in lacs	For the 9 Months Period Ended 31-03-2009 Rs. in lacs	
Other Expenses			
Power, Fuel and Gases	9,761.08	6,111.79	
Stores and Consumables	2,857.69	2,001.97	
Rent	248.70	250.99	
Rates and Taxes	19.97	10.99	
Repair and Maintenance:			
Buildings	10.11	6.17	
Plant and Machinery	392.69	184.57	
Others	108.46	84.23	
Warranty Expenses	6.74	17.86	
Insurance	125.01	91.21	
Commission / Discount	66.75	17.79	
Freight and Cartage Outwards	1,072.52	626.60	
Legal, Professional and Technical Fee	323.16	281.66	
Travelling	340.01	320.48	
Sales Tax Expenses (Net)	337.49	-	
Loss on Sale of fixed assets	2.53	0.48	
Provision for Obsolete Inventory	-	64.63	
Foreign Currency Fluctuation (Net)	-	1,538.81	
Provision for Doubtful Debts and Advances	34.21	-	
Miscellaneous	478.94	369.75	11,979.98
	102,665.78	74,064.48	

SCHEDULE O: INTEREST (NET) AND FINANCE CHARGES

(Refer to Notes 'J' and 'K' on schedule 'P')

Interest on Term Loans	1,738.77	3,185.41	
Other Interest and Finance Charges	1,482.54	1,379.17	
Sub Total	3,221.31	4,564.58	
Less : Interest on Deposit, Advances, etc. (TDS deducted Rs.6.24 lacs (Previous year Rs. 7.54 lacs))	38.46	35.24	
Interest on Income tax refund	27.53	46.51	
Interest on Staff Loan	0.02	0.12	4,482.71
	3,155.30	4,482.71	

SCHEDULE P: SIGNIFICANT ACCOUNTING POLICIES

(A) GENERAL

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956.

(B) FIXED ASSETS

Tangible Assets

Fixed assets 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 where applicable.

Preoperative 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 recognised 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 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 un amortised depreciable amount is charged over the revised remaining useful life (subject to minimum rates prescribed under Schedule XIV to the Companies Act, 1956).

Leasehold land is written-off proportionately over the lease period.

Leasehold Improvements are written off over the period of primary lease.

Capital spares are amortised over the useful life of the principal item.

Intangible Assets

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

“Technical Designs / Drawings” and “Software for Internal Use” are amortised on a straight line basis over the estimated useful lives 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 recognise 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 realisable 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 Profit and Loss Account.
- ii) Fixed Assets purchased for R&D activities are capitalised in the year the same are put to use.

(G) REVENUE

- i) Sales are accounted for on despatch and are stated inclusive of excise duty and net of value added tax, sales tax, trade discounts 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 Profit and Loss Account.

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 contributions to LIC, discount rate, future salary increases. The Company recognises the actuarial gains and losses in the Profit and Loss account 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 remaining unsettled at the end of the year are translated at year-end rates.
- ii) The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Profit and Loss account. For forward contracts associated with underlying out standings at the Balance Sheet date, the exchange difference on such contracts are recognised in the profit and loss account in the reporting period in which exchange rates changes. The premium or discount on all such contracts arising at the inception are amortised as in 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 capitalised as part of the cost of that asset upto the date of start of commercial production.
- ii) Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of the borrowing.
- iii) Other borrowing costs are recognised 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 Profit and Loss account 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 recognised as a liability. The lease payments made are apportioned between finance charge and reduction of outstanding liability in relation to leased asset.

(L) TAXATION

Tax expense for the year comprises of current tax and deferred tax. Current taxes are measured at the current rate of tax in accordance with provisions of the Income Tax Act, 1961.

Deferred Income Tax reflects the effect of temporary timing differences between the assets and liabilities recognised for financial reporting purposes and the amounts that are recognised for Income Tax purposes.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or subsequently enacted by the Balance Sheet date.

Deferred tax assets in case of carry forward of losses / depreciation are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available. In all other cases deferred tax asset is recognised, where there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(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 amortised 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 recognised 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 recognised 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.

SCHEDULE Q: NOTES TO ACCOUNTS

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
1A Contingent Liabilities		
i) Guarantees issued by bankers on behalf of the Company for which counter guarantees have been given by the Company	266.90	250.50
ii) Claims against the Company not acknowledged as debts:		
– Demands from Government authorities, being contested by the Company		
Income Tax matters	93.27	130.50
Sales Tax matters	832.44	171.56
Excise Duty and Service Tax matters	3796.19	693.07
UPSEB claims	172.79	140.59
EOU debonding	672.60	889.86
– Others	399.42	449.37
– Transfer charges demanded by Himachal Pradesh Housing Board on account of erstwhile merger of Samtel Electron Devices, Parwanoo with Samtel Color Ltd.	113.00	56.62
– Differential stamp duty on account of construction of building on the leasehold land of Samtel Glass Limited (formerly Samcor Glass Limited).	186.00	198.00
– Customs authorities demand on account of fraudulent DEPB claimed by another party and subsequently purchased by the Company for bonafide consideration.	38.64	38.64
– Amount claimed by a supplier of technology transfer, disputed by the Company	594.65	594.65
– Labour cases, being contested by the Company	287.52	241.99
– Dividend in arrears for 8 % Non Convertible Cumulative Redeemable Preference Shares	419.95	282.48
iii) Irrevocable Corporate Guarantees issued by the Company in favour of Bank, on account of financial assistance availed by a group company : Samtel Electron Devices, GmbH*	1,211.20	1,349.60

* Secured by way of charge created / to be created on immovable properties and by 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 amounts shown in item (i) above represent gurantees given in the normal course of the Company's operations 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 shown in item (ii) above represent the best possible estimates arrived at on the basis of available informations. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have in invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.

Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2010

SAMTEL COLOR LIMITED

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
1B Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	72.88	99.22

	<u>INSTALLED CAPACITY</u>		<u>ACTUAL PRODUCTION</u>	
	2009-10 (Nos.)	2008-09 (Nos.)	For the Year Ended 31-03-2010 (Nos.)	For the 9 Months Period Ended 31-03-2009 (Nos.)
1 C Installed Capacity and Actual Production				
Colour Picture Tubes	10,200,000	10,200,000	9,216,489	5,645,693
Colour Electron Guns	12,000,000	12,000,000	10,381,089	6,388,388
Deflection Yokes	8,040,000	8,040,000	5,943,311	4,411,349

Note: Installed capacity is annualised and is stated as certified by the management and accepted by the auditors being a technical matter.

	<u>For the Year Ended 31.03.2010</u>		<u>For the 9 Months Period Ended 31.03.2009</u>	
	Qty. (Nos.)	Value Rs. in lacs	Qty. (Nos.)	Value Rs. in lacs
1 D Stock and Sales				
<u>Colour Picture Tubes</u>				
i) Opening stock of finished goods	89,947	1,744.81	85,929	1,273.84
ii) Closing stock of finished goods	161,503	1,731.60	89,947	1,744.81
iii) Sales of finished goods	9,144,933	111,381.77	5,641,675	71,654.56
<u>Colour Electron Gun</u>				
i) Opening stock of finished goods	-	-	-	-
ii) Closing stock of finished goods [@]	-	-	-	-
iii) Sales of finished goods [@]	15,528	28.42	26,347	45.63
<u>Deflection Yoke</u>				
i) Opening stock of finished goods	-	-	-	-
ii) Closing stock of finished goods ^{***}	-	-	-	-
iii) Sales of finished goods ^{**}	24,076	18.41	27,575	36.76

	For the Year Ended 31.03.2010		For the 9 Months Period Ended 31.03.2009	
	Qty. (Nos.)	Value Rs. in lacs	Qty. (Nos.)	Value Rs. in lacs

Others:

i) Opening stock of finished goods	–	–	–	–
ii) Sales of finished goods	–	–	–	0.43

@ Sales of Colour Electron Gun does not include 1,01,96,144 nos. (Previous year 64,22,493 nos.) used for captive consumption and Nil nos. (Previous year 1,732 nos.) lost in fire.

@@ Closing stock of Colour Electron Gun does not include 1,95,685 nos. (Previous year 26,268 nos.) since the same is kept for captive consumption

** Sales of Deflection Yoke does not include 58,93,515 nos. (Previous year 43,94,425 nos.) used for captive consumption

*** Closing stock of Deflection Yoke does not include 33,823 nos. (Previous year 8,103 nos.) since the same is kept for captive consumption.

* Others include Heater & Cathode .

	For the Year Ended 31.03.2010		For the 9 Months Period Ended 31.03.2009	
	Qty. (Nos.)	Value Rs. in lacs	Qty. (Nos.)	Value Rs. in lacs
1 E RAW MATERIAL AND COMPONENTS CONSUMED				
(a) Glass Components	19,729,118	44,349.30	12,650,270	30,432.05
(b) Electronic Components	54,440,624	20,597.07	34,348,360	16,978.71
(c) Miscellaneous *		10,850.19		8,134.86
		75,796.56		55,545.62

*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.

	For the Year Ended 31.03.2010		For the 9 Months Period Ended 31.03.2009	
	Rs. in lacs	%	Rs. in lacs	%
1 F MATERIAL CONSUMPTION				
(a) Raw Material and Components Consumed				
– Imported	25,923.68	34.20	17,991.24	32.39
– Indigenous	49,872.88	65.80	37,554.38	67.61
	75,796.56	100.00	55,545.62	100.00
(b) Stores and Consumables Consumed				
– Imported	402.18	14.07	340.98	17.03
– Indigenous	2,455.51	85.93	1,660.99	82.97
	2,857.69	100.00	2,001.97	100.00

	For the Year Ended 31.03.2010 Rs. in lacs	For the 9 Months Period Ended 31.03.2009 Rs. in lacs
1 G AUDITORS' REMUNERATION (excluding service tax and cess)		
Statutory Auditors		
Audit Fee	14.00	-
Quarterly Limited Reviews	4.00	-
Reimbursement of Expenses	0.40	-
Erstwhile Statutory Auditors		
Audit Fee	-	23.00
Quarterly Limited Reviews	4.00	8.00
Certification	1.05	0.60
Reimbursement of Expenses	1.83	2.02
1 H CIF VALUE OF IMPORTS		
a. Raw Material and Components	26,451.10	12,847.23
b. Stores and Spares	446.46	316.79
c. Capital Goods	-	16.47
1 I EXPENDITURE IN FOREIGN CURRENCY (Net of Indian Taxes) (Cash basis)		
i) Professional and Technical Fees	93.76	74.50
ii) Others	16.60	25.59
1 J EARNINGS IN FOREIGN EXCHANGE		
FOB Value of Exports	1066.64	592.20
1 K MANAGERIAL REMUNERATION		
Computation of net profit u/s 349 read with section 198 of the Companies Act, 1956 by way of percentage of such profits to the Managing Director for the Year Ended 31st March, 2010		
	For the Year Ended 31.03.2010 Rs. in lacs	For the 9 Months Period Ended 31.03.2009 Rs. in lacs
Profit/(Loss) before taxation and prior period expenditure as per accounts	7,649.85	(10,148.96)
Add :		
1) Loss on sale of Fixed Assets	2.53	0.48
2) Provision for Inventory Obsolescence	-	64.63
3) Provision for Doubtful Debts	34.21	-

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

		For the Year Ended 31.03.2010 Rs. in lacs		For the 9 Months Period Ended 31.03.2009 Rs. in lacs
4) Wealth Tax paid / provided	1.00			1.72
5) Depreciation / Amortisation as per Books	<u>6,288.87</u>	<u>6,326.61</u>	4,847.29	<u>4,914.12</u>
		13,976.46		(5,234.84)
Less :				
1) Profit on sale of Fixed Assets	10.34			8.75
2) Provision no longer required, written back	13.70			61.13
3) Liabilities no longer required, written back	24.50			157.70
4) Depreciation as per Schedule XIV	<u>6,279.82</u>	<u>6,328.36</u>	4,833.86	<u>5,061.44</u>
Net Profit u/s 349 of the Companies Act, 1956		7,648.10		(10,296.28)
Add :				
Managing Director's remuneration	85.53			72.67
Net Profit / (Loss) u/s 198 (1) of the Companies Act, 1956 for the year		7,733.63		(10,223.61)
Less: Excess of expenditure over income of earlier years		(30,135.01)		(19,911.40)
Managing Director's Remuneration				
Net Profit / (Loss) available u/s 198 (1) of the Companies Act, 1956		(22,401.38)		(30,135.01)
Managerial remuneration paid / provided in the accounts				
1) Salary and Allowances	40.20			30.15
2) Contribution to Provident Fund and Superannuation Fund	10.85			8.14
3) Estimated Value of Perquisites	<u>34.48</u>	<u>85.53</u>	34.38	<u>72.67</u>

Notes :

- (i) The above figures do not include provision for gratuity and leave encashment payable to the Managing Director, as the same is actuarially determined for all employees of the Company as a whole.
- (ii) Managerial remuneration includes Rs.57.65 lacs which is subject to approval of Central Government. The Management shall be filing the necessary application for the same. Further Rs. 46.53 lacs relating to 9 months period ended 31st March, 2009 is also subject to Central Government approval.

2. Segmental Reporting

The Company's operating business is organised and managed according to a single primary reportable business segment namely "T.V. Picture Tube and Parts".

As part of secondary reporting, revenues are attributed to geographic areas based on the location of the customer.

In accordance with Accounting Standard (AS) - 17 on Segment Reporting, the following table presents information relating to the geographical segments for the year ended March 31, 2010:-

Secondary Segment - Geographical Location of Customers

Reportable Segments	(Rs. in Lacs)			
	Domestic	Overseas	Unallocated	Total
Revenue	1,28,507.66 (81,907.74)	1,066.64 (592.20)	66.01 (81.87)	1,29,640.31 (82,581.81)
Carrying amount of segment assets by location	90,060.90 (94,939.97)	- (-)	3,696.59 (3,936.03)	93,757.49 (98,876.00)
Cost to acquire tangible fixed assets	516.18 (649.30)	- (-)	- (-)	516.18 (649.30)
Cost to acquire intangible fixed assets	- (16.47)	- (-)	- (-)	- (16.47)

Notes:

- (i) Unallocated assets include loans, investments, dividend accounts and advance tax (net), which cannot be allocated to reportable segments.
- (ii) Segment assets include the related capital work-in-progress and capital advances.
- (iii) Unallocable revenue includes interest and dividend income.
- (iv) Revenue is gross of excise duty.
- (v) Figures in brackets represent previous year's figures.

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
3. Deferred Tax		
(A) The movement in Deferred Tax Liability (Net) account is as follows:		
Opening Balance	(935.57)	2,793.49
Current period Deferred Tax Liability / (Asset)	463.58	(2,793.49)
Closing Balance	(471.99)	-
(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 :-		
Deferred Tax Liabilities:		
(i) Tax impact of difference between carrying amount of fixed assets in the financial statements and income tax returns	12,197.71	12,776.42
(ii) Tax impact of amounts claimed as deductible expenditure in the income tax returns but to be charged to profit and loss accounts of future years	—	161.72
Sub Total (A)	12,197.71	12,938.14

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
Deferred Tax Assets:		
(i) Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax	1,615.11	1,577.78
(ii) Tax impact of unabsorbed business loss / depreciation for the current year	11,054.59	12,295.93
Sub Total (B)	12,669.70	13,873.71
Net Deferred Tax Liability (A) - (B)	(471.99)	(935.57)

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. 471.99 lacs which will be adjusted against deferred tax liability as and when it arises.

No provision for tax (MAT) has been considered necessary in view of unabsorbed depreciation / carry forward losses.

4. Revenue expenses on account of Research and Development activities included in these accounts under various heads are Rs.536.15 lacs (Previous year Rs. 686.02 lacs).
5. **A) Finance Lease:** The Company has acquired 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 is borne by the Company.

The present value of Minimum Lease Payments as on March 31, 2010 for each of the following periods is:-

	Minimum Lease Payments due as at 31.3.2010	Future Finance Charge	(Rs. in Lacs) Present value as at 31.3.2010
Not later than 1 year	0.96	0.30	1.26
Later than 1 year and not later than 5 year	2.77	0.53	3.30
Total	3.73	0.83	4.56

- B) Operating Lease:** The Company has taken on lease depots and offices 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. 248.70 lacs (previous year Rs. 250.99 lacs) has been charged to Profit and Loss account.
6. 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, 2010. 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 Mumbai 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 there against are summarised 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	55,587	15,651	0.70
29.05.2008	51,081	17.30	-	24,031	27,050	-
Total	533,569		227,778	263,090	42,701	37.34

7. Earnings Per Share (EPS)

- (a) The following table reconciles the numerators and denominators used to calculate Basic and Diluted Earnings Per Share for the year ended March 31, 2010 and period ended March 31, 2009 :

	Year Ended March 31, 2010 (Rs. in Lacs)	Period Ended March 31, 2009 (Rs. in Lacs)
Income available to Equity Shareholders		
Net Profit	7,645.97	(7,456.17)
Dividend on Preference Shares and Tax thereon	(419.95)	(212.12)
Diluted Income / (Loss) available to Equity Shareholders	7,226.02	(7,668.29)
Number of Shares at the beginning of the year (A)	5,12,65,185	5,12,65,185
Equity shares allotted during the year to Promoters Companies	23,25,581	—
Loans convertible to equity shares as per CDR scheme	3,19,01,831	—
Weighted Average Shares (B)	3,34,94,695	—
Weighted Average Shares Outstanding (nos.) (A+B)	8,47,59,880	5,12,65,185
Corporate Guarantee given by the Company	1,21,12,000	1,34,96,000
Diluted weighted average shares outstanding	9,68,71,880	6,47,61,185
	(Rs. per Share)	
Nominal value per Equity Share	10.00	10.00
Basic Earnings per Share	8.53	(14.96)
Diluted Earnings per Share	7.46	(14.96)

8 Post Employment Benefits

In accordance with the adoption of Accounting Standard – 15 (Revised 2005) on “Employee Benefits” issued by the Institute of Chartered Accountants of India, the Company has accounted for the long term defined 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 date 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 interest rate of earnings on contributions to LIC. The Company recognises the actuarial gains and losses in the Profit & Loss Account as income and expense in the period in which they occur.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations for the current year is as below:

(Rs. In lacs)

	Gratuity	Leave Encashment/Compensated Absences		
		Vested	Non-Vested	Total
Changes in the Present value :				
Obligations at year beginning	1,415.68	411.70	53.87	465.57
Service Cost – Current	131.16	39.04	8.07	47.11
Interest Cost	113.25	32.94	4.31	37.25
Actuarial (gain) / loss	75.15	(203.64)	(3.18)	(206.82)
Benefit Paid	(53.85)	-	-	-
Obligations at year end	1,681.39	280.04	63.07	343.11
Change in plan assets:				
Plan assets at year beginning, at fair value	159.13	-	-	-
Expected return on plan assets	12.73	-	-	-
Actuarial gain / (loss)	0.61	-	-	-
Contributions	207.85	-	-	-
Benefits paid	(53.85)	-	-	-
Plan assets at year end, at fair value	326.47	-	-	-
Reconciliation of present value of the obligation and the fair value of the plan assets:				
Present value of the defined benefit obligations at the end of the year	1,681.39	280.04	63.07	343.11
Fair value of the plan assets at the end of the year	326.47	-	-	-
Liability recognised in the Balance Sheet	1,354.92	280.04	63.07	343.11
Defined benefit obligations cost for the year				
Service Cost – Current	131.16	39.04	8.07	47.11
Interest Cost	113.25	32.94	4.31	37.25
Expected return on plan assets	(12.73)	-	-	-
Actuarial (gain) / loss	74.54	(203.64)	(3.18)	(206.82)
Net defined benefit obligations cost	306.22	(131.66)	9.20	(122.46)

Investment details of plan assets 100% of the plan assets are lying in the Gratuity Fund administered through Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme.	326.47	NA	NA	
The principal assumptions used in determining post-employment benefit obligations are shown below:				
Discount Rate	8%	8%	8%	
Future salary increases	5.50%	5.50%	5.50%	
Expected return on plan assets	8%	-	-	

(b) **State Plans:**

The Company deposits an amount determined at a fixed percentage of Basic pay every month to the state administered provident fund for the benefit of the employees. Accordingly, the Company's contribution during the year that has been charged to revenue amounts to Rs. 4,77,45,855 (Previous Year Rs. 4,25,13,963).

The reconciliation of opening and closing balances of the present value of the defined benefit obligations for the previous year is as below:

(Rs. In lacs)

	Gratuity	Leave Encashment/Compensated Absences		
		Vested	Non-Vested	Total
Changes in the Present value :				
Obligations at year beginning	1,359.50	418.08	51.01	469.09
Service Cost – Current	88.52	38.70	6.42	45.12
Interest Cost	81.57	25.08	3.06	28.14
Actuarial (gain) / loss	(2.82)	(70.16)	(6.62)	(76.78)
Benefit Paid	(111.09)	-	-	-
Obligations at year end	1,415.68	411.70	53.87	465.57
Change in plan assets:				
Plan assets at year beginning, at fair value	267.21	-	-	-
Expected return on plan assets	16.03	-	-	-
Actuarial gain / (loss)	(16.03)	-	-	-
Contributions	3.01	-	-	-
Benefits paid	(111.09)	-	-	-
Plan assets at year end, at fair value	159.13	-	-	-
Reconciliation of present value of the obligation and the fair value of the plan assets:				
Present value of the defined benefit obligations at the end of the year	1,415.68	411.70	53.87	465.57
Fair value of the plan assets at the end of the year	159.13	-	-	-
Liability recognised in the Balance Sheet	1,256.55	411.70	53.87	465.57

Defined benefit obligations cost for the year				
Service Cost – Current	88.52	38.70	6.42	45.12
Interest Cost	81.57	25.08	3.06	28.14
Expected return on plan assets	(16.03)	-	-	-
Actuarial (gain) / loss	13.21	(70.16)	(6.62)	(76.78)
Net defined benefit obligations cost	167.27	(6.38)	2.86	(3.52)
Investment details of plan assets				
100% of the plan assets are lying in the Gratuity Fund administered through Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme.	159.13	NA	NA	
The principal assumptions used in determining post-employment benefit obligations are shown below:				
Discount Rate	8%	8%	8%	
Future salary increases	5.50%	5.50%	5.50%	
Expected return on plan assets	8%	-	-	

9 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 :

(i) Names of related parties and description of relationship

A Parties where control exists

— **Subsidiaries**

Paramount Capfin Lease Pvt. Ltd.
Blue Bell Trade Links Pvt. Ltd.

— **Associates**

Samtel Glass Ltd.
Dolsun Containers Pvt. Ltd.

— **Companies over which persons described in (B) and (C) below are able to exercise significant influence**

Samtel India Ltd.
Samtel - HAL Display Systems Ltd.
Teletube Electronics Ltd.
Samtel Electron Devices, GMBH
International Electron Devices Ltd.
Samtel Display Systems Ltd.
Lenient Consultants Pvt. Ltd.
CEA Consultants Pvt. Ltd.
SW Consultants Pvt. Ltd.
Tish Consultants Pvt. Ltd.
Kaura Properties Pvt. Ltd.
Kaura Investment Pvt. Ltd.
Palka Investments Pvt. Ltd. (Subsidiary of Samtel Glass Ltd.)
Swaka Consultants Ltd.
Punswat Consultants Ltd.
Fame Mercantile Pvt. Ltd.
Navketan Mercantile Pvt. Ltd.
Sakshi Kaura Designs Pvt. Ltd.
Akla Investments Pvt. Ltd.

B Key Management Personnel

Mr. Satish K. Kaura (Chairman and Managing Director)

C Relatives of Key Management Personnel

Mrs. Alka Kaura (Wife of Mr. Satish K. Kaura)
Mr. Puneet Kaura (Son of Mr. Satish K. Kaura)

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

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

Names of Related Parties	Nature of Transactions	Amount of Transactions			Outstanding Balances	
		For the Year Ended 31.03.2010	For the 9 Months Period Ended 31.03.2009		As at 31.03.2010	As at 31.03.2009
		Rs. in lacs		Rs. in lacs		
Subsidiaries						
Paramount Capfin Lease Pvt. Ltd.	Expenses incurred by the Company on behalf of Paramount	0.27	-	Share Capital Investments Loans and Advances	89.30 199.98 69.52	89.30 199.98 69.25
Blue Bell Trade Links Pvt. Ltd.	Expenses incurred by the Company on behalf of Bluebell	0.15	-	Investments Loans and Advances	4.54 0.89	4.54 0.74
Associate						
Samtel Glass Ltd. (SGL)	Purchase of Goods	16,444.07	8,869.54	Creditors	548.52	368.56
	Purchase of Fixed Assets	-	252.13	Loans and Advances	-	22.60
	Scrap Sales	392.93	300.51	Investments	2,790.87	2,790.87
	Employees on Deputation debited by SGL	86.78	52.65	Security Deposit	155.00	155.00
	Interest on LC/ Bills of Exchange	62.67	75.46	Debtors	-	0.69
	Expenses debited by SGL	2.44	0.47			
	Share of Corporate Office Expenses	104.23	88.47			
	High Seas Purchase by SGL	-	268.39			
	High Seas Sales by SGL	59.18	-			
	Power and Fuel expenses	581.72	318.08			
	Expenses incurred by the Company on behalf of SGL	-	6.35			
Other parties where control exists						
Samtel India Ltd. (SIL)	Sale of Goods	9.56	19.97	Creditors	2.55	2.55
	Employees on Deputation debited by SIL	0.98	0.03	Investments	295.20	295.20
	Interest income on ICD	23.80	17.87	Share Capital Loans and Advances ICD	592.29 140.87 170.00	592.29 116.13 170.00
Teletube Electronics Ltd. (TEL)	Purchase of Goods/ Job Work	2.60	31.22	Loans and Advances	77.82	12.33
	Employees on Deputation debited by TEL	17.75	12.17	Advance Subscription	1,000.00	-
	Expenses incurred on behalf of TEL	-	11.44	Share Capital	1,024.79	1,024.79
	Purchase of Capital Goods	73.71	163.28	ICD	107.00	107.00
	Advance Subscription towards Share Warrants	1,000.00	-	Capital advance	-	33.58
	Interest income on ICD	11.24	8.43	Share Premium	406.51	406.51
	Capital advance given to TEL	45.00	53.39			
	Manpower Hiring Charges paid on behalf of TEL	60.24	25.00			
	Sale of Goods	-	0.08			
Samtel Electron Devices, GmbH	Designing of Components	20.10	21.96	Corporate Guarantees	1,211.20	1,349.60
	Bank Guarantee charges	86.41	8.47	Loans and Advances	87.32	57.75
	Travelling Expenses	0.43	0.89	Creditors for services	-	1.45
	Purchase of goods	-	1.55	Debtors	0.13	0.13

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

Names of Related Parties	Nature of Transactions	Amount of Transactions			Outstanding Balances	
		For the Year Ended 31.03.2010	For the 9 Months Period Ended 31.03.2009		As at 31.03.2010	As at 31.03.2009
		Rs. in lacs		Rs. in lacs		
International Electron Devices Ltd.	Purchase of Goods	7,398.47	5,163.74	Creditors	264.62	62.23
	High Seas Sales	-	41.17			
	Sale of Raw material	1.93	69.77			
	Job Work charges paid	12.91	173.70			
Samtel Display Systems Ltd. (SDS)	Rental Income (lease)	19.58	18.52	Share Capital	338.20	338.20
	Expenses incurred on behalf of SDS	45.42	293.91			
Samtel - HAL Display Systems Ltd.	Rental Income (lease)	4.44	3.21	Loans and Advances	7.65	3.21
Lenient Consultants Pvt. Ltd.	Interest on loan	3.37	1.13	Unsecured Loans	42.15	42.15
				Interest Payable	8.17	4.80
CEA Consultants Pvt. Ltd.	Advance Subscription towards Share Warrants	-	450.00	Share Capital	344.19	111.63
	Refund of Loan to CEA Consultants	-	0.25	Unsecured Loans	202.33	202.33
	Interest on loan	16.19	4.98	Share Premium	395.81	128.37
				Interest Payable	40.66	24.48
			Advance Subscription	-	500.00	
Swaka Consultants Ltd.	Contract Labour charges	571.13	464.56	Creditors for Services	35.88	72.15
Punswat Consultants Ltd.	Contract Labour charges	581.47	422.39	Creditors for Services	40.70	57.23
Dolsun Containers Pvt. Ltd.	Purchase of Goods	419.90	300.09	Creditors	77.16	81.40
	Scrap Sales	162.96	123.00	Debtors	29.65	20.47
	Freight Outward	111.73	51.13	Investments	6.40	6.40
	High Seas Purchases	864.70	-			
	Security Received	-	1.00			
Key Management Personnel						
Mr. Satish K. Kaura	Remuneration *	85.53	72.67	Unsecured Loans	42.30	42.30
	Personal Guarantee given for term loans taken by the Company.	35,435.10	49,769.50	Interest Payable	8.20	4.82
	Interest on loan	3.38	1.13			

* Includes Rs. 57.65 lacs which is subject to Central Government approval.

10. 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:

		In Rs. lacs	
	Particulars	2009-10	2008-09
A	Principal amount remaining unpaid as on 31st March, 2010	176.52	189.23
B	Interest due thereon as on 31st March, 2010	35.62	10.42
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.	35.62	10.42
E	Interest accrued and remaining unpaid as on 31st March, 2010	Nil	Nil
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 enterprise.	35.62	10.42

11. Financial Restructuring

At the request of the Company, the participating Financial Institutions and Banks have during the financial year sanctioned a Debt Restructuring Scheme under the Corporate Debt Restructuring (CDR) mechanism. The salient features of the scheme inter alia are:

- (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 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.

12. Movement in Share Premium Account:

	For the Year Ended 31.03.2010	(Rs. in lacs) For the 9 Month Period Ended 31.03.2009
Opening Balance	4,831.93	4,831.93
Add :		
On Equity Shares subscribed and allotted	267.44	—
Closing Balance	5,099.37	4,831.93

13. (a) Previous year figures have been regrouped/ rearranged wherever necessary to conform to this period's classification.
- (b) The figures for the previous year are for nine months period ended March 31, 2009 and are to that extent not comparable with those of the current financial year which are for period of 12 months.

**Sd/-
Satish K. Kaura**
Chairman and
Managing Director

**Sd/-
Subodh Bhargava**
Director

**Sd/-
Prabhat Kumar Nanda**
Company Secretary

Place : New Delhi
Date : April 24, 2010

CASH FLOW STATEMENT	FOR THE YEAR ENDED 31-03-2010 Rs. in lacs	FOR THE 9 MONTHS PERIOD ENDED 31-03-2009 Rs. in lacs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before tax After prior Period Adjustment	7,649.85	(10,148.96)
Adjustment For:		
- Depreciation / Amortisation	6,288.87	4,847.29
- Loss / (Gain) on Sale of Fixed Assets (Net)	(7.81)	(8.27)
- Provision for Obsolete Inventory	—	64.63
- Interest Expenses	3,221.31	4,564.58
- Interest Income	(66.01)	(81.87)
- Provision no Longer Required, Written Back	(13.70)	(61.13)
- Liabilities no Longer Required, Written Back	(24.50)	(157.70)
- Provision for Gratuity and Leave Encashment	(24.09)	160.74
- Waiver of Principal Amount by Lenders	(6,053.39)	(326.04)
- Excess Provision for Interest Written Back	(337.04)	(47.84)
- Provision for Wealth Tax	(0.72)	0.02
- Provision for Doubtful Debts and Advances	34.21	—
- Provision for Warranty	6.74	17.86
Operating Profit Before Working Capital Changes	<u>10,673.72</u>	<u>(1,176.69)</u>
Adjustment For:		
- Trade and Other Receivables	(341.02)	(2,999.71)
- Inventories	(177.96)	1,115.76
- Loans and Advances	(148.53)	1,044.66
- Trade and Other Payables	(2,113.93)	4,045.84
Cash Generated from Operations	<u>7,892.28</u>	<u>2,029.86</u>
Income Tax Paid	121.16	(108.99)
TOTAL	<u><u>8,013.44</u></u>	<u><u>1,920.87</u></u>
B. Cash Flow From Investing Activities:		
Additions to Fixed Assets / CWIP	(337.09)	(27.40)
Sale / Adjustment from Fixed Assets	31.09	26.06
Interest Received	66.01	81.87
TOTAL	<u><u>(239.99)</u></u>	<u><u>80.53</u></u>

Cash Flow Statement for the year ended 31st March, 2010**SAMTEL COLOR LIMITED****C. Cash Flow From Financing Activities:**

Share Capital issue Proceeds (Including Share Premium)	500.00	157.78
Advance Subscription Received	5,141.72	292.22
Waiver of Principal Amount by Lenders	6,053.39	326.04
Excess Provision for Interest Written Back	337.04	47.84
Proceeds/ (Repayments) from Borrowings for Working Capital (Net)	(4,488.20)	(905.08)
Proceeds/ (Repayments) of long term Borrowings (Net)	(9,998.03)	571.22
Dividend and Dividend Tax Paid	7.82	(8.15)
Interest Paid	(5,047.32)	(3,531.57)
TOTAL	(7,493.58)	(3,049.70)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	279.87	(1,048.30)
Cash and Cash Equivalents as at 1-4-2009 (Opening Balance)	207.61	1,255.91
Cash and Cash Equivalents as at 31-3-2010 (Closing Balance)	487.48	207.61

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 issued by the Institute of Chartered Accountants of India.
- (ii) Figures in brackets represent cash outflows.
- (iii) Previous period 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

Sd/-
Yogesh Gupta
Partner
Membership No. : 93214

Sd/-
Satish K. Kaura
Chairman and
Managing Director

Sd/-
Subodh Bhargava
Director

Sd/-
Prabhat Kumar Nanda
Company Secretary

For and on behalf of
S. S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. : 000756N

Place : New Delhi
Date : April 24, 2010

I. Registration Details:

Registration No.

2	4	2	2	2
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 State Code :

5	5
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 CIN No. :

L	5	1	9	0	9	D	L	1	4	9	8	6	P	L	C	0	2	4	2	2	2
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 Balance Sheet Date :

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II. Capital raised during the year : (Amount in Rs. Thousands)

Public Issue <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L	Rights Issue* <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>2</td><td>3</td><td>2</td><td>5</td><td>6</td></tr></table>				2	3	2	5	6	
						N	I	L											
			2	3	2	5	6												
Bonus Issue <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L	Private Placement <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L
						N	I	L											
						N	I	L											
	ESOP <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L									
						N	I	L											

*Preferential Allotment

III. Position of mobilisation and deployment of funds: (Amount in Rs. Thousands)

Total Liabilities <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>6</td><td>3</td><td>8</td><td>6</td><td>1</td><td>6</td><td>4</td></tr></table>			6	3	8	6	1	6	4	Total Assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>6</td><td>3</td><td>8</td><td>6</td><td>1</td><td>6</td><td>4</td></tr></table>			6	3	8	6	1	6	4	
		6	3	8	6	1	6	4												
		6	3	8	6	1	6	4												
Sources of Funds:	Application of Funds:																			
Paid-up Capital <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>1</td><td>4</td><td>0</td><td>8</td><td>0</td><td>3</td><td>8</td></tr></table>			1	4	0	8	0	3	8	Net Fixed Assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>6</td><td>9</td><td>7</td><td>5</td><td>3</td><td>4</td><td>9</td></tr></table>			6	9	7	5	3	4	9	
		1	4	0	8	0	3	8												
		6	9	7	5	3	4	9												
Reserves & Surplus <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>1</td><td>1</td><td>1</td><td>1</td><td>1</td><td>1</td><td>6</td></tr></table>			1	1	1	1	1	1	6	Investments <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>3</td><td>3</td><td>0</td><td>0</td><td>9</td><td>9</td></tr></table>			3	3	0	0	9	9		
		1	1	1	1	1	1	6												
		3	3	0	0	9	9													
Secured Loans <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>3</td><td>6</td><td>0</td><td>9</td><td>4</td><td>6</td><td>0</td></tr></table>			3	6	0	9	4	6	0	Net Current Assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>(</td><td>9</td><td>1</td><td>9</td><td>2</td><td>8</td><td>4</td><td>)</td></tr></table>			(9	1	9	2	8	4)
		3	6	0	9	4	6	0												
		(9	1	9	2	8	4)											
Unsecured Loans <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>2</td><td>5</td><td>7</td><td>5</td><td>5</td><td>0</td></tr></table>				2	5	7	5	5	0	Miscellaneous Expenditure <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>-</td></tr></table>										-
			2	5	7	5	5	0												
									-											
Deferred Tax <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>-</td></tr></table>										-										
									-											

IV. Performance of Company: (Amount in Rs. Thousands)

Turnover <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>1</td><td>2</td><td>9</td><td>5</td><td>7</td><td>4</td><td>3</td><td>0</td></tr></table>			1	2	9	5	7	4	3	0	Total Expenditure <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>1</td><td>2</td><td>1</td><td>9</td><td>2</td><td>4</td><td>4</td><td>5</td></tr></table>			1	2	1	9	2	4	4	5
		1	2	9	5	7	4	3	0												
		1	2	1	9	2	4	4	5												
Profit before Tax <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>7</td><td>6</td><td>4</td><td>9</td><td>8</td><td>5</td></tr></table>				7	6	4	9	8	5	Profit after tax <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>7</td><td>6</td><td>4</td><td>5</td><td>9</td><td>7</td></tr></table>				7	6	4	5	9	7		
			7	6	4	9	8	5													
			7	6	4	5	9	7													
Earnings per Share - Basic (Rs.) <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>8</td><td>.</td><td>5</td><td>3</td></tr></table>					8	.	5	3	Dividend Rate (%) <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>-</td></tr></table>										-		
				8	.	5	3														
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- Diluted (Rs.) <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>7</td><td>.</td><td>4</td><td>6</td></tr></table>					7	.	4	6													
				7	.	4	6														

V Generic name of the principal product of the Company:

Item Code No.	:	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>8</td><td>5</td><td>4</td><td>0</td><td>.</td><td>1</td><td>1</td></tr></table>			8	5	4	0	.	1	1
		8	5	4	0	.	1	1			
Product Description	:	COLOUR TV PICTURE TUBE									
Item Code No.	:	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>8</td><td>5</td><td>4</td><td>0</td><td>.</td><td>9</td><td>0</td></tr></table>			8	5	4	0	.	9	0
		8	5	4	0	.	9	0			
Product Description	:	ELECTRON GUN FOR COLOUR PICTURE TUBE									
Item Code No.	:	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>8</td><td>5</td><td>4</td><td>0</td><td>.</td><td>9</td><td>1</td></tr></table>			8	5	4	0	.	9	1
		8	5	4	0	.	9	1			
Product Description	:	DEFLECTION YOKE FOR COLOUR PICTURE TUBE									

To the Board of Directors of Samtel Color Limited

1. We have audited the attached consolidated balance sheet of Samtel Color Limited, its subsidiaries and its associate (collectively referred to as "the Group") as at March 31, 2010, and also the consolidated profit and loss Account and the consolidated cash flow statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Samtel Color Limited's management and have been prepared by the management on basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit financial statements of the subsidiaries for the year ended March 31, 2010. The financial statements of the subsidiaries reflect total assets (net) of Rs. 34.6 lacs as at March 31, 2010, total revenue of Rs. Nil, net cash outflows of Rs. 0.02 lacs, for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

Attention is invited to Note 15 of Schedule Q of Notes to Accounts regarding consolidation of the financial statements of associate which reflects net profit after tax of Rs. 251.62 lacs for the year ended March 31, 2010 which has not been audited by us or by any other auditor and has been certified by their directors whose certificates has been furnished to us. Our opinion, in so far as it relates to the amount included in respect of associate, is based solely on the certificate of the directors.

4. We report that the consolidated financial statements have been prepared by Samtel Color Limited's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" and AS- 23, "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
5. Based on our audit and on consideration of the report of the other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements 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 consolidated state of affairs of the Group as at March 31, 2010;
 - (b) in the case of the consolidated profit and loss account, of the profit 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.

For **S.S.Kothari Mehta & Co.**
Chartered Accountants
Firm Reg.No.:000756N

Sd/-
Yogesh K. Gupta
Partner
Membership No.: 93214

New Delhi, April 24, 2010

	SCHEDULE		As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A	8,349.26	8,116.70	
Advance Subscription	AA	5,641.72	500.00	
Reserves and Surplus	B	10,091.24	2,116.76	10,733.46
			24,082.22	
Loan Funds				
Secured Loans	C	36,094.60	51,879.30	
Unsecured Loans	D	2,575.50	2,497.71	54,377.01
			38,670.10	
TOTAL			62,752.32	65,110.47
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	E	131,470.28	131,100.93	
Less: Depreciation / Amortisation		61,724.42	55,559.10	
Net Block		69,745.86	75,541.83	
Capital Work-in-progress		12.17	191.26	
			69,758.03	75,733.09
Investments	F		2,253.94	2,191.85
Current Assets, Loans and Advances				
Inventories	G	8,993.48	8,815.52	
Sundry Debtors	H	8,293.12	7,917.89	
Cash and Bank Balances	I	488.14	208.28	
Loans and Advances	J	2,862.02	2,840.18	
		20,636.76	19,781.87	
Current Liabilities and Provisions				
Current Liabilities	K	28,149.36	30,811.62	
Provisions	L	1,747.05	1,784.72	
		29,896.41	32,596.34	
Net Current Assets			(9,259.65)	(12,814.47)
TOTAL			62,752.32	65,110.47
Significant Accounting Policies	P			
Notes to Accounts	Q			

Schedules "A" to "L" and "P" to "Q" annexed hereto form an integral part of the Consolidated Balance Sheet.

This is the Consolidated Balance Sheet referred to in our report of even date

	For and on behalf of the Board of Directors		
Sd/-	Sd/-	Sd/-	Sd/-
Yogesh Gupta	Satish K. Kaura	Subodh Bhargava	Prabhat Kumar Nanda
Partner	Chairman and	Director	Company Secretary
Membership No. : 93214	Managing Director		

For and on behalf of
S. S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. : 000756N

Place : New Delhi
Date : April 24, 2010

**Consolidated Profit and Loss Account
for the year ended 31st March, 2010**

SAMTEL COLOR LIMITED

SCHEDULE		For the	For the 9 Months
		Year Ended 31.03.2010 Rs. in lacs	Period Ended 31.03.2009 Rs. in lacs
I. INCOME			
Sales (Gross) (Refer to Note 'G' on schedule 'P')		121,203.22	80,963.43
Less : Excise Duty		9,774.62	9,226.05
Sales (Net)		111,428.60	71,737.38
Other Income	M	8,371.08	1,536.51
		119,799.68	73,273.89
II. EXPENDITURE			
Manufacturing and Other Expenses	N	102,665.96	74,064.55
Excise Duty on Increase/(Decrease) in Finished Goods		39.88	28.37
Interest (Net) and Finance Charges	O	3,155.32	4,482.73
Depreciation / Amortisation		6,288.87	4,847.29
Miscellaneous Expenditure Written-off		0.09	0.04
Profit / (Loss) for the year before Taxation		7,649.56	(10,149.09)
Tax Expense (Refer to Note ' L' on schedule 'P' and Note '3' on schedule 'Q')			
Tax provision of earlier years		4.61	50.97
Fringe Benefits Tax		-	49.73
Deferred Tax (Credit)		-	(2,793.49)
Net Profit / (Loss) for the year after Taxation		7,644.95	(7,456.30)
Share of Profit / (Loss) of the Associate Company		62.09	(96.34)
Net Profit / (Loss)		7,707.04	(7,552.64)
Balance brought forward from Previous Year		(7,552.64)	-
Balance carried forward to Balance Sheet		154.40	(7,552.64)
Earnings per share (face value Rs. 10 each)			
- Basic		8.69	(15.41)
- Diluted		7.59	(15.41)
(Refer to Note 'P' on schedule 'P' and '7' on schedule 'Q')			
Significant Accounting Policies	P		
Notes to Accounts	Q		

Schedules "M" to "Q" annexed hereto form an integral part of the Consolidated Profit and Loss Account.

This is the Consolidated Profit and Loss Account referred to in our report of even date

	For and on behalf of the Board of Directors		
Sd/-	Sd/-	Sd/-	Sd/-
Yogesh Gupta	Satish K. Kaura	Subodh Bhargava	Prabhat Kumar Nanda
Partner	Chairman and	Director	Company Secretary
Membership No. : 93214	Managing Director		

For and on behalf of
S. S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. : 000756N

Place : New Delhi
Date : April 24, 2010

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SCHEDULE A : SHARE CAPITAL		
(Refer to Note 'N' on schedule 'P' and Note '6' and '11' on schedule 'Q')		
AUTHORISED		
12,49,90,000 (Previous Year 7,49,90,000) Equity Shares of Rs. 10 each	12,499.00	7,499.00
50,01,000 (Previous Year 50,01,000) Redeemable Preference Shares of Rs. 100 each	5,001.00	5,001.00
	<u>17,500.00</u>	<u>12,500.00</u>
ISSUED		
5,27,02,766 (Previous Year 5,03,77,185) Equity Shares of Rs. 10 each	5,270.28	5,037.72
21,10,116 (Previous Year 21,10,116) 8 % Non Convertible Cumulative Redeemable Preference Shares of Rs. 100 each.	2,110.12	2,110.12
9,69,163 (Previous Year 9,69,163) 0% Non Convertible Cumulative Redeemable Preference Shares of Rs. 100 each.	969.16	969.16
	<u>8,349.56</u>	<u>8,117.00</u>
SUBSCRIBED AND PAID - UP		
5,26,96,766 (Previous Year 5,03,71,185) Equity Shares of Rs. 10 each fully paid - up	5,269.68	5,037.12
Add : Forfeited equity shares pending reissue 6,000 shares Rs. 5 paid up (Previous year 6,000)	0.30	0.30
21,10,116 (Previous Year 21,10,116) 8 % Non Convertible Cumulative Redeemable Preference Shares of Rs. 100 each to be redeemed in four quarterly instalments beginning from 30th June, 2017.	2,110.12	2,110.12
9,69,163 (Previous Year 9,69,163) 0% Non Convertible Cumulative Redeemable Preference Shares of Rs. 100 each to be redeemed in two instalments beginning from 30th June, 2011.	969.16	969.16
	<u>8,349.26</u>	<u>8,116.70</u>

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SCHEDULE AA: ADVANCE SUBSCRIPTION		
(Refer to Note '11' on schedule ' Q')		
Advance Subscription for Warrants (68,72,852 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)	1,000.00	500.00
Advance subscription for equity shares (3,19,01,831 Equity Shares of face value of Rs. 10.00 each at a premium of Rs. 4.55 per share to lenders by conversion of debt to equity)	4,641.72	-
	<u>5,641.72</u>	<u>500.00</u>
SCHEDULE B : RESERVES AND SURPLUS		
Capital Reserve	460.07	460.07
Investment Allowance (Utilised) Reserve	45.00	45.00
Share Premium (Refer to Note '12' on schedule ' Q')	5,099.37	4,831.93
General Reserve		
Opening Balance	4,332.40	3,432.40
Add : Transferred from Debenture Redemption Reserve	-	900.00
Closing Balance	<u>4,332.40</u>	<u>4,332.40</u>
Profit and Loss account	154.40	(7,552.64)
Debenture Redemption Reserve		
Opening Balance	-	900.00
Less : Transferred to General Reserve	-	900.00
Closing Balance	<u>-</u>	<u>-</u>
TOTAL	<u><u>10,091.24</u></u>	<u><u>2,116.76</u></u>

	Notes	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SCHEDULE C: SECURED LOANS			
(Refer to Notes '5' and '11' on schedule 'Q')			
FROM FINANCIAL INSTITUTIONS			
Rupee Term Loans	1	1,971.73	2,544.93
Interest accrued and due		-	63.52
FROM TECHNOLOGY DEVELOPMENT BOARD			
Interest accrued and due	2	113.26	198.21
		-	18.49
FROM BANKS			
Cash Credit	1	-	1,070.31
Rupee Working Capital Loans	1	-	3,406.47
Rupee Term Loans	1	31,269.49	40,275.30
Foreign Currency Term Loans	1	1,195.92	1,544.25
Zero Coupon Bonds	1	1,539.64	1,539.64
Vehicle Loans	3	4.56	15.98
Interest accrued and due			
— Foreign Currency Term Loans		-	23.00
— Rupee Term Loans		-	917.72
— Rupee Working Capital Loans		-	261.48
		36,094.60	51,879.30

Notes :

(1) Secured by way of charge created / to be created as follows:

- Hypothecation charge over current and moveable assets and first charge over immoveable properties, by way of deposit of title deeds of the immoveable properties (both present and future) of the Company on pari-passu basis in favour of M/s 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.
- The loans for Rs. 35,091.06 Lacs (Previous year Rs. 49,419.50 Lacs) are further secured by pledge of 1,57,00,442 nos. (previous year 1,33,29,442 nos.) equity shares of Samtel Color Limited held by promoter Companies with M/s 3i Infotech Trusteeship Services Limited (Security Trustee of CDR Lenders)
- The Company has pledged 15,00,000 shares of Samtel Glass Limited with CDR lenders pending creation of security on the Kota leasehold land.
- Foreign Currency Loan from Rabo Bank Limited secured by way of first pari-passu charge created on immoveable assets of the Company situated at Plot no. 2, Greater Noida Industrial Area, Gautam Budha Nagar, U.P. for Rs. 541.68 Lacs (previous year Rs. 611.40 Lacs).

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

- Rupee Loan from ICICI Bank Limited towards Research and Development projects secured by way of exclusive charge on the specific immoveable assets used for the said projects for Rs. 344.04 Lacs (previous year Rs. 350.00 Lacs).

(Refer Note no. 11 on schedule Q on Financial Restructuring)

- (2) Secured by a Corporate Guarantee given by the Company and by way of specific charge created on assets purchased from the proceeds of this loan for the purpose of the Research and Development project for Rs. 113.26 Lacs (Previous year Rs. 198.21 Lacs).
- (3) Secured by hypothecation of specific vehicles for Rs. 4.56 Lacs (Previous year Rs. 15.98 Lacs).

Term loans repayable within one year Rs. 9,306.80 lacs (Previous year Rs. 6,866.69 lacs)

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SCHEDULE D: UNSECURED LOANS		
Inter Corporate Deposit	244.48	244.48
Loan from Directors	42.30	42.30
Loan from Life Insurance Corporation of India	78.58	98.85
Loan from Centre for Scientific and Industrial Research	2,063.00	1,946.00
Loan from Foreign Bank	147.14	166.08
	2,575.50	2,497.71

Amounts repayable within one year Rs. 229.11 lacs (Previous year Rs. Nil)

SCHEDULE E : FIXED ASSETS

(Refer to Notes 'B', 'C', 'J', 'K' and 'O' on schedule 'P' and Notes '1B' and '5' on schedule 'Q')

Rs. in lacs

Particulars of Assets	Gross Block (at Cost)				Depreciation / Amortisation				Net Block	
	As At 31/03/2009	Additions	Sales/ Adjustments	As At 31/03/2010	Up to 31/03/2009	For The Year	On Sales / Adjustment	Upto 31/03/2010	As At 31/03/2010	As At 31/03/2009
TANGIBLE ASSETS										
Freehold Land	98.16	-	-	98.16	-	-	-	-	98.16	98.16
Leasehold Land	1,295.67	-	-	1,295.67	129.48	14.35	-	143.83	1,151.84	1,166.19
Leasehold Improvements	114.96	-	-	114.96	2.57	38.32	-	40.89	74.07	112.39
Factory Building	11,453.48	-	-	11,453.48	2,760.17	381.02	-	3,141.19	8,312.29	8,693.31
Non-Factory Building	606.32	-	-	606.32	111.76	9.61	-	121.37	484.95	494.56
Plant and Machinery	114,587.26	492.04	-	115,079.30	50,399.92	5,503.65	-	55,903.57	59,175.73	64,187.34
Furniture, Fixtures and Office Equipment	1,007.54	21.70	74.22	955.02	654.81	98.74	69.15	684.40	270.62	352.73
Vehicles (acquired on Finance Lease)	327.35	2.44	72.61	257.18	172.84	36.07	54.40	154.51	102.67	154.51
INTANGIBLE ASSETS										
Goodwill	120.01	-	-	120.01	120.01	-	-	120.01	-	-
Technical Designs / Drawings	1,153.87	-	-	1,153.87	894.35	163.11	-	1,057.46	96.41	259.52
Software for Internal Use	427.18	-	-	427.18	313.19	44.00	-	357.19	69.99	113.99
Total	131,191.80	516.18	146.83	131,561.15	55,559.10	6,288.87	123.55	61,724.42	69,836.73	75,632.70
Less: Provision for obsolete assets	90.87	-	-	90.87					90.87	90.87
Net Total	131,100.93	516.18	146.83	131,470.28					69,745.86	75,541.83
Previous Year	130,563.31	665.77	37.28	131,191.80	50,731.30	4,847.29	19.49	55,559.10		
Capital work-in-progress									12.17	191.26

Notes:-

- (1) Additions to Fixed Assets include additions aggregating Rs. Nil (Previous year Rs. 117.05 lacs) acquired for Research and Development activities.
- (2) Capital Work-in-progress include Capital Advances (net) - Rs. Nil (Previous year Rs. 33.58 lacs).

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

			As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SCHEDULE F: INVESTMENTS				
(Refer to Note 'D' on schedule 'P')				
	Number	Face Value Rs.		
Long Term Investments				
Quoted:				
Trade				
Equity shares of Samtel India Ltd. (Previous year 1,369,616)	1,369,616	10 each	311.96	311.96
Others				
Equity shares of IFCI Ltd. (Previous year 2,000)	2,000	10 each	0.94	0.94
Equity shares of HDFC Bank Ltd. (Previous year 300)	300	10 each	0.10	0.10
Unquoted :				
Trade				
Equity Shares of Samtel Glass Ltd. (Previous year 23,330,000)	23,330,000	10 each		
— Capital Reserve			(176.85)	(176.85)
— Cost of Investment			2,967.72	2,967.72
TOTAL			2,790.87	2,790.87
Add : Share of Profits / (Loss) of the Associate Company till previous year			(923.26)	(826.92)
Add: Share of Profit / (Loss) of the Associate Company for the year			62.09	(96.34)
			1,929.70	1,867.61
Others				
Equity shares of Coromandal Stamp Ltd. (Previous year 40,000)	40,000	10 each	4.00	4.00
Equity shares of Dolsun Containers (Pvt.) Ltd. (Previous year 72,000)	72,000	10 each	7.24	7.24
			2,253.94	2,191.85
Notes:-				
Aggregate value of Quoted Investments				
Market value			149.83	101.43
Book value			313.00	313.00
Aggregate value of Unquoted Investments				
Book value			1,940.94	1,878.85

Notes:-

- (1) The Company has furnished undertakings for non-disposal of its investment in Samtel Glass Ltd. (SGL) to IFCI and ICICI Bank on behalf of SGL for the purpose of securing a foreign currency loan for SGL and subscription to equity capital of SGL.
- (2) The Company has pledged 4,37,216 shares of Samtel India Limited to a bank for securing a loan taken from them. The loan has been fully repaid and the Company has initiated the process of getting the scrips returned.
- (3) The Company has pledged 15,00,000 shares of Samtel Glass Limited with CDR lenders pending creation of security on the Kota leasehold land.
- (4) The Company has not purchased / sold any investments during the year.

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SCHEDULE G: INVENTORIES		
(as taken, valued and verified by management)		
(Refer to Note 'E' on schedule 'P')		
Raw Materials and Components	4,762.81	3,855.23
Stores and Spares	1,341.89	1,411.12
Work-in-Process	1,157.18	1,804.36
Finished Goods	1,731.60	1,744.81
	<u>8,993.48</u>	<u>8,815.52</u>
SCHEDULE H: SUNDRY DEBTORS		
Unsecured		
Debts exceeding Six Months		
Considered Good	372.30	74.58
Considered Doubtful	1,836.50	1,802.29
Less : Provision for Doubtful Debts	(1,836.50)	(1,802.29)
Other Debts:		
Considered Good	7,920.82	7,843.31
	<u>8,293.12</u>	<u>7,917.89</u>
SCHEDULE I: CASH AND BANK BALANCES		
Cash and Cheque in hand	37.16	12.47
Balances with Scheduled Banks in		
— Current Accounts	329.01	93.48
— Dividend Accounts	26.61	34.43
— Fixed Deposit/Margin Money Accounts @	95.36	67.90
	<u>488.14</u>	<u>208.28</u>

@ Held as Margin Money against Bill Discounting and Bank Guarantees

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SCHEDULE J: LOANS AND ADVANCES		
(Refer to Note 'L' on schedule 'P')		
Unsecured, considered good unless specified otherwise		
Advances Recoverable in cash or in kind or for value to be received		
Considered Good	999.75	1,017.06
Considered Doubtful	332.28	332.28
Less : Provision for Doubtful Advances	(332.28)	(332.28)
Advance Income Tax	128.58	254.35
Inter Corporate Deposits	107.00	107.00
Advances to companies under the same management		
— Inter Corporate Deposits @	170.00	170.00
— Others @@	148.62	119.33
Security Deposits	481.03	396.35
Balances with Government Departments	827.04	776.09
	2,862.02	2,840.18

@ Inter Corporate Deposits

Samtel India Ltd. (Maximum balance due during the year Rs. 170.00 lacs) (Previous year Rs. 170.00 lacs).

@@ Others

Samtel India Limited Rs.140.87 lacs (Previous year Rs. 116.12 lacs) (Maximum balance due during the year Rs.140.87 lacs) (Previous year Rs.116.12 lacs) and to Samtel HAL Display Systems Limited Rs. 7.65 lacs (previous year Rs.3.21 lacs) (Maximum balance due during the year Rs.7.65 lacs) (Previous year Rs.3.21 lacs).

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SCHEDULE K: CURRENT LIABILITIES		
(Refer to Note 'I' on schedule 'P' and Note '10' on schedule 'Q')		
Acceptances	10,215.17	10,079.43
Sundry Creditors		
Total outstanding dues of Micro,Small and Medium Enterprises #	212.14	199.65
Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	15,132.65	17,561.32
Advances Received from Customers	672.77	179.62
Investor Education and Protection Fund - Unclaimed Dividend	26.61	34.43
Other Liabilities	740.75	1,070.65
Interest accrued but not due on Loans	1,103.32	1,642.62
Security Deposits	45.95	43.90
	28,149.36	30,811.62

As certified by the management based on the information provided by the Creditors.

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
SCHEDULE L: PROVISIONS		
(Refer to Notes 'H', 'M' & 'Q' on schedule 'P' and "8' on schedule 'Q')		
Provision for Gratuity	1,354.92	1,256.55
Provision for Leave Encashment	343.11	465.57
Provision for Warranty:		
Opening Balance	60.88	52.98
Add: Provision made during the year	6.74	17.86
Less: Provision used during the year	19.60	9.96
	<u>48.02</u>	<u>60.88</u>
Provision for Wealth Tax	1.00	1.72
	<u>1,747.05</u>	<u>1,784.72</u>

	For the Year Ended 31-03-2010 Rs. in lacs	For the 9 Months Period Ended 31-03-2009 Rs. in lacs
SCHEDULE M: OTHER INCOME		
(Refer to Notes 'G' & 'I' on schedule 'P' and '11' on schedule 'Q')		
Export Incentives	74.22	40.75
Income from Service Contract	-	308.00
Profit on Sale of Fixed Assets	10.34	8.75
Scrap Sale	869.60	566.07
Foreign Currency Fluctuation (Net)	909.24	-
Provision no longer require, written back	13.70	61.13
Liabilities no longer required, written back	24.50	157.70
Waiver of principal amount by lenders	6,053.39	326.04
Excess Provision for Interest, cumulative interest, penal interest and liquidated damages, written back.	337.04	47.84
Miscellaneous Income	79.05	20.23
	<u>8,371.08</u>	<u>1,536.51</u>

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

	For the Year Ended 31-03-2010 Rs. in lacs	For the 9 Months Period Ended 31-03-2009 Rs. in lacs	
SCHEDULE N: MANUFACTURING AND OTHER EXPENSES			
(Refer to Notes 'F' , 'H' , 'I' , 'K' and 'M' on schedule 'P' and Notes '4' and '8' on schedule 'Q')			
Raw Material and Components Consumed	75,796.56	55,545.62	
(Increase)/Decrease in stocks of finished goods and work in process			
Opening Stock -			
Work-in-Process	1,804.36	1,504.77	
Finished Goods	1,744.81	1,273.84	
	<u>3,549.17</u>	<u>2,778.61</u>	
Less: Closing Stock -			
Work-in-Process	1,157.18	1,804.36	
Finished Goods	1,731.60	1,744.81	
	<u>2,888.78</u>	<u>3,549.17</u>	(770.56)
Personnel Costs			
Salaries, Wages, Gratuity and other Benefits	8,784.48	6,274.18	
Contribution to Provident Fund and Superannuation Fund	778.08	676.97	
Staff Welfare Expenses	460.21	358.29	
	<u>10,022.77</u>	<u>7,309.44</u>	
Other Expenses			
Power, Fuel and Gases	9,761.08	6,111.79	
Stores and Consumables	2,857.69	2,001.97	
Rent	248.70	250.99	
Rates and Taxes	19.97	10.99	
Repair and Maintenance:			
Buildings	10.11	6.17	
Plant and Machinery	392.69	184.57	
Others	108.46	84.23	
Warranty Expenses	6.74	17.86	
Insurance	125.01	91.21	
Commission / Discount	66.75	17.79	
Freight and Cartage Outwards	1,072.52	626.60	
Legal, Professional and Technical Fee	323.16	281.66	
Travelling	340.01	320.48	
Sales Tax Expenses (Net)	337.49	-	
Loss on Sale of fixed assets	2.53	0.48	
Provision for Obsolete Inventory	-	64.63	
Foreign Currency Fluctuation (Net)	-	1,538.81	
Provision for Doubtful Debts and Advances	34.21	-	
Miscellaneous	479.12	369.82	11,980.05
	<u>102,665.96</u>	<u>74,064.55</u>	

	For the Year Ended 31-03-2010 Rs. in lacs	For the 9 Months Period Ended 31-03-2009 Rs. in lacs
SCHEDULE O: INTEREST (NET) AND FINANCE CHARGES		
(Refer to Notes 'J' and 'K' on schedule 'P')		
Interest on Term Loans	1,738.77	3,185.41
Other Interest and Finance Charges	1,482.56	1,379.19
Sub Total	3,221.33	4,564.60
Less : Interest on Deposit, Advances, etc. (TDS deducted Rs.6.24 lacs (Previous year Rs. 7.54 lacs))	38.46	35.24
Interest on Income tax refund	27.53	46.51
Interest on Staff Loan	0.02	0.12
	3,155.32	4,482.73

SCHEDULE P: SIGNIFICANT ACCOUNTING POLICIES

(A) GENERAL

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

(B) FIXED ASSETS

Tangible Assets

Fixed assets 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 where applicable.

Preoperative 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 recognised 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 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 un amortised depreciable amount is charged over the revised remaining useful life (subject to minimum rates prescribed under Schedule XIV to the Companies Act, 1956).

Leasehold land is written-off proportionately over the lease period.

Leasehold Improvements are written off over the period of primary lease.

Capital spares are amortised over the useful life of the principal item.

Depreciation on foreign currency fluctuation is charged from the subsequent year over the residual useful life of the asset.

Intangible Assets

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

“Technical Designs / Drawings” and “Software for Internal Use” are amortised on a straight line basis over the estimated useful lives 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 recognise 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 realisable 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 Profit and Loss Account.
- ii) Fixed Assets purchased for R&D activities are capitalised in the year the same are put to use.

(G) REVENUE

- i) Sales are accounted for on despatch and are stated inclusive of excise duty and net of value added tax, sales tax, trade discounts 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 Profit and Loss Account.

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 contributions to LIC, discount rate, future salary increases. The Company recognises the actuarial gains and losses in the Profit and Loss account 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 remaining unsettled at the end of the year are translated at year-end rates.
- ii) The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Profit and Loss account. For forward contracts associated with underlying out standings at the Balance Sheet date, the exchange difference on such contracts are recognised in the profit and loss account in the reporting period in which exchange rates changes. The premium or discount on all such contracts arising at the inception are amortised as in 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 capitalised as part of the cost of that asset upto the date of start of commercial production.
- ii) Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of the borrowing.
- iii) Other borrowing costs are recognised 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 Profit and Loss account 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 recognised as a liability. The lease payments made are apportioned between finance charge and reduction of outstanding liability in relation to leased asset.

(L) TAXATION

Tax expense for the year comprises of current tax and deferred tax. Current taxes are measured at the current rate of tax in accordance with provisions of the Income Tax Act, 1961.

Deferred Income Tax reflects the effect of temporary timing differences between the assets and liabilities recognised for financial reporting purposes and the amounts that are recognised for Income Tax purposes.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or subsequently enacted by the Balance Sheet date.

Deferred tax assets in case of carry forward of losses / depreciation are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available. In all other cases deferred tax asset is recognised, where there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(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 amortised 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 recognised 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 recognised 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) CONSOLIDATION OF ACCOUNTS

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

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, 2010
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, 2010
Samtel Glass Limited (SGL) (Formerly Samcor Glass Limited)	27.91%

As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
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SCHEDULE Q: NOTES TO ACCOUNTS

1 A Contingent Liabilities

i) Guarantees issued by bankers on behalf of the Company for which counter guarantees have been given by the Company.	266.90	250.50
ii) Claims against the Company not acknowledged as debts:		
— Demands from Government authorities, being contested by the Company		
Income Tax matters	93.27	130.50
Sales Tax matters	832.44	171.56
Excise Duty and Service Tax matters	3796.19	693.07
UPSEB claims	172.79	140.59
EOU debonding	672.60	889.86
— Others	399.42	449.37
— Transfer charges demanded by Himachal Pradesh Housing Board on account of erstwhile merger of Samtel Electron Devices, Parwanoo with Samtel Color Ltd.	113.00	56.62
— Differential stamp duty on account of construction of building on the leasehold land of Samtel Glass Limited (formerly Samcor Glass Limited).	186.00	198.00
— Customs authorities demand on account of fraudulent DEPB claimed by another party and subsequently purchased by the Company for bonafide consideration.	38.64	38.64
— Amount claimed by a supplier of technology transfer, disputed by the Company	594.65	594.65
— Labour cases, being contested by the Company	287.52	241.99
— Dividend in arrears for 8 % Non Convertible Cumulative Redeemable Preference Shares	419.95	282.48
iii) Irrevocable Corporate Guarantees issued by the Company, in favour of Bank on account of financial assistance availed by a group company :		
Samtel Electron Devices, GmbH *	1,211.20	1,349.60

*Secured by way of charge created / to be created on immovable properties and by 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 amounts shown in item (i) above represent guarantees given in the normal course of the Company's operations 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 shown in item (ii) above represent the best possible estimates arrived at on the basis of available informations. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have in invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
1 B Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	72.88	99.22

2. Segmental Reporting

The Company's operating business is organised and managed according to a single primary reportable business segment namely "T.V. Picture Tube and Parts".

As part of secondary reporting, revenues are attributed to geographic areas based on the location of the customer.

In accordance with Accounting Standard (AS) - 17 on Segment Reporting, the following table presents information relating to the geographical segments for the year ended March 31, 2010:-

Secondary Segment - Geographical Location of Customers

	(Rs. in Lacs)			
Reportable Segments	Domestic	Overseas	Unallocated	Total
Revenue	1,28,493.96 (81,846.61)	1,066.64 (592.20)	79.71 (143.00)	1,29,640.31 (82,581.81)
Carrying amount of segment assets by location	90,261.18 (94,949.19)	- (-)	2,387.54 (2,757.63)	92,648.72 (97,706.82)
Cost to acquire tangible fixed assets	516.18 (649.30)	- (-)	- (-)	516.18 (649.30)
Cost to acquire intangible fixed assets	- (16.47)	- (-)	- (-)	- (16.47)

Notes:

- (i) Unallocated assets include loans, investments, dividend accounts and advance tax (net), which cannot be allocated to reportable segments.
- (ii) Segment assets include the related capital work-in-progress, capital advances and pre-operative expenditure pending allocation.
- (iii) Unallocable revenue includes interest and dividend income.
- (iv) Revenue is gross of excise duty.
- (v) Figures in brackets represent previous year's figures.

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
3. Deferred Tax		
(A) The movement in Deferred Tax Liability (Net) account is as follows:		
Opening Balance	(935.57)	2,793.49
Current period Deferred Tax Liability / (Asset)	463.58	(2,793.49)
Closing Balance	(471.99)	-

- (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 :-

	As at 31-03-2010 Rs. in lacs	As at 31-03-2009 Rs. in lacs
Deferred Tax Liabilities:		
(i) Tax impact of difference between carrying amount of fixed assets in the financial statements and income tax returns	12,197.71	12,776.42
(ii) Tax impact of amounts claimed as deductible expenditure in the income tax returns but to be charged to profit and loss accounts of future years	-	161.72
Sub Total (A)	12,197.71	12,938.14
Deferred Tax Assets:		
(i) Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax	1,615.11	1,577.78
(ii) Tax impact of unabsorbed business loss/depreciation for the current year	11,054.59	12,295.93
Sub Total (B)	12,669.70	13,873.71
Net Deferred Tax Liability (A) - (B)	(471.99)	(935.57)

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. 471.99 lacs which will be adjusted against deferred tax liability as and when it arises.

No provision for tax (MAT) has been considered necessary in view of unabsorbed depreciation / carry forward losses.

4. Revenue expenses on account of Research and Development activities included in these accounts under various heads are Rs.536.15 lacs (Previous year Rs. 686.02 lacs).
5. **A) Finance Lease:** The Company has acquired 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 is borne by the Company.

The present value of Minimum Lease Payments as on March 31, 2010 for each of the following periods is:-

	Minimum Lease Payments due as at 31.3.2010	Future Finance Charge	(Rs. in Lacs) Present value as at 31.3.2010
Not later than 1 year	0.96	0.30	1.26
Later than 1 year and not later than 5 year	2.77	0.53	3.30
Total	3.73	0.83	4.56

- B) Operating Lease :** The Company has taken on lease depots and offices 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. 248.70 lacs (previous year Rs. 250.99 lacs) has been charged to Profit and Loss account.

6. 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, 2010. 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 Mumbai 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 there against are summarised 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	55,587	15,651	0.70
29.05.2008	51,081	17.30	-	24,031	27,050	-
Total	533,569		227,778	263,090	42,701	37.34

7 Earnings Per Share (EPS)

- (a) The following table reconciles the numerators and denominators used to calculate Basic and Diluted Earnings Per Share for the year ended March 31, 2010 and the period ended March 31, 2009:

	Year Ended March 31, 2010 (Rs. in Lacs)	Period Ended March 31, 2009 (Rs. in Lacs)
Income available to Equity Shareholders		
Net Profit	7,707.04	(7,552.64)
Dividend on Preference Shares and Tax thereon	(419.95)	(212.12)
Diluted Income / (Loss) available to Equity Shareholders	7,287.09	(7,764.76)
Number of Shares at the beginning of the year (A)	5,03,71,185	5,03,71,185
Equity Shares allotted during the year to Promoters Companies	23,25,581	-
Loans convertible to equity shares as per CDR scheme	3,19,01,831	-
Weighted Average Shares (B)	3,34,94,695	-
Weighted Average Shares Outstanding (nos.) (A+B)	8,38,65,880	5,03,71,185
Corporate Guarantee given by the Company	1,21,12,000	1,34,96,000
Diluted weighted average shares outstanding	9,59,77,880	6,38,67,185
	(Rs. per Share)	
Nominal value per Equity Share	10.00	10.00
Basic Earnings per Share	8.69	(15.41)
Diluted Earnings per Share	7.59	(15.41)

8 Post Employment Benefits

In accordance with the adoption of Accounting Standard – 15 (Revised 2005) on “Employee Benefits” issued by the Institute of Chartered Accountants of India, the Company has accounted for the long term defined 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 date 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 interest rate of earnings on contributions to LIC. The Company recognises the actuarial gains and losses in the Profit & Loss Account as income and expense in the period in which they occur.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations for the current year is as below:

(Rs. In lacs)

	Gratuity	Leave Encashment/Compensated Absences		
		Vested	Non-Vested	Total
Changes in the Present value :				
Obligations at year beginning	1,415.68	411.70	53.87	465.57
Service Cost – Current	131.16	39.04	8.07	47.11
Interest Cost	113.25	32.94	4.31	37.25
Actuarial (gain) / loss	75.15	(203.64)	(3.18)	(206.82)
Benefit Paid	(53.85)	-	-	-
Obligations at year end	1,681.39	280.04	63.07	343.11
Change in plan assets:				
Plan assets at year beginning, at fair value	159.13	-	-	-
Expected return on plan assets	12.73	-	-	-
Actuarial gain / (loss)	0.61	-	-	-
Contributions	207.85	-	-	-
Benefits paid	(53.85)	-	-	-
Plan assets at year end, at fair value	326.47	-	-	-
Reconciliation of present value of the obligation and the fair value of the plan assets:				
Present value of the defined benefit obligations at the end of the year	1,681.39	280.04	63.07	343.11
Fair value of the plan assets at the end of the year	326.47	-	-	-
Liability recognised in the Balance Sheet	1,354.92	280.04	63.07	343.11
Defined benefit obligations cost for the year				
Service Cost – Current	131.16	39.04	8.07	47.11
Interest Cost	113.25	32.94	4.31	37.25
Expected return on plan assets	(12.73)	-	-	-
Actuarial (gain) / loss	74.54	(203.64)	(3.18)	(206.82)
Net defined benefit obligations cost	306.22	(131.66)	9.20	(122.46)

Investment details of plan assets 100% of the plan assets are lying in the Gratuity Fund administered through Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme.	326.47	NA	NA	
The principal assumptions used in determining post-employment benefit obligations are shown below:				
Discount Rate	8%	8%	8%	
Future salary increases	5.50%	5.50%	5.50%	
Expected return on plan assets	8%	-	-	

(b) **State Plans:**

The Company deposits an amount determined at a fixed percentage of Basic pay every month to the state administered provident fund for the benefit of the employees. Accordingly, the Company's contribution during the year that has been charged to revenue amounts to Rs. 4,77,45,855 (Previous Year Rs. 4,25,13,963).

The reconciliation of opening and closing balances of the present value of the defined benefit obligations for the previous year is as below:

(Rs. In lacs)

	Gratuity	Leave Encashment/Compensated Absences		
		Vested	Non-Vested	Total
Changes in the Present value :				
Obligations at year beginning	1,359.50	418.08	51.01	469.09
Service Cost – Current	88.52	38.70	6.42	45.12
Interest Cost	81.57	25.08	3.06	28.14
Actuarial (gain) / loss	(2.82)	(70.16)	(6.62)	(76.78)
Benefit Paid	(111.09)	-	-	-
Obligations at year end	1,415.68	411.70	53.87	465.57
Change in plan assets:				
Plan assets at year beginning, at fair value	267.21	-	-	-
Expected return on plan assets	16.03	-	-	-
Actuarial gain / (loss)	(16.03)	-	-	-
Contributions	3.01	-	-	-
Benefits paid	(111.09)	-	-	-
Plan assets at year end, at fair value	159.13	-	-	-
Reconciliation of present value of the obligation and				
the fair value of the plan assets:				
Present value of the defined benefit obligations at the end of the year	1,415.68	411.70	53.87	465.57
Fair value of the plan assets at the end of the year	159.13	-	-	-
Liability recognised in the Balance Sheet	1,256.55	411.70	53.87	465.57
Defined benefit obligations cost for the year				
Service Cost – Current	88.52	38.70	6.42	45.12

Interest Cost	81.57	25.08	3.06	28.14
Expected return on plan assets	(16.03)	-	-	-
Actuarial (gain) / loss	13.21	(70.16)	(6.62)	(76.78)
Net defined benefit obligations cost	167.27	(6.38)	2.86	(3.52)
Investment details of plan assets 100% of the plan assets are lying in the Gratuity Fund administered through Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme.	159.13	NA	NA	
The principal assumptions used in determining post-employment benefit obligations are shown below:				
Discount Rate	8%	8%	8%	
Future salary increases	5.50%	5.50%	5.50%	
Expected return on plan assets	8%	-	-	

9 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 :

(i) Names of related parties and description of relationship

A Parties where control exists

— **Subsidiaries**

Paramount Capfin Lease Pvt. Ltd.
Blue Bell Trade Links Pvt. Ltd.

— **Associates**

Samtel Glass Ltd.
Dolsun Containers Pvt. Ltd.

— **Companies over which person described in (B) and (C) below is able to exercise significant influence**

Samtel India Ltd.
Samtel - HAL Display Systems Ltd.
Teletube Electronics Ltd.
Samtel Electron Devices, GMBH
International Electron Devices Ltd.
Samtel Display Systems Ltd.
Lenient Consultants Pvt. Ltd.
CEA Consultants Pvt. Ltd.
SW Consultants Pvt. Ltd.
Tish Consultants Pvt. Ltd.
Kaura Properties Pvt. Ltd.
Kaura Investment Pvt. Ltd.
Palka Investments Pvt. Ltd. (Subsidiary of Samtel Glass Ltd.)
Swaka Consultants Ltd.
Punswat Consultants Ltd.
Fame Mercantile Pvt. Ltd.
Navketan Mercantile Pvt. Ltd.
Sakshi Kaura Designs Pvt. Ltd.
Akla Investments Pvt. Ltd.

B Key Management Personnel

Mr. Satish K. Kaura (Chairman and Managing Director)

C Relatives of Key Management Personnel

Mrs. Alka Kaura (Wife of Mr. Satish K. Kaura)
Mr. Puneet Kaura (Son of Mr. Satish K. Kaura)

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

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

Names of Related Parties	Nature of Transactions	Amount of Transactions			Outstanding Balances	
		For the Year Ended 31.03.2010	For the 9 Months Period Ended 31.03.2009		As at 31.03.2010	As at 31.03.2009
		Rs. in lacs			Rs. in lacs	
Associates:						
Samtel Glass Ltd. (SGL)	Purchase of Goods	16,444.07	8,869.54	Creditors	548.52	368.56
	Purchase of Fixed Assets	-	252.13	Loans and Advances	-	22.60
	Scrap Sales	392.93	300.51	Investments	2,790.87	2,790.87
	Employees on Deputation debited by SGL	86.78	52.65	Security Deposit	155.00	155.00
	Interest on LC/ Bills of Exchange	62.67	75.46	Debtors	-	0.69
	Expenses debited by SGL	2.44	0.47			
	Share of Corporate Office Expenses	104.23	88.47			
	High Seas Purchase by SGL	-	268.39			
	High Seas Sales by SGL	59.18	-			
	Power and Fuel expenses	581.72	318.08			
	Expenses incurred by the Company on behalf of SGL	-	6.35			
	Other parties where control exists					
Samtel India Ltd. (SIL)	Sale of Goods	9.56	19.97	Creditors	2.55	2.55
	Employees on Deputation debited by SIL	0.98	0.03	Investments	295.20	295.20
	Interest income on ICD	23.80	17.87	Share Capital	592.29	592.29
				Loans and Advances	140.87	116.13
Teletube Electronics Ltd. (TEL)				ICD	170.00	170.00
	Purchase of Goods/ Job Work	2.60	31.22	Loans and Advances	77.82	12.33
	Employees on Deputation debited by TEL	17.75	12.17	Advance Subscription	1,000.00	-
	Expenses incurred on behalf of TEL	-	11.44	Share Capital	1,024.79	1,024.79
	Purchase of Capital Goods	73.71	163.28	ICD	107.00	107.00
	Advance Subscription towards Share Warrants	1,000.00	-	Capital advance	-	33.58
	Interest income on ICD	11.24	8.43	Share Premium	406.51	406.51
	Capital advance given to TEL	45.00	53.39			
	Manpower Hiring Charges paid on behalf of TEL	60.24	25.00			
	Sale of Goods	-	0.08			
Samtel Electron Devices, GmbH	Designing of Components	20.10	21.96	Corporate Guarantees	1,211.20	1,349.60
	Bank Guarantee charges	86.41	8.47	Loans and Advances	87.32	57.75
	Travelling Expenses	0.43	0.89	Creditors for services	-	1.45
	Purchase of goods	-	1.55	Debtors	0.13	0.13
International Electron Devices Ltd.	Purchase of Goods	7,398.47	5,163.74	Creditors	264.62	62.23
	High Seas Sales	-	41.17			
	Sale of Raw material	1.93	69.77			
	Job Work charges paid	12.91	173.70			

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2010**

SAMTEL COLOR LIMITED

Names of Related Parties	Nature of Transactions	Amount of Transactions			Outstanding Balances	
		For the Year Ended 31.03.2010	For the 9 Months Period Ended 31.03.2009		As at 31.03.2010	As at 31.03.2009
		Rs. in lacs		Rs. in lacs		
Samtel Display Systems Ltd. (SDS)	Rental Income (lease)	19.58	18.52	Share Capital	338.20	338.20
	Expenses incurred on behalf of SDS	45.42	293.91			
Samtel - HAL Display Systems Ltd.	Rental Income (lease)	4.44	3.21	Loans and Advances	7.65	3.21
Lenient Consultants Pvt. Ltd.	Interest on loan	3.37	1.13	Unsecured Loans	42.15	42.15
				Interest Payable	8.17	4.80
CEA Consultants Pvt. Ltd.	Advance Subscription towards Share Warrants	-	450.00	Share Capital	344.19	111.63
	Refund of Loan to CEA Consultants	-	0.25	Unsecured Loans	202.33	202.33
	Interest on loan	16.19	4.98	Share Premium	395.81	128.37
				Interest Payable	40.66	24.48
			Advance Subscription	-	500.00	
Swaka Consultants Ltd.	Contract Labour charges	571.13	464.56	Creditors for Services	35.88	72.15
Punswat Consultants Ltd.	Contract Labour charges	581.47	422.39	Creditors for Services	40.70	57.23
Dolsun Containers Pvt. Ltd.	Purchase of Goods	419.90	300.09	Creditors	77.16	81.40
	Scrap Sales	162.96	123.00	Debtors	29.65	20.47
	Freight Outward	111.73	51.13	Investments	6.40	6.40
	High Seas Purchases	864.70	-			
	Security Received	-	1.00			
Key Management Personnel						
Mr. Satish K. Kaura	Remuneration *	85.53	72.67	Unsecured Loans	42.30	42.30
	Personal Guarantee given for term loans taken by the Company.	35,435.10	49,769.50	Interest Payable	8.20	4.82
	Interest on loan	3.38	1.13			

* Includes Rs. 57.65 lacs which is subject to Central Government approval.

10. 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:

		In Rs. lacs	
	Particulars	2009-10	2008-09
A	Principal amount remaining unpaid as on 31st March, 2010	176.52	189.23
B	Interest due thereon as on 31st March, 2010	35.62	10.42
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.	35.62	10.42
E	Interest accrued and remaining unpaid as on 31st March, 2010	Nil	Nil
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 enterprise.	35.62	10.42

11. Financial Restructuring

At the request of the Company, the participating Financial Institutions and Banks have during the financial year sanctioned a Debt Restructuring Scheme under the Corporate Debt Restructuring (CDR) mechanism. The salient features of the scheme inter alia are:

- (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 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.

12. Movement in Share Premium Account:

	For the Year Ended 31.03.2010	(Rs. in lacs) For the 9 Months Period Ended 31.03.2009
Opening Balance	4,831.93	4,831.93
Add:		
On Equity Shares subscribed and allotted	267.44	-
Closing Balance	5,099.37	4,831.93

13. Bluebell Trade Links Private Limited, one of the subsidiaries of the Company, is yet to commence commercial operations.
14. 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.
15. 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, 2010. It is unlikely that the audited results would be materially different from un audited results.
16. (a) Previous period figures have been regrouped/ rearranged wherever necessary to conform to this year's classification.
- (b) The figures for the previous year are for nine months period ended March 31, 2009 and are to that extent not comparable with those of the current financial year which are for period of 12 months.

Sd/-
Satish K. Kaura
Chairman and
Managing Director

Sd/-
Subodh Bhargava
Director

Sd/-
Prabhat Kumar Nanda
Company Secretary

Place : New Delhi
Date : April 24, 2010

**Consolidated Cash Flow Statement
for the year ended 31st March, 2010**

SAMTEL COLOR LIMITED

CASH FLOW STATEMENT	FOR THE YEAR ENDED 31-03-2010 Rs. in lacs	FOR THE 9 MONTHS PERIOD ENDED 31-03-2009 Rs. in lacs
A. Cash Flow From Operating Activities:		
Profit Before tax after prior Period Adjustment	7,711.65	(10,245.43)
Adjustment For:		
– Depreciation / Amortisation	6,288.87	4,847.29
– Loss / (Gain) on sale of Fixed Assets (Net)	(7.81)	(8.27)
– Provision for Obsolete Inventory	-	64.63
– Interest Expenses	3,221.33	4,564.60
– Interest Income	(66.01)	(81.87)
– Provision no Longer Required, Written Back	(13.70)	(61.13)
– Liabilities no Longer Required, Written Back	(24.50)	(157.70)
– Provision for Gratuity and Leave Encashment	(24.09)	160.74
– Provision for Wealth Tax	(0.72)	0.02
– Waiver of Principal Amount By Lenders	(6,053.39)	(326.04)
– Excess Provision for Interest Written Back	(337.04)	(47.84)
Provision for Doubtful Debts and Advances	34.21	-
Provision for Warranty	6.74	17.86
Operating Profit before Working Capital Changes	<u>10,735.54</u>	<u>(1,273.14)</u>
Adjustment For:		
- Trade and Other Receivables	(375.23)	(2,999.71)
- Inventories	(177.96)	1,115.76
- Loans and Advances	(21.84)	1,044.69
- Trade and Other Payables	(2,159.61)	4,045.91
Cash Generated from Operations	<u>8,000.90</u>	<u>1,933.51</u>
Income Tax Paid	(4.61)	(108.99)
TOTAL	<u><u>7,996.29</u></u>	<u><u>1,824.52</u></u>
B. Cash Flow From Investing Activities:		
Additions to Fixed Assets / CWIP	(337.09)	(27.40)
Sale / Adjustment from Fixed Assets	31.09	26.06
Interest Received	66.01	81.87
Share of (Profit)/ Loss of the Associate		
Company Adjusted in Investments	(62.09)	96.34
TOTAL	<u><u>(302.08)</u></u>	<u><u>176.87</u></u>

**Consolidated Cash Flow Statement
for the year ended 31st March, 2010**

SAMTEL COLOR LIMITED

C. Cash Flow From Financing Activities:

Share Capital Issue Proceeds (Including Share Premium)	500.00	157.78
Advance Subscription Received	5,141.72	292.22
Waiver of Principal Amount by Lenders	6,053.39	326.04
Excess Provision for Interest Written Back	337.04	47.84
Proceeds/ (Repayments) From Borrowings For Working Capital (Net)	(4,488.20)	(905.08)
Proceeds/ (Repayments) of Long Term Borrowings (Net)	(9,945.92)	571.21
Dividend and Dividend Tax Paid	7.82	(8.15)
Interest Paid	(5,020.20)	(3,531.56)
TOTAL	(7,414.35)	(3,049.70)
Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)	279.86	(1,048.31)
Cash And Cash Equivalents As At 1-4-2009 (Opening Balance)	208.28	1,256.59
Cash And Cash Equivalents As At 31-3-2010 (Closing Balance)	488.14	208.28

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 issued by the Institute of Chartered Accountants of India.
- (ii) Figures in brackets represent cash outflows.
- (iii) Previous period figures have been regrouped/recast, wherever necessary, to conform to the current year's classification.

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

For and on behalf of the Board of Directors

Sd/-
Yogesh Gupta
Partner
Membership No. : 93214

Sd/-
Satish K. Kaura
Chairman and
Managing Director

Sd/-
Subodh Bhargava
Director

Sd/-
Prabhat Kumar Nanda
Company Secretary

For and on behalf of
S. S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. : 000756N

Place : New Delhi
Date : April 24, 2010

**Statement pursuant to section 212 of the Companies Act, 1956
Relating to the Subsidiary Companies.**

SAMTEL COLOR LIMITED

1 Name of the Subsidiary Company	Paramount Capfin Lease Pvt. Ltd.	Blue Bell Trade Links Pvt. Ltd.
2 Financial Year of the Subsidiary Company ended on	31st March 2010	31st March 2010
3 Nos. of shares in the Subsidiary Company on above date	20,00,000 Equity Shares of Rs. 10/- each amounting to Rs. 2,00,00,000	45,560 Equity Shares of Rs. 10/- each amounting to Rs. 4,55,600
4 Percentage of Holding (Equity)	100%	100%
5 Percentage of Holding (Preference)	Nil	Nil
6 The net aggregate of profits / (losses) of the Subsidiary Company for its financial year so far they concern the members of the company	(8550)	(8912)
a) Dealt with in the accounts for the year ended 31st March 2010	—	—
b) Not dealt with in the accounts for the year ended 31st March 2010	—	—
7 The net aggregate of profits/(losses) of the Subsidiary Company for its previous financial year since it became a Subsidiary so far as they concern the members of the company		
a) Dealt with in the accounts for the year ended 31st March 2010	—	—
b) Not dealt with in the accounts for the year ended 31st March 2010	—	—
8 Changes in the interest of the Company between the end of the financial year of the Subsidiary as on 31st March 2010	—	—
9 Material changes between the end of the financial year of the Subsidiary as on 31st March 2010		
1. Fixed Assets	—	—
2. Investments	—	—
3. Moneys lent by the Subsidiary	—	—
4. Money borrowed by the Subsidiary Company for purpose other than that for meeting current liabilities	—	—

For and on behalf of the Board of Directors

Place : New Delhi Date : April 24, 2010	Sd/- Satish K. Kaura Chairman and Managing Director	Sd/- Subodh Bhargava Director	Sd/- Prabhat Kumar Nanda Company Secretary
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To,
The Members,

Your Directors have pleasure in submitting 15th Annual Report together with the statement of accounts for the year ended 31st March 2010.

FINANCIAL RESULTS:

Particulars	31-03-2010 (in Rs.)	31-03-2009 (in Rs.)
Income	—	—
Profit/(Loss) before Taxation	(19,556)	(8,550)
Less :		
Provision for Tax	NIL	NIL
Prior Period Adjustment	72,952	NIL
Balance Brought Forward	10,246,515	10,255,065
Total	10,154,007	10,246,515
Proposed Dividend	NIL	NIL
Tax in respect of Dividend	NIL	NIL
Balance carried to Balance Sheet	10,154,007	10,246,515

HOLDING COMPANY

Your Company is wholly owned subsidiary of M/s Samtel Color Limited.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of subsection 2AA of Section 217 of the Companies Act, 1956, your Directors subscribe to the "Directors Responsibility Statement" and confirm:

- 1) That in the preparation of the annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures.
- 2) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are 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 profit or loss of the company for that period.
- 3) The proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities have been ensured.
- 4) That the Directors the accounts for the year ended 31st March 2010 has been prepared on a going concern basis.

DIVIDEND

Due to inadequacies of profits, your directors do not recommend dividend during the under review.

FIXED DEPOSIT

The Company did not accept any deposit during the year under review except Inter Corporate Deposits.

DIRECTORS

Mr. Satish K. Kaura and Mrs. Alka Kaura are Directors retiring by rotation and being eligible offer themselves for their reappointment.

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY ETC.

During the year under review, there was no employee in the payroll of the company drawing remuneration in excess of Rs. 2,00,000 per month.

In view of nature of activities of your company, the Directors have nothing to report on conservation of energy, technology absorption, foreign exchange earnings and outgo in pursuance of Companies (Disclosure of Particulars in the Report of Board of Directors Rules) 1988.

AUDITORS

M/s Walecha Inder & Associates, Chartered Accountants, New Delhi has been appointed as the statutory auditor of the company at the Extra-Ordinary General Meeting of the Company held on 12.04.2010 to fill the casual vacancy caused due to resignation of M/s S. Sethi & Associates.

The auditors of the Company, M/s Walecha Inder & Associates, Chartered Accountants, New Delhi will retire at the conclusion of the ensuing Annual General Meeting. The Board has recommended the appointment of M/s Walecha Inder & Associates, Chartered Accountants, New Delhi as statutory auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting subject to the approval of the members in the ensuing Annual General Meeting.

ACKNOWLEDGEMENT

Your directors acknowledge with gratitude the co-operation and continued support received from Bankers of the company and various agencies. Your directors also wish to place on record their sincere appreciation of the devoted and efficient services rendered by all employees of the company and are thankful to the parent company for their continued patronage.

BY ORDER OF BOARD OF DIRECTORS

Place : New Delhi
Dated : April 15, 2010

Sd/-
(Alka Kaura)
Director

Sd/-
(Satish K. Kaura)
Director

TO THE MEMBERS OF PARAMOUNT CAPFIN LEASE PVT. LTD

- 1) We have audited the attached Balance Sheet of **Paramount Capfin Lease Pvt. Ltd.** as at 31st March, 2010 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
- 2) We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub Section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the annexure referred to above, we report that:
 1. We have obtained all the information and explanations, which to the best of our knowledge and beliefs were necessary for the purpose of our audit;
 2. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examinations of those books;
 3. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section 3 (C) of section 211 of the Companies Act, 1956;
 4. On the basis of written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010, from being appointed as director in term of clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956 as on that date;
 5. 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, 2010; and
 - (ii) in the case of the Profit & Loss Account, of the Loss for the year ended on that date.
 - (iii) in the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

For Walecha Inder & Associates
Chartered Accountants

Sd/-

Inder Jeet Walecha
(Partner)
M. No.: 093694

Dated : April 15, 2010
Place : New Delhi

ANNEXURE TO THE AUDITORS' REPORT

(Referred to paragraph (3) of our report of even date)

- i. The company do not have any fixed assets hence, paragraph 4(i)(a), (b) & (c) of the order is not applicable.
- ii. The company do not have any Inventory hence, paragraph 4(ii)(a), (b) & (c) of the order is not applicable.
- iii. The Company during the year has not taken or granted any loan secured/unsecured to/from parties covered in the register maintained under section 301 of the Act.
- iv. In our opinion and according to the information and explanation given to us there are adequate internal control procedure commensurate with the size of the Company and the nature of its business. 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 procedures.
- v.
 - a) In our opinion and according to the information and explanation given to us, the Transactions that needed to be entered into a register maintained in pursuance of section 301 of the Act, have been so entered.
 - b) In our opinion and according to the information and explanation given to, us the transactions made in pursuance of contracts or arrangements entered into the register maintained in pursuance of Section 301 of the Act and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the pubic during the year, therefore the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA of the Act and the rules framed there under are not applicable to the Company.
- vii. In our opinion the Company has an internal audit system commensurate with its size and nature of its business.
- viii. The Central Govt. of India has not prescribed maintenance of cost records under clause (d) of Sub-section (1) of Section 209 of the Companies Act, 1956.
- ix.
 - a) According to the information and explanation given to us and the records of the company examined by us, in our opinion the Company is generally regular in depositing undisputed Statutory dues including Provident Fund, Investor Education and Protection Fund, Employees's State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess, Service Tax and any other statutory dues with the appropriate authorities in case of their applicability.
 - b) According to the information and explanation given to us and the records of the company examined by us, in our opinion there are no undisputed Statutory dues payable including Provident Fund, Investor Education and Protection Fund, Employees's State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess , Service Tax and any other statutory dues with the appropriate authorities in case of their applicability as at the year end; for a period of more than six months from the date they become payable.
 - c) In our opinion and according to the information and explanation given to us and based on the information available to us and the records of the company examined by us there is no dispute with any government department for payment of Sale Tax/Income Tax/Custom Duties/Wealth Tax/Excise duty/Cess/Service Tax.
- x. The Company does not have accumulated losses at March 31, 2010 and the company has incurred cash losses during the year and in the immediately preceding financial year.
- xi. Based on our audit procedures and on the information and explanation given to us by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

- xii. In our opinion and according to the information and explanation given to us and based on the information available, the Company has not granted any Loans or Advances on the basis of security by way of pledge of shares, debentures and other securities
- xiii. In our opinion the company is not a Chit Fund or a Nidhi/Mutual benefit fund/society. Therefore the provisions of clause (xiii) of the Companies (Auditor's Report) Order, 2003 is clause is not applicable to the Company.
- xiv. In our opinion and according to the information and explanation given to us and the records of the company examined by us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv . In our opinion and according to the information and explanation given to us the Company has given a guarantee for its holding company, Samtel Color Ltd. by way of pledge of 8.93.000 equity shares of Samtel Color Ltd. with the Lenders of Samtel Color Ltd., as per CDR scheme.
- xvi. In our opinion and according to the information and explanation given to us, on an overall basis, the company has not taken any term loan hence, paragraph 4(xvi) of the order is not applicable.
- xvii. On the basis of an overall examination of the Balance sheet of the Company, and according to the information and explanations given to us, we report that no funds raised on a Short-term basis which have been used for long-term investment.
- xviii. Being a private limited company, the clause relating to Preferential Allotment is not applicable.
- xix. The Company has not issued any secured debenture during the year and accordingly, paragraph 4(xix) of the Order is not applicable.
- xx. Being a private limited company, clause relating to Public Issue is not applicable.
- xxi. During the course of the audit carried out and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year nor have we been informed of such case by management.

For Walecha Inder & Associates
Chartered Accountants

Place : New Delhi
Date : April 15, 2010

Sd/-
(Inder Jeet Walecha)
Partner
Membership No.: 093694

	SCHEDULE	As at 31-03-2010 Amount (Rs.)	As at 31-03-2009 Amount (Rs.)
SOURCES OF FUNDS:			
Shareholders' Funds			
Share Capital	1	20,000,000	20,000,000
Reserve & Surplus	2	10,154,007	10,246,515
Sub Total		<u>30,154,007</u>	<u>30,246,515</u>
Loans Fund:			
Unsecured Loan	3	6,952,253	6,924,753
Sub Total		<u>6,952,253</u>	<u>6,924,753</u>
TOTAL		<u><u>37,106,260</u></u>	<u><u>37,171,268</u></u>
APPLICATION OF FUNDS:			
INVESTMENTS	4	36,723,517	36,723,517
CURRENT ASSETS, LOANS & ADVANCES			
Cash & Bank Balances	5	65,713	67,399
Loans & Advances (Considered Good)		350,000	422,952
Sub Total		<u>415,713</u>	<u>490,351</u>
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	6	32,970	42,600
Provisions		-	-
Sub Total		<u>32,970</u>	<u>42,600</u>
Net Current Assets		<u>382,743</u>	<u>447,751</u>
TOTAL		<u><u>37,106,260</u></u>	<u><u>37,171,268</u></u>
Accounting Policies and Notes to Accounts	9		

As per our separate report of even date annexed

For **Walecha Inder & Associates**
Chartered Accountants

For and on behalf of the Board

Sd/-
(Inder Jeet Walecha)
Partner
Membership No. 093694

Sd/-
(Satish K Kaura)
Director

Sd/-
(Alka Kaura)
Director

Place : New Delhi
Date : April 15, 2010

Profit & Loss Account for the year 2009-10**PARAMOUNT CAPFIN LEASE PRIVATE LIMITED**

	SCHEDULE	Year Ended 31-03-2010 Amount (Rs.)	Year Ended 31-03-2009 Amount (Rs.)
INCOME :			
Income		-	-
		<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>
EXPENDITURE :			
Interest & Financial Charges	7	1,686	2,550
Administrative & Other Expenses	8	17,870	6,000
		<u>19,556</u>	<u>8,550</u>
Profit before Taxation		(19,556)	(8,550)
Provision for Taxation			
— Current Tax		-	-
— Deferred Tax		-	-
		<u>(19,556)</u>	<u>(8,550.00)</u>
Profit after tax		(19,556)	(8,550.00)
Prior Period Adjustments		(72,952)	-
		<u>(92,508)</u>	<u>(8,550.00)</u>
Balance Brought Forward from Previous Years		10,246,515	10,255,065
Balance carried to Balance Sheet		<u><u>10,154,007</u></u>	<u><u>10,246,515</u></u>
Earning Per Share		(0.007)	(0.003)

Accounting Policies and Notes to Accounts 9

As per our separate report of even date annexed

For **Walecha Inder & Associates**
Chartered Accountants

For and on behalf of the Board

Sd/-
(Inder Jeet Walecha)
Partner
Membership No. 093694Sd/-
(Satish K Kaura)
DirectorSd/-
(Alka Kaura)
DirectorPlace : New Delhi
Date : April 15, 2010

	As at 31-03-2010 Amount (Rs.)	As at 31-03-2009 Amount (Rs.)
SCHEDULE 1: SHARE CAPITAL		
AUTHORISED :		
30,00,000 (Previous year 30,00,000) Equity Shares of Rs. 10/- each	30,000,000	30,000,000
	30,000,000	30,000,000
ISSUED, SUBSCRIBED AND PAID UP:		
20,00,000 (Previous year 20,00,000) Equity Shares of Rs. 10/- each	20,000,000	20,000,000
	20,000,000	20,000,000
SCHEDULE 2: RESERVE & SURPLUS		
Profit & Loss Account	10,154,007	10,246,515
	10,154,007	10,246,515
SCHEDULE 3: LOAN FUND		
UNSECURED LOANS:		
Loan from Holding Company - Samtel Color Limited	6,952,253	6,924,753
SCHEDULE 4 : INVESTMENTS (AT COST)		
SHARES-IN-COMPANIES		
Quoted (Long-term)		
— In Holding Company		
8,94,000 *(Previous year 8,94,000) Equity Shares of Samtel Color Limited of Rs. 10/- each	34,451,777	34,451,777
*893000 shares have been pledged with the lenders of Samtel Color Ltd. under the CDR Scheme.		
— Others		
32,804 (Previous year 32,804) Equity Shares of Samtel India Limited of Rs. 10/- each	1,676,095	1,676,095
300 (Previous year 300) Equity Shares of HDFC Bank Limited of Rs. 10/- each	10,325	10,325
2,000 (Previous year 2,000) Equity Shares of IFCI Limited of Rs. 10/- each	93,660	93,660
Un-quoted (Long-term)		
8,000 (Previous year 8,000) Equity Shares of Dolsun Container Private Limited	491,660	491,660
(Aggregate market value of Quoted Investments Rs. 1,59,60,253/-)		
	36,723,517	36,723,517

	As at 31-03-2010 Amount (Rs.)	As at 31-03-2009 Amount (Rs.)
SCHEDULE 5: CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS:		
Cash and Bank Balance		
Cash in Hand	-	-
Balance with Scheduled Bank in Current Account	65,423	67,109
Share Transfer stamps in hand	290	290
	<u>65,713</u>	<u>67,399</u>
Loans & Advances		
Unsecured Loans	350,000	350,000
Advance Income-tax (Net of Provision)	-	72,952
	<u>350,000</u>	<u>422,952</u>
SCHEDULE 6: CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors for Expenses	28,558	22,600
Expenses Payable	4,412	20,000
	<u>32,970</u>	<u>42,600</u>
SCHEDULE 7: INTEREST & FINANCIAL CHARGES		
Bank Charges	1,686	2,550
	<u>1,686</u>	<u>2,550</u>
SCHEDULE 8: ADMINISTRATION & OTHER EXPENSES		
Audit Fees	4,412	2,500
Professional fees	3,200	-
Registration & filing fees	7,500	3,500
Demat Account Maintenance Charges	2,758	-
	<u>17,870</u>	<u>6,000</u>

SCHEDULE NO. 9 : SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**A. Significant Accounting Policies****1. Basis of Accounting**

The financial statements are prepared under the historical cost convention, on accrual basis of accounting and in accordance with the accounting principles generally accepted in India and comply with the mandatory accounting standards notified by the Central Government of India under the Companies (Accounting Standard) Rules, 2006 and with the relevant provisions of Companies Act 1956.

2. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities including the disclosure of contingent liabilities as of the date of the financial statements and the reported income and expenses during the reported period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could vary from estimates. Any revision to the accounting estimates is recognized in the period in which the results are known/materialized.

3. Revenue Recognition

Income from dividend is recognized as and when such dividend has been declared and the company's right to receive payment is established.

4. Investments

Long term investments are valued at their cost including brokerage, fees and duty. When there is a decline, other than temporary, in the value of long term investments, an appropriate provision is made to recognize such decline.

Current Investments are valued at lower of cost and fair value.

5. Taxes on Income

Current year tax is determined on the income for the year chargeable to tax in accordance with the Income Tax Act, 1961.

Deferred tax assets are recognized only if there is a reasonable certainty of their realization.

B. NOTES TO ACCOUNTS:

1. Contingent Liabilities not provided for - Guarantee provided by the company to the extent of the value of 8,93,000 equity shares of Samtel Color Ltd. for its holding company M/s Samtel Color Ltd., as per CDR scheme by way of pledge of 8,93,000 equity shares of Samtel Color Ltd.

2. Related Party Disclosures

- Samtel Color Limited - Holding Company
Blue Bell Trade Links Pvt Ltd. - Fellow Subsidiaries
Satish K Kaura - Key Management Personnel

Transactions during the year with Related Parties:

Loan of Rs. 27,500/- received during the year from the holding company.

3. Auditors' Remuneration

	Current Year (Rs.)	Previous Year (Rs.)
Audit Fees	4,412/-	2,500/-

4. 8,93,000 Equity Shares of Samtel Color Limited have been pledged with the lenders of company's holding Company M/s Samtel Color Ltd., as per CDR Scheme.
5. 1,000 Equity Shares of Samtel Color Limited are still not registered in the name of company.
6. Additional information pursuant to provisions of para 3 & 4 of part II of schedule VI of the Companies Act, 1956 are not applicable to the Company.

As per our separate audit report of even date annexed

For **Walecha Inder & Associates**
Chartered Accountants

Sd/-
(Inder Jeet Walecha)
Partner
Membership No. 093694

For and on behalf of the Board

Sd/-
(Satish K Kaura)
Director

Sd/-
(Alka Kaura)
Director

Place : New Delhi
Date : April 15, 2010

**Cash Flow Statement for the
period ended March 31, 2010**

PARAMOUNT CAPFIN LEASE PRIVATE LIMITED

	Year Ended March 31, 2010	Year Ended March 31, 2009
(A) Cash Flow From Operating activities		
Net Profit and Loss before Tax Adjustment	-92508	-8550
Interest Expenses	1686	-
Operating profit before Interest	-90822	-8550
Trade Payables	-9630	6000
Other Current Assets	72952	2550
Net Cash Profit	-27500	-
(B) Cash Flow From Financial activities		
Unsecured Loan	27500	-
Interest Paid	-1686	-
Net cash (used in) from financial activities	25814	-
Net (Decrease)/ increase in cash and cash equivalents	-1686	-
Cash and cash equivalents (Opening Balance)	67399	67399
Cash and cash equivalents (Closing Balance)	65713	67399

For and on behalf of the Board

Place : New Delhi
Date : April 15, 2010

Sd/-
(Satish K Kaura)
Director

Sd/-
(Alka Kaura)
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	68328	State Code - 55
Balance Sheet Date	31.3.2010	

II Capital Raised During the year (Amount in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	37106	Total assets	37106
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Sources of Funds

Paid-Up Capital	20000	Reserve & Surplus	10154
Secured Loans	NIL	Unsecured Loans	6952
Share Application Money	NIL		

Application of Funds

Net Fixed Assets	NIL	Investments	36724
Net Current Assets	383	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV Performance of the Company (Amount Rs. in Thousands)

Turnover	NIL	Total Expenditure	20
Profit/(Loss) before Tax	(20)	Profit/(Loss) after Tax	(20)
Earning per Share in Rs.	(0.007)	Dividend Rate %	NIL

V Generic Names of Three Principal Products/Services of the Company

Item Code No.	Not Applicable
Description	Investment Company

For and on behalf of the Board

Place : New Delhi
Date : April 15, 2010

Sd/-
(Satish K Kaura)
Director

Sd/-
(Alka Kaura)
Director

To,
The Members,

Your Directors have pleasure in submitting 15th Annual Report together with the statement of accounts for the financial year 2009-2010.

During the year the Company incurred expenses of Rs. 8912/-. The Company has not yet started its business operations. Your Company is wholly owned subsidiary of M/s Samtel Color Limited.

The Company did not accept any deposit during the year under review except Inter Corporate Deposits.

Mr. Satish K. Kaura and Mrs. Alka Kaura, Directors are retiring by rotation and being eligible offer themselves for their reappointment.

During the year under review none of the employees of the Company was in receipt of remuneration of not exceeding Rs. 2.00 lacs per month.

In view of nature of activities of your company, the Directors have nothing to report on conservation of energy, technology absorption, foreign exchange earnings and outgo in pursuance of Companies (Disclosure of Particulars in the Report of Board of Directors Rules), 1988.

The auditors of the Company, M/s Walecha Inder & Associates, Chartered Accountants, New Delhi will retire at the conclusion of the ensuing Annual General Meeting. The Board has recommended the appointment of M/s Walecha Inder & Associates, Chartered Accountants, New Delhi as statutory auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting subject to the approval of the members in the ensuing Annual General Meeting.

DIRECTOR'S RESPONSIBILITY STATEMENT

As stipulated in Section 217 (2AA) of the Companies Act, 1956, your Directors subscribe to the "Directors Responsibility Statement" and confirm that:

- 1) In the preparation of the annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures.
- 2) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are 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 profit or loss of the company for that period.
- 3) The Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4) The Directors have prepared the annual accounts on a going concern basis.

BY ORDER OF BOARD OF DIRECTORS

Place : New Delhi
Dated : April 15, 2010

Sd/-
(Alka Kaura)
Director

Sd/-
(Satish K. Kaura)
Director

TO THE MEMBERS OF BLUE BELL TRADE LINKS PVT. LTD.

- 1) We have audited the attached Balance Sheet of Blue Bell Trade Links Pvt. Ltd. as at 31st March, 2010. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
- 2) We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) The Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, is not applicable to the Company.
- 4) Further to our comments above, we report that :
 - 1) We have obtained all the information and explanations, which to the best of our knowledge and beliefs were necessary for the purpose of our audit;
 - 2) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examinations of those books;
 - 3) In our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in sub-section 3(c) of section 211 of the Companies Act, 1956;
 - 4) On the basis of written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010, from being appointed as director in term of clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956 as on that date;
 - 5) 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, 2010
 - (ii) in the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

For **Walecha Inder & Associates**
Chartered Accountants

Sd/-
Inder Jeet Walecha
Partner
Membership No.: 093694
Firm Reg.No. : 014205N

Place : New Delhi
Date : April 15, 2010

	SCHEDULE	As at 31-03-2010 Amount (Rs.)	As at 31-03-2009 Amount (Rs.)
SOURCES OF FUNDS:			
Shareholders' Funds			
Share Capital	1	455,600	455,600
Sub Total		<u>455,600</u>	<u>455,600</u>
Loans Fund:			
Secured		-	-
Unsecured Loan	2	350,000	350,000
Sub Total		<u>350,000</u>	<u>350,000</u>
TOTAL		<u><u>805,600</u></u>	<u><u>805,600</u></u>
APPLICATION OF FUNDS:			
FIXED ASSETS			
Land (at cost)		453,600	453,600
CURRENT ASSETS, LOANS & ADVANCES			
Cash & Bank Balances	3	51	51
Loans & Advances (Considered Good)		1,400,000	1,400,000
Sub Total		<u>1,400,051</u>	<u>1,400,051</u>
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	4	1,156,862	1,147,950
Provisions		-	-
Sub Total		<u>1,156,862</u>	<u>1,147,950</u>
Net Current Assets		243,189	252,101
PRELIMINARY EXPENSES			
— To the extent not written off or adjusted		14,232	14,232
PRE-OPERATIVE EXPENSES -Pending Allocation			
— Opening Balance	5	85,667	81,267
Add: Expenses for the year		8,912	4,400
Sub Total		<u>94,579</u>	<u>85,667</u>
TOTAL		<u><u>805,600</u></u>	<u><u>805,600</u></u>
Accounting Policies and Notes to Accounts	9		

As per our saperate report of even date annexed

For **Walecha Inder & Associates**
Chartered AccountantsSd/-
(Inder Jeet Walecha)
Partner
Membership No. 093694

For and on behalf of the Board

Sd/-
(Satish K Kaura)
DirectorSd/-
(Alka Kaura)
DirectorPlace : New Delhi
Date : April 15, 2010

	As at 31-03-2010 Amount (Rs.)	As at 31-03-2009 Amount (Rs.)
SCHEDULE 1: SHARE CAPITAL		
AUTHORISED :		
1,00,000 (Previous year 1,00,000) Equity Shares of Rs. 10/- each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP:		
45,600 (Previous year 45,600) Equity Shares of Rs. 10/- each	455,600	455,600
	<u>455,600</u>	<u>455,600</u>
SCHEDULE 2: LOAN FUND		
UNSECURED LOANS:		
Loan from Paramount Capfin Lease Pvt. Ltd.	350,000	350,000
	<u>350,000</u>	<u>350,000</u>
SCHEDULE 3: CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS:		
Cash and Bank Balance		
Cash in Hand	51	51
Balance with Scheduled Bank in Current Account	-	-
	<u>51</u>	<u>51</u>
LOANS & ADVANCES		
Advance to : Swati Developers Pvt. Ltd.	1,400,000	1,400,000
	<u>1,400,000</u>	<u>1,400,000</u>
SCHEDULE 4: CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors for Expenses	13,200	11,700
Expenses Payable	4,412	12,000
Security Deposit from Holding Company	1,050,000	1,050,000
Samtel Color Limited-Holding Company	89,250	74,250
	<u>1,156,862</u>	<u>1,147,950</u>
SCHEDULE 5: PRE-OPERATIVE EXPENSES PENDING ALLOCATION		
Audit Fees	4,412	1,500
Professional fees	1,500	-
Registration & filing fees	3,000	2,900
	<u>8,912</u>	<u>4,400</u>

SCHEDULE NO. 6 : SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**A. Significant Accounting Policies****1. Basis of Accounting**

The financial statements are prepared under the historical cost convention, on accrual basis of accounting and in accordance with the accounting principles generally accepted in India and comply with the mandatory accounting standards notified by the Central Government of India under the Companies (Accounting Standard) Rules, 2006 and with the relevant provisions of Companies Act 1956.

2. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities including the disclosure of contingent liabilities as of the date of the financial statements and the reported income and expenses during the reported period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could vary from estimates. Any revision to the accounting estimates is recognized in the period in which the results are known/materialized.

3. Fixed Assets

Fixed assets of the Company are accounted for on cost basis including incidental expenses.

B. NOTES TO ACCOUNTS

1. Since the company has not commenced its business operations, profit & loss account for the year has not been prepared.

2. Contingent Liabilities not provided for - NIL

3. Related Party Disclosures:

Samtel Color Limited - Holding Company
 Paramount Capfin Lease Pvt Ltd - Fellow Subsidiaries
 Satish K Kaura - Key Management Personnel
 Alka Kaura - Relative of Key Management Personnel

Transactions during the year with related parties:

Loan of Rs. 15,000/- received during the year from holding company.

4. Auditors' Remuneration

	Current Year (Rs.)	Previous Year (Rs.)
Audit Fees	4,412/-	1,500/-

5. Figures of the previous year have been regrouped / rearranged wherever found necessary.

6. Additional information pursuant to provisions of para 3 & 4 of part II of schedule VI of the Companies Act, 1956 are not applicable to the Company.

As per our separate audit report of even date annexed

For **Walecha Inder & Associates**
Chartered Accountants

For and on behalf of the Board

Sd/-
(Inder Jeet Walecha)
Partner
Membership No. 093694

Sd/-
(Satish K Kaura)
Director

Sd/-
(Alka Kaura)
Director

Place : New Delhi
Date : April 15, 2010

**Cash Flow Statement for the
period ended March 31, 2010**

BLUE BELL TRADE LINKS PRIVATE LIMITED

	Year Ended March 31, 2010	Year Ended March 31, 2009
(A) Cash Flow From Operating activities		
Net Profit and Loss before Tax Adjustment	–	–
Interest Expenses	–	–
Operating profit before Interest	–	–
Trade Pasyables	8912	4400
Other Current Assets	–	–
Net Cash Profit	8912	4400
(B) Cash Flow From Financial activities		
CAPITAL WIP/Priliminary Expenses to the extent not wrltten off or adjusted	-8912	(4,400)
Interest Paid	–	–
Net cash (used in)/ from financial activities	-8912	(4,400)
Net (Decrease)/ increase in cash and cash equivalents	–	–
Cash and cash equivalents (Opening Balance)	51	51
Cash and cash equivalents (Closing Balance)	51	51

For and on behalf of the Board

Place : New Delhi
Date : April 15, 2010

Sd/-
(Satish K Kaura)
Director

Sd/-
(Alka Kaura)
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	68649	State Code - 55
Balance Sheet Date	31.3.2010	

II Capital Raised During the year (Amount in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	806	Total assets	806
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Sources of Funds

Paid-Up Capital	456	Reserve & Surplus	NIL
Secured Loans	NIL	Unsecured Loans	350
Share Application Money	NIL		

Application of Funds

Net Fixed Assets	454	Investments	NIL
Net Current Assets	243	Misc. Expenditure	109
Accumulated Losses	NIL		

IV Performance of the Company (Amount Rs. in Thousands)

Turnover	NIL	Total Expenditure	NIL
Profit/(Loss) before Tax	NIL	Profit/(Loss) after Tax	NIL
Earning per Share in Rs.	NIL	Dividend Rate %	NIL

V Generic Names of Three Principal Products/Services of the Company

Item Code No.	Not Applicable
Description	Not Applicable

For and on behalf of the Board

Place : New Delhi
Date : April 15, 2010

Sd/-
(Satish K Kaura)
Director

Sd/-
(Alka Kaura)
Director

SAMTEL COLOR LIMITED

Registered Office: 6th Floor, 7 TDI Centre, 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).....

of or failing him (Name).....of
(Address).....

as my / our proxy to attend and vote for me / us and on my / our behalf at the 24th Annual General Meeting of Samtel Color Limited to be held on Wednesday, the 4th August 2010 at 11.30 A.M. at Air Force Auditorium, Subroto Park, New Delhi 110010.

Signed this.....day of....., 2010

Revenue Stamp of One Rupee

Regd. Folio No. : **DPID/Clinet ID No.** :

Signature of the Proxy Holder : **Attested by 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.



Tear Here



SAMTEL COLOR LIMITED

Registered Office: 6th Floor, 7 TDI Centre, District Centre,
Jasola, New Delhi 110025

ATTENDANCE SLIP

I hereby record my presence at the at the 24th Annual General Meeting of Samtel Color Limited to be held on Wednesday, the 4th August 2010 at 11.30 A.M. at Air Force Auditorium, Subroto Park, New Delhi 110010.

Regd. Folio No. : **DPID/Clinet 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.

BOOK - POST

if undelivered, please return to:

SAMTEL COLOR LIMITED

Registered Office: 6th Floor, 7 TDI Centre,
District Centre, Jasola, New Delhi 110025