

25th Annual Report 2010-11



SAMTEL COLOR LIMITED



Index

SL. No.	Contents	Page No.
1.	Company's Information	2
2.	Chairman's Letter	3
3.	Notice of Annual General Meeting and Explanatory Statement	4-10
4.	Management Discussion & Analysis	11
5.	Report on Corporate Governance	12-22
6.	Certificate on Report on Corporate Governance	23
7.	Directors' Report with Annexures	24-29
8.	Auditors' Report	30-34
9.	Balance Sheet, Profit & Loss Account and Schedules	35-63
10.	Cash Flow Statement	64-65
11.	Balance Sheet Abstract and Company's General Business Profile	66
12.	Auditors' Report on Consolidated Financial Statements	67
13.	Consolidated Balance Sheet, Profit & Loss Account, Schedules and Cash Flow Statement	68-94
14.	Statement u/s 212 of the Companies Act, 1956	95
15.	Attendance Slip / Proxy Form	

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 Shrivastva (LICI Nominee)
Company Secretary	: Mr. Prabhat Kumar Nanda
Statutory Auditors	: S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi
Bankers	: ICICI Bank Ltd. Punjab National Bank State Bank of India Yes Bank Ltd. Canara Bank
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 Chhapraula, Bullandshehar Road, Distt. Gautam Budh Nagar - 201 009 (U.P.)
Color Picture Tubes Manufacturing Unit (II)	: Plot 2, Village Chhapraula, Bisrakh Road, Greater Noida Industrial Development Area, Distt. Gautam 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) Paramount 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
Registrar & Share Transfer Agent	: MCS Limited F-65, 1st Floor, Okhla Industrial Area, Phase I, New Delhi - 110 020 Ph. : 011-41406149, Fax : 011-41709881

Dear Shareholders,

The external environment continues to pose challenges for us. Despite reasonably good demand in Latin America, South Africa and South Asia, the downward trend in the global market for color picture tube based televisions persisted this year as well. The demand for the year 2010 was around 62 Million sets as compared to 65 Million sets in 2009. It is expected to fall further to 55 Million in 2011.

Closer home, in India, the market for CPT based Television sets, including the demand for a State sponsored scheme in the year 2010, was 18.5 Million, a decline of approximately 0.70 Million as compared to 19.2 Million of 2009. The State sponsored scheme of free color television has since been discontinued/closed.

The domestic demand for CPT based Televisions in the coming years is expected to remain at around 13 to 14 Million per annum. The industry estimates the demand to decline at the rate of 2 to 3% per annum over the next two years.

These factors, coupled with the surge in imports of CPTs from South East Asia, which is still going on unabated despite the Anti-dumping duty, have impacted our sales volumes and selling prices adversely. Your Company produced 7.65 million CPTs in the year under review, compared to 9.21 million last year thus registering a decline of approx 17%. The Cash Profit (PBDT) in the year 2010-11 fell to Rs. 10.16 crores from Rs. 75.49 crores in the last year.

The Company is taking steps towards restructuring its manufacturing operations, which will increase efficiencies, rationalize manpower and will help towards reducing costs. Research and development to produce low cost variants of medium and small size slim color picture tubes is also a continual process at your Company.

In conclusion, I would like to add that we value the faith and unwavering commitment vested in the Company by all of you. I hope that your support for the Company will continue in the coming years as well.

With Best Regards

SATISH K. KAURA

Chairman & Managing Director

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of Samtel Color Limited will be held on Thursday, the 4th day of August, 2011 at 3.00 P.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, 2011 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. Puneet Kaura who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. V Narayanan 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, Reserve Bank of India (RBI) as may be required from any Government 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./ M/s CEA Consultants Pvt. Ltd. / 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 & Disclosures Requirement) 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 will be 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 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 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 to give effect to the aforesaid resolutions 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”.

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

Dated : April 28, 2011

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 No. 5 is annexed and forms part of this notice.
5. Register of Members and Share Transfer Books of the Company will remain closed from July 26, 2011 to August 4, 2011 (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, 2004 (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, 2004 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: -

According to the Articles of Association of the Company, one third of the current Directors (excluding nominee Director) are liable to retire by rotation and being eligible, offer themselves for re-appointment. At the ensuing Annual General Meeting, Mr. Puneet Kaura and Mr. V Narayanan shall be retiring by rotation and being eligible offer themselves for reappointment. Their particulars in brief are as under:

Mr. Puneet Kaura, aged about 33 years is a non-independent promoter director. He is on the Board of the Company since January 17, 2009. Puneet Kaura is General Manager, Business Development and Commercial at Samtel Display Systems Limited, one of the emerging businesses, with great potential for growth, in the Samtel Group.

After earning Management Degree with specialisation in Marketing from Bentley College in the United States, Puneet joined Corning Incorporated, USA as a Management Trainee. Thereafter, he joined the Samtel Group and was deputed to Samtel Electron Devices at Ulm, Germany. During his stint in Germany, Puneet developed a great interest in avionics and avionic displays.

On his return to India, Puneet joined Samtel Display Systems Limited and has worked very hard to build this emerging business from scratch. Samtel's joint venture with India's major aircraft maker, HAL marks a new landmark in this business and Puneet has played a very responsible role in developing this business. He has also been a member of the core team that has worked to set up the new joint venture for avionics with Thales Aerospace.

He is also Director in following Companies.

Samtel Glass Ltd.	Samtel HAL Display Systems Ltd.	Samtel Thales Avionics Ltd.
Punswat Consultants Ltd.	Swaka Consultants Ltd.	

Mr. Puneet Kaura is the Chairman of the Audit Committee of Samtel HAL Display Systems Limited.

Mr. V Narayanan, aged about 73 years, has been one of the Directors of the Company since 24th May 2000. Mr. Narayanan is the Chairman of MM Forgings Limited. He has very rich working experience at the top management level and has also been Chairman & Managing Director of Ponds (India) Limited during the period 1977-92.

He is also holding Directorships in following companies.

Tamilnadu Newsprint and Papers Ltd.	Samtel Glass Ltd.	Glaxo SmithKline Pharmaceuticals Ltd.
Rane (Madras) Ltd.	Sundram Fasteners Ltd.	UCAL Fuel Systems Ltd.
Rane Holdings Ltd.		

He is also Chairman & Member of the Audit Committees of the following Companies.

MM Forgings Ltd.	Chairman
Tamilnadu Newsprint & Papers Ltd.	Chairman
Rane (Madras) Ltd.	Chairman
Rane Holdings Ltd.	Member
Sundaram Fasteners Ltd.	Member

11. As the shareholders are aware, the Company's equity shares are compulsorily traded and settled only in dematerialised form. MCS Ltd., New Delhi has been appointed as the Common Agency for the Transfer of Shares and Demat purposes.
12. ***The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the companies and has issued circulars stating that services of notice/documents including Annual Report can be send by E-mail to the members. To support this green initiative of the Government in full measure, members who have not registered their e-mail address so far are requested to registered their e-mail address in respect of electronic holdings with the depository through their concerned depository participant. Members who hold shares in physical form are requested to visit the website of the company i.e. www.samtelgroup.com or www.samtelcolor.com and register their e-mail address.***

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 by Financial Year 2011-12.

As part of Promoters' contribution, the company has already received in the month of December 2009 an amount of Rs. 10.00 crs. from M/s Teletube Electronics Ltd. (a Promoter Company) towards subscription to 6872852 warrants and Rs. 20.00 crs. in the month of December 2010 towards subscription to 13745704 warrants convertible into equity shares and the terms & conditions of CDR Package II 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 and 24th Annual General Meeting of the Company held on 4th August, 2010.

In order to comply with the terms & conditions of CDR Package II, M/s Teletube Electronics Ltd., / M/s CEA Consultants Pvt. Ltd., / M/s Lenient Consultants Pvt. Ltd. (Promoters and promoter group companies) have agreed to subscribe not exceeding 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 & 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., / M/s CEA Consultants Pvt. Ltd., / 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. A maximum of 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., / M/s CEA Consultants Pvt. Ltd., / M/s Lenient Consultants Pvt. Ltd.

(Promoters/Promoter group companies) 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 & 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 16.08% 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 & Disclosures Requirements) Regulation, 2009, issued by SEBI.
4. 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 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 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 & 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 is being obtained from the Statutory Auditors of the Company.

Disclosures in terms of Clause 73 (1) of Chapter VII of SEBI (Issue of Capital & 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 Financial Year 2011-12.

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., / M/s CEA Consultants Pvt. Ltd., / 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 sanctions issued by the respective Bankers/ Financial Institutions (CDR Lenders) under the approved CDR package.

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		Pre-Issue pending allotment of Warrants/ Equity against which allotment money has already been received from allottee as per the shareholder approval dated 31.10.2009 and 04.08.2010.		Proposed Issue Equity Shareholding		Post Issue Equity Shareholding	
		In Nos.	%Age	In Nos.	%Age	In Nos.	%Age	In Nos.	%Age
1.	Promoters Group								
1 (a)	Existing	24675720	28.86					24675720	20.59
1 (b)*	Existing proposed allotment to M/s Teletube Electronics Ltd. (Promoter company) for which subscription has been received & application is pending with the stock exchanges for their approval in principle.			6872852	8.04			6872852	5.73
1 (c)*	Existing proposed allotment to M/s Teletube Electronics Ltd. (Promoter company) for which subscription has been received & application is pending with the stock exchanges for their approval in principle.			13745704	16.08			13745704	11.47
1 (c)	Proposed allotment of Warrants to M/s Teletube Electronics Ltd. / M/s CEA Consultants Pvt. Ltd./ M/s Lenient Consultants Pvt Ltd. (Promoter Company) under aforesaid resolution					13745704	16.08	13745704	11.47
Total Promoter Group		24675720	28.86	20618556	24.12	13745704	16.08	59039980	49.26
2. (a)	Institutional Investors	1256420	1.47					1256420	1.05
2. (b)*	Institutional Investors (CDR Lenders)	31901831	37.32					31901831	26.62
Total Institutional Investors		33158251	38.78					33160301	31.25
3	Private Corporate Bodies	3572591	4.18					3572591	2.98
4	Indian Public	17521166	20.49					17521166	14.62
5	NRIs & OCBs	6459969	7.56					6459969	5.39
6	Flls	104900	0.12					104900	0.09
Total Paid up Share Capital		85492597	100.00	20618556	24.12	13745704	16.08	119862857	100.00

iv. Proposed time within which allotment will be completed.

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

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

Sr. No.	Category	Pre-Issue Equity Shareholding		Pre-Issue pending allotment of Warrants/ Equity against which allotment money has already been received from allottee as per the shareholder approval dated 31.10.2009 and 04.08.2010.		Proposed Issue Equity Shareholding		Post Issue Equity Shareholding	
		In Nos.	%Age	In Nos.	%Age	In Nos.	%Age	In Nos.	%Age
1.	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)	15083999	17.64	20618556	24.12	13745704	16.08	49448259	41.25

- vi. The allotment and issuance of aforesaid warrants and subsequent conversion in to 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 (Promoters), 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.

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 except Saturdays and holidays between 11.00 A.M. and 1.00 P.M. from the date hereof upto the date of the meeting.

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

Dated : April 28, 2011

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

Sd/-
Prabhat Kumar Nanda
Company Secretary

Market & Outlook

Globally the market for Color Picture Tube (CPT) based television sets declined from a level of 65 million Nos. per annum in 2009 to 62 million in Nos. per annum in 2010. The market is expected to further decline to 55 million in Nos. in the year 2011. CPT based televisions, however, still dominate the market of Latin America, South Africa and South Asia. In India, the demand of CPT based televisions continues to remain stable at around 13.5 million in Nos. per annum during the year under review. The color television industry estimates this demand to decline slowly by around 2 to 3 % per annum over the next two years.

The demand for Color Picture Tubes (CPTs) declined during the year under review from 19.2 million Nos. per annum to 18.5 millions Nos. per annum, mainly on account of decline in demand for free distribution of color television sets under a State sponsored scheme. The demand in the ensuing year is expected to be around 13 million in Nos., since, the State sponsored scheme has come to an end.

The year under review witnessed a surge in imports of Color Picture Tubes (CPTs) mainly from South East Asia severely impacting the sales volume and selling price of the domestic industry. The Anti Dumping duties levied by Government of India do not appear to be effective in providing a level playing field to the domestic industry.

Financial & Operational Results

During the year under review the Company achieved production of 7.65 million color picture tubes as compared to 9.21 million color picture tubes of the previous financial year registering a decline of approximately 17%. This was mainly due to a surge in imports of color picture tubes from South East Asian countries, despite anti-dumping measures.

The above factors have severely impacted the operations and profitability of the Company during the financial year under review. The Company ended the financial year 2011 with a Cash Profit (PBDT) of Rs. 10.16 crores (Previous year Rs. 75.49 crores). However, post extra-ordinary item, the Company registered loss of Rs. 83.93 crores as against profit of Rs. 76.46 crores of the previous financial year.

The Company is restructuring its manufacturing operations to reduce costs by increasing efficiencies, rationalization of manpower and other costs. Efforts continue on development of low cost variants of medium and small size slim color picture tubes.

Internal Control Systems and their Adequacy

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

The Company also has Internal Control System for speedy compilation of accounts and Management Information Reports and to comply with applicable laws and regulations.

The Company has a well-defined organization structure, authority levels and internal rules and regulations for conducting business transactions.

Human Resource Development/Industrial Relations

The Company's Human Resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility. The Company has taken pragmatic steps for strengthening organizational competency through involvement and development of employees as well as installing effective systems for improving the productivity, quality and accountability at functional levels.

With the changing and turbulent business scenario, our basic focus is to upgrade the skill and knowledge level of the existing human assets to the required level by providing appropriate leadership at all levels, motivating them to face the hard facts of business, inculcating the attitude for speed of action and taking responsibilities.

The effort to rationalize and streamline the work force is a continuous process. The industrial relations scenario remained harmonious throughout the year.

Cautionary Statements

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

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

CORORATE GOVERNACE PHILOSOPHY

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

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

I. BOARD OF DIRECTORS

Composition of the Board

The Board of Samtel Color 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 2010-11, the Board of Directors met four times on 24th April 2010, 4th August 2010, 10th November 2010 and 5th February 2011. The maximum time gap between any two consecutive meetings was less than four months.

Directors' Attendance record and Directorship (As on March 31, 2011)

Name of the Director	Category/Status of Directorship	No. of Board meetings held during 2010-11 (Twelve months)	No. of Board meetings attended during 2010-11 (Twelve months)	Attendance in last AGM held on 4th August 2010	No. of Directorship in other Public Limited Companies	No. of Committee positions held	
						Chairman	Member
Mr. Satish K Kaura	Executive Promoter Director	4	4	Yes	6	Nil	3
Mr. S.P. Gugnani	Independent Director	4	3	Yes	Nil	Nil	Nil
Mr. Arun Bharat Ram	Independent Director	4	4	Yes	11		3
Mr. Subodh Bhargava	Independent Director	4	4	Yes	10	2	5
Mr. V. Narayanan	Independent Director	4	3	No	8	3	2
Mr. Sharad Shrivastva@	Independent Director, (LIC Nominee)	4	2	Yes	Nil	Nil	Nil
Mr. Yogesh Rastogi@	Independent Director, (ICICI Bank Nominee)	4	0	No	4	Nil	2
Mr. Puneet Kaura	Non Independent Promoter Director	4	3	No	5	1	Nil

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

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 executive 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 which includes inter-alia, the information as required under clause 49 of the listing agreement well in advance of the Board meeting. All Board members are free to suggest any item they consider important to the agenda. The Board has unfettered and complete access to all information within the Company. Whenever necessary, senior executives of the Company are invited to the Board meeting to provide additional insights on the matter being discussed.

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

Remuneration of Directors

The details of remuneration paid to Directors during the financial year 2010-11 are given hereunder. The Company did not advance any loans to any of its Directors in the year under review.

(in Rs.)

Name of the Director	Category / Status of Directorship	Sitting fees and perquisites	Salaries, allowances	Commis-ssion	Total
Mr. Satish K Kaura	Executive Promoter Director	0.00	8316000.00	0.00	8316000
Mr. S.P. Gugnani	Independent Director	280000	0.00	0.00	280000
Mr. Arun Bharat Ram	Independent Director	70000	0.00	0.00	70000
Mr. Subodh Bhargava	Independent Director	155000	0.00	0.00	155000
Mr. V. Narayanan	Independent Director	45000	0.00	0.00	45000
Mr. Sharad Shrivastva@	Independent Director, (LIC Nominee)	75000	0.00	0.00	75000
Mr. Yogesh Rastogi@	Independent Director, (ICICI Bank Nominee)	0.00	0.00	0.00	0.00
Mr. Puneet Kaura	Non Independent Promoter Director	0.00	0.00	0.00	0.00

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

Details of the shareholding of independent Directors as on March 31, 2011 is given hereunder:

Name of the Director	Category / Status of Directorship	Number of shares held	Number of convertible instruments held
Mr. S.P. Gugnani	Independent Director	1800	0
Mr. Arun Bharat Ram	Independent Director	19355	0
Mr. Subodh Bhargava	Independent Director	0	0
Mr. V. Narayanan	Independent Director	0	0
Mr. Sharad Shrivastva	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 any other committee of the Board of Directors. The Company pays remuneration to its Chairman and Managing Director by way of salary, perquisites and allowances interms of the approval of the Central Government.

Board Level Committees

Samtel Color has four Board level Committees i.e. Audit Committee, Share Transfer and Investors' Grievance Committee, Finance Committee, Remunerations and Compensation Committee. The Board of the Company takes all decisions with regard to constituting, assigning, co-opting, delegating and fixing the terms of reference for the Committees. Recommendations / decisions of the Committees are submitted/informed to the Board for approval/information.

Audit Committee

The Audit Committee of the Company was constituted in the year 1988. As on 31 March, 2011, the Company's Audit Committee comprised of three independent Directors. In 2010-11, the Audit Committee met six times on 24th April 2010, 9th July 2010, 4th August 2010, 10th November 2010, 5th February 2011 and 15th March 2011. 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 as detailed below:

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	5	75000
Mr. Sharad Shrivastva@	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
- 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' Grievance 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 2010-11 are as under:

Nature of Complaints	2010-11				2009-10			
	Opening	Received	Settled	Pending	Opening	Received	Settled	Pending
Relating to Transfers, Transmission, Dividend, Interest, Demat / Remat and Change of Address	0	06	06	0	0	28	28	0

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

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

Finance Committee

The Finance Committee of the Board of Directors comprises two members, Mr. Satish K Kaura and Mr. S P Gugnani. The Chairman of the Committee is Mr. Satish K Kaura, Chairman and Managing Director of the Company. The Committee met Six (6) 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. During the year under review, the committee met once on 24.4.2010.

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

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

II. MANAGEMENT

Management Discussion and Analysis

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 as mandated in clause 49 of the listing agreement was placed before the board at its meeting held on 28th April, 2011

III. SUBSIDIARY COMPANIES

All Subsidiary Companies of the Company are managed by the respective Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company monitors performance of subsidiary companies, inter-alia by the following means:

- (a) Financial statement, in particular the investments made by the unlisted subsidiary companies are reviewed at regular intervals.
- (b) All minutes of Board meetings of the unlisted subsidiary companies are placed before the Company's Board regularly.
- (c) A Statement containing all significant transactions and arrangements, if any, entered in to by the unlisted subsidiary companies is placed before the Company's Board as and when required.

The Company has two un-listed Indian subsidiary companies i.e. Paramount Capfin Lease Private Limited and Bluebell Trade Links Private Limited. Both the companies do not fall under the category of 'Material un-listed company' and hence are not required to nominate an independent director on their Board as per clause 49 of the listing agreement.

IV. SHAREHOLDERS

Means of Communication

During the year the quarterly and annual results has been published in The Financial Express (English) and Jansatta (Hindi). The Company's quarterly results are also available on its websites www.samtelgroup.com and www.samtelcolor.com.

General Body Meetings

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

Year	Date	Time	Venue	No. of Spl. Resolutions passed	No. of Members presented by	
					In person	Proxy
2009-10	4 August, 2010	11.30 A.M.	Air Force Auditorium, Subroto Park, New Delhi-110 010	2	383	69
2008-09	31 Oct., 2009	3.30 P.M.	Sri Satya Sai International, Lodhi Road, New Delhi	6	397	48
2007-08	22 Dec., 2008	11.30 A.M.	Air Force Auditorium, Subroto Park, New Delhi-110 010	0	428	52

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

Postal Ballot

No resolution was passed through postal ballot during the year 2010-11.

V. ADDITIONAL SHAREHOLDER INFORMATION

Annual General Meeting

Date : 4th August, 2011
 Day : Thursday
 Time : 3.00 P.M.
 Venue : Air Force Auditorium,
 Subroto Park, New Delhi – 110 010

Financial Results

In the financial year 2010-11 the interim results were announced on:

4th August 2010 : First quarter.
 10th November 2010 : Second quarter and half yearly results.
 5th February 2011 : Third quarter results.
 28th April 2011 : Fourth quarter and audited results for the year ended 2010-11

Book Closure

The register of members will remain closed from July 26, 2011 to August 4, 2011.

Dividend

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

Listing and Stock Codes

1. Stock codes / Symbol of the Company

Stock Exchanges	Stock codes
BSE	500372 / SAMTEL
NSE	SAMTEL

- 2 ISIN No. : INE 381A01016

Stock Data

- 1: Share prices of Samtel Color at BSE/NSE in 2010-11 (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-10	21.20	16.65	3037	21.20	16.75	3657
May-10	21.65	16.15	2122	21.65	16.00	2831
June-10	18.00	16.05	962	18.00	15.60	1282
Jul-10	18.50	15.50	1762	18.50	15.50	1719
Aug-10	17.00	13.65	956	17.50	13.10	1275
Sep-10	15.80	13.75	690	16.90	13.70	966
Oct-10	19.80	13.65	5742	19.85	12.60	8673
Nov-10	16.75	12.10	1364	16.95	11.85	1776
Dec-10	13.59	11.26	383	13.50	11.30	428
Jan-11	12.20	9.01	284	12.30	9.00	401
Feb-11	9.25	6.85	917	9.45	6.85	285
March-11	7.39	6.00	859	7.45	6.00	315

Shareholding Pattern

1. Shareholding pattern by ownership as on 31st March, 2011

Particulars	No. of share Holders	%age of share holders	No. of shares held	% of share Holding
Promoters and their Associates	37	0.13	24675720	28.86
FII's	15	0.05	104900	0.12
Mutual Funds	10	0.04	7000	0.01
Financial Institutions/Banks	16	0.06	33151251	38.78
NRIs / OBCs	369	1.33	6459969	7.56
Corporates Bodies	609	2.19	3572591	4.18
General Public	26739	96.20	17521166	20.49
Total	27795	100.00	85492597	100.00

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

2. Shareholding pattern by size-class as on 31st March, 2011

Categories	No. of share Holders	% of share holders	No. of shares held	% of shareholding
1-500	22680	81.60	3974817	4.64
501-1000	2491	8.96	2156260	2.52
1001-2000	1147	4.13	1843189	2.16
2001-3000	431	1.55	1133160	1.33
3001-4000	202	0.73	735381	0.86
4001-5000	240	0.86	1144096	1.34
5001-10000	314	1.13	2391738	2.80
10001 and above	290	1.04	72113956	84.35
Total	27795	100	85492597	100

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

Dematerialisation of Shares

With effect from 26th June 2000, the shares of the Company were admitted to compulsory de-mat mode vide circular no. SMBRP / POLICY / CR-9 / 2000 dated 16 February, 2000 issued by SEBI. Currently shares of the Company are held in both electronic and physical mode. Over 49 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 available to the investors.

Details of Funding obtained in the Last Three Years

- A. Pursuant to Corporate Debts Restructuring (CDR) package (CDR-I) approved by CDR cell vide its letter-dated 27.09.2007, the promoters/promoter companies had 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. Infusion of fund in the system by the promoters through preferential allotment is one of the most cost effective methods as neither merchant banker needs to be appointed nor any other major share issue related expenses are required to be incurred. An amount of Rs.15 crores has been infused by M/s Teletube Electronics Ltd. and M/s CEA Consultants P Ltd. (promoter companies) and the terms of CDR Package has already been complied with as under:
- On January 25, 2008, the company had issued 4651163 afresh equity shares of face value of Rs. 10.00 each at a premium of Rs. 11.50 per shares 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.
 - The company received Rs. 50.00 lacs from M/s CEA Consultants P Ltd. (promoter company) towards its 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 and allotted & issued the said warrants on 25th January, 2008 as per the Preferential Issues of SEBI (DIP) Guidelines, 2000.
 - The company 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 balance subscription money for 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 SEBI (DIP) Guidelines, 2000.

- B. Pursuant to revised Corporate Debts Restructuring (CDR) package (CDR-II) approved by CDR cell vide its letter-dated 01.09.2009, the promoters/promoter companies have to infuse Rs. 50.00 crs. (Rs. 10.00 crs. within 4 months and further Rs. 20.00 crs. by December 2010 and balance of Rs. 20.00 in the FY 2011-12 as part of their contribution to the revised debts restructured package.
- (i) An amount of Rs. 10.00 crores has been received from M/s Teletube Electronics Ltd. (promoter company) towards subscription against 6872858 warrants having optional right of conversion into one equity share of face value of Rs. 10.00 each at a premium of Rs. 4.55 per shares & the terms of CDR Package has already been complied with.
- (ii) Further, an amount of Rs. 20.00 crores has also been received from M/s Teletube Electronics Ltd. (promoter company) towards subscription against 13745704 warrants having optional right of conversion into one equity share of face value of Rs. 10.00 each at a premium of Rs. 4.55 per shares and the terms of CDR Package has already been complied with.

All the funds have been infused in terms of CDR package and the same have been utilized accordingly.

Outstanding warrants and their implications on equity

There is no warrant(s) outstanding as on date but company has already received a payments from M/s Teletube Electronics Ltd. (the Promoter/promoter company) towards subscription against 6872858 warrants and 13745704 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 the month of December 2009 and December 2010 respectively in terms of 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 Clause 49 of the Listing Agreement and forming part of the Report on Corporate Governance.

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

Investor Correspondence

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

Color Picture Tubes
Manufacturing Unit (I) : Village Chhapraula, Bullandshehar Road,
Distt. Gautam Budh Nagar - 201 009 (U.P.)

Color Picture Tubes
Manufacturing Unit (II) : Plot 2, Village Chhapraula, Bisrakh Road,
Greater Noida Industrial Development Area,
Distt. Gautam 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.)

**CERTIFICATE ON CORPORATE GOVERNANCE
FOR THE YEAR ENDED 31ST MARCH, 2011**

1. We have examined the compliance of conditions of Corporate Governance by SAMTEL COLOR LIMITED for the 12 months period from April 1, 2010 to March 31, 2011, 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, 2011

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, 2010 to March 31, 2011.

Place : New Delhi
Date : April 28, 2011

Sd/-
Satish K Kaura
Chairman & Managing Director

To the Members
Samtel Color Limited

Dear Shareholders,

Your Directors have pleasure in presenting this 25th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March 2011.

Financial Results

The key financial highlights of the Company for the year ended 31st March 2011 are as under:- (Rs in Crores)

Particulars	Year ended 31-03-2011	Year ended 31-03-2010
Gross Turnover	1009.20	1231.84
Gross Profit before Interest, Depreciation & Taxation	36.54	107.04
Interest (Net)	26.38	31.55
Profit before Depreciation & Taxation	10.16	75.49
Depreciation/Misc. Expenses written off	68.76	62.89
Exceptional Items/Extraordinary Expenses/provisions :		
(i) Waiver of principal amount of loan and interest by lenders	-	63.90
ii) Revaluation of Plant and Machinery	(10.14)	-
iii) Impairment Loss against certain Plant and Machinery	(14.58)	-
Tax	0.61	0.04
Net Profit (Loss) for the year	(83.93)	76.46
Transfer from General Reserve	53.62	-
Profit/(Loss) carried forward to Balance Sheet	(28.41)	1.90

Operations

The market for color picture tubes (CPT) based television during the year under review was around 18.5 million including the demand for state sponsored television distribution scheme as compared to 19.2 million in the previous financial year. However, the operations of the Company were severely affected due to a surge in imports of CPTs, mainly from South East Asian Countries.

This impacted the sales volume of the Company which declined from 9.21 million numbers in the previous year to 7.65 million numbers during the year under review.

Outlook

Though the market for CPTs globally is on a decline, however, the demand in India with the closure of Tamilnadu contract, is still expected to remain stable at around 13 to 14 million tubes per annum. However, the increased dependence on imported CPTs by the color television manufacturers, despite levy of anti-dumping duties continues to pose a challenge to the domestic CPT Industry.

To effectively compete in the domestic market, your Company has been focusing on producing innovative products to suit the requirements of domestic televisions manufacturers at competitive price 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".

Dividend

In view of loss the Directors do not recommend any dividend on the Preference and Equity Shares of the Company for the financial year ended 31st March 2011.

Financial Restructuring and Changes in Capital Structure.

In accordance with the revised restructuring scheme approved by the Lenders, the Company during the year under review:

- 1) Converted debts worth Rs. 46.17 crs. into equity shares of the Company, and accordingly 31901831 fresh equity shares of Rs. 10.00 each at a premium of Rs. 4.55 per share have been issued & allotted to CDR Lenders against said conversion of debts. The Company has filed necessary applications to concerned Stock Exchanges seeking listing and trading permission for the said shares.
- 2) Received, Promoters contribution by subscription to 13745704 warrants having conversion right into equity shares of face value of Rs. 10.00 each at a premium of Rs. 4.55 per share aggregating to Rs. 20.00 crores. The Company has filed necessary applications to concerned Stock Exchanges seeking in-principal approval for allotment of the warrants to the Promoters.

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 Company, Mr. Puneet Kaura and Mr. V Narayanan, Directors of the Company retire by rotation and being eligible offer themselves for reappointment.

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 25th Annual General Meeting and forms part of this Report.

The company has obtained necessary approval from the Central Government for re-appointment of Mr. Satish K Kaura as the Chairman & Managing Director of the Company for a period of three years w.e.f. 12th February 2010 on the revised terms.

The company has already filed its application for necessary approval of the Central Government in connection with the remuneration paid in excess to Mr. Satish K Kaura, Chairman & Managing Director of the Company for the period from April 1, 2009 to March 31, 2010.

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, 2011, the applicable accounting standards have been followed and that there has been no material departures.
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review.
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. that the Directors have prepared the annual accounts on a going concern basis.

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 recommend their appointment, as Statutory Auditors for the financial year 2011-12 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 are annexed to the Annual Report.

Consolidated Financial Results

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

Declaration Under Clause 49 of the Listing Agreement

All Directors and Senior Management Executives of the Company have affirmed compliance with the Code of Conduct for Board Members and Senior Management Executives for the period April 1, 2010 to March 31, 2011.

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 28, 2011

Sd/-
Satish K. Kaura
Chairman & Managing Director

ANNEXURE "A" TO THE DIRECTORS' REPORT: DETAILS OF STOCK OPTIONS GRANTED DURING THE YEAR 2010-11

- 1 Total number of Stock Options granted Nil
- 2 Pricing Formula The options were priced at closing price on the same date of grant at Bombay Stock Exchange. The details thereof are as follows:
- | <u>Grant Date</u> | <u>No. of Options Granted</u> | <u>Price Rs./Shares</u> |
|------------------------------------------------------|-------------------------------|-------------------------|
| No options have been granted during the year 2010-11 | | |
| 3 Options Vested during the year | 37095 | |
| 4 Options exercised during the year | 0 | |
| 5 Options lapsed | 37095 | |
- 6 Salient Terms of option
- Each option will entitle the holder to apply for 1 equity share at the closing price of Bombay Stock Exchange on grant date.
 - The options will vest in employees in 3 equal installments at the end of 1st, 2nd and 3rd year from the date of grant.
 - There will be no lock in period for sale of shares after employees have exercised their options
- 7 Total number of option in force 5606
- 8 Details of options granted to Senior Management Personnel: No option has been given during the year ended 31st March 2011.

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	M.Tech.	38	Chairman & Managing Director	15.05.86	8,316,000	Samtel India Ltd. Managing Director
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EMPLOYED FOR PART OF THE FINANCIAL YEAR UNDER REVIEW AND WERE IN RECEIPT OF REMUNERATION FOR ANY PART OF THE FINANCIAL YEAR AT THE RATE IN WHICH AGGREGATE WAS NOT LESS THAN RS. 6,00,000 PER MONTH.

1	D V Gupta	60	MSc., PGDBA	41	Executive Vice President	07.12.87	8,601,486	Sr. Executive India Polyfibers Ltd.
2	Rajesh Kakkar	53	B.Tech. PGDM	27	Vice President-Business Planning	24.06.00	2,340,850	Business Manager ICI (India) Ltd.
3	M S Kohli	50	BE (Elect.)	26	Vice President	01.09.86	5,177,763	Asst. Manager Samtel India Ltd.
4	O P Gogia	56	CS, ICWA	23	General Manager (Finance)	05.07.06	1,349,870	Consultant (Finance)
5	A S Pandey	54	B E (Elect.)	31	General Manager (Quality)	23.04.90	3,210,954	Dy. Manager-HAL, Korwa
6	Ranjit Madan	56	B.A. (Eco.), MBA (Marketing & Finance)	26	Executive Vice President	21.04.10	5,259,778	Group COO Grauer and Wail . India Ltd

- Note :**
- 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 etc.
 - None of the above employees except Mr. Satish K. Kaura are relative of any Director or Manager of the Company
 - Employment in the Company is non contractual
 - 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. Elimination of one Furnace in one production unit to reduce Natural Gas consumption.
- ii. Segregation of High Pressure & Low Pressure Compressed Air Generation to save power consumption.
- iii. Installation of waste heat recovery unit with Jacket Water system of Gas Engines to reduce Natural Gas consumption.
- iv. Integration and optimization heating, ventilation and air conditioning system of entire plant to reduce power consumption.

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

- i. Optimization of Electrical Heating Load to reduce electrical power consumption.
- ii. Installation of waste heat recovery unit with exhaust system of 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 prototype of low cost varieties of 21" Ultra Slim CPT.
- ii) Design and Development of prototype of 14" Round Slim CPT.

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) Development and commercialization of low cost 21" ultra slim CPT.
- ii) Development and commercialization of 14" Round Slim CPT.
- iii) Design and development of deflection yoke for low cost 21" ultra slim CPT.
- iv) Design and development of deflection yoke for 14" Round Slim CPT.

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

Particulars	For the Year ended 31-03-2011	For the Year Ended 31-03-2010
Recurring	430.47	536.15
Capital	0	0
Total	430.47	536.15
Percentage of total turnover	0.43%	0.44%

1. Technology Absorption, Adoption & Innovation

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

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

Particulars	For the Year ended 31-03-2011	For the Year Ended 31-03-2010
Earnings in Foreign Currency:		
CIF Value of Imports	23,113.16	26,897.56
Others	171.71	110.36
Total	23284.87	27,007.92
Earnings in Foreign Currency:		
FOB Value of Exports	889.44	1,066.64

TO
THE MEMBERS OF SAMTEL COLOR LIMITED

1. We have audited the attached Balance Sheet of Samtel Color Limited, as at March 31, 2011, 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. 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, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.
 - (g) Without qualifying our opinion we draw attention to Note no 1K of schedule Q, wherein the approval for managerial remuneration amounting to Rs57.65 lacs for the year 31st March 2010 from Central Government is pending.
 - (h) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with Significant Accounting Policies & Notes thereon, give in the prescribed manner the information required by the Companies Act, 1956 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 March 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the Loss 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/-
K.K. Tulshan
Partner
Membership No.: 85033

New Delhi
April 28, 2011

ANNEXURE TO AUDITORS' REPORT

[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, 2011]

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. However, during the year (a) plant and machinery of the Company has been revalued by an independent professional valuer leading to a decline of Rs. 1013.91 lacs in its net book value (refer note 11 of Schedule Q); (b) certain research and development plant and machinery relating to "Plasma Display Panel Project" has been impaired by Rs. 1,457.62 lacs (refer note 12 of Schedule Q);
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 granted unsecured loans to two companies covered in the register maintained under Section 301 of the Act. The maximum amount outstanding at any time during the year and the year end balance from them is Rs. 277.00 lacs.
(b) The rate of interest and other terms and conditions of loans given by the company, are not prima facie prejudicial to the interest of the company.
(c) These loans are repayable on demand and the receipt of the interest is regular.
(d) As informed to us, there are no overdue amounts;
(e) The Company has taken unsecured loans from 3 parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding at any time during the year and the year end balance from them is Rs. 286.77 lacs, excluding interest thereon.
(f) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
(g) In respect of the aforesaid loans, the Company is regular in repayment of principal amounts. *The interest amount is however not paid by the Company as there is a delay in repayment of principal amount of loan installments to CDR lenders .*
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, 2011 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	758.80
	Customs Duty	F.Y. 2003-04	Commissioner Customs	7.49

Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where the dispute is pending	Amount (Rs. in lacs)
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
	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	314.32
	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
	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	
Income Tax Act, 1961	Income Tax	F. Y. 2008-09	Commissioner of Income Tax (Appeal)	46.23
	Income Tax(TDS)	F. Y. 2008-09	Rectification application for amendment of assessment order is being filed before the Assessing Officer.	180.24
	Income Tax(TDS)	F. Y. 2009-10		12.69

10. The Company has accumulated losses as at 31st March, 2011 of Rs. 2,840.82 lacs (after adjusting General Reserve of Rs 5361.92 lacs) The Company has not incurred cash losses during the financial year as well as 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 defaulted in repayment of dues to financial institutions and banks as per details below:-

Amount in Rs. lacs

Nature of dues	Amount Due (Rs.)	Due date	Amount paid/ (unpaid) (Rs.)	Date paid (Rs. in lacs)	Period of default till the date of payment/ as at 28.04.2011
Principal *	834.90	31.12.2010	110.81	12.02.2011	43 days
			397.00	23.03.2011	82 days
			267.67	25.03.2011	84 days
			59.42	28.03.2011	87 days

Nature of dues	Amount Due (Rs.)	Due date	Amount paid/ (unpaid) (Rs.)	Date paid (Rs. in lacs)	Period of default till the date of payment/ as at 28.04.2011
Principal	18.75	31.03.2011	(18.75)	-	28 days
Principal	834.90	31.03.2011	(834.90)	-	28 days
* Interest thereon till the date of repayment	1.30	12.02.2011	(1.30)	-	76 days
	10.70	23.03.2011	(10.70)	-	37 days
	7.39	25.03.2011	(7.39)	-	35 days
	1.71	28.03.2011	(1.71)	-	31 days
Interest on various loans	154.27	31.03.2011	8.43	06.04.2011	6 days
			90.28	07.04.2011	7 days
			33.60	15.04.2011	15 days
			(21.96)	-	18 days

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. 1,264.80 lacs given by the Company, for a loan taken by Samtel Electron Devices, GmbH from a bank, are prima facie not prejudicial to the interest of the Company.
16. In our opinion, and according to the information and explanations given to us, no fresh term loan has been obtained by the company during the year under audit. Accordingly, the provision of clause 4 (xvi) of the Order is not applicable to the Company.
17. *On the basis of an overall examination of the balance sheet of the Company, we report that short term funds of Rs 5926.89 lacs generated from reduction in net current assets have been utilized in repayment of long term loans .*
18. According to the information and explanation given to us, the Company has not made preferential allotment of shares to any of the parties covered in the register maintained under Section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

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

Sd/-
K.K. Tulshan
Partner
Membership No.: 85033

New Delhi
April 28, 2011

Balance Sheet as at 31st March, 2011
SAMTEL COLOR LIMITED

	SCHEDULE	As at 31-03-2011 Rs. in lacs		As at 31-03-2010 Rs. in lacs
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A	11,628.84		8,438.66
Advance Subscription	AA	3,000.00		5,641.72
Reserves and Surplus	B	7,010.98	21,639.82	11,111.16
				25,191.54
Loan Funds				
Secured Loans	C	27,316.45		36,094.60
Unsecured Loans	D	2,533.36	29,849.81	2,575.50
				38,670.10
TOTAL			51,489.63	63,861.64
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	E	129,476.41		131,465.74
Less: Depreciation / Amortisation		69,032.55		61,724.42
Net Block		60,443.86		69,741.32
Capital Work-in-progress		23.69	60,467.55	12.17
			3,300.99	69,753.49
				3,300.99
Investments				
Current Assets, Loans and Advances				
Inventories	G	5,352.09		8,993.48
Sundry Debtors	H	2,606.77		8,293.12
Cash and Bank Balances	I	327.59		487.48
Loans and Advances	J	2,289.01		2,928.93
		10,575.46		20,703.01
Current Liabilities and Provisions				
Current Liabilities	K	23,828.77		28,148.80
Provisions	L	1,866.42		1,747.05
		25,695.19		29,895.85
Net Current Assets			(15,119.73)	(9,192.84)
Profit and Loss Account			2,840.82	-
TOTAL			51,489.63	63,861.64
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

Sd/- K.K. Tulshan Partner Membership No.:85033	For and on behalf of the Board of Directors 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 & Co. Chartered Accountants Firm Registration No. : 000756N			

Place : New Delhi
Date : April 28, 2011

Profit and Loss for the year ended 31st March, 2011
SAMTEL COLOR LIMITED

	SCHEDULE	For the Year Ended 31.03.2011 Rs. in lacs	For the Year Ended 31.03.2010 Rs. in lacs
I. INCOME			
Sales (Gross) (Refer to Note 'G' on schedule 'P')		99,194.32	121,203.22
Less : Excise Duty		9,568.00	9,774.62
Sales (Net)		89,626.32	111,428.60
Other Income	M	1,726.10	8,371.08
		91,352.42	119,799.68
II. EXPENDITURE			
Manufacturing and Other Expenses	N	87,802.85	102,665.78
Excise Duty on Increase/(Decrease) in Finished Goods		(105.11)	39.88
Interest (Net) and Finance Charges	O	2,637.81	3,155.30
Depreciation / Amortisation (Refer Note '11' on schedule 'Q')		6,876.46	6,288.87
Profit / (Loss) for the year before Taxation		(5,859.59)	7,649.85
Exceptional Items:			
— Revaluation of Plant & Machinery (Refer to Notes 'B' on schedule 'P' and '11' on schedule 'Q')		1,013.91	—
— Impairment loss in respect of retirement of Plant & Machinery (Refer Notes 'O' on schedule 'P' and '12' on schedule 'Q')		1,457.62	—
Profit / (Loss) for the year before Taxation but after Exceptional Items		(8,331.12)	7,649.85
Tax Expense (Refer to Note 'L' on schedule 'P' and Note '3' on schedule 'Q')			
Tax provision of earlier years		61.42	3.88
Net Profit / (Loss) for the year after Taxation		(8,392.54)	7,645.97
Balance brought forward from Previous Year		189.80	(7,456.17)
Add : Amount Transferred from General Reserve		5,361.92	—
Balance carried forward to Balance Sheet		(2,840.82)	189.80
Earnings per share (face value Rs. 10 each)			
— Basic		(11.43)	8.53
— Diluted		(11.43)	7.28
(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

Sd/-

K.K. Tulshan

Partner

Membership No.:85033

For and on behalf of

S. S. Kothari Mehta & Co.

Chartered Accountants

Firm Registration No. : 000756N

Place : New Delhi

Date : April 28, 2011

For and on behalf of the Board of Directors

Sd/-

Satish K. Kaura

Chairman and

Managing Director

Sd/-

Subodh Bhargava

Director

Sd/-

Prabhat Kumar Nanda

Company Secretary

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 Rs. in lacs
SCHEDULE A : SHARE CAPITAL		
(Refer to Note 'N' on schedule 'P' and Note '6' on schedule 'Q')		
AUTHORISED		
12,49,90,000 (Previous Year 12,49,90,000) Equity Shares of Rs. 10 each	12,499.00	12,499.00
50,01,000 (Previous Year 50,01,000) Redeemable Preference Shares of Rs. 100 each	5,001.00	5,001.00
	17,500.00	17,500.00
ISSUED		
8,54,98,597 (Previous Year 5,35,96,766) Equity Shares of Rs. 10 each (3,19,01,831 nos. (Previous year Nil) of fully paid up equity shares allotted and issued to CDR lenders on conversion of debts)	8,549.86	5,359.68
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
	11,629.14	8,438.96
SUBSCRIBED AND PAID - UP		
8,54,92,597* (Previous Year 5,35,90,766) Equity Shares of Rs. 10 each fully paid - up (3,19,01,831 nos. (Previous year Nil) of fully paid up equity shares allotted and issued to CDR lenders on conversion of debts)	8,549.26	5,359.08
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
	11,628.84	8,438.66

*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, 2011**

SAMTEL COLOR LIMITED

	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 Rs. in lacs
SCHEDULE AA: ADVANCE SUBSCRIPTION		
(Refer to Note '14' on schedule 'Q')		
Advance Subscription for Warrants (2,06,18,557 (Previous year 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 to be issued to Promoter Group Company in terms of CDR scheme)	3,000.00	1,000.00
Advance subscription for equity shares (Nil (Previous year 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>3,000.00</u>	<u>5,641.72</u>
SCHEDULE B: RESERVES AND SURPLUS		
Capital Reserve	460.07	460.07
Investment Allowance (Utilised) Reserve	45.00	45.00
Less : Transferred to General Reserve	45.00	-
	-	45.00
Share Premium Account (Refer to Note '15' on schedule 'Q')	6,550.91	5,099.37
General Reserve		
Opening Balance	5,316.92	5,316.92
Add : Transferred from Investment Allowance (utilised) Reserve	45.00	-
Less : Transferred to Profit and Loss Account	5,361.92	-
Closing Balance	-	5,316.92
Profit and Loss Account	-	189.80
TOTAL	<u>7,010.98</u>	<u>11,111.16</u>

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

	Notes	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 Rs. in lacs
SCHEDULE C: SECURED LOANS			
(Refer to Notes '5' and '13' on schedule 'Q')			
FROM FINANCIAL INSTITUTIONS			
Rupee Term Loans	1	494.72	1,971.73
Interest accrued and due		1.95	-
		<u>496.67</u>	<u>1,971.73</u>
FROM TECHNOLOGY DEVELOPMENT BOARD			
		-	113.26
FROM BANKS			
Rupee Term Loans	1	24,327.75	31,269.49
Foreign Currency Term Loans	1	778.41	1,195.92
Zero Coupon Bonds	1	1,539.64	1,539.64
Vehicle Loans	2	0.56	4.56
Interest accrued and due			
— Rupee Term Loans		168.47	-
— Foreign Currency Term Loans		4.95	-
		<u>26,819.78</u>	<u>34,122.87</u>
		<u>27,316.45</u>	<u>36,094.60</u>

Notes :

- (1) The loans for Rs. 26,754.57 (Previous year Rs. 35,091.06 lacs) are 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.
 - Pledge of 1,92,33,526 nos. (Previous year 1,57,00,442 nos.) equity shares of Samtel Color Limited held by promoter Companies with M/s 3i Infotech Trusteeship Services Limited (Security Trustee on behalf of CDR Lenders).
 - Pledge 15,00,000 (Previous year 15,00,000) shares of Samtel Glass Limited with M/s 3i Infotech Trusteeship Services Limited (Security Trustee on behalf of 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. 131.27 lacs (Previous year Rs. 541.68 lacs).
 - Rupee Loan from ICICI Bank Limited towards Research and Development projects secured by way of exclusive charge on the specific assets used for the said projects for Rs. 254.68 lacs (Previous year Rs. 344.04 lacs).
- (2) Secured by hypothecation of specific vehicles for Rs. 0.56 lacs (Previous year Rs. 4.56 lacs).
- (3) Term loans repayable within one year Rs. 8,531.22 lacs (Previous year Rs. 9,306.80 lacs)

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 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	55.78	78.58
Loan from Centre for Scientific and Industrial Research	2,038.00	2,063.00
Loan from Foreign Bank	103.59	147.14
Interest accrued and due		
– Centre for Scientific and Industrial Research	49.21	–
	2,533.36	2,575.50

Amounts repayable within one year Rs. 343.06 lacs (Previous year Rs. 229.11 lacs)

SCHEDULE E : FIXED ASSETS

(Refer to Notes 'B', 'C', 'J', 'K' and 'O' on schedule 'P' and Notes '1B', '5', '11', '12' and '16' on schedule 'Q') Rs. in lacs

Particulars of Assets	Gross Block (at Cost)			Depreciation / Amortisation / Revaluation				Net Block		
	As At 31/03/2010	Additions	Sales/ Adjustments	As At 31/03/2011	Up to 31/03/2010	For The Year	On Sales/ Adjustment/ Revaluation	Upto 31/03/2011	As At 31/03/2011	As At 31/03/2010
TANGIBLE ASSETS										
Freehold Land	93.62	–	–	93.62	–	–	–	–	93.62	93.62
Leasehold Land	1,295.67	–	–	1,295.67	143.31	13.69	–	157.00	1,138.67	1,152.36
Leasehold Improvements	114.96	–	–	114.96	54.28	38.32	–	92.60	22.36	60.68
Factory Building	11,453.48	–	–	11,453.48	3,142.65	375.13	–	3,517.78	7,935.70	8,310.83
Non-Factory Building	606.32	–	–	606.32	120.90	9.61	–	130.51	475.81	485.42
Plant and Machinery	114,988.43	58.88	1,994.11 ⁽¹⁾	113,053.20	55,993.33	6,265.90	(477.85) ^(1&2)	62,737.08	50,316.12	58,995.10
Furniture, Fixtures and Office Equipment	955.02	3.25	6.65	951.62	556.24	44.57	3.32	597.49	354.13	398.78
Vehicles (acquired on Finance Lease)	257.18	–	50.70	206.48	155.97	22.65	42.86	135.76	70.72	101.21
INTANGIBLE ASSETS										
(Acquired)										
Goodwill	120.01	–	–	120.01	120.01	–	–	120.01	–	–
Technical Designs / Drawings	1,153.87	–	–	1,153.87	1,021.23	101.49	–	1,122.72	31.15	132.64
Software for Internal Use	427.18	–	–	427.18	416.50	5.10	–	421.60	5.58	10.68
Total	131,465.74	62.13	2,051.46	129,476.41	61,724.42	6,876.46	(431.67)	69,032.55	60,443.86	69,741.32
Previous Year	131,096.39	516.18	146.83	131,465.74	55,559.10	6,288.87	123.55	61,724.42	23.69	12.17
Capital Work-in-Progress									23.69	12.17

Notes:

- (1) Includes Rs.1,925.57 lacs (net of Rs. 339.81 lacs assets held for sale in future) (Previous year Rs. Nil) being adjustment of gross cost and Rs.467.95 lacs (Previous year Rs.Nil) being adjustment of accumulated depreciation as impairment loss in respect of certain Plant and Machinery used in development of Plasma Display Panel retired from active use. (Refer note no. '12' on schedule 'Q').
- (2) The Company had revalued its Plant and Machinery as on 1st October, 2010 on the basis of existing use value by an independent professional valuer. Accordingly a sum of Rs.1,013.91 lacs (gross cost Rs.19,798.58 lacs) being the excess of the written down value over the existing use value, has been charged to the Profit and Loss Account. (Refer note no. '11' on schedule 'Q').

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

			As at 31-03-2011 Rs. in lacs	As at 31-03-2010 Rs. in lacs
SCHEDULE F: INVESTMENTS				
(Refer to Note 'D' on schedule 'P')				
	Number	Face Value		
Long Term Investments				
Quoted:				
Trade				
Equity shares of Samtel India Limited (Previous year 1,336,812)	1,336,812	10 each	295.20	295.20
Unquoted :				
Trade				
Equity Shares of Samtel Glass Limited (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			82.61	143.04
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 Limited (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 15,00,000 shares (Previous year 15,00,000) of Samtel Glass Limited with CDR lenders pending creation of security on the Kota leasehold land.
- (3) The Company has not purchased / sold any investments during the year(Previous year Nil).

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 Rs. in lacs
SCHEDULE G: INVENTORIES		
(as taken, valued and verified by management)		
(Refer to Note 'E' on schedule 'P')		
Raw Materials and Components	2,697.93	4,762.81
Stores and Spares	1,278.86	1,341.89
Work-in-Process	580.55	1,157.18
Finished Goods	794.75	1,731.60
	<u>5,352.09</u>	<u>8,993.48</u>
SCHEDULE H: SUNDRY DEBTORS		
Unsecured		
Debts exceeding Six Months:		
Considered Good	1.40	372.30
Considered Doubtful	492.30	1,836.50
Less : Provision for Doubtful Debts	(492.30)	(1,836.50)
Other Debts:		
Considered Good	2,605.37	7,920.82
	<u>2,606.77</u>	<u>8,293.12</u>
SCHEDULE I: CASH AND BANK BALANCES		
Cash and Cheque in hand	12.09	37.16
Balances with Scheduled Banks in		
— Current Accounts	57.70	328.35
— Dividend Accounts	17.77	26.61
— Fixed Deposit/Margin Money Accounts @	240.03	95.36
	<u>327.59</u>	<u>487.48</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, 2011**

SAMTEL COLOR LIMITED

	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 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	1,069.51	985.75
Considered Doubtful	46.01	332.28
Less : Provision for Doubtful Advances	(46.01)	(332.28)
Advance Income Tax	25.18	128.58
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.69.70 lacs (Previous year Rs. 69.52 lacs))	69.70	69.52
Bluebell Trade Links Pvt. Ltd. (Maximum balance due during the year Rs. 1.00 lacs (Previous year Rs. 0.89 lacs))	1.00	0.89
Advances to companies under the same management		
— Inter Corporate Deposits @	170.00	170.00
— Others @@	118.44	148.62
Security Deposits	481.18	491.53
Balances with Government Departments	247.00	827.04
	2,289.01	2,928.93

@ 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.118.44 lacs (Previous year Rs. 140.87 lacs) (Maximum balance due during the year Rs.142.94 lacs)

(Previous year Rs.140.87 lacs) and to Samtel HAL Display Systems Limited Rs. Nil (previous year Rs.7.65 lacs) (Maximum balance due during the year Rs.12.51 lacs) (Previous year Rs.7.65 lacs).

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 Rs. in lacs
SCHEDULE K: CURRENT LIABILITIES		
(Refer to Note 'I' on schedule 'P' and Note '10' on schedule 'Q')		
Acceptances	12,358.85	10,215.17
Sundry Creditors		
— Outstanding dues of Micro, Small and Medium Enterprises #	221.72	212.14
— Outstanding dues of creditors other than Micro, Small and Medium Enterprises	9,539.23	15,132.09
Advances Received from Customers	—	672.77
Investor Education and Protection Fund - Unclaimed Dividend	17.77	26.61
Other Liabilities	382.80	740.75
Interest accrued but not due on Loans	1,275.80	1,103.32
Security Deposits	32.60	45.95
	<u>23,828.77</u>	<u>28,148.80</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	1,505.63	1,354.92
Provision for Leave Encashment	330.75	343.11
Provision for Warranty :		
Opening Balance	48.02	60.88
Add: Provision made during the year	29.26	6.74
Less: Provision used during the year	48.04	19.60
Provision for Wealth Tax	<u>0.80</u>	<u>1.00</u>
	<u>1,866.42</u>	<u>1,747.05</u>

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

	For the Year Ended 31-03-2011 Rs. in lacs	For the Year Ended 31-03-2010 Rs. in lacs
SCHEDULE M: OTHER INCOME		
(Refer to Notes 'G' & 'I' on schedule 'P')		
Export Incentives	59.86	74.22
Profit on Sale of Fixed Assets	8.18	10.34
Scrap Sale	812.48	869.60
Foreign Currency Fluctuation (Net)	-	909.24
Provision no longer required, written back	45.00	13.70
Liabilities no longer required, written back	721.19	24.50
Waiver of principal amount by lenders	-	6,053.39
Excess Provision for Interest, cumulative interest, penal interest and liquidated damages, written back	-	337.04
Miscellaneous Income	79.39	79.05
	<u>1,726.10</u>	<u>8,371.08</u>
SCHEDULE N: MANUFACTURING AND OTHER EXPENSES		
(Refer to Notes 'F', 'H', 'I', 'K' and 'M' on schedule 'P' and Notes 'I K', '4' and '8' on schedule 'Q')		
Raw Material and Components Consumed	62,896.26	75,796.56
(Increase)/Decrease in stocks of finished goods and work in process		
Opening 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>
Less: Closing Stock -		
Work-in-Process	580.55	1,157.18
Finished Goods	794.75	1,731.60
	<u>1,375.30</u>	<u>2,888.78</u>
	1,513.48	660.39
Personnel Costs		
Salaries, Wages, Gratuity and other Benefits	8,753.96	8,784.48
Contribution to Provident Fund and Superannuation Fund	939.60	778.08
Staff Welfare Expenses	407.79	460.21
	<u>10,101.35</u>	<u>10,022.77</u>

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

	For the Year Ended 31-03-2011 Rs. in lacs	For the Year Ended 31-03-2010 Rs. in lacs
Other Expenses		
Power, Fuel and Gases	7,945.95	9,761.08
Stores and Consumables	2,253.52	2,857.69
Rent	220.11	248.70
Rates and Taxes	32.85	19.97
Repair and Maintenance		
Buildings	17.98	10.11
Plant and Machinery	384.13	392.69
Others	121.37	108.46
Warranty Expenses	4.92	6.74
Insurance	141.35	125.01
Commission / Discount	66.42	66.75
Freight and Cartage Outwards	968.75	1,072.52
Legal, Professional and Technical Fee	302.77	323.16
Travelling	381.19	340.01
Sales Tax Expenses (Net)	9.04	337.49
Loss on Sale of fixed assets	0.96	2.53
Foreign Currency Fluctuation (Net)	10.65	-
Provision for Doubtful Debts and Advances	10.36	34.21
Bad Debts and Advances written off	1,640.83	-
Less : Charged against provision for doubtful debts and advances	(1,640.83)	-
Miscellaneous	419.44	478.94
	13,291.76	16,186.06
	87,802.85	102,665.78

SCHEDULE O: INTEREST (NET) AND FINANCE CHARGES

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

Interest on Term Loans	1,862.74	1,738.77
Other Interest and Finance Charges	911.18	1,482.54
Sub Total	2,773.92	3,221.31
Less : Interest on Deposit, Advances, etc. (TDS deducted Rs.10.32 lacs (Previous year Rs. 6.24 lacs))	108.97	38.46
Interest on Income tax refund	27.14	27.53
Interest on Staff Loan	-	0.02
	2,637.81	3,155.30

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

- i) Fixed assets (other than revalued Plant & Machinery) are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation and are net of credit available under the excise / service tax CENVAT scheme and value added tax where applicable.
- ii) Plant and Machinery are stated at revalued amount ascertained by an independent professional valuer as at 1st October' 2010.
- iii) 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 (other than revalued plant & machinery) is charged on the straight line method on a pro-rata basis at the rates prescribed under Schedule XIV to the Companies Act, 1956, except for certain fixed assets provided to employees as per the terms of the employment and certain tools, which are depreciated over three to five years based on the useful life to the Company. Where there is a revision of the estimated useful life of an asset, the 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).

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

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

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

Capital spares are 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 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, deferred tax and 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.

	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 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.	387.43	266.90
ii) Claims against the Company not acknowledged as debts:		
— Demands from Government authorities, being contested by the Company		
Income Tax matters	192.93	93.27
Sales Tax matters	399.56	832.44
Excise Duty and Service Tax matters	2784.07	3796.19
UPSEB claims	61.75	172.79
EOU debonding	758.80	672.60
— Others	187.42	399.42
— Transfer charges demanded by Himachal Pradesh Housing Board on account of erstwhile merger of Samtel Electron Devices, Parwanoo with Samtel Color Ltd.	113.00	113.00
— Differential stamp duty on account of construction of building on the leasehold land of Samtel Glass Limited (formerly Samcor Glass Limited).	187.00	186.00
— 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
— Labour cases, being contested by the Company	232.51	287.52
— Dividend in arrears for 8 % Non Convertible Cumulative Redeemable Preference Shares	616.80	419.95
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 *	1,264.80	1,211.20

* 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.

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

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 31-03-2011 Rs. in lacs	As at 31-03-2010 Rs. in lacs
1B Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	19.28	72.88

	<u>INSTALLED CAPACITY</u>		<u>ACTUAL PRODUCTION</u>	
	2010-11 (Nos.)	2009-10 (Nos.)	For the Year Ended 31-03-2011 (Nos.)	For the Year Ended 31-03-2010 (Nos.)

1 C Installed Capacity and Actual Production

Colour Picture Tubes	10,200,000	10,200,000	7,650,030	9,216,489
Colour Electron Guns	12,000,000	12,000,000	8,275,862	10,381,089
Deflection Yokes	8,040,000	8,040,000	4,395,997	5,943,311

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 31.03.2011</u>		<u>For the Year Ended 31.03.2010</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	161,503	1,731.60	89,947	1,744.81
ii) Closing stock of finished goods	62,876	794.75	161,503	1,731.60
iii) Sales of finished goods	7,748,657	89,593.75	9,144,933	111,381.77
<u>Colour Electron Gun</u>				
i) Opening stock of finished goods	-	-	-	-
ii) Closing stock of finished goods @@	-	-	-	-
iii) Sales of finished goods @	155	2.88	15,528	28.42
<u>Deflection Yoke</u>				
i) Opening stock of finished goods	-	-	-	-
ii) Closing stock of finished goods**	-	-	-	-
iii) Sales of finished goods*	24,798	29.69	24,076	18.41

@ Sales of Colour Electron Gun does not include 84,00,036 nos. (Previous year 1,01,96,144 nos.) used for captive consumption.

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

@ @ Closing stock of Colour Electron Gun does not include 71,356 nos. (Previous year 1,95,685 nos.) since the same is kept for captive consumption.

* Sales of Deflection Yoke does not include 44,05,022 nos. (Previous year 58,93,515 nos.) used for captive consumption

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

	For the Year Ended 31.03.2011		For the Year Ended 31.03.2010	
	Qty. (Nos.)	Value Rs. in lacs	Qty. (Nos.)	Value Rs. in lacs
1 E RAW MATERIAL AND COMPONENTS CONSUMED				
(a) Glass Components	16,266,737	33,555.82	19,729,118	44,349.30
(b) Electronic Components	46,074,120	18,549.52	54,440,624	20,597.07
(c) Miscellaneous *		10,790.92		10,850.19
		62,896.26		75,796.56

*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 31.03.2011		For the Year Ended 31.03.2010	
	Rs. in lacs	%	Rs. in lacs	%
1 F MATERIAL CONSUMPTION				
(a) Raw Material and Components Consumed				
— Imported	24,572.27	39.07	25,923.68	34.20
— Indigenous	38,323.99	60.93	49,872.88	65.80
	62,896.26	100.00	75,796.56	100.00
(b) Stores and Consumables Consumed				
— Imported	269.58	11.96	402.18	14.07
— Indigenous	1,983.94	88.04	2,455.51	85.93
	2,253.52	100.00	2,857.69	100.00

	For the Year Ended 31.03.2011 Rs. in lacs	For the Year Ended 31.03.2010 Rs. in lacs
1 G AUDITORS' REMUNERATION (excluding service tax and cess)		
Statutory Auditors		
Audit Fee	14.00	14.00
Quarterly Limited Reviews	6.00	4.00
Reimbursement of Expenses	1.01	0.40

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

	For the Year Ended 31.03.2011 Rs. in lacs	For the Year Ended 31.03.2010 Rs. in lacs
Erstwhile Statutory Auditors		
Quarterly Limited Reviews	-	4.00
Certification	-	1.05
Reimbursement of Expenses	-	1.83
1H CIF VALUE OF IMPORTS		
a. Raw Material and Components	22,739.40	26,451.10
b. Stores and Spares	373.76	446.46
1I EXPENDITURE IN FOREIGN CURRENCY (Net of Indian Taxes) (Cash basis)		
i) Professional and Technical Fees	100.95	93.76
ii) Others	70.76	16.60
1J EARNINGS IN FOREIGN EXCHANGE		
FOB Value of Exports	889.44	1,066.64
1K 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, 2011.		
	For the Year Ended 31.03.2011 Rs. in lacs	For the Year Ended 31.03.2010 Rs. in lacs
Profit/(Loss) before taxation and prior period expenditure as per accounts	(8,331.12)	7,649.85
Add :		
1) Loss on sale of Fixed Assets	0.96	2.53
2) Devaluation of Plant and Machinery	1,013.91	-
3) Impairment loss of Plant and Machinery	1,457.62	-
4) Provision for Doubtful Debts	10.36	34.21
5) Wealth Tax paid / provided	0.80	1.00
6) Depreciation / Amortisation as per Books	6,876.46	6,288.87
	9,360.11	6,326.61
	1,028.99	13,976.46
Less :		
1) Profit on sale of Fixed Assets	8.18	10.34
2) Provision no longer required, written back	45.00	13.70
3) Liabilities no longer required, written back	721.19	24.50
4) Depreciation as per Schedule XIV	5,997.89	6,279.82
	6,772.26	6,328.36
Net Profit u/s 349 of the Companies Act, 1956	(5,743.27)	7,648.10

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

	For the Year Ended 31.03.2011 Rs. in lacs	For the Year Ended 31.03.2010 Rs. in lacs
Add :		
Managing Director's remuneration	83.16	85.53
Net Profit / (Loss) u/s 198 (1) of the Companies Act, 1956 for the year	(5,660.11)	7,733.63
Less: Excess of expenditure over income of earlier years	(22,401.38)	(30,135.01)
Managing Director's Remuneration		
Net Profit / (Loss) available u/s 198 (1) of the Companies Act, 1956	(28,061.49)	(22,401.38)
Managerial remuneration paid/provided in the accounts (*)		
1) Salary and Allowances	40.20	40.20
2) Contribution to Provident Fund and Superannuation Fund	10.85	10.85
3) Estimated Value of Perquisites	32.11	34.48
	83.16	85.53

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 for Rs. 57.65 lacs relating to previous year ended 31st March, 2010 is subject to Central Government approval.

(*) As approved by the Central Government.

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" and there are no separate reportable segments as per AS – 17 on Segment Reporting.

3. Deferred Tax

	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 Rs. in lacs
(A) The movement in Deferred Tax Liability (Net) account is as follows:		
Opening Balance	(471.99)	(935.57)
Current period Deferred Tax Liability / (Asset)	(2,330.03)	463.58
Opening Rate Difference	10.73	–
Closing Balance	(2,791.29)	(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:

Tax impact of difference between carrying amount of fixed assets in the financial statements and income tax returns	10,761.57	12,197.71
Sub Total (A)	10,761.57	12,197.71

Deferred Tax Assets:

(i) Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax	1,280.77	1,615.11
(ii) Tax impact of unabsorbed business loss / depreciation for the current year	12,272.09	11,054.59
Sub Total (B)	13,552.86	12,669.70
Net Deferred Tax Liability (A) - (B)	(2,791.29)	(471.99)

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. 2,791.29 lacs which will be adjusted against deferred tax liability as and when it arises.

4. Revenue expenses on account of Research and Development activities included in these accounts under various heads are Rs. 430.47 lacs (Previous year Rs. 536.15 lacs). However, additions to Fixed Assets include additions aggregating Rs. Nil (Previous year Rs. Nil) acquired for Research and Development activities.
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, 2011 for each of the following years is:-

	Minimum Lease Payments due as at 31.3.2011	Future Finance Charge	(Rs. in Lacs) Present value as at 31.3.2011
Not later than 1 year	0.55	0.01	0.56
Later than 1 year and not later than 5 years	-	-	-
More than 5 years	-	-	-
Total	0.55	0.01	0.56

- B) Operating Lease :** The Company has taken depots and offices on lease with an option of renewal at the end of lease term. These leases have an escalation clause and are in the nature of cancelable operating leases. The lease amount paid / provided Rs. 220.11 lacs (previous year Rs. 248.70 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, 2011. Each option entitles the eligible

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

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 against the same 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	35945	16.50	24026	11919	-	1.56
23.10.2001	34,884	15.00	28,164	6,720	-	1.41
29.05.2002	159,523	33.25	81,752	77,771	-	19.01
16.05.2003	72,027	25.00	61,517	10,510	-	9.23
17.05.2004	37,797	40.05	18,072	19,725	-	5.43
09.05.2005	8,928	104.60	-	8,928	-	-
16.05.2005	15,440	118.85	-	15,440	-	-
19.05.2006	29,342	52.45	-	29,342	-	-
21.06.2006	3,117	34.65	-	3,117	-	-
25.06.2007	85,485	14.95	14,247	71,238	-	0.70
29.05.2008	51,081	17.30	-	45,475	5,606	-
Total	533,569		227,778	300,185	5,606	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 31,2011 and year ended March 31,2010 :

	Year Ended March 31, 2011 (Rs. in Lacs)	Year Ended March 31, 2010 (Rs. in Lacs)
Income available to Equity Shareholders		
Net Profit	(8,392.54)	7,645.97
Dividend on Preference Shares and Tax thereon	(616.80)	(419.95)
Diluted Income / (Loss) available to Equity Shareholders	<u>(9,009.34)</u>	<u>7,226.02</u>
Number of Shares at the beginning of the year (A)	5,35,90,766	5,12,65,185
Conversion of debts to Equity during the year as per CDR scheme	3,19,01,831	23,25,581
Loans convertible to equity as per CDR scheme	-	3,19,01,831
Weighted Average Shares (B)	2,52,59,258	3,34,94,695
Weighted Average Shares Outstanding (nos.) (A+B)	7,88,50,024	8,47,59,880
Corporate Guarantee given by the Company Advance	89,82,955	76,22,404
Subscriptions (warrants having optional right of conversion into equity)	2,06,18,557	68,72,852
Diluted weighted average shares outstanding	10,84,51,536	9,92,55,136
	(Rs. per Share)	
Nominal value per Equity Share	10.00	10.00
Basic Earnings per Share	(11.43)	8.53
Diluted Earnings per Share	(11.43)	7.28

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	1,681.39	280.04	63.07	343.11
Service Cost – Current	134.05	33.21	5.82	39.03
Interest Cost	134.51	22.40	5.05	27.45
Actuarial (gain) / loss	18.56	(59.09)	(19.74)	(78.83)
Benefit Paid	(130.17)	-	-	-
Obligations at year end	1,838.34	276.56	54.20	330.76
Change in plan assets:				
Plan assets at year beginning, at fair value	326.47	-	-	-
Expected return on plan assets	26.12	-	-	-
Actuarial gain / (loss)	(26.12)	-	-	-
Contributions	136.41	-	-	-
Benefits paid	(130.17)	-	-	-
Plan assets at year end, at fair value	332.71	-	-	-
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	1,838.34	276.56	54.20	330.76
Fair value of the plan assets at the end of the year	332.71	-	-	-
Liability recognised in the Balance Sheet	1,505.63	276.56	54.20	330.76
Defined benefit obligations cost for the year				
Service Cost – Current	134.05	33.21	5.82	39.03
Interest Cost	134.51	22.40	5.05	27.45
Expected return on plan assets	(26.12)	-	-	-
Actuarial (gain) / loss	44.68	(59.09)	(19.74)	(78.83)
Net defined benefit obligations cost	287.12	(3.48)	(8.87)	(12.35)

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.	332.71	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. 5,85,06,269 (Previous Year Rs. 4,77,45,855).

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	1,415.68	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%	-	-	

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.

- **Associate**

Samtel Glass Ltd.

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

Samtel India Ltd.
Samtel Thales Avionics Ltd.
Samtel Electron Devices, GMBH
Samtel Display Systems Ltd.
CEA Consultants Pvt. Ltd.
Tish Consultants Pvt. Ltd.
Kaura Investment Pvt. Ltd.
Swaka Consultants Ltd.
Dolsun Containers Pvt. Ltd.
Navketan Mercantile 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, 2011**

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 31.03.2011	For the Year Ended 31.03.2010		As at 31.03.2011	As at 31.03.2010
		Rs. in lacs		Rs. in lacs		
Subsidiaries						
Paramount Capfin Lease Pvt. Ltd.	Expenses incurred by the Company on behalf of Paramount	0.18	0.27	Share Capital	89.30	89.30
				Investments	199.98	199.98
				Loans and Advances	69.70	69.52
Blue Bell Trade Links Pvt. Ltd.	Expenses incurred by the Company on behalf of Bluebell	0.10	0.15	Investments	4.54	4.54
				Loans and Advances	1.00	0.89
Associate						
Samtel Glass Ltd. (SGL)	Purchase of Goods	11,612.41	16,444.07	Creditors	2,653.39	548.52
	Scrap Sales	326.41	392.93	Investments	2,790.87	2,790.87
	Employees on Deputation debited by SGL	21.34	86.78	Security Deposit	155.00	155.00
	Interest on LC/ Bills of Exchange	-	62.67			
	Expenses debited by SGL	6.55	2.44			
	Share of Corporate Office Expenses	42.95	104.23			
	High Seas Sales by SGL	890.18	59.18			
	Power and Fuel expenses	451.09	581.72			
	Rental Income (lease)	1.91	-			
	Other parties where control exists					
Samtel India Ltd. (SIL)	Sale of Goods	-	9.56	Creditors	2.55	2.55
	Employees on Deputation debited by SIL	0.84	0.98	Investments	295.20	295.20
	Interest income on ICD	23.80	23.80	Share Capital	592.29	592.29
				Loans and Advances	118.44	140.87
				ICD	170.00	170.00
Teletube Electronics Ltd. (TEL)	Purchase of Goods/ Job Work	-	2.60	Loans and Advances	65.07	77.82
	Employees on Deputation debited by TEL	3.57	17.75	Advance Subscription	3,000.00	1,000.00
	Purchase of Capital Goods	-	73.71	Share Capital	901.80	901.80
	Advance Subscription towards Share Warrants	2,000.00	1,000.00	ICD	107.00	107.00
	Interest income on ICD	11.24	11.24	Share Premium	406.51	406.51
	Capital advance given to TEL	-	45.00			
	Manpower Hiring Charges paid on behalf of TEL	97.95	60.24			
Samtel Electron Devices, GmbH	Designing of Components	61.37	20.10	Corporate Guarantees	1,264.80	1,211.20
	Bank Guarantee charges	69.97	86.41	Loans and Advances	157.43	87.32
	Travelling Expenses	-	0.43	Debtors	-	0.13
International Electron Devices Ltd.	Purchase of Goods	7,238.38	7,398.47	Creditors	1,179.59	264.62
	Sale of Raw material	1.18	1.93			
	Interest	2.06	12.91			
Samtel Display Systems Ltd. (SDS)	Rental Income (lease)	23.67	19.58	Share Capital	182.71	292.71
	Expenses incurred on behalf of SDS	7.53	45.42			
	Sale of Electron Guns	2.88	0.94			
Samtel - HAL Display Systems Ltd.	Rental Income (lease)	5.31	4.44	Loans and Advances	-	7.65
Lenient Consultants Pvt. Ltd.	Interest on loan	3.37	3.37	Share Capital	212.62	212.62
				Unsecured Loans	42.15	42.15
				Interest Payable	3.03	8.17

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

Names of Related Parties	Nature of Transactions	Amount of Transactions			Outstanding Balances	
		For the Year Ended 31.03.2011	For the Year Ended 31.03.2010		As at 31.03.2011	As at 31.03.2010
		Rs. in lacs		Rs. in lacs		
CEA Consultants Pvt. Ltd.	Interest on loan	16.19	16.19	Share Capital	393.98	393.98
				Unsecured Loans	202.33	202.33
				Share Premium	395.81	395.81
				Interest Payable	14.57	40.66
Swaka Consultants Ltd.	Contract Labour charges	710.89	571.13	Creditors for Services	31.93	35.88
Punswat Consultants Ltd.	Contract Labour charges	403.32	581.47	Creditors for Services	53.09	40.70
Dolsun Containers Pvt. Ltd.	Purchase of Goods	615.91	419.90	Creditors	54.84	77.16
	Scrap Sales	181.56	162.96	Debtors	18.12	29.65
	Freight Outward	38.64	111.73	Investments	6.40	6.40
	High Seas Purchases	1,303.11	864.70			
Key Management Personnel						
Mr. Satish K. Kaura	Remuneration	83.16	85.53	Share Capital	13.86	13.86
	Personal Guarantee given for term loans taken by the Company.	27,009.25	35,435.10	Unsecured Loans	42.30	42.30
	Interest on loan	3.38	3.38	Interest Payable	7.53	8.20

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	2010-11	2009-10
A	Principal amount remaining unpaid as on 31st March, 2011	169.72	176.52
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.	16.38	25.20
E	Interest accrued and remaining unpaid as on 31st March, 2011	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 enterprises.	52.00	35.62

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

Depreciation on revalued items of Plant and Machinery is calculated on their respective revalued amounts at rates derived from the remaining useful life of the items as determined by the valuer on straight line method as against the methods / rates / bases which would have otherwise been adopted for the purpose of the annual accounts of the Company and accordingly, includes additional depreciation charge of Rs. 876.93 lacs for the year with consequent effect on the loss for the year.

12. As the Company does not intend to further pursue the development of 'Plasma Display Panel' for its primary reportable business segment "TV Picture Tube and Parts", being commercially unviable, it has impaired as on 31.03.2011, the assets being Plant and Machinery used therein to its recoverable amount (net selling price) on the basis of the valuation of an independent valuer and accordingly . a sum of Rs. 1,457.62 lacs has been charged to the Profit and Loss Account as Impairment Loss.

13. During the year there were certain delays in repayment of dues to Financial Institution / Banks. The particulars of delays are summarized below:

	Average period of Delay (Days)	Average Amount of Delay (Rs. in lacs)
Financial Institution/Banks	54	61.63

However, as at March 31, 2011 there are no overdue payments except Rs. 853.65 lacs which fell due on 31st March, 2011.

14. During the year the Company has received from Promoters an advance subscription amounting to Rs. 2,000 lacs for Warrants to be allotted on preferential basis in terms of the approved CDR scheme. The entire amount has been utilized towards the working capital requirements.

**Schedules Annexed to and forming Part of the Accounts
for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

15. Movement in Share Premium Account:

	For the Year Ended 31.03.2011	(Rs. in lacs) For the Year Ended 31.03.2010
Opening Balance	5,099.37	4,831.93
Add:		
On Equity Shares to lenders by conversion of debt to equity	1,451.54	267.44
Closing Balance	6,550.91	5,099.37

16. Borrowing cost capitalized during the year Rs. Nil lacs (Previous year Rs. Nil lacs)

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

Sd/-
Satish K. Kaura
Chairman and
Managing Director

Sd/-
Subodh Bhargava
Director

Sd/-
Prabhat Kumar Nanda
Company Secretary

Place : New Delhi
Date : April 28, 2011

Cash Flow Statement for the year ended 31st March, 2011

SAMTEL COLOR LIMITED

CASH FLOW STATEMENT	FOR THE YEAR ENDED 31-03-2011 Rs. in lacs	FOR THE YEAR ENDED 31-03-2010 Rs. in lacs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before tax After prior Period Adjustment	(8,331.12)	7,649.85
Adjustment for:		
- Depreciation/Amortisation	6,876.46	6,288.87
- Loss / (Gain) on sale of Fixed Assets (Net)	(7.22)	(7.81)
- Interest Expenses	2,773.92	3,221.31
- Interest Income	(136.11)	(66.01)
- Provision no longer required, written back	(45.00)	(13.70)
- Liabilities no longer required, written back	(721.19)	(24.50)
- Provision for gratuity and leave encashment	138.35	(24.09)
- Waiver of principal amount by lenders	-	(6,053.39)
- Excess provision for interest written back	-	(337.04)
- Provision for wealth tax	0.80	(0.72)
- Impairment loss of plant and machinery	1,457.62	-
- Provision for doubtful debts and advances	10.36	34.21
- Provision for warranty	29.26	6.74
Operating profit before working capital changes	<u>2,046.13</u>	10,673.72
Adjustment for:		
- Trade and other receivables	5,686.35	(341.02)
- Inventories	3,641.39	(177.96)
- Loans and advances	639.92	(148.53)
- Trade and other payables	(4,408.71)	(2,113.93)
Cash generated from operations	<u>7,605.08</u>	7,892.28
Income tax paid	164.82	121.16
Total	<u>7,769.90</u>	<u>8,013.44</u>
B. Cash flow from investing activities:		
Additions to fixed assets / cwip	(73.65)	(337.09)
Sale / adjustment from fixed assets	1,109.16	31.09
Interest received	136.11	66.01
Total	<u>1,171.62</u>	<u>(239.99)</u>

Cash Flow Statement for the year ended 31st March, 2011**SAMTEL COLOR LIMITED**

CASH FLOW STATEMENT	FOR THE YEAR ENDED 31-03-2011 Rs. in lacs	FOR THE YEAR ENDED 31-03-2010 Rs. in lacs
C. Cash flow from financing activities:		
Share capital issue proceeds (including share premium)	4,641.72	500.00
Advance subscription received	(2,641.72)	5,141.72
Waiver of principal amount by lenders	-	6,053.39
Excess provision for interest written back	-	337.04
Proceeds/ (repayments) from borrowings for working capital (net)	(4.00)	(4,488.20)
Proceeds/ (repayments) of long term borrowings (net)	(8,816.29)	(9,998.03)
Dividend and dividend tax paid	8.84	7.82
Interest paid	(2,289.96)	(5,047.32)
Total	(9,101.41)	(7,493.58)
Net increase / (decrease) in cash and Cash equivalents (a+b+c)	(159.89)	279.87
Cash and cash equivalents as at 1-4-2010 (Opening balance)	487.48	207.61
Cash and cash equivalents as at 31-03-2011 (Closing balance)	327.59	487.48

Note:

- (i) The aforesaid cash flow statement has been prepared in consonance with the "indirect method" as set out in the accounting standard (as-3) on cash flow statements.
- (ii) Figures in brackets represent cash outflows.
- (iii) Previous year figures have been regrouped/recast, wherever necessary, to conform to the current year's classification.

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

For and on behalf of the Board of Directors

Sd/-
K.K. Tulshan
Partner
Membership No. : 85033

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 & Co.
Chartered Accountants
Firm Registration No. : 000756N

Place : New Delhi
Date : April 28, 2011

I. Registration Details:Registration No. State Code : CIN No. : Balance Sheet Date : **II. Capital raised during the year : (Amount in Rs. Thousands)**

Public Issue

Rights Issue*

Bonus Issue

Private Placement

ESOP

*Conversion of debts to equity to lenders.

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

Total Liabilities

Total Assets

Sources of Funds:

Paid-up Capital

Application of Funds:

Net Fixed Assets

Reserves & Surplus

Investments

Secured Loans

Net Current Assets

Unsecured Loans

Profit & Loss Account

Deferred Tax

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

Turnover

Total Expenditure

Profit before Tax

Profit after tax

Earnings per Share - Basic (Rs.)

Dividend Rate (%)

- Diluted (Rs.)

V Generic name of the principal product of the Company:Item Code No. :

Product Description : COLOUR TV PICTURE TUBE

Item Code No. :

Product Description : ELECTRON GUN FOR COLOUR PICTURE TUBE

Item Code No. :

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, 2011, 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, 2011. The financial statements of the subsidiaries reflect total assets (net) of Rs378.99 lacs as at March 31, 2011, 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 R (iii) of Schedule P and Note 19 of Schedule Q of Notes to Accounts regarding consolidation of the financial statements of associate which reflects net profit after tax of Rs407.56 lacs for the year ended March 31, 2011 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" notified pursuant to the Companies (Accounting Statements) Rules, 2006 (as amended).
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, 2011;
 - (b) in the case of the consolidated profit and loss account, of the loss for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

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

Sd/-
K.K. Tulshan
Partner
Membership No.: 85033

New Delhi
April 28, 2011

Consolidated Balance Sheet As At 31st March, 2011

SAMTEL COLOR LIMITED

	SCHEDULE	As at 31-03-2011 Rs. in lacs		As at 31-03-2010 Rs. in lacs
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A	11,539.44		8,349.26
Advance Subscription	AA	3,000.00		5,641.72
Reserves and Surplus	B	<u>7,010.98</u>	21,550.42	<u>10,091.24</u>
				24,082.22
Loan Funds				
Secured Loans	C	27,316.45		36,094.60
Unsecured Loans	D	<u>2,533.36</u>	29,849.81	<u>2,575.50</u>
				38,670.10
TOTAL			<u>51,400.23</u>	<u>62,752.32</u>
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	E	129,480.95		131,470.28
Less: Depreciation / Amortisation		<u>69,032.55</u>		<u>61,724.42</u>
Net Block		60,448.40		69,745.86
Capital Work-in-progress		<u>23.69</u>	60,472.09	<u>12.17</u>
			2,367.69	69,758.03
Investments	F			2,253.94
Current Assets, Loans and Advances				
Inventories	G	5,352.09		8,993.48
Sundry Debtors	H	2,606.77		8,293.12
Cash and Bank Balances	I	328.23		488.14
Loans and Advances	J	<u>2,221.82</u>		<u>2,862.02</u>
		<u>10,508.91</u>		<u>20,636.76</u>
Current Liabilities and Provisions				
Current Liabilities	K	23,829.28		28,149.36
Provisions	L	<u>1,866.42</u>		<u>1,747.05</u>
		<u>25,695.70</u>		<u>29,896.41</u>
Net Current Assets			(15,186.79)	(9,259.65)
Profit and Loss Account			<u>3,747.24</u>	<u>-</u>
TOTAL			<u>51,400.23</u>	<u>62,752.32</u>

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 Balance Sheet referred to in our report of even date

	For and on behalf of the Board of Directors		
Sd/-	Sd/-	Sd/-	Sd/-
K.K. Tulshan	Satish K. Kaura	Subodh Bhargava	Prabhat Kumar Nanda
Partner	Chairman and	Director	Company Secretary
Membership No.:85033	Managing Director		

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

Place : New Delhi
 Date : April 28, 2011

**Consolidated Profit and Loss Account
for the year ended 31st March, 2011**

SAMTEL COLOR LIMITED

	SCHEDULE	For the Year Ended 31.03.2011 Rs. in lacs	For the Year Ended 31.03.2010 Rs. in lacs
I. INCOME			
Sales (Gross) (Refer to Note 'G' on schedule 'P')		99,194.32	121,203.22
Less : Excise Duty		9,568.00	9,774.62
Sales (Net)		89,626.32	111,428.60
Other Income	M	1,726.10	8,371.08
		91,352.42	119,799.68
II. EXPENDITURE			
Manufacturing and Other Expenses	N	87,802.99	102,665.96
Excise Duty on Increase/(Decrease) in Finished Goods		(105.11)	39.88
Interest (Net) and Finance Charges	O	2,637.83	3,155.32
Depreciation / Amortisation (Refer Note '11' on schedule 'Q')		6,876.46	6,288.87
Miscellaneous Expenditure Written-off		0.09	0.09
Profit / (Loss) for the year before Taxation		(5,859.84)	7,649.56
Exceptional Items:			
— Revaluation of Plant & Machinery (Refer to Notes 'B' on schedule 'P' and '11' on schedule 'Q')		1,013.91	—
— Impairment loss in respect of retirement of Plant & Machinery (Refer Notes 'O' on schedule 'P' and '12' on schedule 'Q')		1,457.62	—
Profit / (Loss) for the year before Taxation but after Exceptional Items		(8,331.37)	7,649.56
Tax Expense (Refer to Note 'L' on schedule 'P' and Note '3' on schedule 'Q')			
Tax provision of earlier years		61.42	4.61
Net Profit / (Loss) for the year after Taxation		(8,392.79)	7,644.95
Share of Profit / (Loss) of the Associate Company		113.75	62.09
Net Profit / (Loss)		(8,279.04)	7,707.04
Balance brought forward from Previous Year		154.40	(7,552.64)
Add : Amount Transferred from General Reserve		4,377.40	—
Balance carried forward to Balance Sheet		(3,747.24)	154.40
Earnings per share (face value Rs. 10 each)			
— Basic		(11.41)	8.69
— Diluted		(11.41)	7.41
(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/-
K.K. Tulshan
Partner
Membership No.:85033

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 & Co.
Chartered Accountants
Firm Registration No. : 000756N

Place : New Delhi
Date : April 28, 2011

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 Rs. in lacs
SCHEDULE A : SHARE CAPITAL		
(Refer to Note 'N' on schedule 'P' and Note '6' on schedule 'Q')		
AUTHORISED		
12,49,90,000 (Previous Year 12,49,90,000) Equity Shares of Rs. 10 each	12,499.00	12,499.00
50,01,000 (Previous Year 50,01,000) Redeemable Preference Shares of Rs. 100 each	5,001.00	5,001.00
	17,500.00	17,500.00
ISSUED		
8,46,04,597 (Previous Year 5,27,02,766) Equity Shares of Rs. 10 each	8,460.46	5,270.28
(3,19,01,831 nos. (Previous year Nil) of fully paid up equity shares allotted and issued to CDR lenders on conversion of debts)		
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
	11,539.74	8,349.56
SUBSCRIBED AND PAID - UP		
8,45,98,597 (Previous Year 5,26,96,766) Equity Shares of Rs. 10 each fully paid-up	8,459.86	5,269.68
(3,19,01,831 nos. (Previous year Nil) of fully paid up equity shares allotted and issued to CDR lenders on conversion of debts)		
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
	11,539.44	8,349.26

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 Rs. in lacs
SCHEDULE AA: ADVANCE SUBSCRIPTION		
(Refer to Note '14' on schedule ' Q')		
Advance Subscription for Warrants (2,06,18,557 (Previous year 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 to be issued to Promoter Group Company in terms of CDR scheme)	3,000.00	1,000.00
Advance Subscription for equity shares (Nil (Previous year 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>3,000.00</u>	<u>5,641.72</u>
SCHEDULE B : RESERVES AND SURPLUS		
Capital Reserve	460.07	460.07
Investment Allowance (Utilised) Reserve	45.00	45.00
Less : Transferred to General Reserve	45.00	-
	<u>-</u>	<u>45.00</u>
Share Premium (Refer to Note '15' on schedule ' Q')	6,550.91	5,099.37
General Reserve		
Opening Balance	4,332.40	4,332.40
Add : Transferred from Investment Allowance (utilised) Reserve	45.00	
Less : Transferred to profit and Loss Account	4,377.40	-
	<u>-</u>	<u>4,332.40</u>
Closing Balance	-	4,332.40
Profit and Loss account	-	154.40
TOTAL	<u>7,010.98</u>	<u>10,091.24</u>

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

	Notes	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 Rs. in lacs
SCHEDULE C: SECURED LOANS			
(Refer to Notes '5' and '13' on schedule 'Q')			
FROM FINANCIAL INSTITUTIONS			
Rupee Term Loans	1	494.72	1,971.73
Interest accrued and due		1.95	—
		<u>496.67</u>	<u>1,971.73</u>
FROM TECHNOLOGY DEVELOPMENT BOARD			
		—	113.26
FROM BANKS			
Rupee Term Loans	1	24,327.75	31,269.49
Foreign Currency Term Loans	1	778.41	1,195.92
Zero Coupon Bonds	1	1,539.64	1,539.64
Vehicle Loans	2	0.56	4.56
Interest accrued and due			
— Rupee Term Loans		168.47	—
— Rupee Working Capital Loans		4.95	—
		<u>26,819.78</u>	<u>34,009.61</u>
		<u>27,316.45</u>	<u>36,094.60</u>

Notes :

- (1) The loans for Rs. 26,754.57 (Previous year Rs. 35,091.06 lacs) are 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 Trusteeship Services Limited (Security Trustee of CDR Lenders) pursuant to Corporate Debt Restructuring (CDR) scheme.
- Personal Guarantee of Mr. Satish K. Kaura, Chairman and Managing Director.
 - Pledge of 1,92,33,526 nos. (Previous year 1,57,00,442 nos.) equity shares of Samtel Color Limited held by promoter Companies with M/s 3i Infotech Trusteeship Services Limited (Security Trustee on behalf of CDR Lenders).
 - Pledge 15,00,000 (Previous year 15,00,000) shares of Samtel Glass Limited with M/s 3i Infotech Trusteeship Services Limited (Security Trustee on behalf of 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. 131.27 lacs (Previous year Rs. 541.68 lacs).
 - Rupee Loan from ICICI Bank Limited towards Research and Development projects secured by way of exclusive charge on the specific assets used for the said projects for Rs. 254.68 lacs (Previous year Rs. 344.04 lacs).
- (2) Secured by hypothecation of specific vehicles for Rs. 0.56 lacs (Previous year Rs. 4.56 lacs).

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

(3) Term loans repayable within one year Rs. 8,531.22 lacs (Previous year Rs. 9,306.80 lacs)

	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 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	55.78	78.58
Loan from Centre for Scientific and Industrial Research	2,038.00	2,063.00
Loan from Foreign Bank	103.59	147.14
Interest accrued and due		
— Centre for Scientific and Industrial Research	49.21	-
	2,533.36	2,575.50

SCHEDULE E : FIXED ASSETS

(Refer to Notes 'B', 'C', 'J', 'K' and 'O' on schedule 'P' and Notes '1B', '5', '11', '12' and '16' on schedule 'Q') Rs. in lacs

Particulars of Assets	Gross Block (at Cost)			Depreciation / Amortisation / Revaluation				Net Block		
	As At 31/03/2010	Additions	Sales/ Adjustments	As At 31/03/2011	Up to 31/03/2010	For The Year	On Sales/ Adjustment/ Revaluation	Upto 31/03/2011	As At 31/03/2011	As At 31/03/2010
TANGIBLE ASSETS										
Freehold Land	98.16	-	-	98.16	-	-	-	-	98.16	98.16
Leasehold Land	1,295.67	-	-	1,295.67	143.31	13.69	-	157.00	1,138.67	1,152.36
Leasehold Improvements	114.96	-	-	114.96	54.28	38.32	-	92.60	22.36	60.68
Factory Building	11,453.48	-	-	11,453.48	3,142.65	375.13	-	3,517.78	7,935.70	8,310.83
Non-Factory Building	606.32	-	-	606.32	120.90	9.61	-	130.51	475.81	485.42
Plant and Machinery	114,988.43	58.88	1,994.11 ⁽¹⁾	113,053.20	55,993.33	6,265.90	(477.85) ^(1&2)	62,737.08	50,316.12	58,995.10
Furniture, Fixtures and Office Equipment	955.02	3.25	6.65	951.62	556.24	44.57	3.32	597.49	354.13	398.78
Vehicles (acquired on Finance Lease)	257.18	-	50.70	206.48	155.97	22.65	42.86	135.76	70.72	101.21
INTANGIBLE ASSETS										
Goodwill	120.01	-	-	120.01	120.01	-	-	120.01	-	-
Technical Designs / Drawings	1,153.87	-	-	1,153.87	1,021.23	101.49	-	1,122.72	31.15	132.64
Software for Internal Use	427.18	-	-	427.18	416.50	5.10	-	421.60	5.58	10.68
Total	131,470.28	62.13	2,051.46	129,480.95	61,724.42	6,876.46	(431.67)	69,032.55	60,448.40	69,745.86
Previous Year	131,100.93	516.18	146.83	131,470.28	55,559.10	6,288.87	123.55	61,724.42		
Capital Work-in-Progress									23.69	12.17

Notes:-

- (1) Includes Rs.1,925.57 lacs (net of Rs. 339.81 lacs assets held for sale in future) (Previous year Rs. Nil) being adjustment of gross cost and Rs.467.95 lacs (Previous year Rs.Nil) being adjustment of accumulated depreciation as impairment loss in respect of certain Plant and Machinery used in development of Plasma Display Panel retired from active use. (Refer note no. '12' on schedule 'Q').
- (2) The Company had revalued its Plant and Machinery as on 1st October, 2010 on the basis of existing use value by an independent professional valuer. Accordingly a sum of Rs.1,013.91 lacs (gross cost Rs.19,798.58 lacs) being the excess of the written down value over the existing use value, has been charged to the Profit and Loss Account. (Refer note no. '11' on schedule 'Q').

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

Amounts repayable within one year Rs. 343.06 lacs (Previous year Rs. 229.11 lacs)

			As at 31-03-2011 Rs. in lacs	As at 31-03-2010 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 Limited (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 Limited (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			(861.17)	(923.26)
Add : Share of Profit / (Loss) of the Associate Company for the year			113.75	62.09
			2,043.45	1,929.70
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
			2,367.69	2,253.94
Notes:-				
Aggregate value of Quoted Investments				
Market value			90.70	149.83
Book value			313.00	313.00
Aggregate value of Unquoted Investments				
Book value			2,054.69	1,940.94

Notes:-

- (1) The Company has furnished undertakings for non-disposal of its investment in Samtel Glass Limited (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 15,00,000 shares (Previous year 15,00,000) of Samtel Glass Limited with CDR lenders pending creation of security on the Kota leasehold land.

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

(3) The Company has not purchased / sold any investments during the year(Previous year Nil).

	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 Rs. in lacs
SCHEDULE G: INVENTORIES		
(as taken, valued and verified by management)		
(Refer to Note 'E' on schedule 'P')		
Raw Materials and Components	2,697.93	4,762.81
Stores and Spares	1,278.86	1,341.89
Work-in-Process	580.55	1,157.18
Finished Goods	794.75	1,731.60
	<u>5,352.09</u>	<u>8,993.48</u>

SCHEDULE H: SUNDRY DEBTORS

Unsecured

Debts exceeding Six Months:

Considered Good	1.40	372.30
Considered Doubtful	492.30	1,836.50
Less : Provision for Doubtful Debts	(492.30)	(1,836.50)

Other Debts:

Considered Good	2,605.37	7,920.82
	<u>2,606.77</u>	<u>8,293.12</u>

SCHEDULE I: CASH AND BANK BALANCES

Cash and Cheque in hand	12.09	37.16
Balances with Scheduled Banks in		
— Current Accounts	58.34	329.01
— Dividend Accounts	17.77	26.61
— Fixed Deposit/Margin Money Accounts @	240.03	95.36
	<u>328.23</u>	<u>488.14</u>

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

@ Held as Margin Money against Bill Discounting and Bank Guarantees

	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 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	1,083.52	999.75
Considered Doubtful	46.01	332.28
Less : Provision for Doubtful Advances	<u>(46.01)</u>	<u>(332.28)</u>
Advance Income Tax	25.18	128.58
Inter Corporate Deposits	107.00	107.00
Advances to companies under the same management		
— Inter Corporate Deposits @	170.00	170.00
— Others @@	118.44	148.62
Security Deposits	470.68	481.03
Balances with Government Departments	247.00	827.04
	<u>2,221.82</u>	<u>2,862.02</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.118.44 lacs (Previous year Rs. 140.87 lacs) (Maximum balance due during the year Rs.142.94 lacs) (Previous year Rs.140.87 lacs) and to Samtel HAL Display Systems Limited Rs. Nil (previous year Rs.7.65 lacs) (Maximum balance due during the year Rs.12.51 lacs) (Previous year Rs.7.65 lacs).

	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 Rs. in lacs
SCHEDULE K: CURRENT LIABILITIES		
(Refer to Note 'I' on schedule 'P' and Note '10' on schedule 'Q')		
Acceptances	12,358.85	10,215.17
Sundry Creditors		
— Outstanding dues of Micro, Small and Medium Enterprises #	221.72	212.14
— Outstanding dues of creditors other than Micro, Small and Medium Enterprises	9,539.74	15,132.65
Advances Received from Customers	—	672.77
Investor Education and Protection Fund - Unclaimed Dividend	17.77	26.61
Other Liabilities	382.80	740.75
Interest accrued but not due on Loans	1,275.80	1,103.32
Security Deposits	32.60	45.95
	<u>23,829.28</u>	<u>28,149.36</u>

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

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

	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 Rs. in lacs
SCHEDULE L: PROVISIONS		
(Refer to Notes 'H', 'M' and 'Q' on schedule 'P' and '8' on schedule 'Q')		
Provision for Gratuity	1,505.63	1,354.92
Provision for Leave Encashment	330.75	343.11
Provision for Warranty:		
Opening Balance	48.02	60.88
Add: Provision made during the year	29.26	6.74
Less: Provision used during the year	48.04	19.60
Provision for Wealth Tax	0.80	1.00
	1,866.42	1,747.05

	For the Year Ended 31-03-2011 Rs. in lacs	For the Year Ended 31-03-2010 Rs. in lacs
SCHEDULE M: OTHER INCOME		
(Refer to Notes 'G' and 'I' on schedule 'P')		
Export Incentives	59.86	74.22
Profit on Sale of Fixed Assets	8.18	10.34
Scrap Sale	812.48	869.60
Foreign Currency Fluctuation (Net)	-	909.24
Provision no longer require, written back	45.00	13.70
Liabilities no longer required, written back	721.19	24.50
Waiver of principal amount by lenders	-	6,053.39
Excess Provision for Interest, cumulative interest, penal interest and liquidated damages, written back.	-	337.04
Miscellaneous Income	79.39	79.05

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

	1,726.10		8,371.08
	<u>For the Year Ended 31-03-2011</u>		<u>For the Year Ended 31-03-2010</u>
	Rs. in lacs		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	62,896.26		75,796.56
(Increase)/Decrease in stocks of finished goods and work in process			
Opening 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>
Less: Closing Stock -			
Work-in-Process	580.55		1,157.18
Finished Goods	794.75		1,731.60
	<u>1,375.30</u>	1,513.48	<u>2,888.78</u>
			660.39
Personnel Costs			
Salaries, Wages, Gratuity and other Benefits	8,753.96		8,784.48
Contribution to Provident Fund and Superannuation Fund	939.60		778.08
Staff Welfare Expenses	407.79		460.21
	<u>10,101.35</u>		<u>10,022.77</u>
Other Expenses			
Power, Fuel and Gases	7,945.95		9,761.08
Stores and Consumables	2,253.52		2,857.69
Rent	220.11		248.70
Rates and Taxes	32.85		19.97
Repair and Maintenance			
Buildings	17.98		10.11
Plant and Machinery	384.13		392.69
Others	121.37		108.46
Warranty Expenses	4.92		6.74
Insurance	141.35		125.01
Commission / Discount	66.42		66.75
Freight and Cartage Outwards	968.75		1,072.52
Legal, Professional and Technical Fee	302.77		323.16
Travelling	381.19		340.01
Sales Tax Expenses (Net)	9.04		337.49
Loss on Sale of fixed assets	0.96		2.53
Foreign Currency Fluctuation (Net)	10.65		-
Provision for Doubtful Debts and Advances	10.36		34.21
Bad Debts and Advances written off	1,640.83		-
Less : Charged against provision for doubtful debts and advances	(1,640.83)		-
Miscellaneous	419.58	13,291.90	479.12
			16,186.24

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

	<u>87,802.99</u>	<u>102,665.96</u>
	For the Year Ended 31-03-2011 Rs. in lacs	For the Year Ended 31-03-2010 Rs. in lacs
SCHEDULE O: INTEREST (NET) AND FINANCE CHARGES		
(Refer to Notes 'J' and 'K' on schedule 'P')		
Interest on Term Loans	1,862.74	1,738.77
Other Interest and Finance Charges	911.20	1,482.56
Sub Total	<u>2,773.94</u>	<u>3,221.33</u>
Less : Interest on Deposit, Advances, etc. (TDS deducted Rs.10.32 lacs (Previous year Rs. 6.24 lacs))	108.97	38.46
Interest on Income tax refund	27.14	27.53
Interest on Staff Loan	- 2,637.83	0.02 3,155.32
	<u><u>2,637.83</u></u>	<u><u>3,155.32</u></u>

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

- i) Fixed assets (other than revalued Plant & Machinery) are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation and are net of credit available under the excise / service tax CENVAT and value added tax where applicable.
- ii) Plant and Machinery are stated at revalued amount ascertained by an independent professional valuer as on 1st October' 2010.
- iii) 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 (other than revalued plant & machinery) is charged on the straight line method on a pro-rata basis at the rates prescribed under Schedule XIV to the Companies Act, 1956, except for certain fixed assets provided to employees as per the terms of the employment and certain tools, which are depreciated over three to five years based on the useful life to the Company. Where there is a revision of the estimated useful life of an asset, the 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).

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

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

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

Capital spares are 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 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, deferred tax and 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, 2011
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, 2011	
	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 Rs. in lacs
Samtel Glass Limited (SGL)	27.91%	

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.	387.43	266.90
ii) Claims against the Company not acknowledged as debts:		
— Demands from Government authorities, being contested by the Company		
Income Tax matters	192.93	93.27
Sales Tax matters	399.56	832.44
Excise Duty and Service Tax matters	2784.07	3796.19
UPSEB claims	61.75	172.79
EOU debonding	758.80	672.60
— Others	187.42	399.42
— Transfer charges demanded by Himachal Pradesh Housing Board on account of erstwhile merger of Samtel Electron Devices, Parwanoo with Samtel Color Ltd.	113.00	113.00
— Differential stamp duty on account of construction of building on the leasehold land of Samtel Glass Limited (formerly Samcor Glass Limited).	187.00	186.00
— 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
— Labour cases, being contested by the Company	232.51	287.52
— Dividend in arrears for 8 % Non Convertible Cumulative Redeemable Preference Shares	616.80	419.95

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

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*	1,264.80	1,211.20

* 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 31-03-2011 Rs. in lacs	As at 31-03-2010 Rs. in lacs
1 B Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	19.28	72.88

2. Segment Reporting:

The Company's operating business is organized and managed according to a single primary reportable business segment namely "T.V. Picture Tubes & parts" and there are no separate reportable segments as per AS-17 on Segment Reporting.

	As at 31-03-2011 Rs. in lacs	As at 31-03-2010 Rs. in lacs
3. Deferred Tax		
(A) The movement in Deferred Tax Liability (Net) account is as follows:		
Opening Balance	(471.99)	(935.57)
Current period Deferred Tax Liability / (Asset)	(2,330.03)	463.58
Opening Rate Difference	10.73	-
Closing Balance	(2,791.29)	(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:		
Tax impact of difference between carrying amount of fixed assets in the financial statements and income tax returns	10,761.57	12,197.71
Sub Total (A)	10,761.57	12,197.71
Deferred Tax Assets:		
(i) Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax	1,280.77	1,615.11
(ii) Tax impact of unabsorbed business loss / depreciation for the current year	12,272.09	11,054.59
Sub Total (B)	13,552.86	12,669.70
Net Deferred Tax Liability (A) - (B)	(2,791.29)	(471.99)

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.

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

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. 2,791.29 lacs which will be adjusted against deferred tax liability as and when it arises.

4. Revenue expenses on account of Research and Development activities included in these accounts under various heads are Rs. 430.47 lacs (Previous year Rs. 536.15 lacs). However, additions to Fixed Assets include additions aggregating Rs. Nil (Previous year Rs. Nil) acquired for Research and Development activities.

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, 2011 for each of the following periods is:-

	Minimum Lease Payments due as at 31.3.2011	Future Finance Charge	(Rs. in Lacs) Present value as at 31.3.2011
Not later than 1 year	0.55	0.01	0.56
Later than 1 year and not later than 5 years	-	-	-
More than 5 years	-	-	-
Total	<u>0.55</u>	<u>0.01</u>	<u>0.56</u>

- B) Operating Lease :** The Company has taken depots and offices on lease with an option of renewal at the end of lease term. These leases have an escalation clause and are in the nature of cancelable operating leases. The lease amount paid / provided Rs. 220.11 lacs (previous year Rs. 248.70 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, 2011. 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 against the same 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	71,238	-	0.70
29.05.2008	51,081	17.30	-	45,475	5,606	-
Total	533,569		227,778	300,185	5,606	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, 2011 and the period ended March 31, 2010:

	Year Ended March 31, 2011 (Rs. in Lacs)	Year Ended March 31, 2010 (Rs. in Lacs)
Income available to Equity Shareholders		
Net Profit	(8,279.04)	7,707.04
Dividend on Preference Shares and Tax thereon	(616.80)	(419.95)
Diluted Income / (Loss) available to Equity Shareholders	(8,895.84)	7,287.09
Number of Shares at the beginning of the year (A)		
Equity Shares allotted during the year to Promoters Companies	3,19,01,831	23,25,581
Loans convertible to equity shares as per CDR scheme	-	3,19,01,831
Weighted Average Shares (B)	2,52,59,258	3,34,94,695
Weighted Average Shares Outstanding (nos.) (A+B)	7,79,56,024	8,38,65,880
Corporate Guarantee given by the Company	89,82,955	76,22,404
Advance Subscription (warrants having optional right of conversion into equity)	2,06,18,557	68,72,852
Diluted weighted average shares outstanding	10,75,57,536	9,83,61,136
	(Rs. per Share)	
Nominal value per Equity Share	10.00	10.00
Basic Earnings per Share	(11.41)	8.69
Diluted Earnings per Share	(11.41)	7.41

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	1,681.39	280.04	63.07	343.11
Service Cost – Current	134.05	33.21	5.82	39.03
Interest Cost	134.51	22.40	5.05	27.45
Actuarial (gain) / loss	18.56	(59.09)	(19.74)	(78.83)
Benefit Paid	(130.17)	-	-	-
Obligations at year end	1,838.34	276.56	54.20	330.76
Change in plan assets:				
Plan assets at year beginning, at fair value	326.47	-	-	-
Expected return on plan assets	26.12	-	-	-
Actuarial gain / (loss)	(26.12)	-	-	-
Contributions	136.41	-	-	-
Benefits paid	(130.17)	-	-	-
Plan assets at year end, at fair value	332.71	-	-	-
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	1,838.34	276.56	54.20	330.76
Fair value of the plan assets at the end of the year	332.71	-	-	-
Liability recognised in the Balance Sheet	1,505.63	276.56	54.20	330.76
Defined benefit obligations cost for the year				
Service Cost – Current	134.05	33.21	5.82	39.03
Interest Cost	134.51	22.40	5.05	27.45
Expected return on plan assets	(26.12)	-	-	-
Actuarial (gain) / loss	44.68	(59.09)	(19.74)	(78.83)
Net defined benefit obligations cost	287.12	(3.48)	(8.87)	(12.35)
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.	332.71	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

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

year that has been charged to revenue amounts to Rs. 5,85,06,269 (Previous Year Rs. 4,77,45,855).

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	1,415.68	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%	-	-	

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

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.

— **Associate**

Samtel Glass 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.
Samtel Thales Avionics 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.
Dolsun Containers Pvt. 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)

(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	For the Year		As at	As at
		Ended	Ended		31.03.2011	31.03.2010
		31.03.2011	31.03.2010			
		Rs. in lacs		Rs. in lacs		
Associates:						
Samtel Glass Ltd. (SGL)	Purchase of Goods	11,612.41	16,444.07	Creditors	2,653.39	548.52
	Scrap Sales	326.41	392.93	Investments	2,790.87	2,790.87
	Employees on Deputation debited by SGL	21.34	86.78	Security Deposit	155.00	155.00
	Interest on LC/ Bills of Exchange	-	62.67			
	Expenses debited by SGL	6.55	2.44			
	Share of Corporate Office Expenses	42.95	104.23			
	High Seas Sales by SGL	890.18	59.18			
	Power and Fuel expenses	451.09	581.72			
	Rental Income (lease)	1.91	-			

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

Names of Related Parties	Nature of Transactions	Amount of Transactions			Outstanding Balances	
		For the Year Ended 31.03.2011	For the Year Period Ended 31.03.2010		As at 31.03.2011	As at 31.03.2010
		Rs. in lacs		Rs. in lacs		
Other parties where control exists						
Samtel India Ltd. (SIL)	Sale of Goods	-	9.56	Creditors	2.55	2.55
	Employees on Deputation debited by SIL	0.84	0.98	Investments	295.20	295.20
	Interest income on ICD	23.80	23.80	Share Capital	592.29	592.29
				Loans and Advances	118.44	140.87
				ICD	170.00	170.00
Teletube Electronics Ltd. (TEL)	Purchase of Goods/ Job Work	-	2.60	Loans and Advances	65.07	77.82
	Employees on Deputation debited by TEL	3.57	17.75	Advance Subscription	3,000.00	1,000.00
	Purchase of Capital Goods	-	73.71	Share Capital	901.80	901.80
	Advance Subscription towards Share Warrants	2,000.00	1,000.00	ICD	107.00	107.00
	Interest income on ICD	11.24	11.24	Share Premium	406.51	406.51
	Capital advance given to TEL	-	45.00			
	Manpower Hiring Charges paid on behalf of TEL	97.95	60.24			
Samtel Electron Devices, GmbH	Designing of Components	61.37	20.10	Corporate Guarantees	1,264.80	1,211.20
	Bank Guarantee charges	69.97	86.41	Loans and Advances	157.43	87.32
	Travelling Expenses	-	0.43	Debtors	-	0.13
International Electron Devices Ltd.	Purchase of Goods	7,238.38	7,398.47	Creditors	1,179.59	264.62
	Sale of Raw material	1.18	1.93			
	Interest	2.06	12.91			
Samtel Display Systems Ltd. (SDS)	Rental Income (lease)	23.67	19.58	Share Capital	182.71	292.71
	Expenses incurred on behalf of SDS	7.53	45.42			
	Sale of Electron Guns	2.88	0.94			
Samtel - HAL Display Systems Ltd.	Rental Income (lease)	5.31	4.44	Loans and Advances	-	7.65
Lenient Consultants Pvt. Ltd.	Interest on loan	3.37	3.37	Share Capital	212.62	212.62
				Unsecured Loans	42.15	42.15
				Interest Payable	3.03	8.17
CEA Consultants Pvt. Ltd.	Interest on loan	16.19	16.19	Share Capital	393.98	393.98
				Unsecured Loans	202.33	202.33
				Share Premium	395.81	395.81
				Interest Payable	14.57	40.66
Swaka Consultants Ltd.	Contract Labour charges	710.89	571.13	Creditors for Services	31.93	35.88
Punswat Consultants Ltd.	Contract Labour charges	403.32	581.47	Creditors for Services	53.09	40.70
Dolsun Containers Pvt. Ltd.	Purchase of Goods	615.91	419.90	Creditors	54.84	77.16
	Scrap Sales	181.56	162.96	Debtors	18.12	29.65
	Freight Outward	38.64	111.73	Investments	6.40	6.40
	High Seas Purchases	1,303.11	864.70			
Key Management Personnel						
Mr. Satish K. Kaura	Remuneration	83.16	85.53	Share Capital	13.86	13.86
	Personal Guarantee given for term loans taken by the Company.	27,009.25	35,435.10	Unsecured Loans	42.30	42.30
	Interest on loan	3.38	3.38	Interest Payable	7.53	8.20

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	2010-11	2009-10
A	Principal amount remaining unpaid as on 31st March, 2011	169.72	176.52
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.	16.38	25.20
E	Interest accrued and remaining unpaid as on 31st March, 2011	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 enterprises.	52.00	35.62

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

Depreciation on revalued items of Plant and Machinery is calculated on their respective revalued amounts at rates derived from the remaining useful life of the items as determined by the valuer on straight line method as against the methods / rates / bases which would have otherwise been adopted for the purpose of the annual accounts of the Company and accordingly, includes additional depreciation charge of Rs 876.93 lacs for the year with consequent effect on the loss for the year.

12. As the Company does not intend to further pursue the development of 'Plasma Display Panel' for its primary reportable business segment "TV Picture Tube and Parts", being commercially unviable, it has impaired as on 31.03.2011, the assets being Plant and Machinery used therein to its recoverable amount (net selling price) on the basis of the valuation of an independent valuer and accordingly a sum of Rs. 1,457.62 lacs has been charged to the Profit and Loss Account as Impairment Loss.

13. During the year there were certain delays in repayment of dues to Financial Institution / Banks. The particulars of delays are summarized below:

	Average period of Delay (Days)	Average Amount of Delay (Rs. in lacs)
Financial Institution/Banks	54	61.63

However, as at March 31, 2011 there are no overdue payments except Rs. 853.65 lacs which fell due on 31st March, 2011.

14. During the year the Company has received from Promoters an advance subscription amounting to Rs. 2,000 lacs for Warrants to be allotted on preferential basis in terms of the approved CDR scheme. The entire amount has been utilized towards the working capital requirements.

**Schedules Annexed to and forming Part of the Consolidated
Accounts for the Year Ended 31st March, 2011**

SAMTEL COLOR LIMITED

15. Movement in Share Premium Account:	For the Year Ended 31.03.2011	(Rs. in lacs) For the Year Ended 31.03.2010
Opening Balance	5,099.37	4,831.93
Add:		
On Equity Shares to lenders by conversion of debt to equity	1,451.54	267.44
Closing Balance	6,550.91	5,099.37

16. Borrowing cost capitalized during the year Rs. Nil lacs (Previous year Rs. Nil lacs)

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

18. 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.

19. The Profit after tax of M/s Samtel Glass Limited has been taken on the basis of un audited financial statements for the financial year ended March 31, 2011.

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

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

**Sd/-
Subodh Bhargava**
Director

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

Place : New Delhi
Date : April 28, 2011

**Consolidated Cash Flow Statement
for the year ended 31st March, 2011**

SAMTEL COLOR LIMITED

CASH FLOW STATEMENT	FOR THE YEAR ENDED 31-03-2011 Rs. in lacs	FOR THE YEAR ENDED 31-03-2010 Rs. in lacs
A. Cash Flow From Operating Activities:		
Profit Before Tax After Prior Period Adjustment	(8,217.62)	7,711.65
Adjustment For:		
– Depreciation / Amortisation	6,876.46	6,288.87
– Loss / (Gain) On Sale Of Fixed Assets (Net)	(7.22)	(7.81)
– Interest Expenses	2,773.94	3,221.33
– Interest Income	(136.11)	(66.01)
– Provision No Longer Required, Written Back	(45.00)	(13.70)
– Liabilities No Longer Required, Written Back	(721.19)	(24.50)
– Provision For Gratuity And Leave Encashment	138.35	(24.09)
– Provision For Wealth Tax	0.80	(0.72)
– Impairment Loss Of Plant And Machinery	1,457.62	–
– Waiver Of Principal Amount By Lenders	–	(6,053.39)
– Excess Provision For Interest Written Back	–	(337.04)
– Provision For Doubtful Debts And Advances	10.36	34.21
– Provision For Warranty	29.26	6.74
Operating Profit Before Working Capital Changes	<u>2,159.65</u>	<u>10,735.54</u>
Adjustment For:		
– Trade And Other Receivables	5,686.35	(375.23)
– Inventories	3,641.39	(177.96)
– Loans And Advances	640.21	(21.84)
– Trade And Other Payables	<u>(4,406.82)</u>	<u>(2,159.61)</u>
Cash Generated From Operations	7,720.78	8,000.90
Income Tax Paid	164.82	(4.61)
TOTAL	<u><u>7,885.60</u></u>	<u><u>7,996.29</u></u>
B. Cash Flow From Investing Activities:		
Additions To Fixed Assets / Cwip	(73.65)	(337.09)
Sale / Adjustment From Fixed Assets	1,109.16	31.09
Interest Received	136.11	66.01
Share Of (Profit)/ Loss Of The Associate Company Adjusted In Investments	(113.75)	(62.09)
TOTAL	<u><u>1,057.87</u></u>	<u><u>(302.08)</u></u>

**Consolidated Cash Flow Statement
for the year ended 31st March, 2011**

SAMTEL COLOR LIMITED

C. Cash Flow From Financing Activities:

Share Capital Issue Proceeds (Including Share Premium)	4,641.72	500.00
Advance Subscription Received	(2,641.72)	5,141.72
Waiver Of Principal Amount By Lenders	–	6,053.39
Excess Provision For Interest Written Back	–	337.04
Proceeds/ (Repayments) From Borrowings For Working Capital (Net)	(4.00)	(4,488.20)
Proceeds/ (Repayments) Of Long Term Borrowings (Net)	(8,816.29)	(9,945.92)
Dividend And Dividend Tax Paid	8.84	7.82
Interest Paid	(2,291.93)	(5,020.20)
TOTAL	(9,103.38)	(7,414.35)
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)	(159.91)	279.86
Cash And Cash Equivalents As At 1-4-2010 (Opening Balance)	488.14	208.28
Cash and Cash Equivalents as at 31-3-2011 (Closing Balance)	328.23	488.14

Note:

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

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

<p>Sd/- K.K. Tulshan Partner Membership No. : 85033</p>	<p>For and on behalf of the Board of Directors</p> <p>Sd/- Satish K. Kaura Chairman and Managing Director</p>	<p>Sd/- Subodh Bhargava Director</p>	<p>Sd/- Prabhat Kumar Nanda Company Secretary</p>
<p>For and on behalf of S. S. Kothari Mehta & Co. Chartered Accountants Firm Registration No. : 000756N</p>			

Place : New Delhi
Date : April 28, 2011

**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	(16,104.00)	(8832.00)
a) Dealt with in the accounts for the year ended 31st March 2011	—	—
b) Not dealt with in the accounts for the year ended 31st March 2011	—	—
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 2011	—	—
b) Not dealt with in the accounts for the year ended 31st March 2011	—	—
8 Changes in the interest of the Company between the end of the financial year of the Subsidiary as on 31st March 2011	—	—
9 Material changes between the end of the financial year of the Subsidiary as on 31st March 2011		
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 28, 2011

Sd/-
Satish K. Kaura
Chairman and
Managing Director

Sd/-
Subodh Bhargava
Director

Sd/-
Prabhat Kumar Nanda
Company Secretary

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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).....
or failing him (Name).....of
(Address).....
.....
as my / our proxy to attend and vote for me / us and on my / our behalf at the 25th Annual General Meeting of Samtel
Color Limited to be held on Thursday, the 4th August 2011 at 3.00 P.M. at Air Force Auditorium, Subroto Park, New
Delhi 110010.

Signed this.....day of....., 2011

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 25th Annual General Meeting of Samtel Color Limited to be held on Thursday, the 4th August 2011 at 3.00 P.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.

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if undelivered, please return to:

SAMTEL COLOR LIMITED

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