

LIMITED REVIEW REPORT

To

The Board of Directors
Samtel Color Limited
New Delhi

We have reviewed the accompanying statement of unaudited financial results of **SAMTEL COLOR LIMITED** for the quarter and up to six months ended 30th September 2013 & Statement of Assets & Liabilities as at 30th September 2013 except for the disclosures regarding 'Public Shareholding' and Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. The statement of quarterly financial results has been prepared from interim financial statements which are the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE)2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, we state that *except the following, which were also reported in financial statements for the year ended 31st March, 2012 and 31st March 2013*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard AS-2S {Interim Financial Reporting' notified pursuant to the Companies (Accounting Standards) Rules, 2006 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement:



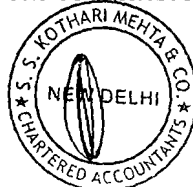
A. As reported in annual financials of year ended 31st March, 2012

Financial Statements of the Company are prepared on going concern basis notwithstanding that (i) the entire net-worth of the Company had eroded completely (i) the Company had initiated the bidding process for the disposal of production lines 1 and 4 (non-core assets) out of 4 production lines at plant situated at Gautam Buddh Nagar (UP) after obtaining approval of CDR lenders and consequently, impaired those production lines by (3,866.91 Lacs and related stores & spares by (512.28 Lacs, (iii) the manufacturing operations at other production lines at plants situated at Ghaziabad (UP) & Parwanoo (HP) could not be resumed even in the current financial year due to non-participation of labour in production process reasoning to their over dues

(iv) the Company has defaulted in repayment of loans as per CDR scheme and borrowing of other lenders, as elaborated in note 6 of the financial statements (v) there is diminution in the value of long term investments, as detailed in note 13 of the financial statements (vi) reconciliation and confirmation of balances of certain major creditors and acceptances are pending, as more fully elaborated in. note no 38 (c) to the financial statements, (vii) non redemption of 9,69,163 -redeemable preference shares of e 100 each amounting to (969.16 Lacs already due for redemption (viii) non-payment of preference dividend for the period from 31st March 2008 March, 2013 aggregating to Rs 1,011.34 lacs on 21,10,116 8% Non-Convertible Cumulative

Redeemable Preference Shares of Rs 100 each, as explained in note 28 of financial statements.

- B. In addition to aforesaid observations, we reported the following in annual financial statements of year ending 31st March, 2013:** (i) During the year, in view of the continued failure of the Company to disburse the legitimate dues of the workmen, Hon'ble High Court of Himachal Pradesh (Shim/a) has settled the dispute by passing an order for the closure of Deflection Yoke unit at Parwanoo (H.P) and thereby, pay off the corresponding outstanding dues by selling the industrial undertaking/Company assets etc., (ii) the operations have been suspended in all locations by the mid of November 12, & have not been resumed till date, as explained in note no 38 of the financial statements and consequently, management has impaired the production lines 3 & 5, located at Gautam Buddh Nagar (UP) & Deflection Yoke unit located at Parwanoo (HP) by (27,977.06 lacs and related stores & spares by (410.35 lacs etc (iii) the impairment of assets of production line 2, located at Gautam Buddh Nagar (U.P.), and gun 'division at Meerut has not been considered by the management on the rationale of its revival plan of running the operations by restructuring them. However, considering ; the liquidity crunch, the probability of running these lines seems remote, (iv) the balances outstanding as on 31st March, 2013 of receivables & inventory are subject to confirmation & physical verification respectively due to temporary suspension of operations & non access to inventories, (v) raw material & finished goods inventory amounting to (311.90 lacs and ('55 lacs respectively have been seized by the excise authorities due to non-payment of excise



dues, (vi) there is non-presentation of various statutory returns acknowledged by the respective authorities, non provision/deposition of various overdue statutory liabilities like PF/Service Tax/TDS/Excise/Vat & CST/WCT/TCS/ES//Gratuity/Bonus & related over dues (interest and penalty), non deduction of TDS on provisional expenses; and as explained by management exact amount of which could not be ascertained in present scenario, (viii) there is increase in diminution of investments in current year of (841.48 lacs, (ix) Assets lying with the PF trust have been transferred to RPFC and those related to Gratuity Trust have been settled by adjustment of employees dues. However, as per the management, related liability has been accounted for completely and there will be no demand over and above the same, (x) Company has accounted for its gratuity and leave encashment liability on actual basis rather than on actuarial valuation method which has been prescribed in Accounting Standard AS-IS, "Employee Benefits".

- C. There is no change in the above observation and upto 30th September 2013, Based on the above facts we are of the opinion that going concern assumption has been affected and the financials of year ended 31st March, 2012 and 31st march 2013 and interim results of quarter and half year ended 30th Sept 2013 should have been reinstated at net realisable value.

For S.S Khothari Mehta & CO.

Chartered Accountants

Firm Registration No. 000756N



(K K Tulshan)

Partner

Membership No. 85033



Place: New Delhi

Dated: 15 November 2013

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER, 2013

(Rs. in Lacs)

PART - I

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30-09-2013 Unaudited	30-06-2013 Unaudited	30-09-2012 Unaudited	30-09-2013 Unaudited	30-09-2012 Unaudited	31-03-2013 Audited
1 Income from Operations						
(a) Net Sales / Income from Operations	-	-	2,808	-	4,177	6,624
(b) Other Operating Income	-	-	30	-	39	43
2 Expenses						
a. Cost of Materials Consumed	-	-	2,709	-	4,879	6,184
b. Purchases of Stock in Trade	-	-	-	-	-	-
c. Changes in Inventories (Increase)/Decrease of Finished Goods, Work in Progress and Stock in Trade	-	-	(136)	-	(1,106)	(135)
d. Employee Benefits Expense	87	332	1,481	419	2,975	4,791
e. Depreciation Expense	262	261	1,771	523	3,523	7,025
f. Other Expenses	162	292	921	454	2,016	3,776
g. Total Expenses	511	885	6,746	1,396	12,287	21,641
3 Profit (+)/Loss (-) from Operations before Other Income, Finance Cost and Exceptional Items (1 - 2)	(511)	(885)	(3,908)	(1,396)	(8,071)	(14,974)
4 Other Income	1	3	9	4	25	3,659
5 Profit (+)/Loss (-) before Finance Cost and Exceptional Items (3 + 4)	(510)	(882)	(3,899)	(1,392)	(8,046)	(11,315)
6 Finance Costs (Net)	1,520	1,573	1,349	3,093	2,865	5,859
7 Profit (+)/Loss (-) after Finance Cost but before Exceptional Items (5 - 6)	(2,030)	(2,455)	(5,248)	(4,485)	(10,911)	(17,174)
8 Exceptional Items - Impairment loss in respect of retirement of Plant & Machinery and related Stores & Spares	-	-	-	-	-	(28,387)
9 Profit (+)/Loss (-) from Ordinary Activities before tax (7+ 8)	(2,030)	(2,455)	(5,248)	(4,485)	(10,911)	(45,561)
10 Tax expense of earlier years	-	-	-	-	-	-
11 Net Profit (+) / Loss (-) from Ordinary Activities after tax (9 - 10)	(2,030)	(2,455)	(5,248)	(4,485)	(10,911)	(45,561)
12 Extraordinary items	-	-	-	-	-	-
13 Net Profit (+)/Loss (-) for the period (11 - 12)	(2,030)	(2,455)	(5,248)	(4,485)	(10,911)	(45,561)
14 Paid-up Equity Share Capital (Face value Rs.10 each share)	8,550	8,550	8,550	8,550	8,550	8,550
15 Reserves (excluding revaluation reserves as per balance sheet of previous accounting year)	-	-	-	-	-	7,080
16 Earnings Per Share before and after Extraordinary items						
Basic Earnings / (loss) Per Share (not annualised)	(3.79)	(4.28)	(7.33)	(6.66)	(13.95)	(54.47)
Diluted Earnings / (loss) Per Share (not annualised)	(3.79)	(4.28)	(7.33)	(6.66)	(13.95)	(54.47)



PART II						
A PARTICULARS OF SHAREHOLDING						
1 Public Shareholding						
- Number of Shares	60,816,907	60,816,907	60,816,907	60,816,907	60,816,907	60,816,907
- Percentage of Shareholding	71.14	71.14	71.14	71.14	71.14	71.14
2 Promoters and Promoter Group Shareholding						
a. Pledged / Encumbered						
- Number of Shares	24,477,186	24,477,186	24,477,186	24,477,186	24,477,186	24,477,186
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	99.20	99.20	99.20	99.20	99.20	99.20
- Percentage of Shares (as a % of the total share capital of the Company)	28.63	28.63	28.63	28.63	28.63	28.63
b. Non - encumbered						
- Number of Shares	198,504	198,504	198,504	198,504	198,504	198,504
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	0.80	0.80	0.80	0.80	0.80	0.80
- Percentage of Shares (as a % of the total share capital of the Company)	0.23	0.23	0.23	0.23	0.23	0.23
B INVESTOR COMPLAINTS						
Pending at the beginning of the quarter	Nil					
Received during the quarter	2					
Disposed off during the quarter	2					
Remaining unresolved at the end of the quarter	Nil					



NOTES:

- 1 The above financial results were reviewed and recommended by the Audit Committee of Directors and approved by the Board of Directors in their respective meetings held on November 15, 2013.
- 2 The performance of the Company in the last few quarters has been impacted due to liquidity constraints resulting from lower sales volume in the domestic and international market. During the previous year, operations at all the locations have been suspended due to severe financial constraints. In view of the present scenario of Color Picture Tube business, the management is of the view that the existing demand of CPT can be serviced by operating some of the manufacturing facilities of the Company. Accordingly, the Company's financial statements have been prepared on a going concern basis whereby realization of assets & discharge of liabilities are expected to occur in the normal course of business.
- 3 Based on the prudent accounting, the Company has provided estimated liability in respect to the dues of workmen of all the units. However, in view of the ongoing lock out / lay off in various units of the Company, the Company is further seeking opinions for the dues payable as per the various labour laws. The necessary further adjustments, if required, will be made in the financial books as and when the same is decided.
- 4 During the previous year, the Company made a reference under section 15(1) of the Sick Industrial Company (Special Provisions) Act, 1985 (SICA) with Board of Industrial and Financial Reconstruction (BIFR). The aforesaid reference has been registered in the BIFR as case no. 58/2012.
- 5 Response to Auditor's comments in the report on the audited financial statements as at March 31, 2013 :
 - a The Company is taking necessary steps to streamline the restructured operations of some of the manufacturing facilities. Thus, the Company is confident of running the operations as "Going Concern" in foreseeable future.
 - b The Company had impaired the Plant & Machinery and its related Stores & Spares of some of its manufacturing facilities and provided for diminution in value of long term investments on the basis of applicable accounting standards in March 31, 2013.
 - c The Company will obtain the balance confirmation and reconciliation thereof from creditors / debtors in due course.
 - d During the previous year, the fixed assets of the Company were not verified by the management. However, the management does not expect any major discrepancy.
 - e Due to suspension of operations in all the locations the physical verification of inventory could not be done on March 31, 2013. However, the management is of the view that there are not any major discrepancies in inventory.
 - f The Company has not booked the statutory liabilities on the provision for expenses made during the year as the quantum of exact statutory liability can not be ascertained in the present scenario.
- 6 The Company is engaged in the business of TV Picture Tubes & Parts and there are no separate reportable segments as per AS - 17 on Segment reporting.
- 7 Previous year/period figures have been regrouped/recast, wherever necessary, to conform to the current period's classification.

Place : New Delhi
Dated : 15th November, 2013



BY ORDER OF THE BOARD
FOR SAMTEL COLOR LIMITED

Satish K. Kaura
SATISH K. KAURA
CHAIRMAN AND MANAGING DIRECTOR

SAMTEL COLOR LIMITED

STATEMENT OF ASSETS AND LIABILITIES

Rs. in Lacs

Particulars	As At 30-09-2013 Unaudited	As At 31-03-2013 Audited
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share Capital	11,629	11,629
(b) Reserves and Surplus	(70,052)	(65,568)
(c) Money Received against Share Warrants	3,000	3,000
Sub - Total - Shareholder's Funds	(55,423)	(50,939)
(2) Non-Current Liabilities		
(a) Long-Term Borrowings	12,771	14,708
(b) Long Term Provisions	1,878	1,823
Sub - Total - Non Current Liabilities	14,649	16,531
(3) Current Liabilities		
(a) Short Term Borrowings	15,893	15,592
(b) Trade Payables	12,665	12,396
(c) Other Current Liabilities	36,453	31,322
(d) Short Term Provisions	320	312
Sub - Total - Current Liabilities	65,331	59,622
TOTAL EQUITY AND LIABILITIES	24,557	25,214
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed Assets	13,734	14,257
(b) Non-Current Investments	1,476	1,476
(c) Long Term Loans and Advances	343	343
Sub - Total - Non Current Assets	15,553	16,076
(2) Current Assets		
(a) Inventories	1,570	1,570
(b) Trade Receivables	5,951	5,951
(c) Cash And Cash Equivalents	68	71
(d) Short Term Loans and Advances	1,412	1,536
(e) Other Current Assets	3	10
Sub - Total - Current Assets	9,004	9,138
TOTAL ASSETS	24,557	25,214

