

### NOTICE

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of the Members of SAMTEL INDIA LIMITED will be held on Tuesday, the 30<sup>th</sup> of September, 2014 at 3.30 PM at the Registered Office of the Company at Village Naya Nohra, Distt. Ladpura, Kota Baran Raod, Kota, Rajasthan for transacting the following business:

#### ORDINARY BUSINESS:

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

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

#### SPECIAL BUSINESS:

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

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

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

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Om Wadhwa (holding DIN 00060713), Director of the Company, whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term up to 31st March, 2019.”

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

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

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

“RESOLVED THAT pursuant to provisions of Section 186 and Rule 13 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Shareholders ratifies the Investments made, Inter-Corporate Loans/Loans/Guarantees/Securities given to all Body Corporate(s) including WOS, Subsidiaries, JVs and Others from time to time of Rs. 1.09 crores upto 31st March, 2014 and that the Board be and is hereby authorized to agree, make and accept all such terms, conditions alteration(s), modification(s) deeds and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto.”

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

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

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

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

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

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

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

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

By Order of the Board

Sd/-  
**Satish K Kaura**  
**Chairman & Managing Director**  
DIN: 00011202

Place : New Delhi  
Dated :14.08.2014

#### **IMPORTANT NOTES:**

1. The Register of Members and the Share Transfer books of the Company will remain closed from 26.09.2014 to 29.09.2014 (both days inclusive).
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are

also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

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

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

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

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

##### **Item No. 4**

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

In terms of the provisions of Companies Act, 2013 an Additional Directors shall hold office only upto the date of the next Annual General Meeting of the Company. The term of the above named director will,

therefore, expire at the forthcoming Annual General Meeting. Accordingly both the Director hold office upto the ensuing Annual General Meeting.

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

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

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

#### **Item No. 5**

Mr. Om Wadhwa is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 14.09.1987. Mr. Wadhwa is the Chairman of Audit Committee and the Stakeholders' Relationship Committee and member of the Nomination and Remuneration of the Company.

Mr. Om Wadhwa is Industrialist and expertise in Financial Management.

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

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

#### **Item No. 6**

Mr. Uday Sethi has been appointed as a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 14<sup>th</sup> August, 2014. Mr. Sethi is the Chairman of Nomination and Remuneration Committee and a Member of the Audit Committee and Stakeholders' Relationship Committee of the Company.

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

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

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sethi as an Independent Director. Accordingly, the Board

recommends the resolution in relation to appointment of Mr. Sethi as an Independent Director, for the approval by the shareholders of the Company.

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

#### **Item No. 7**

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

The Company had given Inter-Corporate Loan /Loans/ Guarantees and Investments made of Rs. 1.09 crores upto 31st March, 2014. As per explanation to Rule 13 of Companies (Meetings of Board and its powers) Rules, 2014 the same is required to be ratified at the ensuing Annual General Meeting. The Board of Directors had, in its meeting held on 14.08.2014, considered and approved, subject to the approval of shareholders, this proposal and recommends Resolution no. 7 of the accompanying Notice to the shareholders for their approval by way of special resolution.

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

#### **Item No. 8**

Pursuant to Section 188(2) of the Companies Act, 2013 ("Act") and the Companies (Meetings of Board and its Powers) Rules, 2014 ("Rules"), the Company can enter into Related Party transaction mentioned under aforesaid resolution, which are not in the ordinary course of business and/or are not on arm length basis, only with the approval of the shareholder accorded by way of a special resolution. Though, your Company always seeks to enter into transactions with Related Parties (as defined in the Companies Act 2013 read with Rules thereto) in the ordinary course of business and at arm length basis; still there is some transactions which are required to be executed in the interest of the Company and for which your approval is required under the provisions of the Companies Act, 2013 and as per Rules made there under.

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

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

#### **Item No. 9**

Pursuant to Section 88, 92 and 94 of the Companies Act, 2013 ("Act") read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Company can keep all registers/returns required to be maintained by a Company under Section 88 & 92

of the Act, at a place other than the Registered Office of the Company but within the city, town or village in which the Registered Office is situated or any other place in India in which more than one-tenth of the total number of members entered in the register of members reside and such other place shall be approved by a resolution passed by the members in the General Meeting.

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

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

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

By order of the Board of Directors

Sd/-  
By Order of the Board  
**SATISH K KAURA**  
Chairman & Managing Director  
DIN 00011202

Place : New Delhi

Dated : 14<sup>th</sup> August, 2014

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

(Pursuant to Clause 49 of the Listing Agreement)

**Mr. Satish K. Kaura**

Mr. Satish K. Kaura, aged about 69 years, has done his Bachelor of Engineering from IIT Kanpur and have done his Masters in Electronics from Carleton University, Canada. After obtaining valuable work experience in North America, Mr. Kaura returned to India and set up the Samtel Group.

He is the Chief Promoter and Architect of the Company, who had set up the business himself being the first generation entrepreneur and has been looking after the affairs of the Company since inception and also chiefly responsible for all major business policy decision of the Company.

He is on the Board of the following public limited companies as well:-

Samtel Color Limited	Samtel Glass Limited
Samtel HAL Display Systems Limited	Samtel Thales Avionics Limited
Samtel Machines & Projects Limited	

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

S.No.	Name of Director	No. of Equity Shares	Other convertible Instruments
01.	Satish K Kaura	33867	Nil
02.	Om Wadhwa	Nil	Nil
03.	Uday Sethi	Nil	Nil

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **PERFORMANCE REVIEW AND OUTLOOK:**

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

The Company ended the financial year on 31<sup>st</sup> March, 2014 with a gross turnover of Rs.2.07 lacs as against Rs.79.06 lacs of the previous financial year. The Company incurred a net loss of Rs. 1.84 lacs during the year under review as against net loss of Rs. 2.27 lacs during the previous financial year.

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

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

### **BALANCE SHEET ANALYSIS:**

- a) **Loans: Unsecured**  
Inter Corporate Deposit was outstanding as Nil as on 31<sup>st</sup> March 2013 (Previous Year Rs. 100.00 lacs).
- b) **Fixed Assets:**  
The net fixed assets at the end of the financial year were Rs. 1.50 lacs as against Rs. 1.47 lacs as on 31<sup>st</sup> March, 2013.
- c) **Current Assets:**  
The total current assets decreased to Rs. 46.19 lacs as on 31<sup>st</sup> March, 2014 (Previous Year Rs. 48. 93 lacs).
- d) **Current Liabilities:**  
Current Liabilities have decreased to Rs. 26.89 lacs as on 31<sup>st</sup> March, 2014 (Previous year increased to Rs. 198.32 lacs.).

### **INTERNAL CONTROL SYSTEMS & ITS ADEQUACY:**

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



## **OPPORTUNITIES & THREATS:**

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

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

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

## **CAUTIONARY STATEMENT:**

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

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

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

### I. BOARD OF DIRECTORS

#### Composition of the Board

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

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

Mr. Ajit Singh has been confirmed as Director in the last Annual General meeting held on 30<sup>th</sup> Sept., 2013. The other Independent Director is Mr. Om Wadhwa.

Mr. Uday Sethi has been inducted as additional Director on the Board of the company and Mr. Ajit Singh has resigned from the Board of the company effective from 14.08.2014.

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

#### Number of Board Meetings

During the Financial Year 2013-14, the Board of Directors of the Company met four times on May 30, 2013, August 14, 2013, August 30, 2013, November 15, 2013 and February 14, 2014. The maximum time gap between any two meetings was less than four months.

#### Directors' attendance record & directorship held (As on 31st March, 2014):

Name of Directors	Category / Status of Directorship	No. of Board meetings held during 2013-14	No. of Board meetings attended during 2013-14	Attendance in last AGM held on 30 <sup>th</sup> September, 2013	No. of Directorship in other Public Limited Companies	No. of Committee positions held	
						Chairman	Member
Mr. Satish K. Kaura	Executive/ Promoter Director	5	5	No	4	1	1
Mr. Om Wadhwa	Independent Director	5	5	Yes	-	1	-
Mr. Ajit Singh	Independent Director	5	5	Yes	2	-	1

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

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management or and associates which may affect independence of the Director
- Are not related to promoters or persons occupying management positions at the Board level or at one

level below the Board

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

#### Information supplied to the Board

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

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

#### Remuneration of Directors

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

#### Remuneration paid or payable to Directors for 2013-14

(in Rs.):

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

#### Pecuniary relationship or transaction between non-executive Directors and Company

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

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

#### Board Level Committees

The Company has constituted two Committees of Directors, namely, Audit Committee and Share Transfer &

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

#### **Audit Committee**

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

During the Financial Year under review the Audit Committee met five times i.e on May 30, 2013, August 14, 2013, August 30<sup>th</sup> 2013, November 15, 2013 and February 14, 2014.

**The attendance of members at the meetings is as follows:**

Name of Directors	No. of Meetings held	No. of Meetings attended
Om Wadhwa	5	5
Mr. Satish K. Kaura	5	5
Mr. Ajit Singh	5	5

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

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

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

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

#### **Share Transfer & Investors' Grievance Committee**

The Share Transfer & Investors' Grievance Committee approves and monitors transfers, transmission, splitting and consolidation of shares issued by the Company. This Committee also monitors complaints of shareholders relating to transfer of shares, non receipt of Annual Report etc. The Share transfer Committee as on March 31, 2014 was comprised of two Directors i.e. Mr. Om Wadhwa , Non Executive Independent Director as Chairman and Mr. Satish K. Kaura, Chairman & Managing Director of the Company as member.

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

#### **Risk Management**

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

## **II**

### **MANAGEMENT**

#### **Management Discussion & Analysis Report:**

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

#### **Disclosures:**

**a) Related Party Transactions:**

Disclosure of all related party transactions has been made in the notes to the accounts of the annual accounts, which forms part of the annual report. All the Directors have disclosed their interest in form No. 24AA pursuant to Section 299 of the Companies Act, 1956 and as and when there is any change of directorship or other interest, the same is placed before the Board for their information in their meeting.

**b) Penalties or Strictures imposed on the Company:**

During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other Statutory Authorities on any matters relating to the capital markets.

**c) Particulars of Director to be appointed/re-appointed:**

Information pertaining to particulars of Director to be re-appointed at the forth coming Annual General Meeting is being included in the Notice convening the Annual General Meeting.

**d) Proceeds from Preferential Issue of Equity Shares/Warrants/FCCBs:**

During the year the Company has not issued any Equity Shares/Warrants/FCCBs.

**e) Code of Conduct:**

The Board has laid down the Code of Conduct for all Board members and senior management of the Company. All personnel to whom the Code is applicable have confirmed compliance with the Code of Conduct for the financial year ended on 31<sup>st</sup> March, 2014. A declaration to the effect, duly signed by the Chairman & Managing Director, is annexed hereto.

**f) Disclosure of Accounting Treatment:**

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

**CEO/CFO Certification**

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

**III SHAREHOLDERS**

**Means of Communication**

During the year the quarterly and annual results has been published in one English and one Hindi daily. The Company's quarterly results are also available on its website [www.samtelgroup.com](http://www.samtelgroup.com). The Company has not send any half yearly reports to the shareholders of the Company.

**General Body Meetings**

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

Year	Date	Time	Venue	No. of special resolutions passed
2012-2013	30.09.2013	4.30 P.M.	Village Naya Nohra, Kota Baran Road, Tehsil- Ladpura, Distt- Kota, Rajasthan- 324001.	-
2011-2012	28.09.2012	11.30 A.M.	Village Naya Nohra, Kota Baran Road, Tehsil- Ladpura, Distt- Kota, Rajasthan- 324001.	-

2010-2011 30.09.2011 11.00 A.M. Village Naya Nohra, Kota Baran  
Road, Tehsil- Ladpura, Distt-  
Kota, Rajasthan- 324001.

Neither any Extra-Ordinary General Meeting of the Members of the Company was held nor any resolution was passed through Postal Ballot during the year under review.

## Shareholdings

### a. Shareholding pattern of the Company as on 31<sup>st</sup> March, 2014

S. No.	Category	No. of Shares	%age of shares
1.	Promoters & Associates	3612524	50.96
2.	Non Resident Indians	1078417	15.21
3.	Overseas Corporate Bodies	414349	5.85
4.	Mutual Fund & UTI	5430	0.08
5.	FIIS	585	0.01
6.	Banks/Financial Institutions/Insurance Companies	344703	4.86
7.	Private Bodies Corporate	142498	2.01
8.	Indian Public	1489437	21.02
	<b>Total</b>	<b>7087943</b>	<b>100</b>

Excluding 7409 partly paid up equity shares.

### b. Distribution of shareholding as on 31<sup>st</sup> March, 2014

No. of shares	No. of Shareholders	%age to Total (Holders)	No. of shares	% age to total (Shares)
1-500	6796	94.52	705634	9.96
501-1000	210	2.92	158352	2.23
1001-2000	82	1.14	122769	1.73
2001-3000	34	0.47	84395	1.19
3001-4000	17	0.24	59255	0.84
4001-5000	8	0.11	35563	0.50
5001-10000	11	0.15	79847	1.13
10001 to 50000	15	0.21	344375	4.86
50001 to 100000	8	0.11	554884	7.83
100000 and above	9	0.13	4942869	69.73
<b>Total</b>	<b>7190</b>	<b>100</b>	<b>7087943</b>	<b>100</b>

Excluding 7409 partly paid up equity shares.

### Dematerialisation of Shares:

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

As on 31<sup>st</sup> March 2014, the total 44,10,122 numbers (62.22%) of equity shares of Rs.10/- each are in dematerialised mode.

**Share Transfer Systems:**

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

**Dividend:**

The Company has not declared any dividend for the year 2013-14, due to inadequate profits.

**Financial Reporting Calendar**

-	For the quarter ending June, 2013	:14 <sup>th</sup> August, 2013
-	For the quarter ending September 2013	:15 <sup>th</sup> November, 2013
-	For the quarter ending December, 2013	:14 <sup>th</sup> February, 2014
-	For the year ending March 31, 2014	: 30 <sup>th</sup> May 2014

**Annual General Meeting**

The Annual General Meeting of the Company will be held on Tuesday, the 30<sup>th</sup> September, 2014 at 3.30 P.M. at Village Naya Nohra, Kota Baran Road, Tehsil- Ladpura, Dist. Kota, Rajasthan.

**Book Closure**

Register of members of the Company will remain closed from September 26, 2014 to September 29, 2014 (both days inclusive).

**Listing and Stock Code/ISIN**

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

The Annual Listing Fees for the year 2014-2015 have been paid to the above Stock Exchange

**Status as regards adoption / non-adoption of non-mandatory requirements laid down in revised Clause 49 of the Listing Agreement and forming part of the Report on Corporate Governance.**

Sl. No.	Particulars	Status
1	Non-executive Chairman may be entitled to maintain a Chairman's office at the company's expenses and also allowed reimbursement of expenses incurred for performance of his duties.	Not Applicable
2	Constitution of Remuneration Committee	Not Constituted as no remuneration is paid to any Director
3	Independent Directors	
	Independent Directors may have a tenure not exceeding in the aggregate, a period of 9 years on the Board of the company	Not Adopted
4	Shareholders Rights	

	The half yearly declaration of financial performance including summary of the significant events in the last 6 months should be sent to each household of shareholders	Not adopted
5	Audit qualifications	
	The company may move towards a regime of unqualified financial statements.	Not adopted
6	Training of Board Meetings	
	Board Members may be trained in the business model of the company as well as on the risk profile of the business parameters of the company, their responsibilities as Director and the best ways of discharging them.	Not adopted
7	Evaluation of Non-Executive Board Members	
	Mechanism for evaluating performance of Non-Executive Directors by peer group consisting of entire Board excluding the Director being evaluated.	Not adopted
8	Whistle Blower Policy	
	The company may establish a mechanism for employees to report to the Management concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.	Not adopted

**Investors' Correspondence:**

**Registrar & Share Transfer Agent:**

MCS Limited,  
F – 65, 1st Floor,  
Okhla Industrial Area, Phase I,  
New Delhi - 110020.  
Phone : (011) 41406149, 41406151 & 52,  
41609386, 41703885  
Fax : (011) 41709881

**Registered Office**

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

**Corporate Office**

501, 5<sup>th</sup> Floor,  
Copia Corporate Suites,  
District Centre, Jasola,  
New Delhi - 110 025  
Phone : 011 - 4242 4000  
Fax : 011 - 4242 4099  
website: [www.samtelgroup.com](http://www.samtelgroup.com)



**R.S. Chauhan & Associates**

Company Secretaries

Plot No. 4, 3rd Floor, Commercial Block, Sector-14,  
Kaushambi, Near Yashoda Hospital, Ghaziabad-201010, NCR Delhi.

Mob No(P):- +91 9971988920

Landline:0120-2770323

**CERTIFICATE**

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

1. We have examined the compliance of conditions of Corporate Governance by **SAMTEL INDIA LIMITED** for the 12 months period from April 1, 2013 to March 31, 2014, as stipulated in clause 49 of the Listing Agreement executed by the said Company with Stock Exchange of India.
2. The compliance of conditions of corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.
3. In our opinion and to the best of our information and according to the explanation given to us, we certify that, the Company has complied with the conditions of Corporate Governance in the above mentioned Listing Agreement
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R.S.CHAUHAN & ASSOCIATES  
Company Secretaries

Sd/-

(Rakesh Kr Singh Chauhan)

Proprietor

C.P.No.7491

Date: 14<sup>th</sup> August, 2014

Place: New Delhi

## Directors' Report

### **To the Members of Samtel India Limited**

Your Directors are pleased to present the 32<sup>nd</sup> Annual Report together with the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2014.

### **FINANCIAL RESULTS:**

The key financial highlights are as under:

(Rs in Thousands)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Gross Sales & Other Income	207	7906
Gross Profit/(Loss) before Interest and Depreciation	(828)	2378
Interest and Financial charge	1082	3023
Depreciation	3	3
Profit/(Loss) from operations	(1913)	(648)
Exceptional Items	(16476)	(22018)
Net Profit/(Loss)	(18391)	(22666)
Profit/(Loss) after Tax	(18391)	(22666)
Loss Brought forward from previous year	(140735)	(118069)
Balance Carried to Balance Sheet	(159125)	(140735)

### **OPERATIONS:**

During the financial year under review, the Company registered gross turnover of Rs.2.07 lacs as against turnover of Rs.79.06 lacs during the previous financial year. The Company ended the financial year with net loss of Rs. 1.84 lacs as against net loss of Rs.2.27 lacs during the previous financial year.

Subdued business environment and slowdown in economy across the spectrum have impacted the industrial and manufacturing sector quite adversely. Most of the businesses are being run with minimum manpower and it has a negative effect on the whole manpower supply industry/business. Being a new entrant to the business it became very difficult for the Company to overcome the competition from established player and thus the new business activity of the Company failed to take off despite the best efforts of the Management.

The Management is exploring various other business opportunities including venturing into manufacturing activities and will approach the members for their approval at an appropriate time.

### **DIVIDEND:**

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

1. That in the preparation of Annual Accounts for the financial year ended 31<sup>st</sup> March 2014; the applicable accounting standards have been followed and that there has been no material deviation.

2. That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and also of the loss of the Company for the year ended 31<sup>st</sup> March, 2014.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularity have been ensured.
4. That the Directors have prepared the Annual Accounts for the year ended 31<sup>st</sup> March 2014, on a going concern basis.

#### **FIXED DEPOSITS:**

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

#### **DIRECTORS:**

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

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

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

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

Brief resume of the above Directors, nature of their experience and expertise in specific functional areas and the name of the public companies in which they hold the Directorship and the Chairmanship/Membership of the Committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given in the Notice convening the 32<sup>nd</sup> Annual General Meeting and forms part of this Report.

#### **AUDITORS:**

The Auditors of the Company M/s. S.S.Kothari, Mehta & Co., Chartered Accountants, New Delhi, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limit under Section 139 & 141 of the Companies Act, 2013. The Board of directors recommends their appointment, as Statutory Auditors for the next financial year for your approval.

#### **AUDITORS' REPORT:**

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

#### **PARTICULARS OF EMPLOYEES:**

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

**CORPORATE GOVERNANCE:**

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance, as prescribed under the Listing Agreement with the Stock Exchange. A separate Report on the Corporate Governance along with necessary certificates and reports on Management Discussion & Analysis, are enclosed as part of this Annual report.

**ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:**

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

**For and on behalf of the Board of Directors**

**For Samtel India Limited**

Sd/-

**Satish K. Kaura**

**Chairman & Managing Director**

**Place: New Delhi**

**Date : 30<sup>th</sup> May, 2014**

**Independent Auditors' Report  
To The Members of Samtel India Limited****Report On the Financial Statements**

We have audited the accompanying Financial Statements of Samtel India Limited ("the Company") which comprises the Balance Sheet as at 31<sup>st</sup> March, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and Notes to the Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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



- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- ii) in the case of Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Emphasis of Matter**

- i) We draw attention to Note 28 of the financial statements stating the reasons for preparation of financials on going concern basis. Our opinion is not qualified in respect of this matter.
- ii) We also draw attention to Note 29 of the financial statements regarding seeking the opinion for necessary actions to be taken under Sick Industrial Companies (Special Provisions) Act, 1985, Our opinion is not qualified in respect of this matter.
- iii) We also draw the attention to the facts that the Company has not filed Shareholding Pattern Statement under Clause 35 of the listing agreement and Reconciliation of Share Capital Audit Report, for the quarter ended 31<sup>st</sup> December 2013 as per the requirement of SEBI circular no. D&CC/FITTC/CIR-16/2002 dated.31.12.2002. Our opinion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order;
- 2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;



- e. On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

**For S. S. KOTHARI MEHTA & CO**

Chartered Accountants

Firm Registration No:-000756N



**(K. K. Tulshan)**

Partner

Membership No. 085033



Place: New Delhi

Date: 30/5/2014

Annexure

Re: Samtel India Limited

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

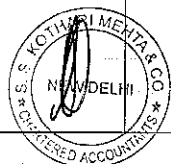
- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) As explained to us and according to the information and explanation provided to us all the fixed assets have been physically verified by the management with a program of yearly verification. In our opinion, the frequency of such physical verification is reasonable having regard to the size of the Company and the nature of fixed assets. We have been explained that no material discrepancies were noticed on such verification as compared to books records.  
  
(c) The Company has not disposed-off any of its fixed assets during the year.
- ii. During the year, the Company has not carried any business of manufacturing or trading in the goods and therefore no inventories were held by the Company at any point of time. Accordingly paragraph 4(ii) (a), (b) and (c) of the Order are not applicable.
- iii. (a) The Company has not granted any loan, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies act, 1956. Accordingly, clauses 4(iii) (b) to (d) of the order are not applicable.  
  
(b) The Company has taken an unsecured loans from a Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved and the year-end balance from the said Company is ₹100 lacs and Nil respectively, excluding the interest thereon.  
  
(c) In our opinion the rate of interest and other terms & conditions on which this loan has been taken is not prime facie prejudicial to the interest of the Company.  
  
(d) In respect of aforesaid loan, the Company is *irregular* in repayment of interest.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to the sale of services. Further, on the basis of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of a continuing failure to correct major weaknesses in the aforesaid internal control system. There are no purchase of inventory and sale of goods.
- v. (a) According to the information and explanations given to us, we are of the opinion that all the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.





- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance to section 301 of the Companies Act, 1956 and exceeding the value of ₹5 lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices
- vi. The Company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 including the Companies (Acceptance of Deposit) Rules, 1975
- vii. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business. However it needs to be strengthened further in terms of its periodicity.
- viii. Cost records as prescribed by the Central Government under the section 209(1)(d) of the Companies Act, 1956 has not been maintained during the year as there is no manufacturing activity.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is *irregular* in depositing undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities *except Provident Fund* by ₹ 12,85,002, *Service Tax(including cess)* by ₹14,66,332 and *Employee State Insurance Scheme* by ₹5,39,003, and *Tax deducted at source* ₹ 2,46,261 which are *outstanding at the year-end for a period of more than six months from the date they became payable.*
- (b) According to the information and explanations given to us and the records of the Company examined by us, the following are the particulars of disputed dues on account of sales tax, excise duty and income tax as at 31 March, 2014 that have not been deposited by the Company:

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



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

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

- x. *The accumulated losses of the Company as at 31 March, 2014 are exceeds its net worth as on that date. The Company has incurred cash losses in the current financial year and in the immediately preceding financial year.*
- xi. According to the records of the Company examined by us and on the basis of the information and explanation given to us, the Company has not taken any loan from bank or financial institutions and has not issued debentures during the year.
- xii. In our opinion and according to the information & explanation given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Hence, the provisions of clause 4(xiii) of the order are not applicable to the company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable to the company.
- xv. According to the information and explanations given to us, the Company has given security in the form of pledge upto ₹59 lacs fully paid up equity shares of Rs. 10 each of Samtel Color Ltd (SCL) held by the Company in favour of a bank, acting as trustee for itself and as agent for other lenders of SCL as per the Corporate Debt Restructuring (CDR) Scheme of SCL as approved by CDR Cell of Reserve Bank of India. In our opinion and according to the information and explanations given to us, the terms and conditions of such security, approved by the shareholders, are not, prima facie, prejudicial to the interest of the Company.
- xvi. On the basis of records made available and according to information and explanations given to us the Company has not raised any term loan during the year.
- xvii. *According to the information and explanations given to us and on the basis of an overall examination of the balance sheet of the Company, the short term funds of ₹ 250.89 lacs have been used for the long term investment.*

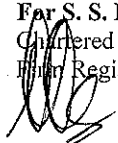


- xviii. According to the information and explanation given to us the Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. According to the information and explanation given to us during the year the Company has not issued any debentures. Therefore the provisions of clause 4(xix) of the order are not applicable to the company.
- xx. During the year the Company has not raised any money through public issue, therefore the provisions of clause 4(xx) of the order are not applicable to the company.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view and on the basis of the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit nor have been informed of such case by the management.

**For S. S. KOTHARI MEHTA & CO**

Chartered Accountants

Firm Registration No:-000756N



**(K. K. Tulshan)**

Partner

Membership No. 085033



Place: New Delhi

Date: 20/5/2014

SAMTEL INDIA LIMITED			
Balance Sheet as at 31st March, 2014			
(Figures in Rs)			
Particulars	Note No	As at 31st March, 2014	As at 31 <sup>st</sup> March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	70,842,385	70,842,385
(b) Reserves and Surplus	4	(83,580,961)	(65,191,044)
<b>(2) Current Liabilities</b>			
(a) Short-term borrowings	5	1,073,263	11,073,263
(b) Trade payables	6	3,785,344	3,785,344
(c) Other current liabilities	7	64,006,800	56,696,039
<b>Total</b>		<b>56,126,831</b>	<b>77,205,987</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	8	147,415	150,129
(ii) Capital work-in-progress	8	400,000	400,000
(b) Non-current investments	9	10,920,640	27,397,060
(c) Long term loans and advances	10	883,187	864,262
<b>(2) Current assets</b>			
(a) Trade receivables	11	798,157	811,811
(b) Cash and cash equivalents	12	2,713,150	2,545,615
(c) Short-term loans and advances	13	40,264,282	45,037,110
(d) Other current assets	14	-	-
<b>Total</b>		<b>56,126,831</b>	<b>77,205,987</b>

# Overview & Significant Accounting Policies

1 & 2

See accompanying notes to the financial statements

In terms of our report of even date

For & on behalf of the Board

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

K. K. TULSHAN  
Partner

Membership No. 085033



Satish Kaur  
SATISH K KAURA

Chairman and Managing Director

OM WADHWA

Director

Place : New Delhi

Dated: 30th May, 2014

SAMTEL INDIA LIMITED			
Statement of Profit and Loss for the Year ended 31st March, 2014			
		(Figures in Rs.)	
Particulars	Note No	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
Revenue from operations	15	-	4,468,487
Other Income	16	207,011	3,437,392
<b>Total Revenue</b>		<b>207,011</b>	<b>7,905,879</b>
<b>Expenses:</b>			
Employee benefit expense	17	521,920	4,224,133
Financial costs	18	1,082,406	3,023,390
Depreciation and amortization expense	8	2,715	2,714
Other expenses	19	513,467	1,303,755
<b>Total Expenses</b>		<b>2,120,508</b>	<b>8,553,992</b>
Profit before exceptional and extraordinary items and tax		(1,913,497)	(648,113)
Exceptional Items	24	(16,476,420)	(22,018,140)
Profit before tax		(18,389,917)	(22,666,253)
Tax expense:		-	-
<b>Profit/(Loss) for the year</b>		<b>(18,389,917)</b>	<b>(22,666,253)</b>
Earning per equity share:	25		
(1) Basic		(2.595)	(3.201)
(2) Diluted		(2.595)	(3.201)

Overview & Significant Accounting Policies

1 & 2

See accompanying notes to the financial statements

In terms of our report of even date

For & on behalf of the Board

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

K. K. TULSHAN

Partner

Membership No. 085033



*Satish Kaur*

SATISH K KAURA

Chairman and Managing Director

*OM Wadhwa*

OM WADHWA

Director

Place : New Delhi

Dated: 30th May, 2014

SAMTEL INDIA LIMITED			
Cash flow statement for the Period ended 31st March, 2014			
Particulars		(Figures in Rs.)	
		For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit/ (loss) before tax		(18,389,917)	(22,666,253)
<u>Adjustments for:</u>			
Depreciation		2,715	2,714
Interest expense		1,082,406	3,023,390
Provision for diminution of Investment		16,476,420	22,018,140
Bad debts and advances written off		-	-
Debit balance written off		-	-
Provisions and liabilities no longer required, written back		(16,909)	-
Interest income		(190,102)	(137,392)
Operating profit before working capital changes		(1,035,387)	2,240,599
<u>Adjustments for:</u>			
Trade and other payables		7,327,670	1,507,587
Trade and other receivables		13,654	6,101,422
Inventories		-	-
Other current assets		4,753,902	(121,034)
Net cash from / (used in) operating activities		11,059,839	9,728,574
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		190,102	137,392
Net cash from / (used in) investing activities		190,102	137,392
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Unsecured Loan		(10,000,000)	(6,400,538)
Interest paid		(1,082,406)	(3,023,390)
Net cash (used in) / from financing activities		(11,082,406)	(9,423,928)
Net (decrease) / increase in cash and cash equivalents (A+B+C)		167,535	442,038
Cash and cash equivalents (opening balance)		2,545,615	2,103,577
Cash and cash equivalents (closing balance)		2,713,150	2,545,615

Overview & Significant Accounting Policies

1 & 2

See accompanying notes to the financial statements

In terms of our report of even date

For & on behalf of the Board

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



K. K. TULSHAW  
Partner  
Membership No. 085033

*Satish Kaura*

SATISH K KAURA

Chairman and Managing Director

*OM WADHWA*

OM WADHWA

Director

Place : New Delhi  
Dated: 30th May, 2014

SAMTEL INDIA LIMITED

(Figures in Rs.)

3 SHARE CAPITAL

	As at 31st March 2014	As at 31st March, 2013
<b>Authorized</b>		
100,00,000 (Previous year 1,00,00,000) Equity Shares of Rs. 10 each	100,000,000	100,000,000
<b>Issued</b>		
70,87,943 (Previous year 70,87,943) Equity Shares of Rs. 10 each fully called up	70,879,430	70,879,430
<b>Subscribed and Fully paid up</b>		
70,80,534 (previous year 70,80,534) Equity shares of Rs. 10 each fully paid up	70,805,340	70,805,340
<b>Subscribed and not fully paid up</b>		
7,409 (previous year 7,409) Equity Shares of Rs. 10 each, Rs. 5 paid up (see note (d) below)	37,045	37,045
<b>Total Share Capital</b>	<b>70,842,385</b>	<b>70,842,385</b>
<b>(a) Reconciliation of the number of shares:</b>	<b>No of Shares</b>	<b>No of Shares</b>
<b>Fully paid up Equity Shares</b>		
Equity Shares outstanding as at the beginning of the year	7,080,534	7,080,534
Add: Bonus Issue	-	-
Equity Shares outstanding as at the close of the year	7,080,534	7,080,534
<b>Partly paid up Equity Shares</b>		
Equity Shares outstanding as at the beginning of the year	7,409	7,409
Add: Adjustment during the year	-	-
Equity Shares outstanding as at the close of the year	7,409	7,409
<b>(b) Rights, preferences and restrictions attached to shares:</b>		
The Company has only one class of equity shares having a par value of ₹ 10 per share. Each Shareholder is eligible for one vote per share held. The company declares dividends in Indian rupees. In case the dividend proposed by the board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive in proportion to their shareholding, the assets of the Company remaining after distribution of preferential amount.		

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

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

(d) Calls in arrears

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

37045

37045

4. RESERVES AND SURPLUS

<b>a) Capital Reserve</b>		
As per last account	1,500,000	1,500,000
Add: During the year	-	-
Less: Transferred during the year	-	-
	<b>1,500,000</b>	<b>1,500,000</b>
<b>b) Securities Premium</b>		
As per last account	74,116,337	74,116,337
Less: Arrears/ Adjustments (Refer note no. 31)	(72,559)	(72,559)
Add: During the year	-	-
Less: Transferred during the year	-	-
	<b>74,043,778</b>	<b>74,043,778</b>
<b>d) Surplus In Profit and Loss Account</b>		
As per last account	(140,734,822)	(118,068,569)
Add: During the year	(18,369,917)	(22,666,253)
	<b>(159,124,739)</b>	<b>(140,734,822)</b>
<b>Total Reserves &amp; Surplus</b>	<b>(83,580,961)</b>	<b>(65,191,044)</b>



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## SAMTEL INDIA LIMITED

(Figures in Rs.)

	As at 31st March, 2014	As at 31st March, 2013
<b>5 SHORT-TERM BORROWINGS</b>		
Unsecured Short term Borrowings		
Loans and advances from Related parties		10,000,000
Other loans & advances	1,073,263	1,073,263
<b>Total Short Term Borrowings</b>	<b>1,073,263</b>	<b>11,073,263</b>

Terms &amp; Conditions, Repayment Schedule and Interest rate on loan

Loan of Rs. 10,28,263 is interest free loan from Punswat Consultants Limited and Rs.45,000/- is interest free loan from Swaka Consultants Limited repayable on demand.

## Defaults in Repayment of Principal and Interest thereon

Particulars	2013-14	2012-13
Defaults in payment of interest (included in note no. 7 below)	7,730,010	7,283,161

**6 TRADE PAYABLES**Due to MSME Parties (Refer note no. 23)  
Other than MSME Parties

Total Trade Payables

	3,785,344	3,785,344
	3,785,344	3,785,344

**7 OTHER CURRENT LIABILITIES**Interest Accrued & due  
Other Payables  
Statutory Dues  
Security Deposits and Advances  
Payable to employees  
Others

Total Other Current Liabilities

	7,730,010	7,283,161
	32,469,470	31,827,788
	-	-
	5,367,083	5,367,083
	18,440,737	12,218,007
	64,006,800	56,656,039
	71,736,811	63,979,200

## SAMTEL INDIA LIMITED

(Figures in Rs.)

**10 LONG TERM LOANS & ADVANCES (UNSECURED CONSIDERED GOOD)**a) Security Deposits  
b) Loans & Advances to Related Parties  
c) Other Loans & Advances  
Advance Income tax

Total Long Term Loans &amp; Advances

	As at 31st March, 2014	As at 31st March, 2013
	180,000	180,000
	313,630	313,630
	389,557	370,632
	883,187	864,262

**11 TRADE RECEIVABLES**Exceeding Six Months  
Others  
Unsecured Considered Good

Total Trade Receivables

	798,157	
		811,811
	798,157	811,811

**12 CASH & BANK BALANCES**a) Cash & Cash Equivalents  
Cash on hands  
Bank balances in current account  
others  
b) Other Bank Balances  
Fixed Deposit/ Margin money accounts\*

Total Cash &amp; cash Equivalents

	165	165
	500,260	503,903
	22,838	22,837
	2,189,887	2,018,710
	2,713,150	2,545,615

\* Provided as security against bank guarantee

**13 SHORT TERM LOANS & ADVANCES (CONSIDERED GOOD)**Loans and Advances to Others  
Balances with government department & others

Total Short Term Loans &amp; Advances

	21,369,243	26,142,071
	18,895,039	18,895,039
	40,264,282	45,037,110

**14 OTHER CURRENT ASSETS**Excise Duty Claim Recoverable  
Considered Doubtful  
Less: Provision for bad and doubtful debts

Total Other Current Assets

	4,856,967	4,856,967
	(4,856,967)	(4,856,967)
	-	-



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## NOTES TO THE FINANCIAL STATEMENTS

SAMTEL INDIA LIMITED

(Figures in Rs.)

For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
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**15 REVENUE FROM OPERATIONS**

## Sale of Services

Revenue from Manpower Supply

-	4,468,487
---	-----------

**Total Revenue from operations**

-	4,468,487
---	-----------

**16 OTHER INCOME**

## Interest Income

190,102	137,392
---------	---------

## Other Non Operating Income

-	3,300,000
---	-----------

Excess Provision of Liabilities Written Back

16,909	-
--------	---

Unclaimed Balances Written Back

-	-
---	---

**Total Other Income**

207,011	3,437,392
---------	-----------

**17 EMPLOYEE BENEFIT EXPENSES**

## Salary and Wages

521,920	3,566,982
---------	-----------

Contribution to Provident and Other Funds

-	597,037
---	---------

Workmen &amp; Staff Welfare Expenses

-	60,114
---	--------

**Total Employee Benefit Expenses**

521,920	4,224,133
---------	-----------

**18 FINANCE COST**

## Interest Expense

Interest on Loans

446,849	2,379,999
---------	-----------

Interest on Statutory Dues

592,260	639,470
---------	---------

Interest on Taxes

43,297	3,921
--------	-------

**Total Finance Cost**

1,082,406	3,023,390
-----------	-----------

**19 OTHER EXPENSES**

## Rent

-	19,800
---	--------

## Fees &amp; Taxes

28,090	21,334
--------	--------

## Auditor Remuneration

-Audit Fees

140,000	193,000
---------	---------

-Other Services

60,000	66,180
--------	--------

## Miscellaneous Expenses

75,225	152,569
--------	---------

## Directors sitting fees

-	6,000
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## Advertisement

60,345	49,653
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## Legal &amp; Professional Expenses

149,807	795,219
---------	---------

**Total Other Expenses**

513,467	1,303,755
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SAMTEL INDIA LIMITED

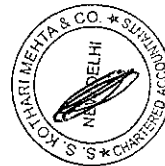
Note No 8

(Figures in `)

**FIXED ASSETS**

Particulars	Gross Carrying Value			Depreciation			Net Carrying Value		
	Balance as at 1st April 2013	Additions	Disposals/Adj	Balance as at 31st March 2014	Balance as at 1st April 2013	Depreciation for the period	Other Adjustments	Balance as at 31st March 2014	Balance as at 31st March 2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Plant and Machinery	154,689	-	-	154,689	146,955	(0)	-	146,955	7,734
Furniture and Fixtures	42,895	-	-	42,895	19,069	2,714	-	21,783	23,826
Vehicles	2,371,349	-	-	2,371,349	2,252,781	-	-	2,252,781	118,568
Total	2,568,933	-	-	2,568,933	2,418,805	2,714	-	2,421,519	150,128
Previous year	2,568,933	-	-	2,568,933	2,416,090	2,714	-	2,418,804	150,129
Capital work in progress								400,000	400,000

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



	As at 31st March, 2014	As at 31st March, 2013
<b>INVESTMENTS - LONG TERM, NON-TRADE</b>		
<b>(A) QUOTED EQUITY SHARES</b>		
i) Samtel Color Limited*# 59,22,000 (previous year 59,22,000) Equity Shares of Rs. 10/- each fully paid up	47,370,000	47,370,000
Less Provision for Diminution	(40,737,360)	(37,124,940)
Sub Total (A)	6,632,640	10,245,060
<b>INVESTMENTS - LONG TERM, NON-TRADE</b>		
<b>(B) UNQUOTED EQUITY SHARES</b>		
i) Samtel Glass Limited (formerly Samcor Glass Limited)*# 32,00,000 (Previous Year 32,00,000) Equity Shares of Rs. 10/- each fully paid up	55,500,000	55,500,000
Less : Provision for Diminution	(51,212,000)	(38,348,000)
Sub Total (B)	4,288,000	17,152,000
<b>(C) UNQUOTED INVESTMENT IN SHARES OF ASSOCIATE COMPANIES</b>		
i) Akla Investments Private Limited, (Mauritus)** 2,50,000 (Previous Year 2,50,000) Equity Shares of Euro 1 each fully paid up	13,307,500	13,307,500
Less : Provision for diminution	(13,307,500)	(13,307,500)
Sub Total (C)	-	-
<b>Total Investments - Long Term and Current - (A+B+C)</b>	<b>10,920,640</b>	<b>27,397,060</b>
Aggregate book value of quoted investments	47,370,000	47,370,000
Market value of quoted investments	6,632,640	10,245,060
Aggregate book value of unquoted investments	68,807,500	68,807,500
Aggregate Provision for diminution in value of quoted and unquoted investment	105,256,860	88,780,440

\* The Company has given undertaking to certain financial institutions not to dispose off these investments without their prior consent till the loans sanctioned by them to the investee companies remain outstanding.

# Companies under the same management.

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



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**SAMTEL INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014**

**1. OVERVIEW**

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

**2. SIGNIFICANT ACCOUNTING POLICIES**

**i) Basis of Preparation of Financial Statements**

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

The Company has prepared its financial statements in accordance with Schedule VI as inserted by Notification- S.O. 447(E), dated 28th February 2011 (As amended by Notification No F.NO. 2/6/2008-CL-V, Dated 30th March'2011). The Schedule does not impact recognition and measurement principle followed for the preparation of financial statements. However it has necessitated significant changes in the presentation of and disclosures in financial statements. The Company has reclassified its previous year figures to conform to the classification as per the aforesaid Schedule.

**ii) Use of estimates**

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

**iii) Fixed Assets and Depreciation**

**a) Fixed Assets**

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



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**SAMTEL INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014**

b) Expenditure during construction period

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

c) Intangible Assets

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

d) Depreciation and Amortization

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

iv) Impairment of Assets

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

v) Valuation of Inventories

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

vi) Foreign Currency Transactions

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

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

vii) Investments

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



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**SAMTEL INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014**

viii) Revenue Recognition

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

ix) Employee Benefits

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

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

Warranty

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

x) Taxes on Income

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

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



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**SAMTEL INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014**

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

xii) Provisions, contingent liabilities, commitments and contingent assets

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

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

xii) Cash Flow Statements

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

xiii) Earnings per share

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



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**SAMTEL INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014**

20. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities not provided for in respect of:

(FIGURES IN `)

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

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

22. Taxation

The Company has carried forward losses/unabsorbed depreciation under the Income tax Act, 1961. However, in view of uncertainty of future taxable income of the Company, in accordance with Accounting Standard AS-22 "Accounting for Taxes on Income" notified in the Companies Accounting Standard Rule 2006, the net deferred tax assets have not been recognized in the accounts.

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

24. The management has recognized a permanent diminution in the value of the investments in Samtel Colors Limited (SCL) and Samtel Glass Limited (SGL), thereby the investment value has been reduced by ` 36,12,420 (previous year ` 3,71,24,940) and ` 1,28,64,000 (previous year ` 3,83,48,000) respectively. In case of Samtel Color Limited, the above figures has been arrived as a difference between book value and market value of the shares of Company and in case SGL diminution has been derived as a difference between book value and average of the three years net worth of the Company (including the current year).



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**SAMTEL INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014**

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

(FIGURES IN `)

	Current Year	Previous Year
Profit attributable to ordinary shareholders	(1,83,89,917)	(2,26,66,253)
Number of Equity Shares (in nos.)		
a) Issued and subscribed	70,87,943	70,87,943
b) Number of potential equity shares (under Employees' stock option scheme)	NIL	NIL
Total number of shares including potential equity shares	70,87,943	70,87,943
Basic earnings per Share (`)	(2.59)	(3.20)
Diluted earnings per Share (`)	(2.59)	(3.20)

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

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

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

A. List of Related Parties and Relationships

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



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**SAMTEL INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014**

**B. Transactions with Related Parties**

(FIGURES IN `)

Particulars	Associates		Enterprises over which key management personnel or his relatives exercise significant influence		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Supply of Manpower</b>						
Samtel Color Limited				32,15,172		32,15,172
Samtel Avionics Ltd					90,333	90,333
Samtel Machines & Projects		16,17,227				16,17,227
Balances as at year end						
<b>(i) Receivables</b>						
- Samtel Machines & Projects Ltd		Nil				Nil
- Samtel Color Limited				7,98,157		7,98,157
- Samtel Avionics Ltd				3,13,630		3,13,630
<b>(ii) Payable</b>						
- Samtel Color Limited			1,66,5,4644	1,58,23,156	1,66,5,4644	1,58,23,156
- Samtel Glass Limited			37,85,344	37,85,344	37,85,344	37,85,344
- Samtel Avionics Ltd		97176				97176
<b>(iii) Inter corporate deposit (payable)</b>						
Samtel Color Limited			-	(1,00,00,000)	-	(1,00,00,000)
<b>(iv) Investments</b>						
- Akla Investment Private Limited @ #	1,33,07,500	1,33,07,500			1,33,07,500	1,33,07,500
- Samtel Color Limited #			4,73,70,000	4,73,70,000	4,73,70,000	4,73,70,000
- Samtel Glass Limited #			5,55,00,000	5,55,00,000	5,55,00,000	5,55,00,000
<b>(v) Security in the form of pledge given related to Samtel Color Limited*</b>						



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**SAMTEL INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014**

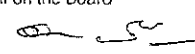
\*The Company has given undertakings to certain financial institutions not to dispose off its investments without their prior consent till the loans sanctioned by them to the investee companies remain outstanding fully provided. (Refer Note No. 9).

28. After the cessation of plant (Black and White pictures for Black and white TV Sets), Samtel India Limited had aimed to commence its operation in trading of color picture tubes, however such proposal could not be established/executed, due to low market demand. The management of Samtel India Limited has a strong believe in entering into new segment therefore it entered into the business for supplying manpower to manufacturing unit, (especially to picture tube manufacturing units). Since the demand of Cathode Ray Tube has sharply declined, the business of manpower supply has been adversely affected. The Company is further exploring other business opportunities including manufacturing and for that the company intend to by acquire suitable property, accordingly the company has entered into an agreement with M/S Amberley Estates Pvt. Ltd. having its registered office at A-81, East of Kailash, New Delhi 110065, to assist the company in identifying/ facilitating buying of suitable commercial industrial plots/space. The company will take requisite steps as and when required for obtaining necessary statutory / legal approvals. In the light of above mentioned proposal, the management has prepared and maintained its books of accounts on the concept of "going concern".
29. Due to the accumulated losses the entire net worth of the Company has been eroded at the end of financial year 2013-14. The management is in the process of seeking legal opinion regarding the applicability of provision of Sick Industrial Companies(Special Provision) Act,1985 and necessary step will be initiated accordingly
30. During the previous year ended on 31st March 2011, the Company has made reconciliation of Provident Fund Trust with the Company's books. On reconciliation, it was found that the value of the assets was less than the obligation of provident fund by ` 44,87,356/-. This is basically the interest liability of the balance outstanding of provident fund as at 31st March 2011. The balance outstanding as at 31.3.2014 is ` 17,82,871.
31. In earlier years, the Company has given security in the form of pledge upto ` 59 lacs fully paid up equity shares of ` .10 each of Samtel Color Limited (SCL) held by the Company in favor of the bank acting as trustee for itself and as agent for other lenders of SCL as per the Corporate Debt Restructuring (CDR) Scheme of SCL as approved by CDR Cell of RBI, as it has major investment in SCL and in view of the management it would add long term value to the Company.
32. Unpaid portion in share premium, calls in arrears on equity share issued in earlier years was ascertained on reconciliation during the previous year, ended as at 31st March 2012.
33. There is no other information apart from the information already disclosed pursuant to the relevant clauses of new schedule VI as inserted in the Companies Act, 1956 by the Notification- S.O. 447(E), dated 28th February 2011 (As amended by Notification No F.NO. 2/6/2008-CL-V, Dated 30th March'2011).
34. Previous year figures have been regrouped / rearranged wherever necessary to conform to this year's classification.



  
SATISH K KAURA  
Chairman and Managing Director

For & on behalf on the Board

  
OM WADHWA  
Director

## SAMTEL INDIA LIMITED

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

### PROXY FORM

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

being a Member / Members of SAMTEL INDIA LIMITED hereby appoint (Name) .....  
..... of (Address).....

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

as my / our proxy to attend and vote for me / us and on my / our behalf at the 32<sup>nd</sup> Annual General Meeting of Samtel India Limited to be held on Monday, the 30th September 2014 at 3.30 P.M. at Village Naya Nohra, Kota Baran Road, Tehsil- Ladpura, Distt- Kota, Rajasthan-324001.

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

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

Signature of Attested by

the Proxy Holder:.....

Member : .....

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

## SAMTEL INDIA LIMITED

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

### ATTENDANCE SLIP

I hereby record my presence at the at the 32<sup>nd</sup> Annual General Meeting of Samtel India Limited to be held on Monday, the 30th September 2014 at 3.30 P.M. at Village Naya Nohra, Kota Baran Road, Tehsil- Ladpura, Distt- Kota, Rajasthan-324001.

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