

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting their Twenty Fourth Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2008.

ACCOUNTS

	31.03.2008	31.03.2007
	<u>Rs. / (000)</u>	<u>Rs. / (000)</u>
Gross Profit for the year under Review	18697	8585
Less: Depreciation for the year	2736	1722
Profit for the year	<u>15961</u>	<u>6863</u>
Less: Provision for Income Tax (Net of MAT Credit)	1771	591
Less: Provision for Fringe Benefit Tax	334	240
Less: Deferred Tax Liability	3663	843
	<u>10193</u>	<u>5189</u>
Add: Prior period adjustments	-	147
	<u>10193</u>	<u>5336</u>
Add: Balance brought forward from earlier years	18212	12876
Surplus available for appropriation	<u>28405</u>	<u>18212</u>
Appropriations		
Proposed Dividend on Equity Shares	1580	-
Tax on Proposed Dividend	268	-
General Reserve	255	-
Balance Carried to Balance Sheet	<u>26302</u>	<u>18212</u>
	<u>28405</u>	<u>18212</u>

DIVIDEND

Your Directors are pleased to recommend a dividend @12.50% on paid-up equity share capital of the Company.

OPERATION

The sale of Ceramic Transfer Sheets during the year increased to Rs. 435.74 lacs from Rs. 263.61 lacs in the previous year, registering a growth of 65.30% and sale of Screen increased by 48.80% from Rs. 71.60 lacs to Rs. 106.52 lacs. Likewise the sale of Decorated Tiles increased to Rs. 1440.89 lacs from Rs. 653.76 lacs in the previous year, a growth of 120.40%.

EXPANSION

To cater to the growing demand in western and southern regions also, your Company has set up a tile decoration plant at Kadi (Gujarat) at a total cost of around Rs. 107 lacs to manufacture about 350 square meters of decorated tiles per day. The commercial production at the said plant started with effect from 24th March, 2008.

MARKET AND FUTURE PROSPECTS

Ceramic Transfer Sheets :

Ceramic transfer business is moving towards customized designing. Based on this your Company is exploring new business with a few glass and ceramic manufactures in the organized sector. Your Company is also exploring possibilities of its ceramic transfers being substituted for imports by certain existing and prospective customers. Your Company expects to maintain their growth in sale of ceramic transfers during the current year also.

Decorated Tiles :

The year once again witnessed rapid changes in design and consumption patterns for decorated tiles. The bigger size designer tiles have taken the larger share of the market. Being the pioneers in launching bigger format decorated tiles now supported by two fully operational plants, we expect good growth in sales during the current year also.

Decoration of crockery ware :

Your Company is also setting up its own decoration and firing facility for crockery ware using own manufactured ceramic transfer sheets. This facility is expected to be commissioned in the current year.

AUDITORS' REPORT

All the items on which, comments have been made by the auditors in their report to the shareholders are self explanatory, as explained by way of notes to the accounts.

DIRECTORS

Shri H. L. Somany resigned from the Board of the Company w.e.f. October 29, 2007 due to his advancing age. It was with great reluctance that the members of the Board agreed to accept his resignation. The Board placed on record the excellent,

dynamic and visionary leadership provided by him through his tenure which enabled the Company to sustain. Under his Chairmanship, guidance and control, the Company has achieved new heights of success.

Shri N. Goenka was appointed as an Additional Director of the Company with effect from 28th January, 2008 and holds office up to the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 read with Article 104 of the Articles of Association of the Company. Notice has been received from a Member under Section 257 of the Companies Act, 1956, proposing candidature of Shri N. Goenka for the office of Director of the Company.

Shri G. L. Sultania, Director of the Company retires by rotation and, being eligible, offers himself for re-appointment.

AUDITORS

M/s. Sanjeev Neeru & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and do not offer themselves for appointment. The Board had recommended to appoint M/s. A. K. Maheshwari & Associates, Chartered Accountants as statutory auditors of the Company for financial year 2008-09 subject to the approval of members at the ensuing Annual General Meeting.

CORPORATE GOVERNANCE

A report on Corporate Governance along with Management Discussion & Analysis in terms of the Listing Agreement is annexed hereto and forms an integral part of this Report.

DELISTING

The Company's equity shares were delisted from The Calcutta Stock Exchange Association Limited, as confirmed vide their letter dated 10th March, 2008 pursuant to the resolution passed by the Shareholders at their Annual General Meeting held on 19th September, 2003, however, these shares of the Company have been allowed by the said Exchange to be traded under the 'Permitted Category'. The Company's equity shares, however, continued to be listed at the Bombay Stock Exchange Limited having nationwide terminals.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, a statement showing particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is annexed hereto and forms part of this report.

PARTICULARS OF EMPLOYEES

Information as required under Section 217(2A) of the Companies Act, 1956, read with Particulars of Employees Rules, 1975 in respect of Company's employees is not being given since no employee is covered under the clause.

SECRETARIAL COMPLIANCE CERTIFICATE

Your Directors are pleased to enclose the Secretarial Compliance Certificate for the year 2007-08, as part of this Directors' Report, pursuant to the provision of the Section 383A of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that :

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with the proper explanation relating to material departures ;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year on 31st March 2008 and of the profit of the Company for that period ;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- (iv) the Directors had prepared the annual accounts on a going concern basis.

For and on behalf of the Board

New Delhi
Dated, the 23rd May, 2008

G. L. Sultania
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Additional information given as required under the Companies (Disclosure of the Particulars in the Report of the Board of Directors) Rules, 1988.

A) CONSERVATION OF ENERGY

- a) Energy Conservation measures taken :
 - i) Timely maintenance of electric motors.
 - ii) Grouping in lighting systems changed to separate lighting system to enable the disconnection of power when not in use.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :
No additional investments are considered necessary at present.
- c) Impact of measures (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :
Energy consumption vis-à-vis cost continue to be at the optimum level.
- d) Total energy consumption and energy consumption per unit of production :
The Company is not covered under the list of specified industries.

B) TECHNOLOGY ABSORPTION

FORM – B

Research and Development (R & D)

- 1) Specific areas in which R & D carried out by the Company :
 - i) Induction of new highlighters in designer tiles.
 - ii) Development of new sizes and up-gradation of manufacturing process.
- 2) Benefits derived, as a result of the above R & D :
Lower rejections, keeping pace with the updated international technology and better quality.
- 3) Future plan of action and expenditure on R & D :
R & D will be continued in the areas mentioned under item no. 1 above as an ongoing process. Expenses incurred are charged to respective heads and not allocated separately.

Technology absorption, adaptation and innovation

Efforts made and benefits arrived :

Installation of new machineries to the existing manufacturing process resulted lower rejections and better quality produce.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

Rs./000

A. Foreign Exchange Outgo -	6918
B. Foreign Currency Earned -	NIL

For and on behalf of the Board

New Delhi
Dated, the 23rd May, 2008

G. L. Sultania
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Operating results for the period, market and future prospects have been discussed in the Directors' Report. A further overview of Company's business by the management with a discussion on the Company's areas of strength and weakness, the opportunities that are available and the threats and concerns that are being experienced is given below.

Industry Structure & Development

Market condition for ceramic transfers (decals) has improved. Most of the small manufacturers have closed down their plants. The consumers are now demanding quality products. A large manufacture of Opal & Transparent Glass who was sourcing transfer sheets from outside has also started sourcing its requirements from your Company. Your Company continue to be the leader in production of ceramic transfers for glass and it is expected that use of ceramic transfers by the Glass Industry would increase in future.

With higher disposable incomes, knowledge of prevailing trends across the world through access to electronic and print media and cheap travels, the Indian consumer is more and more inclined towards stylish tiling concepts for their bathrooms and kitchens triggering good demand for high and decorated tiles. The tiles have therefore rapidly moving away from a purely hygiene product to lifestyle statement. Encouraged by this favourable market condition, the Company has set-up its another plant at Kadi (Gujarat) during the year thereby increasing capacity of decorated tiles division to 3,50,000 square meter per annum (previous year 2,50,000 square meter per annum).

Risk & Concerns

The Company's writ petition challenging the notice of acquisition of Company's plant land at Kassar for setting up an Industrial Zone is pending with Punjab & Haryana High Court. The plant was set up after obtaining the necessary permission for change of land use and the land is used by your Company for industrial purposes only. It is hoped that the matter will be settled amicably with the State Government and/or through the process of Court proceedings.

Internal Control Systems

Regular audit of systems & accounts of the Company is carried out by the Internal Auditor and it is ensured that Internal Control System are adequate and reliable and there is proper compliance of all regulations & obligations. It has also been ensured that all data necessary for an effective internal control and analysis are available at various levels of management. Your Company is also contemplating to obtain ISO 9001 certificate.

Human Resources & Industrial Relations

The Company continues to have cordial relations with its staff & workers who are continued to be trained to acquire and develop necessary skills for conducting business of the Company in a better way. The Company is employing close to 220 employees as on 31.03.2008. Industrial relations during the year continued to be cordial.

For and on behalf of the Board

New Delhi
Dated, the 23rd May, 2008

G. L. Sultania
Chairman

SECRETARIAL COMPLIANCE CERTIFICATE

We have examined the registers, records, books & papers of M/S. SCHABLONA INDIA LIMITED as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum & Articles of Association of the Company for the year ended on 31st March,2008. In our opinion and to the best of our information & according to the examinations carried out by us & explanations furnished to us by the Company, its officers & agents, we certify that in respect of aforesaid financial year:

1. The Company has kept & maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act & the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, West Bengal under the Companies Act, 1956 and the rules made thereunder. However, no forms or returns were required to be filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company being a Public Limited Company, provisions of Section 3(1)(iii) are not applicable, so comments are not required.
4. The Board Of Directors duly met four times respectively on 18th May 2007, 28th July 2007, 29th October 2007 & 28th January 2008 in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. The Company has passed Board resolution by circulation on 23rd April 2007, 10th December 2007 and 22nd January 2008.
5. The Company has closed its register of Members for transfer or other purposes during the above financial year from 1st September,2007 to 15th September,2007 (both days inclusive).
6. The Annual General Meeting for the financial year ended on 31st March'2007 was held on 15th September'2007 after giving due notice to the Members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the aforesaid financial year.
8. The Company has not advanced any loan to its Director and/or person or Firm or Company referred in the Section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act as and where required.
11. As there are no instances falling within the purview of Section 314 of the Act, the Company has not obtained approvals from the Board of Directors, Members or Central Government.
12. The Company has issued two new Share Certificate for 2053 Shares on account of consolidation during the financial year under review.
13. The Company has:
 - a) not made allotment of any Equity Share during the year under review
 - b) delivered all the certificates on lodgement thereof for transfer/transmission or any other purposes during the above financial year within statutory time limit as prescribed under various provision of the Companies Act and as per listing agreement.
 - c) not required to deposit any amount in a separate bank account for dividend as no dividend was declared during the above financial year.
 - d) not required to post dividend warrants to any of its Members as no dividend was declared during the above financial year.
 - e) no amount lying outstanding in unpaid Dividend account or under any other head for more than seven years, which are required to be transferred to IEPF under Section 205C of the Act.
 - f) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was an appointment of additional Director during the year under review. There were no appointment of alternate Director or Director to fill casual vacancy during the above financial year.
15. The Company has not appointed any Managing Director/Whole time Director/Manager during the above financial year.
16. The Company has not appointed any Sole-selling Agent during the above year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities prescribed under the various provisions of the Act during the year under review.
18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any Share/Debenture/other Security during the above financial year.
20. The Company has not bought back Share during the above financial year.

21. The Company has neither issued nor redeemed any redeemable preference Share and/or Debenture during the above financial year.
22. There was no transaction necessitating the Company to keep in abeyance the right to dividend, rights shares and bonus shares pending registration of transfer of Shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the above period under review.
24. The Company has borrowed secured loans from nationalised bank during the above financial year and the same are within the borrowing limits of the Company under Section 293(1)(d) of the Act.
25. The Company has not granted any loans and advances or given guarantee or provided securities in relation to loan given to other Bodies Corporate under Section 372A of the Act. Hence no entries have been required to made in the register kept for this purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the above financial year.
27. The Company has not altered the provisions of Memorandum with respect to the objects of the Company during the above financial year.
28. The Company has not altered the provisions of Memorandum with respect to name of the Company during the above financial year.
29. The Company has not altered the provisions of Memorandum with respect to Share Capital of the Company during the above financial year.
30. The Company has altered its Articles of Association during the above financial year as per Provisions of the Act.
31. There was no prosecution initiated against or show cause notices received by the Company during the above year for offence under the various provisions of the Act.
32. The Company has not received any money as security from its employees during the above financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with appropriate authorities pursuant to Section 418 of the Act during the aforesaid financial year.

Place: 9, Crooked Lane,
Kolkata - 700 069
Date: 23/05/2008

FOR DROLIA & COMPANY
(Company Secretaries)
(P K Drolia)
Proprietor
CP: 1362

ANNEXURE : A Registers maintained by the Company			ANNEXURE : B				
SL. No.	Particulars	Section	SL. No.	Form No./ Return	Filed under Section	Date of Filing	Whether filed within Statutory time period
1.	Register of Members	150	1.	Balance Sheet as at 31 st March 2007 in Form 23AC	220	20.09.07	Yes
2.	Directors Minutes Book	193	2.	Annual Return made upto 15.09.07 in Form 20B	159	08.11.07	Yes
3.	Shareholders Minutes Book	193	3.	Compliance Certificate for the year ended 31.03.07 in Form No. 66	383A	20.09.07	Yes
4.	Register of Directors	303	4.	Form 8 (For modification of charge)	125/127/130/ 135	22.02.08	Yes
5.	Register of transfer	--	5.	Form 8 (For modification of charge)	125/127/130/ 135	22.02.08	Yes
6.	Register of Director's Shareholding	307	6.	Form No. 32(Appointment of Mr Rakesh Kumar Borar as regular Director)	303(2)	26.10.07	No
7.	Register of Contracts	301	7.	Form No. 32 (Resignation of Mr. H.L.Somany)	303(2)	08.12.07	No
8.	Register of Charges	143	8.	Form No. 32(Appointment of Mr N Goenka as Additional Director)	303(2)	09.02.08	Yes
9.	Register of Investments	372A	9.	Form 23 dated 15.09.2007	192	23.09.07	Yes

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is aimed at the efficient and ethical conduct of its business and meeting its obligations to shareholders, stakeholders, Government and the Society at large.

BOARD OF DIRECTORS

As on date Board of Directors comprises of four Members consisting of one Independent Non-Executive Chairman and three Independent Non-Executive Directors. There were 4 (four) Board meetings during the year 2007-08 i.e. on 18 May, 28 July, 29 October in 2007 and 28 January in 2008. Details of the Directors by category, their attendance, other directorship including Membership/Chairmanship of Board Committees and No. of shares held are:-

Directors	Category	No. of Meetings held	No. of Board Meetings attended	Attended last AGM	Number of Directorships in other Companies (\$)	No. of Committee positions held in Companies		No. of Shares held
						Chairman	Member	
Shri H. L. Somany (*)	Promoter	3	3	YES	3	-	-	339634
Shri G. L. Sultania (**)	Independent	4	4	YES	12	5	5	500
Shri Anirudh Kabra	Independent	4	4	NO	-	-	2	-
Shri R. K. Borar	Independent	4	3	NO	-	-	1	3000
Shri N. Goenka (#)	Independent	1	-	YES@	8	-	4	-

(*) Chairman of the Board till conclusion of Board Meeting held on 29th October, 2007 and thereafter resigned with immediate effect.

(**) Chairman with effect from 29th October, 2007, upon conclusion of the Board Meeting held on that date.

(#) Appointed as an additional director w.e.f. 28th January, 2008

(\$) Excluding directorship in Private Limited Companies.

(@) Attended as representative of a Corporate Member of the Company.

Code of Conduct:

The Board has laid down a code of conduct for all its Board Members and senior Management personnel, as approved by the Board and the same is being abided by all of them. The Company has obtained the confirmation of the compliances to the said effect from Shri G. L. Sultania, Chairman of the Company.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The Audit Committee comprises of following Members all of them being Non-Executive Independent Directors of the Company and they attended its meetings held on 18 May, 28 July, 29 October in 2007 and 28 January in 2008:-

Name of Members	No. of meetings held	No. of meetings attended	Status
Shri G. L. Sultania	4	4	Chairman
Shri H. L. Somany (*)	3	3	Member
Shri Anirudh Kabra	4	4	Member
Shri R. K. Borar (#)	-	-	Member
Shri N. Goenka (#)	-	-	Member

(*) Resigned w.e.f. 29th October, 2007.

(#) Appointed w.e.f. 28th January, 2008 by the Board.

Terms of reference

Terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges that inter-alia include review of reports of Internal and Statutory Auditors and ensure that suitable follow-up actions are taken, review of Quarter and Annual Financial Statements, review of adequacy of internal control systems, review of significant findings, adequacy of Internal Audit functions and review of the financial and risk management policies, recommendation for appointment of Statutory Auditors, Internal Auditors and fee payable to them etc.

SHARE TRANSFER COMMITTEE

Your Company has a Share Transfer Committee comprising of Shri G. L. Sultania presently the Chairman of the Company (who chairs the meeting), Shri N. Goenka presently the Additional Director and Shri S. Banerjee, a senior personal of the Company. The Committee met 12 times during the period under review. Total 13894 shares received for transfer were registered and dispatched within 15 days of receipt, if the documents were correct and valid in all respects. There were no valid share transfers pending for registration for more than 30 days as on 31.03.2008.

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee is comprising of following Directors as its Members and they attended its meetings held on May 18, 2007, July 28, 2007, October 29,2007 and January 28, 2008 as detailed below :-

Members	Category	No. of meetings held	No. of meeting attended	Status
Shri G. L. Sultania	Independent	4	4	Chairman
Shri H. L. Somany (*)	Promoter	3	3	Member
Shri Anirudh Kabra	Independent	4	4	Member
Shri N. Goenka (#)	Independent	-	-	Member

Shri G. L. Sultania is also acting as Compliance Officer.

(*) Resigned w.e.f. 29th October, 2007.

(#) Appointed w.e.f. 28th January, 2008.

Terms of reference

The Company has constituted the Shareholders'/Investors' Grievance Committee to expeditiously redress the shareholders' complaint and grievances, if any. During the year under review, the Company received 15 letters/ complaints from shareholders, which were replied/resolved to the satisfaction of shareholders.

REMUNERATION COMMITTEE

The Company has a Remuneration Committee consisting of Non-Executive Independent Directors under the Chairmanship of Shri G. L. Sultania and Shri Anirudh Kabra as a member of the Committee. Shri N. Goenka appointed as another member of the Committee w.e.f. 28th January, 2008, consequent upon resignation of Shri H. L. Somany w.e.f. 29th October, 2007. There was no agenda for holding this committee's meeting during the year 2007-08.

Remuneration to Directors

Name	Salary & Perks (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Shri H. L.Somany (*)	--	3,700	3,700
Shri G. L.Sultania	--	6,700	6,700
Shri Anirudh Kabra	--	6,700	6,700
Shri R. K. Borar	--	2,000	2,000
Shri N. Goenka (#)	--	--	--

(*) Resigned w.e.f. 29th October, 2007.

(#) Appointed w.e.f. 28th January, 2008.

The Non-Executive Directors are entitled to receive Director's Commission in accordance with a special resolution passed by the Shareholders at their Annual General Meeting held on 15th September, 2007.

Besides the above, no other pecuniary relationship or transactions vis-a-vis the Company exists with the Non-Executive Directors.

GENERAL BODY MEETINGS

The details of Annual General Meetings conducted and Special Resolutions passed in the past three years :

Year	Date	Time	Special Resolutions passed
2006-2007	15.09.2007	1-30 P.M.	(i) Amendment in Articles of Association for payment of Director's fee subject to limits fixed under the Act. (ii) Authorisation for payment of Director's Commission in accordance with calculations and limits prescribed under the Act.
2005-2006	19.08.2006	11-30 A.M.	None
2004-2005	05.08.2005	12-30 P.M.	Creation of mortgage/charges under Section 293(1)(a) of Act.

Annual General Meetings for the year 2004-05 and 2005-06 were held at Jhaharia Committee Room and for 2006-07 is was held at Somany Conference Hall, both at Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata – 700 001.

No Special Resolution was passed through Postal Ballot during the financial year ended on 31st March, 2008 and no Special Resolution is proposed to be conducted through Postal Ballot in the ensuing AGM.

SUBSIDIARY COMPANIES

The Company does not have any Subsidiary Company.

DISCLOSURES

(i) There were no transactions of material nature between the Company and its directors or management and their relatives or promoters that may have a potential conflict with the interests of the Company. Related party transactions have been disclosed in the notes to the accounts in the financial statements as at 31.03.2008.

(ii) There has been no instance of non-compliance by the Company on any matter related to capital markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, does not arise.

(iii) The Company complies with all mandatory requirements and one non-mandatory requirement of Clause 49 of Listing Agreement viz. constitution of Remuneration Committee of Directors.

MEANS OF COMMUNICATION

The Quarterly Results are usually published in Financial Express, Kolkata (English edition) & Kalantar, Kolkata (Bengali edition). These are submitted to the Stock Exchanges in accordance with the Listing Agreements and regularly posted on SEBI Website: www.sebiedifar.nic.in in terms of Clause 51 of Listing Agreement and also posted in Company's website : www.schablona.in.

During the year the Company has not made any presentation to Institutional investors or analysts.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

The MD&A giving an overview of the Industry, Company's business and its financials is printed separately as a part of this Annual Report.

GENERAL SHAREHOLDER'S INFORMATION

Date and Venue of Annual General Meeting:

Tuesday, 16th September, 2008 at 3.00 P.M. at Somany Conference Hall of Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata – 700 001.

Financial Year: 1st April to 31st March.

Book Closure Date: 8th September 2008 to 16th September, 2008 (both days inclusive)

Financial Calendar:

The schedule of the results for 2008-2009 is as follows:

First Quarter : Last week of July 2008
 Second Quarter : Last week of October 2008
 Third Quarter : Last week of January 2009
 Fourth Quarter : Last week of May 2009

Contact for Clarification on Financial Statements: Individual may contact

Shri N. Goenka, Director
 2, Red Cross Place, Kolkata-700 001
 Phone : 033-22487406/07 Fax : 033-22487045

Dividend:

The Board of Directors of Company has recommended a dividend @12.50% i.e. Re. 0.50 per equity share of Rs. 4/- each for the year 2007-08 at its meeting held on 23rd May, 2008 for Members' approval.

Listing on Stock Exchange:

Shares of the Company are listed at Bombay Stock Exchange Limited (BSE) and the listing fee for the year 2008-09 has been paid by the Company to the Exchange within the stipulated time period. The Calcutta Stock Exchange Association Limited (CSE) has confirmed vide its letter dated 10th March, 2008, that the Company's shares have been delisted from the CSE with effect from 10th March, 2008, in terms of its application for voluntary delisting of shares from CSE. However, the Company's shares will continue to be traded at CSE under the permitted category as stated in the aforesaid letter of CSE.

Stock Code:

BSE- 507894, CSE – 29005
 Demat ISIN Number for NSDL & CDSL : INE 024C01026 for the paid-up value of Rs.4/- each.

Market Price Data & Comparison with BSE Index:

Month	Bombay Stock Exchange Ltd.			B S E Index	
	High Rs.	Low Rs.	No. of Shares Traded	High	Low
April 2007	11.00	8.06	11,370	14,383.72	12,425.52
May 2007	11.30	8.25	24,361	14,576.37	13,554.34
June 2007	14.60	8.95	24,712	14,683.36	13,946.99
July 2007	14.00	11.20	74,458	15,868.85	14,638.88
August 2007	16.03	12.45	65,655	15,542.40	13,779.88
September 2007	17.70	13.80	1,31,896	17,361.47	15,323.05
October 2007	20.90	15.40	71,296	20,238.16	17,144.58
November 2007	34.00	21.00	1,17,566	20,204.21	18,182.83
December 2007	28.05	23.05	28,758	20,498.11	18,886.40
January 2008	31.30	26.00	62,136	21,206.77	15,332.42
February 2008	31.20	26.10	1,09,831	18,895.34	16,457.74
March 2008	29.70	24.00	55,869	17,227.56	14,677.24

*Source : Official website of BSE.

Registrar & Share Transfer Agent:
(Both for physical and demat segment)

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, Kolkata – 700 001
Phone No. 033-2243 5809/5029, Fax No. 033-2248 4787
E-mail : mdpl@cal.vsnl.net.in

Share Transfer System:

The Company's share are traded on stock exchanges in compulsory de-mat mode. Shares in physical mode are lodged with the Company, which are transferred subject to exercise of option under the transfer-cum-demat procedures. Share certificates are either demated or returned in physical form within the time prescribed by the authorities.

Distribution of Shareholding as on 31st March 2008:

No. of Equity Shares	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1- 500	3,289	88.70	5,97,420	18.91
501-1000	249	6.71	1,93,782	6.13
1001-2000	90	2.43	1,36,065	4.31
2001-3000	25	0.67	65,110	2.06
3001-4000	6	0.16	20,898	0.66
4001-5000	11	0.30	51,475	1.63
5001-10000	14	0.38	1,06,134	3.36
10001 and above	24	0.65	19,88,331	62.94
Total	3,708	100.00	31,59,215	100.00

Shareholding Pattern as on 31st March 2008:

Shareholders Category	No. of holders	No. of Shares	Percentage
Indian Promoters, Directors & Relatives	10	15,97,773	50.57
Mutual Funds & UTI	-	-	-
Banks, Financial Institutions, Insurance Companies	1	200	0.01
FII's	-	-	-
Private Corporate Bodies	63	2,48,060	7.85
Indian Public	3,628	13,04,982	41.31
NRIs/OCBs	6	8,200	0.26
Total	3,708	31,59,215	100.00

Dematerialisation of Shares:

The Company's equity shares enjoy the DEMAT facilities with NSDL as well as CDSL and 1530641 shares representing 48.45 percent of the equity capital as on 31.03.2008 were in demat form.

The Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments

Plant Location:

- P.O. - Kassar, Bahadurgarh – 124 507, Dist. Jhajjar, Haryana.
- 18/1,18/2, G.I.D.C., Industrial Estate, Kadi – 382 715, Gujarat.

Shareholder Enquiries: Individual may contact Mr. Shyamalendu Banerjee at :
2, Red Cross Place, Kolkata – 700 001, Phone : 033-22487406/7, Fax : 033-22487045

Declaration on Code of Conduct

23rd May,2008

The Board of Directors
Schablona India Limited
2, Red Cross Place,
Kolkata-700 001

Dear Sir,

I hereby confirm and declare that all the Directors of the Company and all Senior Management personnel as defined in the Code of Conduct of the Company have submitted annual declarations confirming their compliance of the same during the financial year ended on 31st March,2008

Thanking you,

Yours faithfully
For Schablona India Limited
G. L. Sultania
Chairman

AUDITOR'S CERTIFICATE

To the Members of
Schablona India Limited

We have examined the Compliance of Corporate Governance by **SCHABLONA INDIA LIMITED** for the year ended 31st March, 2008 as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchange.

The Compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above-mentioned listing agreement.

We state that generally no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Company.

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.

Place: New Delhi
Dated: 23rd day of May, 2008

For SANJEEV NEERU & ASSOCIATES

Chartered Accountants

(Sanjeev Gupta)

Proprietor

Membership No. 90188

AUDITOR'S REPORT

To the Members

1. We have audited the attached Balance Sheet of **M/s. SCHABLONA INDIA LIMITED** as at 31st March 2008 and the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with accounting standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended from time to time issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order, as applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) Proper books of accounts as required by law have been kept by the Company so far appears from our examination of the Books;
 - c) The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of accounts;
 - d) In our opinion, the Balance Sheet, Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
 - e) On the basis of written representations received from the Directors as on 31st March 2008 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) 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 Balance Sheet of the state of affairs of the Company as at 31st March, 2008;
 - ii) In the case of Profit and Loss Account of the **PROFIT** 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.

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph "3" of the Auditors' Report to the Members of M/s. SCHABLONA INDIA LIMITED on the Accounts for the year ended 31st March 2008.

- (i)
 - (a) The Company has maintained proper records of Fixed Assets showing full particulars including quantitative details and situations thereof.
 - (b) The Fixed Assets have been physically verified by the management according to a regular programme of periodical verification which in our opinion is reasonable having regard to the size of the Company and nature of Fixed Assets. The discrepancies observed on such verification were not material.
 - (c) During the year under report, no substantial part of the fixed assets has been disposed off.
- (ii)
 - (a) The stock of finished goods, stores and spares and raw materials have been physically verified by the management at reasonable intervals during the year.
 - (b) In our opinion, the procedure and frequency of such verification is reasonable and adequate having regard to the size of the Company and nature of its business.
 - (c) In our opinion, the Company is maintaining proper records of inventory and discrepancies noticed on physical verification have been adequately accounted for in its books of accounts.
- (iii) In our opinion, the Company has not granted or taken any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, therefore, clause 4 (a),(b),(c), (d) of the Order are not applicable to the Company.

- (iv) In our opinion and according to the information and explanations provided to us, it appears that there are adequate internal control procedures commensurate with the size and nature of business for the purchase of raw materials and components, plant & machinery, equipment, other assets and for the sale of goods.
- (v) According to information and explanations given to us, there are no transaction of purchase and sale of goods, material and services made in pursuance of contracts or agreements entered in the register(s) maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- or more in respect of each party.
- (vi) In our opinion and according to the information and explanations provided to us, the Company has not accepted any deposits to which provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under are applicable.
- (vii) In our opinion and according to the information and explanations provided to us, the Company has an internal audit system commensurate with the size & nature of its business.
- (viii) In our opinion and as per information given to us, maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 has not been prescribed by the Central Government for the Company.
- (ix) (a) According to information and explanations given to us and as per records of the Company, the Company is generally regular in depositing the undisputed statutory dues with appropriate authorities.
(b) According to information and explanations given to us and as per records of the Company, there are no undisputed Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and Service Tax outstanding as at 31/03/2008.
- (x) There are no accumulated losses of the Company at the end of the financial year. The Company has not incurred any cash loss during the year or in the financial year immediately proceeding the year under report.
- (xi) The Company has not defaulted in repayment of dues to financial institution or Bank. There were no debentures issued by the Company.
- (xii) According to the information 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) According to the information given to us, the Company has not given any guarantee for loans taken by others from Banks or financial institutions.
- (xiv) According to the information and explanations given to us and on the basis of an overall examination of the books and records of the Company, in our opinion, the term loans have been applied for the purposes for which they were obtained.
- (xv) According to the information and explanations given to us and on the basis of an overall examination of the books and records of the Company, in our opinion, there are no funds raised on a short-term basis, which have been used for long-term investments and vice-versa.
- (xvi) The Company during the year has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xvii) The Company during the year has not issued any debentures, therefore, clause 4 (xix) of the order regarding creation of any security is not applicable to the Company.
- (xviii) The Company has not raised money by way of public issues during the year.
- (xix) According to the information given to us, no fraud on or by the Company has been noticed or reported during the year.
- (xx) In our opinion and according to the information & explanations given to us, other Clauses of the Order are not applicable to the Company.

Place: New Delhi
Dated: 23rd day of May, 2008

For SANJEEV NEERU & ASSOCIATES
Chartered Accountants
(Sanjeev Gupta)
Proprietor
Membership No. 90188

SCHABLONA INDIA LIMITED

BALANCE SHEET AS AT 31 st March, 2008

	Schedule	2008 Rupees	2007 Rupees
SOURCES OF FUNDS			
<u>SHAREHOLDER'S FUNDS</u>			
Share Capital	1	12,636,860	12,636,860
Reserves & Surplus	2	26,620,349	18,275,519
<u>LOAN FUNDS</u>			
Secured Loan	3	30,526,018	22,065,722
Deferred Tax Liability		4,905,402	1,241,807
TOTAL		74,688,629	54,219,908
APPLICATION OF FUNDS			
<u>FIXED ASSETS</u>			
Gross Block	4	55,123,032	35,921,124
Less : Accumulated Depreciation		7,139,903	4,404,195
Net Block		47,983,129	31,516,929
Capital Work in Progress (including in transit)		1,791,383	4,498,633
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
Inventories	5	37,169,288	25,777,690
Cash & Bank Balances	6	2,630,731	1,034,046
Sundry Debtors	7	43,727,362	17,548,347
Loans & Advances	8	8,480,525	3,610,325
Total Current Assets		92,007,906	47,970,408
<u>Less : CURRENT LIABILITIES & PROVISIONS</u>			
Current Liabilities	9	62,137,727	28,024,267
Provisions	10	4,956,062	1,741,795
Total Current Liabilities		67,093,789	29,766,062
Net Current Assets		24,914,117	18,204,346
TOTAL		74,688,629	54,219,908
NOTES TO THE ACCOUNTS	17		

As per our Audit Report of Even Date Attached

Place: New Delhi
Dated: 23rd day of May, 2008

for SANJEEV NEERU & ASSOCIATES
Chartered Accountants
(Sanjeev Gupta)
Proprietor
Membership No. 90188

G. L. SULTANIA *Chairman*
N. GOENKA *Director*

SCHABLONA INDIA LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 st March, 2008

	Schedule	2008 <u>Rupees</u>	2007 <u>Rupees</u>
INCOME			
Sales	11	189,230,587	90,855,016
Other Income	12	2,292,527	2,445,606
Increase/(Decrease) in Stocks	13	5,185,113	3,335,426
		<u>196,708,227</u>	<u>96,636,048</u>
EXPENSES			
Manufacturing & Other Expenses	14	174,814,772	85,631,135
Finance Charges	16	3,196,260	2,420,111
Depreciation		2,735,708	1,722,243
		<u>180,746,740</u>	<u>89,773,489</u>
Profit for the year		15,961,487	6,862,559
Add: Prior Period Adjustments		-	146,959
		<u>15,961,487</u>	<u>7,009,518</u>
Less: Provision for Fringe Benefit Tax		334,000	240,000
Less: Deferred Tax Liability		3,663,595	843,050
Less: Provision for Income Tax		1,771,000	591,000
		<u>10,192,892</u>	<u>5,335,468</u>
Add: Balance brought forward from earlier years		18,212,239	12,876,771
Profit Available for Appropriations		<u>28,405,131</u>	<u>18,212,239</u>
Less: Appropriations			
General Reserve		255,000	-
Proposed Dividend		1,579,608	-
Tax on Dividend		268,454	-
Balance carried to Balance Sheet		<u>26,302,069</u>	<u>18,212,239</u>
		<u>28,405,131</u>	<u>18,212,239</u>
Earnings per Share (Basic & Diluted)		3.23	1.69
Refer Note No. "5" of Schedule 17			

NOTES TO THE ACCOUNTS

17

As per our Audit Report of Even Date Attached

for **SANJEEV NEERU & ASSOCIATES**
Chartered Accountants
(Sanjeev Gupta)
Proprietor
Membership No. 90188

G. L. SULTANIA *Chairman*
N. GOENKA *Director*

Place: New Delhi
Dated: 23rd day of May, 2008

SCHABLONA INDIA LIMITED

SCHEDULES TO THE BALANCE SHEET AS AT 31st March, 2008

	2008 Rupees	2007 Rupees
Schedule- 1		
<u>Share Capital</u>		
<u>Authorised</u>		
5,000,000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
<u>Issued, Subscribed & Paid-Up</u>		
3,159,215 Equity Shares of Rs. 4/- each fully paid up	12,636,860	12,636,860
(Paid up value of the above equity shares were reduced from Rs. 10/- each to Rs. 4/- in terms of order passed by Hon'ble Calcutta High Court)		
 Schedule- 2		
<u>Reserves & Surplus</u>		
<u>Capital Reserve</u>		
As per last year	63,280	63,280
<u>General Reserve</u>		
Opening Balance	-	-
Add: Transfer from Profit & Loss A/c	255,000	-
	255,000	-
<u>Profit & Loss Account</u>		
As per Annexed Account	26,302,069	18,212,239
	26,620,349	18,275,519
 Schedule- 3		
<u>Secured Loan</u>		
<u>A. from Central Bank of India</u>		
Cash Credit	22,719,888	11,307,847
(Secured against hypothecation of Stocks of Raw Material, Finished and Semi-finished Goods, Consumable Stores and a Corporate Guarantee)		
<u>B. from HDFC Bank</u>		
Term Loans	5,470,250	9,150,000
(Secured against exclusive and first equitable mortgage of all fixed assets including but not limited to Land & building and undertaking for non disposal of shareholding in the Company held by 5 Promoters of the Company during the currency of the loan) (Installment due within one year - Rs. 3,700,000/-, previous year Rs. 3,700,000/-)		
<u>C. from HDFC Bank</u>		
Auto Loans	2,001,629	1,607,875
(Secured against Hypothecation of Vehicles purchased thereunder) (Installment due within one year - Rs. 7,20,561/-, previous year Rs. 634,805/-)		
<u>D. from a Company</u>		
Auto Loans	334,251	-
(Secured against Hypothecation of Vehicles purchased thereunder) (Installment due within one year - Rs. 1,17,394/-, previous year Rs. Nil)		
	30,526,018	22,065,722

SCHABLONA INDIA LIMITED

Schedule- 4

Fixed Assets

(in Rupees)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Historical As at 31/03/2007	As at 31/03/2007	Additions During the Year	Adjustment/ Deduction during the year	As at 31/03/2008	Upto 31/03/2007	For the Year	Written back during the year	Upto 31/03/2008	As at 31/03/2007	As at 31/03/2008
Land	952,500	-	-	-	952,500	-	-	-	-	952,500	952,500
<u>Building</u>											
- Own	10,827,448	2,326,251	-	-	13,153,699	1,040,946	386,007	-	1,426,953	9,786,502	11,726,746
- Improvement to Leasehold Premises	-	1,989,213	-	-	1,989,213	-	1,452	-	1,452	-	1,987,761
Plant & Machinery	17,665,248	11,112,172	-	-	28,777,420	2,181,603	1,415,715	-	3,597,318	15,483,645	25,180,102
Furniture & Fixture	594,829	641,906	-	-	1,236,735	65,608	57,174	-	122,782	529,221	1,113,953
Computer	1,606,802	682,750	-	-	2,289,552	381,281	357,330	-	738,611	1,225,521	1,550,941
Office Equipment	521,111	500,758	-	-	1,021,869	74,710	77,597	-	152,307	446,401	869,562
Vehicles	3,753,186	1,948,858	-	-	5,702,044	660,047	440,433	-	1,100,480	3,093,139	4,601,564
T O T A L	35,921,124	19,201,908	-	-	55,123,032	4,404,195	2,735,708	-	7,139,903	31,516,929	47,983,129
<u>Designer Tiles Division/Project</u>											
Capital Work in Progress	4,498,633	87,545	2,794,795	-	1,791,383	-	-	-	-	4,498,633	1,791,383
Previous Year	30,658,006	5,263,118	-	-	35,921,124	2,681,952	1,722,243	-	4,404,195	-	31,516,929

SCHABLONA INDIA LIMITED

SCHEDULES TO THE BALANCE SHEET AS AT 31 st March, 2008

	<u>2008</u>	<u>2007</u>
	<u>Rupees</u>	<u>Rupees</u>
Schedule- 5		
<u>Inventories</u>		
(As taken, valued & certified by the Management)		
Raw Material	12,225,625	8,582,231
Work in Process	3,975,769	2,311,724
Finished Goods	14,613,686	12,541,347
Consumable Stores & Others	3,332,611	1,215,903
Stores & Spares	1,518,791	1,072,408
Traded Goods	1,502,806	54,077
	<u>37,169,288</u>	<u>25,777,690</u>
Schedule- 6		
<u>Cash & Bank Balances</u>		
Cash in Hand	314,018	240,116
Balance with Scheduled Banks		
-in Current Accounts	1,028,213	661,430
-in Fixed Deposits Account	1,288,500	132,500
	<u>2,630,731</u>	<u>1,034,046</u>
Schedule- 7		
<u>Sundry Debtors</u>		
(Unsecured, considered good unless specified)		
Debts outstanding for a period exceeding six months		
-considered good	783,323	1,065,779
Other Debts	42,944,039	16,482,568
	<u>43,727,362</u>	<u>17,548,347</u>
Schedule- 8		
<u>Loans & Advances</u>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	2,686,414	950,429
Interest Accrued but not due	26,421	12,951
Advance Income Tax	2,467,926	1,400,086
Advance Fringe Benefit Tax	778,000	415,000
Sales Tax /VAT Receivable	557,253	-
Balance with Central Excise	653,750	499,178
Security Deposits		
-with Govt. Department	565,261	318,716
-with Others	745,500	13,965
	<u>8,480,525</u>	<u>3,610,325</u>
Schedule- 9		
<u>Current Liabilities</u>		
Sundry Creditors	38,770,898	15,170,465
Temporary Book Overdraft	-	1,275,068
Other Liabilities	9,710,783	5,653,702
Security Deposits	5,220,000	2,880,000
Advances from Customers	8,436,046	3,045,032
	<u>62,137,727</u>	<u>28,024,267</u>
Schedule- 10		
<u>Provisions</u>		
for Taxation	2,362,000	1,001,000
for Fringe Benefit Tax	746,000	412,000
for Bad & Doubtful Debts	-	328,795
Proposed Dividend	1,579,608	-
Tax on Dividend	268,454	-
	<u>4,956,062</u>	<u>1,741,795</u>

SCHABLONA INDIA LIMITED

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2008

	<u>2008</u>	<u>2007</u>
	<u>Rupees</u>	<u>Rupees</u>
Schedule- 11		
<u>Sales (Net of Returns)</u>		
Transfers/Stickers	54,225,838	33,521,157
Designer Tiles Division	<u>146,702,779</u>	<u>65,376,036</u>
	200,928,617	98,897,193
Less : Excise Duty	<u>6,823,168</u>	<u>4,448,700</u>
	194,105,449	94,448,493
Less : Inter unit Sales/purchase	4,874,862	3,593,477
Refer Note No. "9" of Schedule "17"		
	<u>189,230,587</u>	<u>90,855,016</u>
Schedule- 12		
<u>Other Income</u>		
Job Work (Gross)	1,386,270	2,172,925
(TDS Rs. 21,238/- , previous year Rs. 45,185/-)		
Interest on Income Tax Refunds	14,008	-
Interest received	16,830	8,131
(TDS Rs. 1,578/-, previous year Rs. Nil)		
Foreign Exchange Fluctuation	-	25,929
Prior Period Income	224,790	-
Miscellaneous Income	<u>650,629</u>	<u>238,621</u>
	<u>2,292,527</u>	<u>2,445,606</u>
Schedule- 13		
<u>Increase/Decrease in Stock</u>		
<u>Opening Stock</u>		
Finished Goods	12,541,347	9,683,656
Work in Process	2,311,724	1,833,989
Traded goods	<u>54,077</u>	<u>54,077</u>
	<u>14,907,148</u>	<u>11,571,722</u>
<u>Less: Closing Stock</u>		
Finished Goods	14,613,686	12,541,347
Work in Process	3,975,769	2,311,724
Traded goods	<u>1,502,806</u>	<u>54,077</u>
	<u>20,092,261</u>	<u>14,907,148</u>
	<u>5,185,113</u>	<u>3,335,426</u>
Increase/(Decrease) in Stock		

SCHABLONA INDIA LIMITED

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2008

		2008 <u>Rupees</u>	2007 <u>Rupees</u>
Schedule- 14			
<u>Manufacturing & Other Expenses</u>			
Raw Material Consumed	15	80,841,568	38,096,563
Stores, Spares & Packing Material Consumed		11,695,510	5,990,669
Litho Material		1,013,379	896,558
Screen Material		7,467,406	4,642,248
Power & Fuel		5,237,422	3,105,450
Job Work Charges- Designer Tile Division		286,414	1,042,326
Design & Development Charges		732,559	393,874
Excise Duty paid on Finished Goods		(219,802)	(92,119)
Repairs & Maintenance		3,067,711	336,047
Salaries, Wages & Bonus		26,609,581	16,574,007
Workmen & Staff Welfare		408,515	144,665
Rent		678,884	8,850
Rates & Taxes		191,620	103,708
Insurance Premium		361,663	219,184
Travelling & Conveyance			
- Local Tours & Travels		4,445,360	2,275,480
- Foreign Tours & Travels		1,325,959	428,430
Motor Car Expenses		433,514	391,101
Legal & Professional Charges		1,193,702	357,683
Software Development Charges		134,150	74,500
Payment To Auditors			
- Audit Fees		44,944	44,896
- Tax Audit Fee		11,236	11,224
- Certification		5,309	-
Charity and Donations		2,050	151
Bad Debts written off		150,000	328,795
Membership Fee & Subscription		7,853	7,946
Director's Sitting Fee		19,100	4,700
Postage, Telegram & Telephone Expenses		3,020,316	859,031
Printing & Stationery		659,246	390,912
Books & Periodicals		98,588	66,885
Miscellaneous Expenses		1,784,266	544,321
Business & Sales Promotion		9,923,679	2,302,798
Discounts, Rebates & Incentives		10,716,749	5,218,117
Carriage Outward		2,466,321	862,135
		<u>174,814,772</u>	<u>85,631,135</u>
Schedule- 15			
<u>Raw Material Consumed</u>			
Opening Stock		8,582,231	5,722,568
Add : Purchases (Incl. Freight Inward)		<u>89,359,824</u>	<u>44,549,703</u>
		97,942,055	50,272,271
Less : Closing Stock		<u>12,225,625</u>	<u>8,582,231</u>
		85,716,430	41,690,040
Less: Inter unit Purchase/Sales		4,874,862	3,593,477
Refer Note No. "9" of Schedule "17"			
		<u>80,841,568</u>	<u>38,096,563</u>
Schedule- 16			
<u>Finance Charges</u>			
Interest			
- on Term Loans		954,327	758,211
- on Working Capital Facilities		1,402,107	1,091,861
- on Other Loans		362,377	318,770
- on late deposit of Taxes		-	186
Bank Charges		312,110	106,716
Hire Purchase Charges		165,339	144,367
		<u>3,196,260</u>	<u>2,420,111</u>

SCHABLONA INDIA LIMITED

Schedule -17

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A. Significant Accounting Policies

- a) Method of Accounting
The Financial Statements are prepared on historical cost basis and in accordance with generally accepted accounting principles. The Company follows accrual system of accounting in the preparation of accounts except where otherwise stated.
- b) Fixed Assets & Depreciation
i) Fixed assets are stated at cost less accumulated depreciation.
ii) However, Fixed Assets relating to "Transfers Division" have been stated at the revalued cost as on 31st August 2003; pursuant to the order dt. 14-12-2004 of Hon'ble Calcutta High Court, under the Capital Reduction scheme approved by them as per the provisions of section 100(1)(b) of the Companies Act, 1956.
iii) Depreciation on Fixed Assets has been provided at the rates in accordance with Schedule XIV of the Companies Act, 1956 as notified by the Department of Company Affairs vide notification no. GSR.756(E) dated 16.12.1993 using Straight Line method. Double shift rates of depreciation are provided wherever applicable.
- c) Inventories
Finished stocks are valued at lower of estimated cost or net realizable value. Stock in process is taken at cost. Raw material, Stores and Spare parts and Tools & implements are valued at cost.
- d) Foreign Exchange Transaction
All Monetary assets and liabilities related to foreign currency transaction have been translated into Indian Rupees at the appropriate year-end exchange rates as per Revised Accounting Standards-11. The difference in transaction of monetary assets and liabilities and realised gains and losses on foreign exchange transactions, other than those relating to fixed assets are recognized in Profit & Loss Account.
- e) Excise & Customs Duty
Excise duty has been accounted on the basis of both payments made in respect of goods cleared and also provision made for goods lying in bonded warehouse.
- f) CENVAT Credit
The CENVAT credit available on purchase of raw material, other eligible inputs and capital goods is adjusted against excise duty payable on clearance of goods produced. The un-availed CENVAT credit is shown under the head "Loans & Advances".
- g) Research & Development Expenditure
Revenue expenditure is charged to Profit & Loss account and capital expenditure is added to the cost of fixed assets in the year in which it is incurred.
- h) Earning Per Share
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.
- i) Taxes in Income
Provision for tax for the year comprises estimated current income-tax determined to be payable in respect of taxable income and deferred tax being the tax effect of timing differences representing the difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is calculated in accordance with the relevant domestic tax laws. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will available against which such deferred tax assets can be realized.

- j) Impairment of Assets
The Company on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by treating the difference between them as impairment loss and is charged to profit and loss account.
- k) Gratuity and Other Retirement Benefits
- i) Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.
 - ii) Gratuity liability is a defined obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.
 - iii) Short term compensated absences are provided for based on estimates.
- l) Sales
Sales are inclusive of Excise duty, wherever applicable.

B. Notes to Accounts

	2008	2007
	<u>Rs. /Lacs</u>	<u>Rs. /Lacs</u>
1. Contingent Liability Not provided for		
a) Contingent liabilities not provided for in respect of :	5.30	5.30
i. Unexpired letter of credit established by Central Bank of India, Bahadurgarh, on behalf of the Company outstanding as on 31 st March, 2008		
ii. Bank Guarantee issued by Central Bank of India, Bahadurgarh on behalf of the Company outstanding as on 31 st March, 2008	19.24	Nil
b) Contingent liabilities not provided for in respect of Co-surety given on behalf of Somany Ceramics Limited	12.50	12.50
c) Estimated Capital contracts remaining to be executed as on 31 st March, 2008	5.00	9.94
Advances paid against the above	Nil	Nil
2. Managerial Remuneration:		
<u>Remuneration to Non – Whole time Directors</u>	2008	2007
a. Commission	<u>Rupees</u>	<u>Rupees</u>
b. Sitting Fees	161,227	-
	19,100	4,700
	-----	-----
	180,327	4,700
	-----	-----

3. Commission to Non-whole time Directors (included under the head "Salaries, Wages and Bonus"):

Computation of Net Profit on accordance with Section 349 of the Companies Act, 1956 is as under :

	2008
	<u>Rupees</u>
Profit before taxation	15,961,487
Add: Commission to Non-Whole time Director	161,227

Net Profit as per Section 349 of the Companies Act, 1956	16,122,714

Commission to Non-Whole time Directors calculated @1% of the Net Profit	161,227

4. Related party disclosure in accordance with the Accounting Standard "18" issued by The Institute of Chartered Accountants of India:

- A. Related Parties with whom transactions have taken place & description of relationship : **NIL**
 B. Transaction that have taken place during the period April 1, 2007 to March 31, 2008 with related parties by the Company: **NIL**

5. Earnings Per Share (EPS)

	<u>2008</u>	<u>2007</u>
Profit attributable to the equity shareholders (Rs.)	10,192,892	5,335,468
Weighted Average No. of Equity Shares outstanding during the year	3,159,215	3,159,215
Paid-up Value of Equity shares (Rs.)	4	4
EPS (Rs.)	3.23	1.69

6. In terms of Accounting Standard "22" issued by The Institute of Chartered Accountants of India, the Company has recognised a net deferred tax liability of Rs. 3,663,595/- (Previous year Rs. 843,050/-) on a reasonable and conservative basis out of brought forward tax losses and depreciation estimate which would be available for set off against the future profits of the Company.

	<u>2008</u>	<u>2007</u>
<u>A. Deferred Tax Liabilities</u>		
Deferred Tax Liability on account of Depreciation	4,905,402	3,147,584
	4,905,402	3,147,584
<u>B. Deferred Tax Assets</u>		
Unabsorbed Tax Depreciation	-	1,905,777
<u>C. Net Deferred Tax Liability</u>		
	4,905,402	1,241,807

7. In accordance with the Accounting Standard "17" issued by The Institute of Chartered Accountants of India, the necessary disclosure in respect of reportable segments has been given in Annexure "A" which forms part of the Balance Sheet.
8. Pursuant to Notification No. G S R 129(E) dated 22nd February, 1999 issued by Ministry of Law & Justice and Company Affairs and The Micro, Small & Medium Enterprises Development Act, 2006, the name(s) of the small scale industrial undertaking(s) to whom the Company owe a sum exceeding Rs. 1.00 Lac which is outstanding for more than 30 days as on 31-03-2008 have not been furnished in view of insufficient information from the suppliers regarding their status as SSI unit hence amount overdue to small scale industrial undertakings as on 31-03-2008 cannot be ascertained. However, no specific claims have been received for interest from suppliers with reference to the "Interest on Delayed Payments Small Scale Ancillary Industrial Undertakings Act, 1993".
9. In accordance with AS-9, "Recognition of Revenue", issued by the Institute of Chartered Accountants of India, the Company has reduced inter unit sales/purchase from the purchases & sales of respective units amounting to Rs. 4,874,862/- (Previous year Rs. 3,593,477/-). However, the above has no impact on the profitability of the Company for the year.
10. As per the special resolution passed by the Shareholders at the Extra-ordinary general meeting held on 29-12-2003 regarding capital reduction scheme of the Company, pursuant to the provisions of section 100(1)(b) of the Companies Act, 1956, the Hon'ble Calcutta High Court vide its order dated 14-12-2004 had approved the said scheme. As per the order, the paid up share capital of the Company had been reduced from Rs. 31,592,150/- to Rs. 12,636,860/- during the financial year ended 31.03.05. Accordingly, the paid-up value of the share stands reduced from Rs. 10/- to Rs. 4/- per share, thereby cancelling a sum of Rs. 6/- per share, which capital had been lost and was un-represented by the available assets mainly consisting of the followings:
- | | |
|--|------------------|
| a) Fixed Assets of the "Transfers Division" | Rs. 12,392,645/- |
| b) Debit Balance of Profit & Loss A/c as on 31-03-2003 | Rs. 6,256,410/- |
- Accordingly, the Company is charging depreciation on its fixed assets (which were subject to revaluation under capital reduction scheme approved by the Hon'ble Calcutta High Court) as per the rates prescribed under schedule XIV of the Companies Act, 1956 under straight line method on the revalued figures. Had the depreciation been charged on the Historical Cost, the same would have been higher by Rs. 16,59,802/- and accordingly, the Profit for the year and Net Fixed Assets would have been lower by the said amount.
11. Balances in Sundry Debtors, Creditors and Loans & Advances in some cases are subject to confirmation/ reconciliation/ adjustment, if any. The effect of such adjustments shall be determined and accounted for in the year of determination.

12. Additional information as required by paragraph 3, 4C and 4D of Part II of Schedule VI of Companies Act, 1956 for the year ended 31st March, 2008

A. CAPACITY / PRODUCTION / PURCHASE

Class of Goods	Unit	CAPACITY				PRODUCTION/ PURCHASE	
		LICENCED*		INSTALLED*		2007-08	2006-07
		2007-08	2006-07	2007-08	2006-07		
Ceramic Transfers/ Stickers	No. of Sheets	N.A.	N.A.	780,000	780,000	546,187	388,064
Screen	No. of Screen	N.A.	N.A.	24,000	24,000	10,136	4,210
Decoared Tiles	Sq. Mtrs.	N.A.	N.A.	350,000	250,000	168,852.51	80,126.29
Tiles	Sq. Mtrs.	N.A.	N.A.	N.A.	N.A.	3,055.87	8,011.42

* As Certified by the Management & relied upon by Auditors being a technical matter.

B. STOCK & SALES

Unit	2007-08		2006-07		
	Quantity	Value (Rs.)	Quantity	Value (Rs.)	
Opening Stock					
Ceramic Transfers/ Stickers	No. of Sheets	61,959.00	2,414,296	67,968.00	2,953,372
Screen	Nos.	-	-	-	-
Decoared Tiles	Sq. Mtrs.	14,551.03	10,127,051	8,852.64	6,730,284
Trading Stock	Sq. Mtrs.	185.04	54,077	185.04	54,077
Closing Stock					
Ceramic Transfers/ Stickers	No. of Sheets	20,541.00	943,686	61,959.00	2,414,296
Screen	Nos.	-	-	-	-
Decoared Tiles	Sq. Mtrs.	22,224.56	13,670,000	14,551.03	10,127,051
Trading Stock	Sq. Mtrs.	1,219.68	1,502,806	185.04	54,077
Sales					
Ceramic Transfers/ Stickers	No. of Sheets	587,605.00	43,574,143	394,073.00	26,361,332
Screen	Nos.	10,136.00	10,651,695	4,210.00	7,159,825
Decoared Tiles	Sq. Mtrs.	160,571.49	144,089,453	71,321.66	65,376,036
Trading Stock	Sq. Mtrs.	1,836.20	2,613,326	-	-
Breakage, Samples etc					
Decoared Tiles	Sq. Mtrs.	607.49	-	3,106.24	-
Trading Stock	Sq. Mtrs.	185.03	-	-	-

C. RAW MATERIAL CONSUMED

Class of Goods	Unit	2007-08		2006-07	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Plain Tiles	Sq. Mtrs	187,878.66	54,541,363	82,197.34	21,382,134
Paper	No. of Sheets	536,174.00	4,641,653	388,876.00	3,140,299
Colours & Chemicals	Kgs	100,207.09	21,658,552	69,922.23	13,574,130
			80,841,568		38,096,563

D. VALUE OF IMPORTED & INDIGENOUS RAW MATERIAL & SPARE PARTS CONSUMED DURING THE YEAR

Particulars	Raw Material				Stores & Spares			
	2007-08		2006-07		2007-08		2006-07	
	Amount (Rs.)	%	Amount (Rs.)	%	Amount (Rs.)	%	Amount (Rs.)	%
Imported	1,397,326	1.73	487,987	1.28	858,369	4.25	660,740	5.73
Indigenous	79,444,242	98.27	37,608,576	98.72	19,317,926	95.75	10,868,735	94.27
	80,841,568	100.00	38,096,563	100.00	20,176,295	100.00	11,529,475	100.00

		Amount (Rs.)	
		<u>2007-08</u>	<u>2006-07</u>
E.	CIF value of Imports		
	- Plant & Machinery	3,849,746	-
	- Spare Parts	405,822	673,721
	- Raw Material	1,689,438	757,271
F.	FOB Value of Exports	-	60,186
G.	Expenditure in Foreign Currency (Cash basis)		
	- Plant & Machinery	3,530,353	-
	- Stores & Spare	324,290	673,721
	- Travelling Expenses	862,413	235,650
	- Raw Material	1,577,984	410,151
	- Training Expenses	622,485	-
H.	Earnings in Foreign Currency (Cash basis)	-	60,186
13.	Schedule "1" to "17" from an integral part of Balance Sheet and Profit & Loss Account.		
14.	The figures have been rounded off to nearest rupee.		
15.	Figures for the previous year have been regrouped/rearranged wherever considered necessary.		

As per our Audit Report of Even Date Attached

for **SANJEEV NEERU & ASSOCIATES**
Chartered Accountants

G. L. SULTANIA *Chairman*
N. GOENKA *Director*

Place : New Delhi
Dated : 23rd day of May 2008

Sanjeev Gupta
Proprietor
Membership No. 90188

SCHABLONA INDIA LIMITED

**SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED
(UNDER CLAUSE 41 OF THE LISTING AGREEMENT)
Annexure "A"**

(Rs. In Lacs)

Sl. No.	Particulars	Year Ended	
		31.03.08 (Audited)	31.03.07 (Audited)
1	SEGMENT REVENUE (Incl.other Income)		
	a) Transfer Sheets	474.03	290.72
	b) Job work	22.93	22.61
	c) Decorated Tiles	1,467.03	655.61
	Total :	1,963.99	968.94
	Less: Inter Segment revenue	48.75	35.93
	Net Sales/ income from operations	1,915.24	933.01
2	Segment Result (Profit) (+)/ (Loss) (-) before Tax and interest from segment		
	a) Transfer sheets	39.88	17.84
	b) Job work	17.22	11.51
	c) Decorated Tiles	129.71	62.40
	Total :	186.81	91.75
	Less: 1) Interest	27.19	23.13
	2) Other un-allocable expenditure net off un-allocable income	-	-
	Total Profit before Tax :	159.62	68.62
3	CAPITAL EMPLOYED (Segment Assets - Segment Liabilities): (Based on Estimates in terms of available data)		
	a) Transfer sheets	336.07	181.99
	b) Job work	24.87	8.15
	c) Decorated Tiles	385.94	352.06
	Total :	746.88	542.20

Place: New Delhi
Dated: 23rd day of May,2008

For **SCHABLONA INDIA LIMITED**

G. L. SULTANIA **N. GOENKA**
Chairman Director

SCHABLONA INDIA LIMITED

Balance Sheet Abstract and Company's General Business Profile as per Schedule VI Part IV of the Companies Act, 1956

I. Registration Details :

Registration No. :

		3	6	8	9	9
--	--	---	---	---	---	---

State Code

		2	1
--	--	---	---

Balance Sheet Date :

		3	1	.		0	3	.		2	0	0	8
--	--	---	---	---	--	---	---	---	--	---	---	---	---

II. Capital Raised during the year (Amount in Rupees thousand)

Public Issue

				N	I	L
--	--	--	--	---	---	---

Right Issue

				N	I	L
--	--	--	--	---	---	---

Bonus Issue

				N	I	L
--	--	--	--	---	---	---

Private Placement

				N	I	L
--	--	--	--	---	---	---

III. Position of Mobilisation and Deployment of Funds (Amount in Rupees thousand)

Total Liabilities

				7	4	6	8	8
--	--	--	--	---	---	---	---	---

Total Assets

				7	4	6	8	8
--	--	--	--	---	---	---	---	---

Sources of Funds

Paid-up Capital

				1	2	6	3	7
--	--	--	--	---	---	---	---	---

Reserves and Surplus

				2	6	6	2	0
--	--	--	--	---	---	---	---	---

Secured Loans

				3	0	5	2	6
--	--	--	--	---	---	---	---	---

Deferred Tax Liability

				4	9	0	5
--	--	--	--	---	---	---	---

Application of Funds

Net Fixed Assets

				4	7	9	8	3
--	--	--	--	---	---	---	---	---

Capital WIP

				1	7	9	1
--	--	--	--	---	---	---	---

Net Current Assets

				2	4	9	1	4
--	--	--	--	---	---	---	---	---

IV. Performance of the Company (Amount in Rupees thousand)

Turnover incl. Other Income

				1	9	1	5	2	3
--	--	--	--	---	---	---	---	---	---

Total Expenditure

				1	7	5	5	6	2
--	--	--	--	---	---	---	---	---	---

Profit Before Tax/Extraordinary Item

				1	5	9	6	1
--	--	--	--	---	---	---	---	---

Profit After Tax/Extraordinary Item

				1	0	1	9	3
--	--	--	--	---	---	---	---	---

Earning Per Share (Rs.)

				3	.	2	3
--	--	--	--	---	---	---	---

Dividend Rate %

				1	2	.	5	0
--	--	--	--	---	---	---	---	---

V. Generic Names of Principal Products/Services of the Company : (As per Monetary Terms)

Item Code No. (ITC Code)

				4	9	0	8	1	0	0	0
--	--	--	--	---	---	---	---	---	---	---	---

Product Description

				T	R	A	N	S	F	E	R
				(D	e	c	a	i)	

				6	9	0	8	9	0	9	0
--	--	--	--	---	---	---	---	---	---	---	---

				C	E	R	A	M	I	C		T	I	L	E		P	R	O	D	U	C	T	S			
--	--	--	--	---	---	---	---	---	---	---	--	---	---	---	---	--	---	---	---	---	---	---	---	---	--	--	--

G. L. SULTANIA
Chairman

N. GOENKA
Director

SCHABLONA INDIA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2008

	2008 Rupees	2007 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extra-ordinary items	15,961,487	6,862,559
Adjustment for		
- Depreciation	2,735,708	1,722,243
- Interest	2,718,811	2,168,842
	5,454,519	3,891,085
Operating profit before Working capital changes	21,416,006	10,753,644
Adjustment for		
- Inventories	(11,391,598)	(7,180,947)
- Trade Receivables	(26,179,015)	(6,918,335)
- Other Receivables	(4,870,200)	894,264
- Trade Payables	34,113,460	8,384,010
- Provision for Income Tax w/back	(410,000)	(592,000)
- Provision for Bad & Doubtful Debts	(328,795)	328,795
	(9,066,148)	(5,084,213)
Cash generated from operations	12,349,858	5,669,431
Less : Interest	2,718,811	2,168,842
Cash Flow before Extraordinary items	9,631,047	3,500,589
Extraordinary items- Prior Period Adjustments	-	146,959
Cash flow from operating activities	9,631,047	3,647,548
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Net Purchase/ Sale of Fixed Assets (Incl Cap WIP)	16,494,658	9,761,751
Net cash used in Investing activities	16,494,658	9,761,751
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Raising of Secured & Unsecured Loans	8,460,296	6,206,225
Cash Flow from Financing activities	8,460,296	6,206,225
Net increase in Cash & Cash equivalents	1,596,685	92,022
Cash & Cash Equivalents as on 01-04-07/01-04-06	1,034,046	942,024
Cash & Cash Equivalents as on 31-3-08/31-03-07	2,630,731	1,034,046

For **SCHABLONA INDIA LIMITED**

Place: New Delhi
Dated: 23rd day of May,2008

G. L. SULTANIA
Chairman

N. GOENKA
Director

AUDITOR'S CERTIFICATE

We have examined the attached cash flow statement for Schablona India Limited for the year ended 31.03.2008. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Exchange and is based on and in agreement with corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report dated 23rd day of May,2008 to the members of the Company.

Place: New Delhi
Dated: 23rd day of May,2008

for **SANJEEV NEERU & ASSOCIATES**

Chartered Accountants
(Sanjeev Gupta)
Proprietor

Membership No. 90188