

## SCHABLONA INDIA LIMITED

### DIRECTORS' REPORT

#### To the Members

Your Directors have pleasure in presenting their Twenty Fifth Annual Report together with the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2009.

	<b>31.03.2009</b>	<b>31.03.2008</b>
	<b>Rs. / (000)</b>	<b>Rs. / (000)</b>
Gross Sales	291907	196054
Less : Excise Duty	6438	6823
Net Sales	<u>285469</u>	<u>189231</u>
Gross Profit for the year under Review	22178	18697
Less : Depreciation for the year	4330	2736
Profit for the year	<u>17848</u>	<u>15961</u>
Less : Provision for Income Tax (Net of MAT Credit)	3075	1771
Less : Provision for Fringe Benefit Tax	910	334
Less : Deferred Tax Liability	882	3663
Less : Fringe Benefit Tax for earlier years	13	-
	<u>12968</u>	<u>10193</u>
Add : Balance brought forward from earlier years	26302	18212
Surplus available for appropriation	<u>39270</u>	<u>28405</u>
<b>Appropriations</b>		
General Reserve	1400	255
Proposed Dividend on Equity Shares	1896	1580
Tax on Proposed Dividend	322	268
Balance Carried to Balance Sheet	<u>35652</u>	<u>26302</u>
	<u>39270</u>	<u>28405</u>

### DIVIDEND

Your Directors are pleased to recommend a dividend @ 15% i.e. Re. 0.60 (previous year Re. 0.50) per share on paid-up equity share capital of the Company.

### OPERATION

Sale of Ceramic Transfer Sheets during the year increased to Rs. 500.78 lacs from Rs. 435.74 lacs in the previous year, registering a growth of 14.92% and sale of Screen increased by 18.43% from Rs. 106.52 lacs to Rs. 126.15 lacs. Likewise the sale of Decorated Tiles increased to Rs. 2097.75 lacs from Rs. 1440.89 lacs in the previous year, a growth of 45.59%.

To cater to the growing demand of Water-Jet / Mosaic / Decorated Tiles, your Company has added a set of two Cutting Machines at both the plants, Kassar & Kadi. Your Decorated Tiles Plant at Kadi which started in financial year 2007-08 has shown good performance in the year 2008-09. To enhance the quality standards and protection of designs a fully equipped screen preparation department is being instituted at Kadi unit.

### MARKET AND FUTURE PROSPECTS

#### Ceramic Transfer Sheets

Movement of Ceramic Transfer / Decal Business was continued towards customize designing. Because of our proven capabilities of designing / timely delivery / good quality, your Company expects to maintain good growth in sales of Ceramic Transfer during the current year also.

#### Decorated Tiles

The Decorated Tiles Division is continuously witnessing good growth because of changes in designing and consumption pattern for Decorated Tiles. The Decoration of tiles other than ceramic printing and firing is now being done also by Water-Jet, Mosaic, Fragmentation & inserting steel resin etc. Your Company with two fully operation plants and because of available capacity and better knowledge of market and product, your Company expects sustained growth in the years to come.

## SCHABLONA INDIA LIMITED

### Trading

Keeping in view, the demand for exclusive designer tiles, your Company is targeting premium customers by outsourcing/trading premium tiles in the brand name of "Keraspana". Your Company expects brand Keraspana to be respected and known as a premium tile brand.

### PUBLIC DEPOSIT

Your Company has not accepted fixed deposits and as such no amount of principal and interest was outstanding as on the date of balance sheet.

### 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

Mr. A. K. Beejawat was appointed as an Additional Director of the Company with effect from 22<sup>nd</sup> October, 2008 and holds office upto 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 Mr. A. K. Beejawat for the office of Director of the Company.

Mr. Anirudh Kabra, Director of the Company retires by rotation and, being eligible, offers himself for re-appointment.

### AUDITORS

M/s. A. K. Maheshwari & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and offer themselves for re-appointment 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.

### 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 2008-09, as part of this Directors' Report, pursuant to the provisions 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 31<sup>st</sup> March, 2009 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.

### ACKNOWLEDGEMENT

Your Directors acknowledge with sincere gratitude the cooperation and assistance extended by the Central Government, State Governments, Financial Institutions, Banks, Customers, Dealers, Vendors and Employees.

New Delhi  
Dated, the 21<sup>st</sup> May, 2009

For and on behalf of the Board  
N. Goenka  
(Director)

A. K. Beejawat  
(Director)

# SCHABLONA INDIA LIMITED

## 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 derived :

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

### C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

	Rs./000
A. Foreign Exchange Outgo -	9736
B. Foreign Currency Earned -	NIL

New Delhi  
Dated, the 21<sup>st</sup> May, 2009

For and on behalf of the Board  
N. Goenka                      A. K. Beejawat  
(Director)                      (Director)

# SCHABLONA INDIA LIMITED

## 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 are given below.

### Industry Structure & Development

Increasing awareness among consumers is fuelling demand for quality transfers resulting in greater pressure on unorganized transfer manufacturers who with their Archaic manufacturing methods are unable to come to the customer expectations, which, in turn is creating better opportunities for the Company.

Major Opal and transparent glass manufacturers who tied up with us in the last two years are increasing their share of orders to us every passing month.

With clear focus on innovation, creativity and R&D, your Company continues to retain its leadership position in the transfer business.

The recessionary trend and its effect on realty sector has taken its toll on the high end tile market resulting in many large projects bringing down their specifications. Your Company with its ears on the ground has responded well with newer product ranges in line with changing scenario and geared upto meet the challenges.

With a stable government in place at the Centre, construction Industry outlook is expected to improve substantially enabling the Company to increase its production of decorated tiles further.

### 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 and for the same ERP is being implemented in this year.

### Human Resources & Industrial Relations

The Company continues to have cordial relations with its staff & workers who are continue 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 240 employees as on 31.03.2009. Industrial relations during the year continued to be cordial.

New Delhi  
Dated, the 21<sup>st</sup> May, 2009

For and on behalf of the Board  
N. Goenka                      A. K. Beejawat  
(Director)                      (Director)

# SCHABLONA INDIA LIMITED

## 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 and Articles of Association of the Company for the year ended on 31st March, 2009. 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, comments required under Clause 3 of Rules are not applicable.
4. The Board of Directors duly met four times respectively on 23rd May, 2008, 23rd July, 2008, 22nd October, 2008 & 27th January, 2009 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 30th April, 2008, 10th October, 2008 and 9th January, 2009.
5. The Company has closed its register of Members for transfer or other purposes during the above financial year from 8th September, 2008 to 16th September, 2008 (both days inclusive).
6. The Annual General Meeting for the financial year ended on 31st March, 2008 was held on 16th September, 2008 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 223 new Share Certificate for 22200 Shares on account of loss of original Share Certificate, 17 new Share Certificate for 21200 Shares on account of consolidation and 1 new Share Certificate for 100 Shares on account of replacement against original being torn 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) declared dividend for the financial year ended on 31.03.2008 and has paid dividend amount to all the eligible Members of the Company as per provisions of the Companies Act, 1956. The Company has deposit amount of dividend in a separate bank account. The Company issued dividend warrants immediately after the declaration.
  - (d) delivered dividend warrants to all of its Members within prescribed time limit.
  - (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.

## SCHABLONA INDIA LIMITED

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 not altered its Articles of Association during the above financial year.
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 : 21/05/2009

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.	From No./Return	Filed under Section	Date of Filing	Whether filed within Statutory Time Period
1.	Register of Members	150	1.	Balance Sheet as at 31.03.2008 in Form No. 23AC	220	23.09.2008	Yes
2.	Directors Minutes Book	193	2.	Compliance Certificate for the year ended 31.03.2008 in Form No. 66	383A	23.09.2008	Yes
3.	Shareholders Minutes Book	193	3.	Annual Return made upto 16.09.2008 in Form No. 20B	159	06.11.2008	Yes
4.	Register of Directors	303	4.	Form No. 32 (For appointment of Mr. N. Goenka as Regular Director w.e.f. 16.09.2008)	303(2)	22.09.2008	Yes
5.	Register of transfer	-	5.	Form No. 32 (For appointment of Mr. A. K. Beejawat as Additional Director w.e.f. 22.10.2008)	303(2)	22.10.2008	Yes
6.	Register of Director's Shareholding	307	6.	Form No. 8 dated 12.01.09 (Modification of Charge)	125/127 /130/135	09.02.2009	Yes
7.	Register of Contracts	301					
8.	Register of Charges	143					
9.	Register of Investments	372A					

# SCHABLONA INDIA LIMITED

## 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 five Members consisting of one Independent Non-Executive Chairman and four Independent Non-Executive Directors. There were 4 (four) Board meetings during the year 2008-09 i.e. on 23 May, 23 July, 22 October in 2008 and 27 January in 2009. 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	
Mr. G. L. Sultania	Independent	4	3	Yes	13	4	4	500
Mr. Anirudh Kabra	Independent	4	4	No	-	-	2	-
Mr. R. K. Borar	Independent	4	4	No	-	-	1	3575
Mr. N. Goenka	Independent	4	3	Yes	7	-	2	-
Mr. A.K. Beejawat(#)	Independent	1	1	No	1	-	-	-

(#) Appointed as an additional director w.e.f. 22nd October, 2008.

(\$) Excluding directorship in Private Limited Companies.

### 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 Mr. N. Goenka, Director 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 23 May, 23 July, 22 October in 2008 and 27 January in 2009:-

Name of Members	No. of meetings held	No. of meetings attended	Status
Mr. G. L. Sultania	4	3	Chairman
Mr. Anirudh Kabra	4	4	Member
Mr. R. K. Borar	4	4	Member
Mr. N. Goenka	4	3	Member

#### 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.

## SCHABLONA INDIA LIMITED

### SHARE TRANSFER COMMITTEE

Your Company has a Share Transfer Committee comprising of Mr. G. L. Sultania, the Chairman of the Company (who chairs the meeting), Mr. N. Goenka, Director and Mr. S. Banerjee, a senior personal of the Company. The Committee met 12 times during the period under review. Total 30201 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 31.03.2009.

### 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 6, 2008, September 30, 2008 and January 9, 2009 as detailed below :-

Members	Category	No. of meetings held	No. of meeting attended	Status
Mr. G. L. Sultania	Independent	3	3	Chairman
Mr. Anirudh Kabra	Independent	3	-	Member
Mr. N. Goenka	Independent	3	3	Member

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

### 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 21 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 Mr. G. L. Sultania. Mr. Anirudh Kabra and Mr. N. Goenka are members of the Committee. There was no agenda for holding this Committee's meeting during the year 2008-09.

### Remuneration to Directors

Name	Salary & Perks (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. H. L. Somany (*)	24,876	-	24,876
Mr. G. L. Sultania	42,947	9,000	51,947
Mr. Anirudh Kabra	42,947	10,000	52,947
Mr. R. K. Borar	42,947	10,000	52,947
Mr. N. Goenka	7,510	9,000	16,510
Mr. A.K. Beejawat(#)	-	1,500	1,500

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

(#) Appointed w.e.f. 22nd October, 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 15<sup>th</sup> September, 2007.

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



## SCHABLONA INDIA LIMITED

### 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
2007-2008	16.09.2008	3.00 P.M.	None
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

Annual General Meetings for the year 2005-06 was held at Jhaharia Committee Room and for the year 2006-07 and 2007-08 were held at Somany Conference Hall, both at Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, 2<sup>nd</sup> Floor, Kolkata – 700 001.

No Special Resolution was passed through Postal Ballot during the financial year ended on 31<sup>st</sup> March, 2009 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 31.03.2009.
- (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.sebidifar.nic.in](http://www.sebidifar.nic.in) in terms of Clause 51 of Listing Agreement and also posted in Company's website : [www.schablona.in](http://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 appearing elsewhere separately as a part of this Annual Report.

### GENERAL SHAREHOLDER'S INFORMATION

#### Date and Venue of Annual General Meeting :

Wednesday, 26th August, 2009 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 :** 18th August, 2009 to 26th August, 2009 (both days inclusive).

**Financial Calendar :** The schedule of the results for 2009-2010 is as follows:

First Quarter	: Last week of July 2009
Second Quarter	: Last week of October 2009
Third Quarter	: Last week of January 2010
Fourth Quarter	: Last week of May 2010

**Contact for Clarification on Financial Statements :** Individual may contact

Mr. N. Goenka, Director

2, Red Cross Place, Kolkata-700 001

Phone : 033-22487406/07 Fax : 033-22487045

## SCHABLONA INDIA LIMITED

**Dividend :**

The Board of Directors of Company has recommended a dividend @ 15% i.e. Re. 0.60 per equity share of Rs. 4/- each for the year 2008-09 at its meeting held on 21st May, 2009 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 2009-10 has been paid by the Company to the Exchange within the stipulated time period. Though the Equity Shares of the Company delisted from The Calcutta Stock Exchange Association Limited (CSE) with effect from 10th March, 2008, in terms of its application for voluntary delisting of shares from CSE, however, the Company's shares are continue to be traded at CSE under the permitted category.

**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 2008	26.00	19.10	1,33,258	17,480.74	15,297.96
May 2008	30.10	23.10	18,205	17,735.70	16,196.02
June 2008	31.20	25.60	29,934	16,632.72	13,405.54
July 2008	28.50	23.00	14,759	15,130.09	12,514.02
August 2008	28.50	25.60	7,195	15,579.78	14,002.43
September 2008	28.00	23.15	13,002	15,107.01	12,153.55
October 2008	23.10	21.00	85,164	13,203.86	7,697.39
November 2008	23.75	22.00	5,978	10,945.41	8,316.39
December 2008	23.10	18.75	2,051	10,188.54	8,467.43
January 2009	21.30	18.70	1,053	10,469.72	8,631.60
February 2009	21.50	19.50	148	9,724.87	8,619.22
March 2009	22.40	19.50	1,251	10,127.09	8,047.17

\*Source : Office website of BSE.

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

Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, Kolkata – 700 001  
Phone : 033-2243 5809/5029, Fax : 033-2248 4787  
E-mail : mdpl@cal.vsnl.net.in

**Share Transfer System :**

The Company's share are traded on stock exchanges in compulsory demat mode. Shares in physical mode are lodged with the Company, which are transferred within stipulated period provided the documents are complete in all respect. With a view to expedite the share transfer process, Mr. G. L. Sultania, Chairman of the Company have been delegated with the authority to approve the transfer. The RTA of the Company dispatches the transferred shares to the transferee immediately after transfers take place.

**Distribution of Shareholding as on 31<sup>st</sup> March, 2009 :**

No. of Equity Shares	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1 - 500	3,245	89.69	5,86,903	18.58
501 - 1000	225	6.22	1,72,124	5.45
1001 - 2000	79	2.18	1,16,476	3.69
2001 - 3000	20	0.55	51,975	1.64
3001 - 4000	5	0.14	17,075	0.54
4001 - 5000	9	0.25	42,700	1.35
5001 - 10000	13	0.36	97,849	3.10
10001 and above	22	0.61	20,74,113	65.65
<b>Total</b>	<b>3,618</b>	<b>100.00</b>	<b>31,59,215</b>	<b>100.00</b>

## SCHABLONA INDIA LIMITED

### Shareholding Pattern as on 31<sup>st</sup> March 2009 :

Shareholders Category	No. of holders	No. of Shares	Percentage
Indian Promoters, Directors & Relatives	9	17,27,787	54.69
Mutual Funds & UTI	-	-	-
Banks, Financial Institutions, Insurance Companies	1	200	0.01
FIs	-	-	-
Private Corporate Bodies	60	2,28,289	7.23
Indian Public	3,544	12,02,038	38.04
NRIs/OCBs	4	901	0.03
<b>Total</b>	<b>3,618</b>	<b>31,59,215</b>	<b>100.00</b>

### Dematerialisation of Shares :

The Company's equity shares enjoy the DEMAT facilities with NSDL as well as CDSL and 1578506 shares representing 49.97 percent of the equity capital as on 31.03.2009 were in demat form.

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

**Plant Location :** i) P.O. - Kassar, Bahadurgarh – 124 507, Dist. Jhajjar, Haryana.  
ii) 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, Ph. : 033-22487406/7, Fax : 033-22487045, Email : silinvestors@schablona.in

### Declaration on Code of Conduct

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

21st May, 2009

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,2009

Thanking you,  
Yours faithfully  
For Schablona India Limited  
N. Goenka  
Director

### Auditors' 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, 2009 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.

For **A. K. Maheshwari & Associates**  
Chartered Accountants  
(CA. Anand Maheshwari)  
Proprietor  
Membership No. : 73875

Place : New Delhi  
Dated : 21<sup>st</sup> day of May, 2009

# SCHABLONA INDIA LIMITED

## AUDITORS' REPORT

### To The Members

1. We have audited the attached Balance Sheet of **M/s. SCHABLONA INDIA LIMITED** as at 31<sup>st</sup> March, 2009 and the Profit and Loss Account and 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 3 above, we report that :
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far appears from our examination of those Books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2009 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 31<sup>st</sup> March, 2009;
    - 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 of the Company 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, 2009.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets on the basis of information available.
- (b) According to the information and explanations given to us, the fixed assets were physically verified by the management in accordance with the programme of verification, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (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 and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no discrepancies were noticed on physical verification.
- (iii) A. In our opinion and according to the information and explanations given to us, the Company has not granted 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, sub-clause (a),(b) and (c) of clause 4(iii) of the Order are not applicable to the Company.
- B. a) In our opinion and according to the information and explanations given to us, the Company has not taken any loans secured or unsecured from companies, firms or other parties except from one company covered in the register maintained under Section 301 of Companies Act, 1956. The maximum amount involved during the year is Rs. 20,00,000/-. At the year end, the balance of such loans is Rs. 20,00,000/-

## SCHABLONA INDIA LIMITED

- b) In our opinion, the rate of interest and other terms and conditions of loan taken are prima facie not prejudicial to the interest of the Company.
  - c) In accordance with the information and explanations given to us in respect of the aforesaid loan, there is no stipulated schedule for repayment of principal and the same is repayable on demand.
  - d) There is no overdue amount of loans taken from Companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of business with regard to purchases of inventories and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing major weakness in such internal controls.
  - (v) According to information and explanations given to us, the transaction of purchase and sale of goods, material and services made in pursuance of contracts or agreements entered in the register 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 have been made at price which are generally reasonable having regard to prevailing market prices at the relevant time.
  - (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year to which provisions of Section 58A & 58AA of the Companies Act, 1956 and Rules framed thereunder are applicable.
  - (vii) In our opinion and according to the information and explanations given 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 products of the Company.
  - (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Wealth tax, Sales tax, Custom duty, Excise duty, Service tax, cess and other material statutory dues applicable to it.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Wealth tax, Sales tax, Custom duty, Excise duty, Service tax and cess were in arrears, as at 31st March, 2009 for a period of more than six months from the date they became payable.
  - (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 covered by our audit and in the immediately preceding financial year.
  - (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
  - (xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  - (xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
  - (xiv) In our opinion and according to the information & explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
  - (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
  - (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
  - (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on a short-term basis have been used for long-term investment.
  - (xviii) According to the information and explanations given to us, during the period covered by our audit report, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
  - (xix) Since no debentures have been issued by the Company during the year, no security was required to be created.
  - (xx) During the year covered by our audit report, the Company has not raised any money by way of public issue.
  - (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

for **A. K. Maheshwari & Associates**  
Chartered Accountants  
(CA. Anand Maheshwari)  
Proprietor  
Membership No. : 73875

Place : New Delhi  
Dated : 21<sup>st</sup> day of May, 2009

## SCHABLONA INDIA LIMITED

### BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	2009 <u>Rupees</u>	2008 <u>Rupees</u>
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	1	12,636,860	12,636,860
Reserves & Surplus	2	37,370,424	26,620,349
<b>LOAN FUNDS</b>			
Secured Loan	3	50,473,976	30,526,018
Unsecured Loan	4	2,000,000	-
Deferred Tax Liability		5,787,276	4,905,402
<b>TOTAL</b>		<b><u>108,268,536</u></b>	<b><u>74,688,629</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	71,603,539	55,123,032
Less : Accumulated Depreciation		11,386,474	7,139,903
Net Block		60,217,065	47,983,129
Add : Capital Work in Progress		4,335,315	1,791,383
		<b><u>64,552,380</u></b>	<b><u>49,774,512</u></b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	6	59,671,563	37,169,288
Cash & Bank Balances	7	2,689,787	2,630,731
Sundry Debtors	8	39,670,255	43,727,362
Loans & Advances	9	17,367,935	8,481,025
Total Current Assets		<b><u>119,399,540</u></b>	<b><u>92,008,406</u></b>
<b>Less : CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	10	68,040,607	62,138,227
Provisions	11	9,138,709	4,956,062
Total Current Liabilities		<b><u>77,179,316</u></b>	<b><u>67,094,289</u></b>
Net Current Assets		<b><u>42,220,224</u></b>	<b><u>24,914,117</u></b>
Miscellaneous Expenditure (To the extent not written off or adjusted)	12	1,495,932	-
<b>TOTAL</b>		<b><u>108,268,536</u></b>	<b><u>74,688,629</u></b>
NOTES TO THE ACCOUNTS	19		

As per our Audit Report of even date attached

for **A. K. Maheshwari & Associates**

Chartered Accountants  
**(CA. Anand Maheshwari)**  
Proprietor  
Membership No. 073875

**A. K. BEEJAWAT** }  
**N. GOENKA** } *Directors*

Place : New Delhi  
Dated : 21<sup>st</sup> day of May, 2009

## SCHABLONA INDIA LIMITED

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	2009 <u>Rupees</u>	2008 <u>Rupees</u>
<b>INCOME</b>			
Sales	13	285,468,990	189,230,587
Other Income	14	3,554,232	2,512,329
Increase/(Decrease) in Stocks	15	19,588,012	5,185,113
		<u>308,611,234</u>	<u>196,928,029</u>
<b>EXPENSES</b>			
Manufacturing & Other Expenses	16	281,312,012	175,034,574
Interest & Finance Charges	18	5,121,129	3,196,260
Depreciation		4,330,535	2,735,708
		<u>290,763,676</u>	<u>180,966,542</u>
Profit for the year before Tax		17,847,558	15,961,487
Less : Provision for Income Tax		4,281,000	1,771,000
Add : Mat Credit Entitlement		1,205,966	-
Less : Provision for Fringe Benefit Tax		910,000	334,000
Less : FBT of earlier years		12,900	-
Less : Deferred Tax Liability		881,874	3,663,595
Profit after Tax		<u>12,967,750</u>	<u>10,192,892</u>
Add : Balance brought forward from earlier years		<u>26,302,069</u>	<u>18,212,239</u>
Profit available for Appropriations		<u>39,269,819</u>	<u>28,405,131</u>
<b>Appropriations</b>			
General Reserve		1,400,000	255,000
Proposed Dividend		1,895,529	1,579,608
Tax on Dividend		322,146	268,454
Balance carried to Balance Sheet		<u>35,652,144</u>	<u>26,302,069</u>
		<u>39,269,819</u>	<u>28,405,131</u>
Earnings per Share (Basic & Diluted)		4.10	3.23
Reference Note No. "5" of Schedule 19			
NOTES TO THE ACCOUNTS	19		
As per our Audit Report of even date attached			

for **A. K. Maheshwari & Associates**

Chartered Accountants  
**(CA. Anand Maheshwari)**  
Proprietor

**A. K. BEEJAWAT** }  
**N. GOENKA** } *Directors*

Place : New Delhi  
Dated : 21<sup>st</sup> day of May, 2009

Membership No. 073875

## SCHABLONA INDIA LIMITED

### SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009

	2009 Rupees	2008 Rupees
<b>1. Share Capital</b>		
<u>Authorised</u>		
50,00,000 Equity Shares of Rs. 10/- each	<b>50,000,000</b>	50,000,000
<u>Issued, Subscribed &amp; Paid-Up</u>		
31,59,215 Equity Shares of Rs. 4/- each fully paid up (paid up value of the equity shares were reduced from Rs.10/-each to Rs. 4/- each in terms of order passed by Hon'ble Calcutta High Court)	<b>12,636,860</b>	12,636,860
<b>2 Reserves &amp; Surplus</b>		
Capital Reserve	<b>63,280</b>	63,280
<u>General Reserves</u>		
As per last year	<b>255,000</b>	-
Add: Transferred from Profit and Loss Account	<b>1,400,000</b>	255,000
	<b>1,655,000</b>	255,000
Profit and Loss Account as per annexed account	<b>35,652,144</b>	26,302,069
	<b>37,370,424</b>	26,620,349
<b>3. Secured Loan</b>		
<b><u>Central Bank of India</u></b>		
<b>a) Cash Credit</b>	<b>28,032,956</b>	22,719,888
(Secured against hypothecation of Stocks of Raw Material, Finished and Semi-finished Goods, Consumable Stores at Kassar and Kadi units of the Company and further secured by way of second charge on fixed assets (excluding vehicles) of the Company at Kassar unit and Corporate Guarantee of M/s. Somany Ceramics Ltd.)		
<b>b) Book Debts (ODBD)</b>	<b>9,967,888</b>	-
(Secured against book debts of the Company and also secured by way of second charge on fixed assets (excluding vehicles) of the Company at Kassar unit and further secured against Corporate Guarantee of M/s. Somany Ceramics Ltd.)		
<b>c) Term Loans</b>	<b>7,641,388</b>	-
(Secured against hypothecation of plant & machinery, fixtures & other misc. assets at Kadi (Gujarat) and further secured by way of a Corporate Guarantee by M/s. Somany Ceramics Ltd. ) Installments due with in one year Rs. 2,245,620/- (Previous year Rs. Nil)		
<b><u>HDFC Bank</u></b>		
<b>a) Term Loans</b>	<b>3,000,000</b>	5,470,250
(Secured against first equitable mortgage of all the existing & future fixed assets (excluding vehicles). Further, promoters have provided undertaking for non disposal of shareholding in the Company during the currency of the loan) Installments due within one year Rs. 1,200,000/- (Previous year Rs. 2,450,000/-)		
<b>b) Auto Loans</b>	<b>1,198,522</b>	2,001,629
(Secured against Hypothecation of Vehicles purchased thereunder) Installments due within one year Rs. 874,980/-(Previous year Rs. 720,561/-)		
<b><u>Auto Loan From a Company</u></b>	<b>633,221</b>	334,251
(Secured against Hypothecation of Vehicles purchased thereunder) Installments due within one year Rs. 370,800/-(Previous year Rs. 117,394/-)		
	<b>50,473,976</b>	30,526,018



## SCHABLONA INDIA LIMITED

(in Rupees)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 31/03/08	Additions During the year	Adjustment/ Deduction during the year	As at 31/03/09	Upto 31/03/08	For the Year	Written back during the year	Upto 31/03/09	As at 31/03/2008	As at 31/03/2009
Land	952,500	-	-	952,500	-	-	-	-	952,500	952,500
Building										
- Own	13,153,699	2,786,066	-	15,939,765	1,426,953	487,159	-	1,914,112	11,726,746	14,025,653
- Improvement to Leasedhold Premises	1,989,213	1,428,704	-	3,417,917	1,452	89,967	-	91,419	1,987,761	3,326,498
Plant & Machinery	28,777,420	9,535,985	80,712	38,232,693	3,597,318	2,168,869	18,530	5,747,657	25,180,102	32,485,036
Furniture & Fixture	1,236,735	442,550	-	1,679,285	122,782	123,260	-	246,042	1,113,953	1,433,243
Computer	2,289,552	1,057,319	-	3,346,871	738,611	500,958	-	1,239,569	1,550,941	2,107,302
Office Equipment	1,021,869	889,416	-	1,911,285	152,307	346,935	-	499,242	869,562	1,412,043
Vehicles	5,702,044	649,820	228,641	6,123,223	1,100,480	613,387	65,434	1,648,433	4,601,564	4,474,790
<b>T O T A L</b>	<b>55,123,032</b>	<b>16,789,860</b>	<b>309,353</b>	<b>71,603,539</b>	<b>7,139,903</b>	<b>4,330,535</b>	<b>83,964</b>	<b>11,386,474</b>	<b>47,983,129</b>	<b>60,217,065</b>
<u>Designer Tiles Division/Project</u>										
Capital Work-in Progress	1,791,383	4,335,315	1,791,383	4,335,315	-	-	-	-	1,791,383	4,335,315
Previous Year	35,921,124	19,201,908	-	55,123,032	4,404,195	2,735,708	-	7,139,903	31,516,929	47,983,129

## SCHABLONA INDIA LIMITED

### SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009

	<u>2009</u> Rupees	<u>2008</u> Rupees
<b>4. Unsecured Loan</b>		
From a Body Corporate	<u>2,000,000</u>	-
	<u>2,000,000</u>	-
<b>6. Inventories</b>		
(As taken, valued & certified by the Management)		
Raw Material	16,122,074	12,225,625
Work in Process	6,272,411	3,975,769
Finished Goods	27,516,566	14,613,686
Consumable Stores & Others	2,480,300	3,332,611
Stores & Spares	1,381,716	1,518,791
Traded Goods	5,891,296	1,502,806
Goods in Transit	7,200	-
	<u>59,671,563</u>	<u>37,169,288</u>
<b>7. Cash &amp; Bank Balances</b>		
Cash in Hand	160,928	314,018
Balances with Scheduled Banks		
- in Current Accounts	1,799,781	1,028,213
- in Fixed Deposits Account	729,078	1,288,500
	<u>2,689,787</u>	<u>2,630,731</u>
<b>8. Sundry Debtors</b>		
(Unsecured, considered good unless specified)		
Debts outstanding for a period exceeding six months		
- considered good	1,017,811	783,323
Other Debts	38,652,444	42,944,039
	<u>39,670,255</u>	<u>43,727,362</u>
<b>9. Loans &amp; Advances</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	1,974,539	2,686,914
Interest Accrued but not due	7,567	26,421
Advance Income Tax	6,696,144	2,467,926
Advance Fringe Benefit Tax	1,446,000	778,000
VAT Receivable	4,434,966	557,253
Balance with Central Excise	784,012	653,750
Advance TCS	946	-
Security Deposits		
- with Govt. Department	558,261	565,261
- with Others	1,465,500	745,500
	<u>17,367,935</u>	<u>8,481,025</u>

## SCHABLONA INDIA LIMITED

### SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009

	<u>2009</u> Rupees	<u>2008</u> Rupees
<b>10. Current Liabilities</b>		
Sundry Creditors	48,874,627	38,770,898
Other Liabilities	9,782,975	9,711,283
Dealers' Security Deposit	7,791,310	5,220,000
Advances from Customers	1,591,694	8,436,046
	<u>68,040,607</u>	<u>62,138,227</u>
<b>11. Provisions</b>		
For Taxation	5,437,034	2,362,000
For Fringe Benefit Tax	1,484,000	746,000
Proposed Dividend	1,895,529	1,579,608
Tax on Dividend	322,146	268,454
	<u>9,138,709</u>	<u>4,956,062</u>
<b>12. Miscellaneous Expenditure</b>		
Deffered Revenue Expenditure	1,869,915	-
Less : Written off during the year	373,983	-
	<u>1,495,932</u>	<u>-</u>
<b>13. Sales (Net of Returns)</b>		
Transfers/Stickers (Incl. Excise Duty)	62,692,315	54,225,838
Decorated Tiles	209,774,873	144,089,453
Traded Goods (Tiles)	25,156,236	2,613,326
	<u>297,623,424</u>	<u>200,928,617</u>
Less : Excise Duty	6,438,248	6,823,168
	<u>291,185,176</u>	<u>194,105,449</u>
Less : Inter unit Sales / Purchase	5,716,186	4,874,862
Refer Note No. "9" of Schedule 19		
	<u>285,468,990</u>	<u>189,230,587</u>
<b>14. Other Income</b>		
Job Work (Gross)	2,173,770	1,386,270
(TDS Rs. 28,881/-, previous year Rs. 21,238/-)		
Interest on Income Tax Refunds	-	14,008
Interest Received	75,950	16,830
(TDS Rs. 9,337/-, previous year Rs. 1,578/-)		
Prior Period Income	-	224,790
Miscellaneous Income	1,304,512	870,431
	<u>3,554,232</u>	<u>2,512,329</u>

## SCHABLONA INDIA LIMITED

### SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	<u>2009</u>	<u>2008</u>
	Rupees	Rupees
<b>15. Increase/(Decrease) in Stock</b>		
Opening Stock		
Finished Goods	14,613,686	12,541,347
Work in Process	3,975,769	2,311,724
Traded goods	1,502,806	54,077
	<u>20,092,261</u>	<u>14,907,148</u>
<i>Less : Closing Stock</i>		
Finished Goods	27,516,566	14,613,686
Work in Process	6,272,411	3,975,769
Traded goods	5,891,296	1,502,806
	<u>39,680,273</u>	<u>20,092,261</u>
 Increase/(Decrease) in Stock	 <u>19,588,012</u>	 <u>5,185,113</u>
<b>16. Manufacturing and Other Expenses</b>		
Raw Material Consumed	101,702,748	80,841,568
Stores, Spares & Packing Material Consumed	22,058,889	11,695,510
Litho Material	1,039,895	1,013,379
Screen Material	10,920,050	7,467,406
Trading Tiles (Purchased)	19,466,784	-
Power & Fuel	9,110,638	5,237,422
Job Work Charges	4,572,687	286,414
Design & Development Charges	1,255,346	732,559
Repair & Maintenance	1,438,902	3,067,711
Salaries, Wages & Bonus	46,572,406	26,448,354
Workmen & Staff Welfare	580,402	408,515
Rent	5,798,340	678,884
Rates & Taxes	443,398	191,620
Insurance Premium	361,558	361,663
Travelling & Conveyance		
- Local Tours & Travels	7,316,808	4,445,360
- Foreign Tours & Travels	1,099,923	1,325,959
Motor Car Expenses	667,870	433,514
Legal & Professional Charges	845,275	1,193,702
Software Development Charges	19,150	134,150
Payment to Auditors		
- Audit Fees	75,000	44,944
- Tax Audit Fee	25,000	11,236
- Certification	-	5,309
Charity & Donations	-	2,050
Bad Debts Written off	-	150,000
Membership Fee & Subscription	15,047	7,853
Loading & Unloading	1,490,229	599,302

## SCHABLONA INDIA LIMITED

### SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	<b>2009</b>	<b>2008</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>16. Manufacturing and Other Expenses (contd.)</b>		
Director's Sitting Fee	39,500	19,100
Director's Commission	182,119	161,227
Postage, Telegram & Telephone Expenses	3,222,893	3,020,316
Printing & Stationery	948,536	659,246
Books & Periodicals	143,782	98,588
Miscellaneous Expenses	4,060,355	1,341,279
Loss on Sale of Fixed Assets	142,726	-
Deffered Revenue Expenditure Written Off	373,983	-
Business & Sales Promotion	15,309,752	9,767,364
Discounts, Rebates & Incentives	15,821,229	10,716,749
Carriage Outward	4,190,792	2,466,321
	<b><u>281,312,012</u></b>	<b><u>175,034,574</u></b>
 <b>17. Raw Material Consumed</b>		
Opening Stock	12,225,625	8,582,231
Add : Purchases (Including Freight Inward)	111,315,383	89,359,824
	<b>123,541,008</b>	<b>97,942,055</b>
Less : Closing Stock	16,122,074	12,225,625
	<b>107,418,934</b>	<b>85,716,430</b>
Less : Inter unit Purchase/Sales	5,716,186	4,874,862
Refer Note No. "9" of Schedule 19	<b><u>101,702,748</u></b>	<b><u>80,841,568</u></b>
 <b>18. Interest and Finance Charges</b>		
Interest		
-on Term Loans	1,702,452	954,327
-on Working Capital	2,458,561	1,402,107
-on Other Loans	538,377	362,377
Bank Charges	177,541	312,110
Interest on Vehicle Loans	244,199	165,339
	<b><u>5,121,129</u></b>	<b><u>3,196,260</u></b>

## SCHABLONA INDIA LIMITED

### 19. 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
- Fixed assets are stated at cost less accumulated depreciation.
  - 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 provisions of Section 100(1)(b) of the Companies Act, 1956.
  - 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.
  - 100% depreciation has been charged on assets costing Rs. 5000/- or less.
- c) Inventories  
Finished stocks and trading 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. Cost of finished goods includes excise duty.
- 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 Standard-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 on 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

## SCHABLONA INDIA LIMITED

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 recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be 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 Funds are treated as 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) Leave encashment has been provided on basis of estimation made by acturial.

iv) Other short term compensated absences are provided for based on past experience of leave availed.

l) Sales

Sales represent invoiced value of goods, net of sales return and trade discount but inclusive of Excise duty, wherever applicable.

m) Provisions and Contingent Liabilities

A provision is recognized if material when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainties. Such contingent liabilities are not recognized but are disclosed in the schedule of contingent liability on the basis of judgment of the management/independent expert. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

**B. Notes to Accounts**

	2009 Rs./Lacs	2008 Rs./Lacs
1. <b>Contingent Liability not provided for</b>		
a) Contingent liabilities not provided for in respect of :		
i. Unexpired letter of credit established by Central Bank of India, Bahadurgarh, on behalf of the Company	5.30	5.30
ii. Bank Guarantee issued by Central Bank of India, Bahadurgarh, on behalf of the Company	16.46	19.24
b) Contingent liabilities not provided for in respect of Co-surety given on behalf of M/s. Somany Ceramics Limited	12.50	12.50
c) Sales Tax demand for the year 2005-06 (Refer Note No. '13' of Schedule 19)	0.48	-
d) Estimated Capital Contracts remaining to be executed (Net of Advances Rs. Nil, Previous year Rs. Nil)	-	5.00

## SCHABLONA INDIA LIMITED

		(Amount in Rs.)	
		31.03.2009	31.03.2008
<b>2.</b>	<b>Managerial Remuneration :</b>		
	To Non Whole-time Directors		
	a) Commission	182,119	161,227
	b) Sitting Fees	39,500	19,100
		221,619	180,327
<b>3.</b>	<b>Commission to Non-whole time Directors</b>		
	Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956 is as under :		
	Profit before taxes and exceptional items	17,847,558	15,961,487
	Add : Loss on sale of fixed assets	142,726	-
	Add : Directors' Commission	182,119	161,227
	Add : Directors' Sitting Fees	39,500	19,100
	Net Profit as per Section 198 of the Companies Act, 1956	18,211,903	16,141,814
<b>4.</b>	<b>Related party disclosure in accordance with the Accounting Standard "18" issued by The Institute of Chartered Accountants of India :</b>		
	A. Related Parties with whom transactions have taken place & description of relationship : Scope Vinimoy Private Limited (Enterprise having Common Key Management Person)		
	B. Transaction that have taken place during the period April 1, 2008 to March 31, 2009 with related parties by the Company :		
	Unsecured Loan (Taken)	20,00,000	-
<b>5.</b>	<b>Earnings Per Share (EPS)</b>		
	Profit attributable to the equity share holders (Rs.)	12,967,750	10,192,892
	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.)	4.10	3.23
<b>6.</b>	In terms of Accounting Standard "22" issued by The Institute of Chartered Accountants of India, the Company has recognized a net deferred tax liability of Rs. 881,874/- (previous year Rs. 3,663,595/-) on a reasonable and conservative basis, which would be available for set off against the future profits of the Company.		
	Deferred Tax Liability comprises of :		
	A. <i>Deferred Tax Liabilities</i>		
	Deferred Tax Liability on account of Depreciation	5,840,362	4,905,402
	Deferred Revenue expenses	508,467	-
		6,348,829	4,905,402
	B. <i>Deferred Tax Assets</i>		
	Leave Encashment	561,553	-
		561,553	-
	C. <i>Net Deferred Tax Liability (A – B)</i>	5,787,276	4,905,402



## SCHABLONA INDIA LIMITED

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 31.03.2009 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 31.03.2009 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 Accounting Standard "9", "Recognition of Revenue", issued by the Institute of Chartered Accountants of India, the Company has reduced inter unit sales/purchase from the purchase & sales of respective units amounting to Rs. 5,716,186/- (previous year Rs. 4,874,862/-). However, the above has no impact on the profitability of the Company for the year.
10. In the opinion of the management Current Assets and Loans & Advances have a value on realization in ordinary course of business at least equal to the amount at which they are stated.
11. Balances in Sundry Debtors, Creditors and Loans & Advances 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. Mat credit entitlement of Rs. 1,205,966/- belonging to assessment year 2006-07, 2007-08 and 2008-09 has been setoff during the year.
13. Sales tax demand of Rs. 47,826/- for the assessment year 2005-06 has been raised by the Sales Tax Department due to non submission of "C" Forms as per sales tax order dated 17.03.2009. The Sales Tax Department has given time upto 30.09.2009 for submission of "C" Forms consequently no provision has been made in the books of accounts.
14. An amount of Rs. 1,869,915/- was incurred on addition and alteration of Furniture & Fixture on rented premises. The said amount shall be amortized over a period of five years based on lease period as per rent agreement. Rs. 373,983/- has been debited under the head Deferred Revenue expenditure and balance of Rs. 1,495,932/- shown under the head "Miscellaneous Expenditure" in Balance Sheet.
15. **Payments to Auditors** (Amount in Rs.)
- |                    | 31.03.2009 | 31.03.2008 |
|--------------------|------------|------------|
| i) Audit Fees      | 75,000     | 44,944     |
| ii) Tax Audit Fees | 25,000     | 11,236     |
| iii) Certification | -          | 5,309      |
- Figures for the year as on 31.03.2009 are exclusive of Service Tax.
16. Sales include miscellaneous sales of Rs. 1,147,101/- (previous year Rs. 587,919/-).

## SCHABLONA INDIA LIMITED

17. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Part II of Schedule VI of Companies Act, 1956 for the year ended 31st March, 2009

### A. CAPACITY / PRODUCTION / PURCHASE

Class of Goods	Unit	CAPACITY				PRODUCTION / PURCHASE	
		LICENCED*		INSTALLED*		2008-09	2007-08
		2008-09	2007-08	2008-09	2007-08		
Ceramic Transfers/ Stickers	No. of Sheets	N.A.	N.A.	780,000	780,000	630,085	546,187
Screen	Nos.	N.A.	N.A.	24,000	24,000	12,809	10,136
Decorated Tiles	Sq. Mtrs.	N.A.	N.A.	350,000	350,000	254,737.13	168,852.51
Tiles	Sq. Mtrs.	N.A.	N.A.	N.A.	N.A.	62,201.68	3,055.87

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

### B. STOCK & SALES

	Units	2008-09		2007-08	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
<b>Opening Stock</b>					
Ceramic Transfer/Stickers	No. of Sheets	20,541.00	943,686	61,959.00	2,414,296
Screen	Nos.	-	-	-	-
Decorated 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
<b>Closing Stock</b>					
Ceramic Transfers/ Stickers	No. of Sheets	20,890.00	1,022,691	20,541.00	943,686
Screen	Nos.	-	-	-	-
Decorated Tiles	Sq. Mtrs.	38,826.73	26,493,875	22,224.56	13,670,000
Trading Stock	Sq. Mtrs.	11,055.37	5,891,296	1,219.68	1,502,806
<b>Sales</b>					
Ceramic Transfers/ Stickers*	No. of Sheets	629,736.00	50,077,574	587,605.00	43,574,143
Screen	Nos.	12,809.00	12,614,741	10,136.00	10,651,695
Decorated Tiles **	Sq. Mtrs.	238,134.96	209,774,873	161,178.98	144,089,453
Trading Stock **	Sq. Mtrs.	52,365.99	25,156,236	2,021.23	2,613,326

\* (Inclusive of excise duty)

\*\* Includes breakage and samples etc.

### C. RAW MATERIAL CONSUMED

Class of Goods	Units	2008-09		2007-08	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Plain Tiles	Sq. Mtrs.	264,764.58	69,652,470	187,878.66	54,541,363
Paper	No. of Sheets	645,039.00	5,701,722	536,174.00	4,641,653
Colours & Chemicals	Kgs.	105,718.00	26,348,556	100,207.09	21,658,552
			<u>101,702,748</u>		<u>80,841,568</u>

## SCHABLONA INDIA LIMITED

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

Particulars	Raw Materials				Screen, Stores & Spares			
	2008-09		2007-08		2008-09		2007-08	
	Rupees	%	Rupees	%	Rupees	%	Rupees	%
Imported	<b>3,812,262</b>	<b>3.75</b>	1,397,326	1.73	<b>402,963</b>	<b>1.18</b>	858,369	4.25
Indigenous	<b>97,890,486</b>	<b>96.25</b>	79,444,242	98.27	<b>33,615,871</b>	<b>98.82</b>	19,317,926	95.75
	<b>101,702,748</b>	<b>100.00</b>	80,841,568	100.00	<b>34,018,834</b>	<b>100.00</b>	20,176,295	100.00

	Amount (Rs.)	
	2008-09	2007-08
<b>E CIF Value of Imports</b>		
– Plant & Machinery	<b>2,725,100</b>	3,849,746
– Spare Parts	<b>68,631</b>	405,822
– Raw Materials	<b>4,752,351</b>	1,689,438
	<b>7,546,082</b>	5,945,006
<b>F FOB Value of Exports</b>	–	–
<b>G Expenditure in Foreign Currency (Cash basis)</b>		
– Plant & Machinery	<b>2,725,100</b>	3,530,353
– Stores & Spares	<b>42,625</b>	324,290
– Travelling Expenses	<b>712,417</b>	862,413
– Raw Material	<b>4,645,239</b>	1,577,984
– Training Expenses	<b>1,610,146</b>	622,485
	<b>9,735,527</b>	6,917,525
<b>H Earnings in Foreign Currency (Cash basis)</b>	–	–

18. Schedule "1" to "19" form an integral part of Balance Sheet and Profit & Loss Account.

19. The figures have been rounded off to nearest rupee.

20. Figures for the previous year have been regrouped / rearranged wherever considered necessary.

As per our Report of even date attached

for **A. K. Maheshwari & Associates**

Chartered Accountants  
**(CA. Anand Maheshwari)**  
Proprietor  
Membership No. 073875

**A. K. BEEJAWAT** }  
**N. GOENKA** } *Directors*

Place : New Delhi

Dated : 21<sup>st</sup> day of May, 2009

## 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	
		31.03.09	31.03.08
1.	<b>SEGMENT REVENUE</b> (Incl. other Income)		
	a) Transfer Sheets	562.54	474.03
	b) Job Work	21.74	22.93
	c) Decorated Tiles	2,349.31	1,467.03
	<b>Total :</b>	<b>2,933.59</b>	<b>1,963.99</b>
	Less : Inter segment revenue	57.16	48.75
	Net Sales/Income from operations	<b>2,876.43</b>	<b>1,915.24</b>
2.	<b>Segment Result Profit (+)/(Loss)(-) before Tax and Interest from segment</b>		
	a) Transfer Sheets	61.72	39.88
	b) Job Work	7.40	17.22
	c) Decorated Tiles	145.44	129.71
	<b>Total :</b>	<b>214.56</b>	<b>186.81</b>
	Less : 1) Interest	46.99	27.19
	2) Other un-allocable expenditure net off un-allocable income	(10.90)	-
	<b>Total Profit before Tax :</b>	<b>178.47</b>	<b>159.62</b>
3.	<b>CAPITAL EMPLOYED</b> (Segment Assets -Segment Liabilities) (Based on estimates in terms of available data)		
	a) Transfer sheets	438.02	336.07
	b) Job Work	44.74	24.87
	c) Decorated Tiles	585.10	385.94
	<b>Total :</b>	<b>1,067.86</b>	<b>746.88</b>

For **SCHABLONA INDIA LIMITED**

Place : New Delhi  
Dated : 21<sup>st</sup> day of May, 2009

**N. GOENKA**  
Director

**A. K. BEEJAWAT**  
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. : 

L	5	1	1	0	9	W	B	1	9	8	3	P	L	C	0	3	6	8	9	9
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Balance Sheet Date : 

3	1	.	0	3	.	2	0	0	9
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 State Code 

2	1
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II. Capital Raised during the year (Amount in Rupees thousand)

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

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

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

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

Turnover (including Other Income)	Total Expenditure																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>2</td><td>8</td><td>9</td><td>0</td><td>2</td><td>3</td></tr></table>				2	8	9	0	2	3	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>2</td><td>7</td><td>1</td><td>1</td><td>7</td><td>6</td></tr></table>				2	7	1	1	7	6
			2	8	9	0	2	3											
			2	7	1	1	7	6											
Profit Before Tax	Profit After Tax																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>1</td><td>7</td><td>8</td><td>4</td><td>7</td></tr></table>				1	7	8	4	7	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>1</td><td>2</td><td>9</td><td>6</td><td>8</td></tr></table>				1	2	9	6	8		
			1	7	8	4	7												
			1	2	9	6	8												
Earning Per Share (Rs.)	Dividend Rate %																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>4</td><td>.</td><td>1</td><td>0</td></tr></table>				4	.	1	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>1</td><td>5</td><td>.</td><td>0</td><td>0</td></tr></table>				1	5	.	0	0			
			4	.	1	0													
			1	5	.	0	0												

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

Item Code No. (ITC Code)	Product Description																														
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>4</td><td>9</td><td>0</td><td>8</td><td>1</td><td>0</td><td>0</td><td>0</td></tr></table>		4	9	0	8	1	0	0	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>T</td><td>R</td><td>A</td><td>N</td><td>S</td><td>F</td><td>E</td><td>R</td><td>(</td><td>D</td><td>E</td><td>C</td><td>A</td><td>L</td><td>)</td></tr></table>	T	R	A	N	S	F	E	R	(	D	E	C	A	L	)						
	4	9	0	8	1	0	0	0																							
T	R	A	N	S	F	E	R	(	D	E	C	A	L	)																	
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>6</td><td>9</td><td>0</td><td>8</td><td>9</td><td>0</td><td>9</td><td>0</td></tr></table>		6	9	0	8	9	0	9	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>C</td><td>E</td><td>R</td><td>A</td><td>M</td><td>I</td><td>C</td><td>T</td><td>I</td><td>L</td><td>E</td><td>P</td><td>R</td><td>O</td><td>D</td><td>U</td><td>C</td><td>T</td><td>S</td><td> </td><td> </td></tr></table>	C	E	R	A	M	I	C	T	I	L	E	P	R	O	D	U	C	T	S		
	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													
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>5</td><td>9</td><td>1</td><td>1</td><td>9</td><td>0</td><td>9</td><td>0</td></tr></table>		5	9	1	1	9	0	9	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>S</td><td>C</td><td>R</td><td>E</td><td>E</td><td>N</td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>	S	C	R	E	E	N															
	5	9	1	1	9	0	9	0																							
S	C	R	E	E	N																										

**N. GOENKA**  
Director

**A. K. BEEJAWAT**  
Director

## SCHABLONA INDIA LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2009

	<u>2009</u> Rupees	<u>2008</u> Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and extra-ordinary items	17,847,558	15,961,487
Adjustment for		
- Depreciation	4,330,535	2,735,708
- Interest Expenses	4,699,390	2,718,811
- Interest Received	(75,950)	(16,830)
- Loss on sale of fixed assets	142,726	-
- Deffered Revenue Expenditure Written off	373,983	-
	<b>9,470,684</b>	<b>5,437,689</b>
Operating profit before Working capital changes	27,318,242	21,399,176
Adjustment for		
- Inventories	(22,502,275)	(11,391,598)
- Trade Receivables	4,057,107	(26,179,015)
- Other Receivables	(4,009,546)	(3,425,890)
- Trade Payables	5,902,380	34,113,460
- Provision for Bad & Doubtful Debts	-	(328,795)
	<b>(16,552,334)</b>	<b>(7,211,838)</b>
Cash generated from operations	10,765,908	14,187,338
- Direct Taxes Paid	(5,081,118)	(1,840,840)
Cash Flow before Extraordinary items	5,684,790	12,346,498
- Extraordinary items	-	-
Cash flow from operating activities	<b>5,684,790</b>	<b>12,346,498</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Net Purchase/ Sale of Fixed Assets (Incl Cap WIP)	(19,251,129)	(16,494,658)
- Interest received	94,804	3,360
- Deferred Revenue Expenditure	(1,869,915)	-
Net cash used in Investing activities	<b>(21,026,240)</b>	<b>(16,491,298)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Raising of Secured Loans	19,947,958	8,460,296
- Raising of Unsecured Loans	2,000,000	-
- Interest Paid	(4,699,390)	(2,718,811)
- Dividend Paid	(1,579,608)	-
- Dividend Tax Paid	(268,454)	-
Cash flow from Financing activities	<b>15,400,506</b>	<b>5,741,485</b>
Net increase in Cash & Cash equivalents	59,056	1,596,685
Cash & Cash Equivalents as on 01-04-2008/01-04-2007	2,630,731	1,034,046
Cash & Cash Equivalents as on 31-3-2009/31-03-2008	<b>2,689,787</b>	<b>2,630,731</b>

Place : New Delhi  
Dated : 21<sup>st</sup> day of May, 2009

For **SCHABLONA INDIA LIMITED**  
**N. GOENKA**      **A. K. BEEJAWAT**  
*Director*                      *Director*

#### AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of M/s. Schablona India Limited for the year ended 31.03.2009. The statement has been prepared by the Company in accordance with the requirement 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 21st day of May, 2009 to the Members of the Company.

for **A. K. Maheshwari & Associates**  
Chartered Accountants  
(CA. Anand Maheshwari)  
*Proprietor*  
Membership No. : 73875

Place : New Delhi  
Dated : 21<sup>st</sup> day of May, 2009