DIRECTORS' REPORT
To the Members

Your Directors have pleasure in presenting their Twenty Sixth Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2010.

ACCOUNTS	**31.03.2010 Rs. / (000)**	**31.03.2009 Rs. / (000)**
Gross Sales	355871	291907
Less: Excise Duty	6616	6438
Net Sales	349255	285469
Gross Profit for the year under review	19880	22178
Less: Depreciation for the year	5183	4330
Profit for the year	14697	17848
Less: Provision for Income Tax (Net of MAT Credit)	4500	3075
Less: Provision for Fringe Benefit Tax	-	923
Less: Deferred Tax Liability	352	882
	9845	12968
Add: Balance brought forward from earlier years	35652	26302
Surplus available for appropriation	45497	39270
Appropriations		
Proposed Dividend on Equity Shares	1896	1896
Tax on Proposed Dividend	315	322
General Reserve	1500	1400
Balance Carried to Balance Sheet	41786	35652
	45497	39270

DIVIDEND

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

GENERAL DESCRIPTION

Your Company is in the highly creative fashion Industry of Decorative Tiles, Crockery, Glass etc. Although the concept is relatively new in India, our decorative products have been very well accepted and appreciated through-out the country.

OPERATION

Sale of Transfer Division during the year increased to Rs. 789.09 lac (net of excise) from Rs. 562.54 lac (net of excise) in the previous year, registering a growth of 40.27%. Likewise the sale of Decorated Tiles Division increased to Rs. 2777.43 lac from Rs. 2349.31 lacs in the previous year, a growth of 18.22%.

Further to increase the capacity of Transfer/Decals, a fully automatic Printing machine has been ordered for Unit - 1, Kassar with an annual production capacity of 7.2 lac sheets at a capital cost of Rs. 85 lac (approx).

To cater to the demand of larger format tiles in the Southern and Western Regions, suitable printing machinery is being installed at Unit - 2, Kadi at a capital cost of Rs. 20 lac (approx).

The growing demand of Polishing and Sand Blasted designer tiles, is presently being met by outsourcing, and machinery is being planned for in-house production in the current year.

MARKET AND FUTURE PROSPECTS

Ceramic Transfer Sheets

Cutsomized designs and servicing sustained the continuous movement of decals through-out the year. And because of our proven capabilities of designing, quality and servicing, your Company expects to maintain growth in sales of ceramic transfers in the coming years.

The tableware industry is highly dependent on innovative customized designs and therefore in line with the expected growth of the market, it will be necessary to strengthen the designing department to increase the market share. Suitable actions are being taken in this direction.

Decorated Tiles

The tile industry has grown at an average of 15% CAGR for the past 5 years. Preference towards larger format tiles is increasing continuously. Your Company's Decorated Tile Division is adequately equipped to cater to this growing demand.

Trading

With the rising trend of premium brand tiles and better decoration your Company's brand "KERASPANA" has been well received in the market and we are expecting a major growth in this segment.

Your Company started supply of innovative Glass Highlighters for the first time in India successfully and expecting a bigger market in coming years.

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. Rakesh Kumar Borar, 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 2009-10, as part of this Directors' Report, pursuant to the provisions of 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, 2010 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.

For and on behalf of the Board

New Delhi
Dated, the 24th May, 2010

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 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 -	8150
B.	Foreign Currency Earned -	102

For and on behalf of the Board

G. L. Sultania

(Chairman)

New Delhi

Dated, the 24th May, 2010

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

Increase in the disposable income and change in life style is fuelling demand for high end tiles and transfers. With clear focus on innovation, creativity and R&D, your Company is able to retain its leadership and increasing market share with every passing month.

Keeping in mind that there is more requirement of high end tiles, Schablona Tile Division has entered in Trading of Tiles from Domestic sources under the brand name of Keraspana and is searching products from countries like China, Spain, Italy, Malaysia for adding product in its portfolio which we currently are not capable of producing as per market demands.

Transfer Division is trying to add new usage of Transfer in Glass Highlighter, Polished Highlighter etc. to utilize new plant capacities and is also looking for new buyers in Ceramics and Glass and is trying to take more market share with each buyer.

With a stable government in place at the centre, construction industry outlook is expected to improve substantially enabling the Company to utilize balance production co-operation in Tile Division further.

Risk & Concerns

The Company's writ petition challenging the notice of acquisition of Company's plant land at Kassar for setting up as 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 has been 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 214 employees as on 31.03.2010. Industrial relations during the year continued to be cordial.

For and on behalf of the Board
G. L. Sultania
(Chairman)

New Delhi
Dated, the 24th May, 2010

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, 2010. 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, restriction clauses mentioned in Section 3(1)(iii) of the Act are not applicable.
4. The Board of Directors duly met four times respectively on 21st May, 2009, 29th July, 2009, 29th October, 2009 & 18th January, 2010 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 not passed any Board resolution by circulation during the year under review.
5. The Company has closed its register of Members for transfer or other purposes during the above financial year from 18th August, 2009 to 26th August, 2009 (both days inclusive).
6. The Annual General Meeting for the financial year ended on 31st March,2009 was held on 26th August,2009 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 9 new Share Certificates for 850 Shares on account of loss of original Share Certificate, 3 new Share Certificates for 300 Shares on account of replacement against original being defaced 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 31.03.2009 and has paid dividend amount to all the eligible Members of the Company as per provisions of the Companies Act, 1956. The Company has deposited the amount of dividend in a separate bank account within statutory time period. The Company issued dividend warrants immediately after the declaration.
    (d) posted 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 no appointment of additional Director, 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 its 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 : 24/05/2010

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

ANNEXURE : A
Register as maintained by the Company

Sl. No.	Particulars	Section
1.	Register of Members	150
2.	Directors Minutes Book	193
3.	Shareholders Minutes Book	193
4.	Register of Directors	303
5.	Register of Transfer	–
6.	Register of Director's Shareholding	307
7.	Register of Contracts	301
8.	Register of Charges	143
9.	Register of Investments	372A

ANNEXURE : B
Forms/Returns filed by the Company with ROC, West Bengal

Sl. No.	From No./Return	Filed under Section	Date of Filling	Whether filed within Statutory Time Period
1.	Balance Sheet as at 31.03.2009 in Form No. 23AC	220	15.09.2009	Yes
2.	Compliance Certificate for the year ended 31.03.2009 in Form No. 66	383A	14.09.2009	Yes
3.	Annual Return made upto 26.08.2009 in Form No. 20B	159	23.10.2009	Yes
4.	Form No. 32 (For appointment of Mr. A. K. Beejawat as regular Director w.e.f. 26.08.2009)	303(2)	27.08.2009	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 five Members consisting of one Independent Non-Executive Chairman and four Independent Non-Executive Directors. There were 4 (four) Board meetings during the year 2009-10 i.e. on 21 May, 29 July, 29 October in 2009 and 18 January in 2010. Details of the Directors by category, their attendance, other directorship including Chairmanship/Membership 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	5	500
Mr. Anirudh Kabra	Independent	4	4	No	-	-	2	-
Mr. R. K. Borar	Independent	4	4	No	-	-	1	3,575
Mr. N. Goenka	Independent	4	4	Yes	6	1	2	-
Mr. A.K. Beejawat	Independent	4	4	No	1	-	-	-

($) 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. G. L. Sultania, 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 21 May, 29 July, 29 October in 2009 and 18 January in 2010 and the Chairman of the Audit Committee attended the last Annual General Meeting held on 26th August, 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	4	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.

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 11600 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 31.03.2010.

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee is comprising of following Directors as its Members and they attended its meetings held on April 28, 2009, August 6, 2009 and December 16, 2009 as detailed below :-

Members	Categotry	No. of meetings held	No. of meetings 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 22 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 2009-10.

Remuneration to Directors

Name	Director's Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. G. L.Sultania	41,008	9,000	50,008
Mr. Anirudh Kabra	41,008	10,000	51,008
Mr. R. K. Borar	41,008	10,000	51,008
Mr. N. Goenka	41,008	11,500	52,508
Mr. A. K. Beejawat	18,087	6,000	24,087

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
2008-2009	26.08.2009	3.00 P.M.	None
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.

The above stated Annual General Meetings of the Company were held at Somany Conference Hall, 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, 2010 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 31.03.2010.
(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 Bombay Stock Exchange Ltd. in accordance with the Listing Agreement 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. However, SEBI has discontinued with the requirements of posting of results and other documents on SEBI website after 31st December, 2009.
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 :
Friday, the 3rd September, 2010 at 11.30 A.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 : 23rd August, 2010 to 3rd September, 2010 (both days inclusive).

Financial Calendar : The schedule of the results for 2010-2011 is as follows:

First Quarter	:	Last week of July 2010
Second Quarter	:	Last week of October 2010
Third Quarter	:	Last week of January 2011
Fourth Quarter	:	Last week of May 2011

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

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 2009-10 at its meeting held on 24th May, 2010 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 2010-11 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 :

	Bombay Stock Exchange Ltd.*			B S E Index	
Month	High (Rs.)	Low (Rs.)	No. of Shares Traded	High	Low
April 2009	18.55	17.65	200	11,492.10	9,546.29
May 2009	17.60	16.00	2,717	14,930.54	11,621.30
June 2009	21.80	16.75	6,530	15,600.30	14,016.95
July 2009	18.00	15.15	20,819	15,732.81	13,219.99
August 2009	18.10	14.45	4,228	16,002.46	14,684.45
September 2009	18.10	14.30	2,513	17,142.52	15,356.72
October 2009	20.10	15.70	5,058	17,493.17	15,805.20
November 2009	19.20	16.50	23,634	17,290.48	15,330.56
December 2009	19.70	16.60	3,418	17,530.94	16,577.78
January 2010	22.35	16.85	32,517	17,790.33	15,982.08
February 2010	24.00	19.05	44,938	16,669.25	15,651.99
March 2010	26.00	19.25	26,226	17,793.01	16,438.45

*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 31st March, 2010 :

No. of Equity Shares	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1 - 500	3,193	89.64	5,72,018	18.11
501 - 1000	222	6.23	1,69,369	5.36
1001 - 2000	76	2.13	1,12,165	3.55
2001 - 3000	23	0.65	59,975	1.90
3001 - 4000	5	0.14	17,575	0.56
4001 - 5000	9	0.25	43,284	1.37
5001 - 10000	13	0.36	98,678	3.12
10001 and above	21	0.59	20,86,151	66.03
Total	**3,562**	**100.00**	**31,59,215**	**100.00**

Shareholding Pattern as on 31st March 2010 :

Shareholders Category	No. of holders	No. of Shares	Percentage
Indian Promoters, Directors & Relatives	8	17,74,632	56.17
Mutual Funds & UTI	-	-	-
Banks, Financial Institutions, Insurance Companies	1	200	0.01
FIIs	-	-	-
Private Corporate Bodies	69	1,87,065	5.92
Indian Public	3,480	11,96,417	37.87
NRIs/OCBs	4	901	0.03
Total	**3,562**	**31,59,215**	**100.00**

Dematerlisation of Shares :

The Company's equity shares enjoy the DEMAT facilities with NSDL as well as CDSL and 2579716 shares representing 81.66 percent of the equity capital as on 31.03.2010 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

24th May, 2010

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,2010

G. L. Sultania
Director

Place : New Delhi

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, 2010 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 : 24th day of May, 2010

AUDITORS' REPORT

To The Members

1. We have audited the attached Balance Sheet of **M/s. SCHABLONA INDIA LIMITED** as at 31st March, 2010 and the Profit and 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 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 are in 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 of the Company as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2010 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 read together with the Significant Accounting Policies and notes thereon 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, 2010;
      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.

for **A. K. Maheshwari & Associates**
Chartered Accountants
Registration No. 500106N
(CA. Anand Maheshwari)
Proprietor
Membership No. : 073875

Place : New Delhi
Dated : 24th day of May, 2010

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, 2010.

(i) a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets except in case of certain locations where records are in process of updation/ compilation.

b) According to the information and explanations given to us, all the fixed assets have been 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 have been noticed on such physical verification.

c) As per record and information and explanation provided to us, no substantial part of the fixed assets has been disposed off during the year and the going concern status of the Company is not affected.

(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. In our opinion, the frequency of physical verification is reasonable.

b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate having regard to the size of the Company and nature of its business.

c) The Company has maintained the proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to book records.

(iii) A. In our opinion and according to the information and records made available 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 the Companies Act, 1956. The maximum amount involved during the year is Rs. 20,00,000/-. At the end, the balance of such loan is Rs. 20,00,000/-

b) In our opinion, the rate of interest and other terms and condition of loan taken are not prime facie prejudicial to the interest of the Company.

c) In accordance with the information and explanation given to us in respect of the aforesaid loan, the principal amount is repayable on demand and there is no repayment schedule.

d) There is no overdue amount of loans taken from companies, firms and other parties listed in the register maintained under Section 301 of 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 and nature of business for the purchase of inventory 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 control system.

(v) a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

b) 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) According to the information and explanations given to us, the Company has not accepted any 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 internal audit system commensurate with the size and nature of its business.

(viii) As per information and explanations 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 product of the Company.

(ix) a) According to information and explanations given to us and as per records maintained by the Company, 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, VAT, Custom Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it.

b) According to information and explanations given to us, no undisputed amounts on account of Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax and Cess were in arrears, as at 31st March, 2010 for a period of more than six months from the date they become applicable.

(x) The Company has no accumulated losses at the end of the financial year and has not incurred any cash loss during the year or in the financial year immediately preceding the year under report.

(xi) Based on our audit procedure and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks and financial institutions.

(xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.

(xiv) As the Company is not dealing or trading in shares, securities, debentures or in other Investment, therefore, reporting under this clause is not desired.

(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 bankers or financial institutions.

(xvi) 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, the term loan have been applied for the purpose for which they are raised.

(xvii) 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, we report that no funds raised on a short-term basis, which have been used for long-term investments and vice-versa.

(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 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
Registration No. 500106N
(CA. Anand Maheshwari)
Proprietor
Membership No. : 073875

Place : New Delhi
Dated : 24th day of May, 2010

SCHABLONA INDIA LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	31/03/2010 Rupees	31/03/2009 Rupees
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
Share Capital	1	**12,636,860**	12,636,860
Reserves & Surplus	2	**45,004,900**	37,370,424
LOAN FUNDS			
Secured Loans	3	**42,642,846**	50,473,976
Unsecured Loans	4	**2,000,000**	2,000,000
Deferred Tax Liability (Refer Note No. 6 of Schedule 18)		**6,139,346**	5,787,276
T O T A L		**108,423,952**	108,268,536
APPLICATION OF FUNDS			
FIXED ASSETS	5		
Gross Block		**78,633,850**	71,603,539
Less : Accumulated Depreciation		**15,027,496**	11,386,474
Net Block		**63,606,354**	60,217,065
Add : Capital Work in Progress		**247,246**	4,335,315
		63,853,600	64,552,380
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	6	**45,697,849**	59,671,563
Sundry Debtors	7	**65,550,122**	39,670,255
Cash & Bank Balances	8	**3,174,817**	2,689,787
Loans & Advances	9	**17,081,182**	10,446,901
Total Current Assets		**131,503,970**	112,478,506
Less : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	10	**85,917,679**	68,040,607
Provisions	11	**2,210,353**	2,217,675
Total Current Liabilities		**88,128,032**	70,258,282
Net Current Assets		**43,375,938**	42,220,224
Miscellaneous Expenditure (To the extent not written off or adjusted)	12	**1,194,414**	1,495,932
T O T A L		**108,423,952**	108,268,536
NOTES TO THE ACCOUNTS	18		

As per our report of even date attatched

for **A. K. Maheshwari & Associates**
Chartered Accountants
(CA. Anand Maheshwari)
Proprietor
Membership No. 073875

Place : New Delhi
Dated : 24th day of May, 2010

G. L. Sultania
N. Goenka } *Directors*

SCHABLONA INDIA LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	31/03/2010 Rupees	31/03/2009 Rupees
INCOME			
Sales	13	**355,871,682**	291,907,238
Less : Excise Duty		**6,616,329**	6,438,248
Net Sales		**349,255,353**	285,468,990
Other Income	14	**6,591,488**	3,513,157
		355,846,841	288,982,147
EXPENSES			
Manufacturing & Other Expenses	15	**329,166,819**	262,104,665
Interest & Finance Charges	16	**6,800,366**	4,699,389
Depreciation		**5,182,757**	4,330,535
		341,149,942	271,134,589
Profit before Tax		**14,696,899**	17,847,558
Less : Provision for Tax			
- Fringe Benefit Tax		**-**	922,900
- Current Tax		**4,500,000**	4,281,000
Add : MAT Credit Entitlement		**-**	1,205,966
Less : Deferred Tax Liability		**352,070**	881,874
Profit after Tax		**9,844,829**	12,967,750
Add : Balance brought forward from earlier years		**35,652,144**	26,302,069
Surplus available for Appropriations		**45,496,973**	39,269,819
Appropriations			
Proposed Dividend		**1,895,529**	1,895,529
Tax on Proposed Dividend		**314,824**	322,146
Transferred to General Reserve		**1,500,000**	1,400,000
Balance carried to Balance Sheet		**41,786,620**	35,652,144
		45,496,973	39,269,819
Earnigs per Share (Basic & Diluted)		**3.12**	4.10
Reference Note No. "5" of Schedule 18			
NOTES TO THE ACCOUNTS	18		

As per our report of even date attatched

for **A. K. Maheshwari & Associates**
Chartered Accountants
(CA. Anand Maheshwari)
Proprietor
Membership No. 073875

Place : New Delhi
Dated : 24th day of May, 2010

G. L. Sultania
N. Goenka } *Directors*

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2010

	31/03/2010 Rupees	31/03/2009 Rupees
1. Share Capital		
Authorised		
5,000,000 Equity Shares of Rs. 10/- each	**50,000,000**	50,000,000
Issued, Subscribed & Paid-Up		
3,159,215 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)	**12,636,860**	12,636,860
2. Reserves & Surplus		
Capital Reserve	**63,280**	63,280
General Reserve		
As per last year	**1,655,000**	255,000
Add: Transferred from Profit and Loss Account	**1,500,000**	1,400,000
	3,155,000	1,655,000
Profit and Loss Account as per annexed account	**41,786,620**	35,652,144
	45,004,900	37,370,424
3. Secured Loans		
Central Bank of India		
a) Cash Credit	**25,355,088**	28,032,956
(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) Book Debts (ODBD)	**8,493,260**	9,967,888
(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.)		
c) Term Loans	**6,201,284**	7,641,389
(Secured against hypothecation of plant & machinery, fixtures & other misc. assets at Kadi (Gujarat) and further secured by way of a Corporate Guarantee of M/s. Somany Ceramics Ltd.)		
Installments due within one year Rs. 2,245,620/- (Previous year Rs. 2,245,620/-)		
HDFC Bank		
a) Term Loans	**1,800,000**	3,000,000
(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 loan)		
Installments due within one year Rs. 1,200,000/- (Previous year Rs. 1,200,000/-)		
b) Auto Loans	**474,304**	1,198,522
(Secured against Hypothecation of vehicles purchased thereunder)		
Installments due within one year Rs. 467,244/- (Previous year Rs. 874,980/-)		
Auto Loan From a Company	**318,910**	633,221
(Secured against Hypothecation of vehicles purchased thereunder)		
Installments due within one year Rs. 290,700/- (Previous year Rs. 370,800/-)		
	42,642,846	50,473,976
4. Unsecured Loans		
Loans from - Bodies Corporates	**2,000,000**	2,000,000
	2,000,000	2,000,000

5. Fixed Assets

(in Rupees)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31/03/09	Additions during the year	Adjustment / Deduction during the year	As at 31/03/10	Upto 31/03/09	For the year	Written back during the year	Upto 31/03/10	As at 31/03/2010	As at 31/03/2009
Land	952,500	–	–	**952,500**	–	–	–	–	**952,500**	952,500
Building										
- Own	15,939,765	1,979,226	–	**17,918,991**	1,914,112	532,388	–	**2,446,500**	**15,472,491**	14,025,653
- Improvement to Leasedhold Premises	3,417,917	62,610	–	**3,480,527**	91,419	115,202	–	**206,621**	**3,273,906**	3,326,498
Plant & Machinery	38,232,693	8,491,530	2,966,917	**43,757,306**	5,747,657	3,171,586	202,813	**8,716,430**	**35,040,876**	32,485,036
Furniture & Fixture	1,679,285	169,649	–	**1,848,934**	246,042	104,378	–	**350,420**	**1,498,514**	1,433,243
Computer	3,346,871	1,083,392	409,955	**4,020,308**	1,239,569	622,585	409,956	**1,452,198**	**2,568,110**	2,107,302
Office Equipment	1,911,285	170,747	–	**2,082,032**	499,242	144,760	–	**644,002**	**1,438,030**	1,412,043
Vehicles	6,123,223	250,000	1,799,971	**4,573,252**	1,648,433	491,858	928,966	**1,211,325**	**3,361,927**	4,474,790
T O T A L	71,603,539	12,207,154	5,176,843	**78,633,850**	11,386,474	5,182,757	1,541,735	**15,027,496**	**63,606,354**	60,217,065
Capital Work-in Progress	4,335,315	247,246	4,335,315	**247,246**	–	–	–	**–**	**247,246**	4,335,315
Previous Year	55,123,032	16,789,860	309,353	**71,603,539**	7,139,903	4,330,535	83,964	**11,386,474**	**60,217,065**	

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2010

	31/03/2010 Rupees	31/03/2009 Rupees
6. Inventories		
(As taken, valued & certified by the Management)		
Stores & Spares	**3,519,431**	3,862,016
Raw Materials	**17,510,808**	16,122,074
Finished Goods (including in transit Rs. Nil, Previous year Rs. 7,200/-)	**17,875,927**	27,523,766
Trading Goods	**2,912,496**	5,891,296
Stock-in-process	**3,879,187**	6,272,411
	45,697,849	59,671,563
7. Sundry Debtors		
(Unsecured, considered good unless specified)		
Debts outstanding for a period exceeding six months		
- considered good	**916,301**	1,017,811
Other Debts	**64,633,821**	38,652,444
	65,550,122	39,670,255
8. Cash & Bank Balances		
Cash in hand	**200,733**	160,928
Balances with Scheduled Banks		
- in Current Accounts	**263,295**	1,799,781
- in Fixed Deposits Account	**719,398**	729,078
- in Unpaid Dividend Accounts	**1,991,391**	-
	3,174,817	2,689,787
9. Loans & Advances		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	**12,105,921**	6,409,505
Interest Accrued but not due	**58,128**	7,567
Balance with Central Excise	**1,188,207**	784,012
Advance Payment of Income Tax/FBT (net of provisions)	**1,527,968**	1,222,056
Security Deposit with Government Departments and others	**2,200,958**	2,023,761
	17,081,182	10,446,901
10. Current Liabilities		
Sundry Creditors :		
Other Liabilities	**52,341,331**	48,874,628
Advances from Customers	**2,054,705**	1,591,694
Unpaid Dividend	**1,991,391**	-
Other liabilities	**29,530,252**	17,574,285
	85,917,679	68,040,607

SCHEDULES TO THE BALANCE SHEET & PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	31/03/2010 Rupees	31/03/2009 Rupees
11. Provisions		
Proposed Dividend	**1,895,529**	1,895,529
Tax on Proposed Dividend	**314,824**	322,146
	2,210,353	2,217,675
12. Miscellaneous Expenditure		
Deffered Revenue Expenditure	**1,495,932**	1,869,915
Less : Written off during the year	**301,518**	373,983
	1,194,414	1,495,932
13. Sales (Net of Returns)		
Sales (Incl. Excise Duty)	**318,595,170**	272,467,188
Traded Goods (Tiles)	**44,672,512**	25,156,236
	363,267,682	297,623,424
Less : Excise Duty	**6,616,329**	6,438,248
	356,651,353	291,185,176
Less : Inter unit Sales / Purchase Refer Note No. "9" of Schedule 18	**7,396,000**	5,716,186
	349,255,353	285,468,990
14. Other Income		
Miscellaneous Sales	**3,757,362**	1,263,437
Liabilities no longer required written back	**12,334**	-
Prior Period Adjustment (Net)	**29,509**	-
Interest Received (TDS Rs. 8,761/-, previous year Rs. 9,337/-)	**396,979**	75,950
Insurance Recovered on Sales	**1,291,377**	-
Job Work (Gross) (TDS Rs. 63,009/-, previous year Rs. 28,881/-)	**926,282**	2,173,770
Gain on Foreign Exchange Fluctuations	**177,645**	-
	6,591,488	3,513,157
15. Manufacturing & Other Expenses		
Raw Material Consumed	**123,705,790**	113,662,693
Stores, Spares Parts & Packing Material	**21,610,593**	22,058,889
Trading Purchases	**34,996,082**	19,466,784
Power & Fuel	**10,048,814**	9,110,638
Salaries, Wages, Bonus & Gratuity	**46,498,141**	43,585,837
Contribution to Provident Fund and Other Funds	**2,542,669**	2,435,637
Workmen & Staff Welfare	**2,668,042**	1,131,334
Insurance	**443,229**	361,558
Rent	**6,550,927**	5,798,340

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	31/03/2010 Rupees	31/03/2009 Rupees
15. Manufacturing & Other Expenses (Contd.)		
Rates & Taxes	**542,906**	443,398
Repair & Maintenance	**6,023,365**	1,438,902
Miscellaneous Expenses	**4,614,854**	7,180,126
Design & Development Charges	**2,517,225**	1,255,346
Legal & Professional Charges	**1,160,326**	845,275
Deferred Revenue Expenditure Written Off	**301,518**	373,983
Postage, Telegram & Telephone Expenses	**2,711,444**	3,222,893
Exchange Rate Difference	**88,936**	18,713
Selling & Distribution Expenses	**24,801,330**	26,858,543
Job Work Expenses	**2,751,303**	4,572,687
Discount	**5,309,033**	4,272,438
Freight Outward and handling charges	**3,269,751**	4,190,792
Travelling & Conveyance Expenses	**8,277,854**	9,084,601
Directors' Fees	**46,500**	39,500
Directors' Commission	**170,750**	182,119
Loss on sale of Fixed Assets	**2,160,802**	142,726
Bad Debts	**277,675**	-
Total	**314,089,859**	281,733,752
Less : Increase/(Decrease) in Finished Goods (Schedule 17)	**(15,076,960)**	19,629,087
	329,166,819	262,104,665
16. Interest & Finance Charges		
Interest on Term Loans	**1,180,602**	1,702,452
Interest to Banks & Others	**5,247,800**	2,819,396
	6,428,402	4,521,848
Bank Charges	**371,964**	177,541
	6,800,366	4,699,389
17. Increase / (Decrease) in Stock		
Opening Stock		
Finished Goods	**27,516,565**	14,613,686
Trading Stock	**5,891,296**	1,502,806
Stock-in-process	**6,272,411**	3,975,769
	39,680,272	20,092,261
Less : Closing Stock		
Finished Goods	**17,875,927**	27,516,566
Trading Stock	**2,912,496**	5,891,296
Stock-in-process	**3,879,187**	6,272,411
	24,667,610	39,680,273
Increase / (Decrease) in Stock	**(15,012,662)**	19,588,012
Add/Less : Increase/(Decrease) in Excise duty on Finished Goods	**(64,298)**	41,075
	(15,076,960)	19,629,087

18. 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 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.

iv) 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 and 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 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 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 & loss account.

k) Gratuity and Other Retirement Benefits

i) Retirement benefit in the form of Provident Fund are treated as a defined contribution scheme and the contributions are charged to the Profit & 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 actuarial.
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 : **(Amount in Rs.)**

		31/03/2010	31/03/2009
1.	**Contingent Liability not provided for**		
	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	**880,000**	530,000
	ii. Bank Guarantee issued by Central Bank of India, Bahadurgarh, on behalf of the Company	**1,646,000**	1,646,000
	b) Contingent liabilities not provided for in respect of Co-surety given on behalf of M/s. Somany Ceramics Limited	**1,250,000**	1,250,000
	c) Sales Tax demand for the year 2006-07	**55,960**	47,826

		(Amount in Rs.)	
		31/03/2010	31/03/2009
2.	**Managerial Remuneration :**		
	To Non Whole-time Directors		
	a) Commission	**170,750**	182,119
	b) Sitting Fees	**46,500**	39,500
		217,250	221,619
3.	**Commission to Non-whole time Directors**		
	Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956 is as under :		
	Profit before taxes and exceptional items	**14,696,899**	17,847,558
	Add : Loss on sale of fixed assets	**2,160,802**	142,726
	Add : Directors' Commission	**170,750**	182,119
	Add : Directors' Sitting Fees	**46,500**	39,500
	Net Profit as per Section 198 of the Companies Act,1956	**17,074,951**	18,211,903

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 **:**
   M/s. Scope Vinimoy Private Limited (Enterprise having Common Key Management Person)

   B. Transaction that have taken place during the period April 1, 2009 to March 31, 2010 with related parties by the Company **:**

Unsecured Loan (Taken)	**2,000,000**	2,000,000

5.	**Earnings Per Share (EPS)**		
	Profit attibutable to the equity share holders (Rs.)	**9,844,829**	12,967,750
	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.)	**3.12**	4.10

6. 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. 352,070/- (previous year Rs. 881,874/-) 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. Deferred Tax Liabilities		
Deferred Tax Liability on account of Depreciation	**6,295,090**	5,840,362
Deferred Revenue expenses	**405,981**	508,467
	6,701,071	6,348,829
B. Deferred Tax Assets		
Leave Encashment	**561,725**	561,553
C. Net Deferred Tax Liability (A – B)	**6,139,346**	5,787,276

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 Enterprises2 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 31.03.2010 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 31.03.2010 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. 7,396,000/- (previous year Rs. 5,716,186/-). However, the above has no impact on the profitability of the Company for the year. Further, sales includes export sales of Rs.102,080/- (previous year Rs. Nil).

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. An amount of Rs. 1,869,915/- was incurred during the financial year 2008-09 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. 301,518/- has been debited under the head Deferred Revenue expenditure and balance of Rs. 1,194,414/- shown under the head "Miscellaneous Expenditure" in Balance Sheet.

13. **Payments to Auditors** (Amount in Rs.)

	31.03.2010	31.03.2009
i) Audit Fees	**75,000**	75,000
ii) Tax Audit Fees	**25,000**	25,000

Figures are exclusive of Service Tax.

14. 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, 2010

A. CAPACITY / PRODUCTION / PURCHASE

Class of Goods	Unit	CAPACITY				PRODUCTION /PURCHASE	
		LICENCED*		INSTALLED*			
		2009-10	2008-09	**2009-10**	2008-09	**2009-10**	2008-09
Ceramic Transfers/ Stickers	No. of Sheets	**N.A.**	N.A.	**780,000**	780,000	**852,561**	630,085
Screen	Nos.	**N.A.**	N.A.	**24,000**	24,000	**12,949**	12,809
Decorated Tiles	Sq. Mtrs.	**N.A.**	N.A.	**350,000**	350,000	**240,105**	254,737
Trading Tiles (Purchased)	Sq. Mtrs.	**N.A.**	N.A.	**N.A.**	N.A.	**125,926**	62,202

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

B. STOCK & SALES

		2009-10		2008-09	
	Units	**Quantity**	**Value (Rs.)**	Quantity	Value (Rs.)
Opening Stock					
Ceramic Transfer/Stickers	No. of Sheets	**20,890**	**1,022,691**	20,541	943,686
Decorated Tiles	Sq. Mtrs.	**38,827**	**26,493,875**	22,225	13,670,000
Trading Stock	Sq. Mtrs.	**11,055**	**5,891,296**	1,220	1,502,806
Closing Stock					
Ceramic Transfers/ Stickers	No. of Sheets	**37,794**	**1,522,272**	20,890	1,022,691
Decorated Tiles	Sq. Mtrs.	**25,697**	**16,353,655**	38,827	26,493,875
Trading Stock	Sq. Mtrs.	**8,012**	**2,912,496**	11,055	5,891,296
Sales					
Ceramic Transfers/ Stickers*	No. of Sheets	**835,657**	**72,146,843**	629,736	50,077,574
Screen	Nos.	**12,949**	**13,378,117**	12,809	12,614,741
Decorated Tiles **	Sq. Mtrs.	**253,235**	**233,070,210**	238,135	209,774,873
Trading Stock **	Sq. Mtrs.	**128,969**	**44,672,512**	52,366	25,156,236

* (Inclusive of excise duty)

** Includes breakage and samples etc.

C. RAW MATERIAL CONSUMED

		2009-10		2008-09	
Class of Goods	Units	**Quantity**	**Value (Rs.)**	Quantity	Value (Rs.)
Plain Tiles	Sq. Mtrs.	**261,286**	**64,531,847**	264,765	69,652,470
Paper	No. of Sheets	**892,688**	**10,857,523**	645,039	5,701,722
Colours & Chemicals	Kgs.	**80,694**	**35,621,053**	105,718	26,348,556
Others			**12,695,367**		11,959,945
			123,705,790		113,662,693

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

Particulars	Raw Materials				Screen, Stores & Spares			
	2009-10		2008-09		**2009-10**		2008-09	
	Rupees	%	Rupees	%	**Rupees**	%	Rupees	%
Imported	**7,577,432**	**6.13**	3,812,262	3.35	**594,626**	**2.75**	402,963	1.83
Indigenous	**116,128,358**	**93.87**	109,850,431	96.65	**21,015,967**	**97.25**	21,655,926	98.17
	123,705,790	**100.00**	113,662,693	100.00	**21,610,593**	**100.00**	22,058,889	100.00

		Amount (Rs.)	
		2009-10	2008-09
E.	**CIF Value of Imports**		
	– Plant & Machinery	**–**	2,725,100
	– Spare Parts	**1,326,014**	68,631
	– Raw Materials	**6,853,804**	4,752,351
		8,179,818	7,546,082
F.	**Earnings in Foreign Currency**		
	FOB Value of Exports	**102,080**	–

		Amount (Rs.)	
		2009-10	2008-09
G.	**Expenditure in Foreign Currency**		
	– Plant & Machinery	-	2,725,100
	– Stores & Spares	1,028,803	42,625
	– Travelling Expenses	301,520	712,417
	– Raw Material	5,304,493	4,645,239
	– Training Expenses	1,515,531	1,610,146
		8,150,347	9,735,527

15. Schedule "1" to "18" form an integral part of Balance Sheet and Profit and Loss Account.
16. The figures have been rounded off to nearest rupee.
17. 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

Place : New Delhi
Dated : 24th day of May, 2010

G. L. Sultania
N. Goenka } *Directors*

Segmentwise Revenue, Results and Capital Employeed
(Under Clause 41 of the Listing Agreement)
Annexure "A"

(Rs. in Lacs)

Sl. No.	Particulars	Quarter ended		Year ended	
		(31.03.10) (Unaudited)	(31.03.09) (Unaudited)	(31.03.10) (Audited)	(31.03.09) (Audited)
1.	**Segment Revenue**				
	a) Designer Tiles	873.92	716.96	2,777.43	2,349.31
	b) Transfer Sheets	225.47	140.50	789.09	562.54
	c) Job Work	30.26	12.38	65.91	35.54
	Total :	1,129.65	869.84	3,632.43	2,947.39
	Less : Inter segment revenue	25.86	11.67	73.96	57.16
	Net Sales/Income from operations	1,103.79	858.17	3,558.47	2,890.23
2.	**Segment Result Profit (+)/(Loss)(-) before Tax and Interest from segment**				
	a) Designer Tiles	39.52	50.26	109.29	145.44
	b) Transfer Sheets	30.08	5.51	85.05	61.72
	c) Job Work	9.92	1.95	20.62	7.40
	Total :	79.52	57.72	214.96	214.56
	Less : i) Interest	20.60	12.93	68.00	46.99
	ii) Other un-allocable expenditure net off un-allocable income	-	(10.90)	-	(10.90)
	Total Profit before Tax :	58.92	55.69	146.96	178.47
3.	**Capital Employed**				
	a) Designer tiles	884.32	585.10	884.32	585.10
	b) Transfer sheets	258.79	438.02	258.79	438.02
	c) Job Work	10.23	44.74	10.23	44.74
	Total :	1,153.34	1,067.86	1,153.34	1,067.86

Place : New Delhi
Dated : 24th day of May, 2010

G. L. Sultania
N. Goenka } *Directors*

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. : L51109WB1983PLC036899

Balance Sheet Date : 31.03.2010 State Code 21

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

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Private Placement**
NIL	NIL

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

Total Liabilities	Total Assets
108424	108424
Sources of Funds	**Application of Funds**
Paid-up Capital	Net Fixed Assets
12637	63607
Reserves and Surplus	Capital WIP
45005	247
Secured Loans	Net Current Assets
42643	43376
Unsecured Laons	Miscellanesous Exp.
2000	1194
Deferred Tax Liability	
6139	

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

Turnover (including Other Income)	Total Expenditure
355847	341150
Profit Before Tax	**Profit After Tax**
14697	9845
Earning Per Share (Rs.)	**Dividend Rate %**
3.12	15.00

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

Item Code No. (ITC Code)	Product Description
49081000	TRANSFER (DECAL)
69089090	CERAMIC TILE PRODUCTS
59119090	SCREEN

G. L. Sultania
Director

N. Goenka
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2010

	2010 Rupees	2009 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extra-ordinary items	**14,696,899**	17,847,558
Adjustment for		
- Depreciation	**5,182,757**	4,330,535
- Interest Expenses	**6,428,402**	4,699,390
- Interest Received	**(396,979)**	(75,950)
- Loss on sale of fixed assets	**2,160,802**	142,726
- Deffered Revenue Expenditure Written off	**301,518**	373,983
- Liabilities no longer required Writeen back	**(12,334)**	-
- Bad Debts	**277,675**	-
	13,941,841	9,470,684
Operating profit before Working capital changes	**28,638,740**	27,318,242
Adjustment for		
- Inventories	**13,973,714**	(22,502,275)
- Trade Receivables	**(26,157,542)**	4,057,107
- Other Receivables	**(6,277,808)**	(4,009,546)
- Trade Payables	**17,889,406**	5,902,380
	(572,230)	(16,552,334)
Cash generated from operations	**28,066,510**	10,765,908
- Direct Taxes Paid	**(4,805,912)**	(5,081,118)
Cash Flow before Extraordinary items	**23,260,598**	5,684,790
- Extraordinary items	-	-
Cash flow from operating activities	**23,260,598**	5,684,790
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Net Purchase/ Sale of Fixed Assets (Incl Cap WIP)	**(6,644,779)**	(19,251,129)
- Interest received	**346,418**	94,804
- Deferred Revenue Expenditure	**-**	(1,869,915)
Net cash used in Investing activities	**(6,298,361)**	(21,026,240)
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Raising of Secured Loans	**(7,831,130)**	19,947,958
- Raising of Unsecured Loans	**-**	2,000,000
- Interest Paid	**(6,428,402)**	(4,699,390)
- Dividend Paid	**(1,895,529)**	(1,579,608)
- Dividend Tax Paid	**(322,146)**	(268,454)
Cash flow from Financing activities	**(16,477,207)**	15,400,506
Net increase in Cash & Cash equivalents	**485,030**	59,056
Cash & Cash Equivalents as on 01-04-2009/01-04-2008	**2,689,787**	2,630,731
Cash & Cash Equivalents as on 31-3-2010/31-03-2009	**3,174,817**	2,689,787

For **SCHABLONA INDIA LIMITED**

Place : New Delhi
Dated : 24th day of May, 2010

G. L. Sultania *Director*

N. Goenka *Director*

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of M/s. Schablona India Limited for the year ended 31.03.2010. The statement has been prepared by the Company in accordance with the requiremnet of Clause 32 of the Listing Agreement with the Stock Exchange and is based on and in agreement with corrresponding Profit & Loss Account and Balance Sheet of the Company covered by our report dated 24th day of May, 2010 to the Members of the Company.

for **A. K. Maheshwari & Associates**
Chartered Accountants
(CA. Anand Maheshwari)
Proprietor
Membership No. : 073875

Place : New Delhi
Dated : 24th day of May, 2010