

SCHABLONA INDIA LIMITED

Directors :

Mr. G. L. Sultania, Chairman
Mr. Anirudh Kabra
Mr. Rakesh Kumar Borar
Mr. A. K. Beejawat
Mr. N. Goenka

Auditors :

A. K. Maheshwari & Associates
Suite # 4G, Uppals, M6 Plaza
Jasola District Centre
New Delhi - 110 076

Bankers :

State Bank of India
HDFC Bank Limited

Registered Office :

2, Red Cross Place
Kolkata - 700 001
Phone No. : 033-22487406 / 07
E-mail : silinvestors@schablona.in
Website : www.schablona.in

Works :

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

Registrar & Transfer Agent :

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane
Kolkata - 700 001

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SCHABLONA INDIA LIMITED

NOTICE is hereby given that the 29th ANNUAL GENERAL MEETING of the Members of Schablona India Limited will be held at Jhaharia Committee Room of MCC Chamber of Commerce & Industry, 15-B, Hemanta Basu Sarani, Kolkata - 700 001 on Wednesday, the 11th September, 2013 at 11-30 A.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R. K. Borar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. G. L. Sultania, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Place : Noida
Date : the 29th May, 2013

By Order of the Board
N. Goenka
Director

NOTES:

1. **A Member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on a poll, instead of himself. A Proxy need not be a member of the Company. Proxies, in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, the 4th September, 2013 to Wednesday, the 11th September, 2013 (both days inclusive).
3. Members who have not encashed their dividend warrants for the year ended 31st March, 2008 to 31st March, 2012 may write to the Company or RTA for revalidation of the same.
4. Members/Proxyholders are requested to bring their copies of Annual Report along with them at the meeting.
5. Members are requested to write to the Company, their query(ies), if any, on the Accounts and operations of the Company atleast 10 days before the meeting to keep the information ready at the meeting.
6. Members who hold shares in dematerialized form are requested to bring their Depository ID and Client ID Numbers for easier identification of attendance at the Annual General Meeting.
7. Members holding shares in physical form are requested to notify changes in their address and the Bank Account particulars, if any, quoting their Folio Number(s) to the Registrar & Share Transfer Agent M/s. Maheshwari Datamatics Private Limited, 6, Mangoe Lane, Kolkata - 700 001. Telephone No. (033) 2243 5809/5029, Fax No. (033) 2248 4787.
8. Members having multiple folios in the same order of name(s) may inform the Company for consolidation into one folio.
9. The Securities and Exchange Board of India (SEBI) has mandated to furnish a copy of PAN Card in all the cases of transfer of shares in physical form.

BRIEF RESUME AND OTHER INFORMATION PURSUANT TO CLAUSE 49 (IV) (G) OF THE LISTING AGREEMENT IN RESPECT OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

Mr. R. K. Borar, aged about 47 years, is B.Com (Hons.), ACS and MBA (U.K.). He has over 20 years of experience in Investment Banking and also in Corporate Finance and Fund Management. He is a member of Audit Committee of the Company.

Mr. G. L. Sultania, aged about 67 years is B.Com., FCA & FCS. He is associated with the Company since its inception. He was Executive Director and Secretary of HSIL Limited. Mr. G. L. Sultania is having in-depth knowledge of Financial Restructuring, Corporate Laws and Legal Compliances. He is Chairman of Audit Committee and Shareholders'/Investors' Grievance Committee of the Company. He is on the Board of HSIL Limited, Somany Ceramics Limited, SKP Securities Limited and many other Companies.

SCHABLONA INDIA LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Twenty-Ninth Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2013.

(Rs. in Lacs)

ACCOUNTS	31.03.2013	31.03.2012
Gross Sales	3967.00	4591.50
Less: Excise Duty	176.10	201.11
Net Sales	3790.90	4390.39
Gross Profit/(Loss) for the year under review	(62.30)	265.77
Less: Depreciation for the year	63.70	68.75
Profit/(Loss) for the year	(126.00)	197.02
Less: Provision for Income Tax	-	65.00
Add : Deferred Tax Assets	39.68	11.38
Less: Income Tax for earlier years	-	6.32
Profit/(Loss) after Income Tax	(86.32)	137.08
Add: Balance brought forward from earlier years	624.33	541.62
Surplus available for appropriation	538.01	678.70
Appropriations		
Proposed Dividend on Equity Shares	-	25.27
Tax on Proposed Dividend	-	4.10
Transferred to General Reserve	-	25.00
Balance Carried to Balance Sheet	538.01	624.33
Total	538.01	678.70

DIVIDEND

In view of losses for the year, your Directors do not recommend dividend on equity shares for the year under review.

GENERAL DESCRIPTION

Your Company has been through tough time due to disruptive technological changes in decorative tiles Industry enabling mainstream tiles giants to manufacture decorative tiles themselves. Thankfully a reversal in the trends is in sight, the market is slowly coming back to third fired tiles, the magic of Digitally printed highlighters is waning, the limitations of four color printing is becoming obvious and visible. On an optimistic note it can be said that the worst is over, and the second half of the current financial year is expected to deliver better results.

OPERATION

Transfer division recorded a growth in revenue by 15.25% i.e., from Rs. 756.28 lacs to Rs. 871.58 lacs.

Decorated Tile division has registered a de-growth to an extent of 18.95%, driven primarily by the disruptive technological changes forcing unfavorable trends against third fired decorated tiles. The Company has braced itself with a new range of products which are being launched every month and it is expected that in synergy with the trends these products will continue to bring increased revenues and profits to the Company.

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MARKET AND FUTURE PROSPECTS

Ceramic Transfer Sheets (Decals)

Ceramic transfer business faced challenges owing to direct printing on cylindrical ware by glassware manufacturers. By adding new customers and reaching out to small buyers through distributors and agents the Company could achieve a healthy growth. Your Company was able to maintain its hold on the premium segment of transfers market through its Gold and Platinum based specialized decals.

With a renewed focus on creativity and innovations in designs the Company is confident of maintaining the growth this year as well.

Decorated Tiles

The market trend towards digitally printed highlighters, motifs and murals dominated the tile market leaving little scope for the third fire decoration units, yet the measures undertaken by your Company have enabled it to stay in the game, fortunately as was expected the market is shifting back in favor of third fired decorated tiles.

This vertical is expected to show a healthy growth during current financial year onwards.

Trading

Keraspana is growing at a healthy pace and getting established as a brand in its own right.

For a proper presentation of the brand and facilitating display and sales the Company has started work on Schablona lounges at prominent cities and towns all over India. These lounges will exclusively deal in Schablona products and Company hopes to establish Keraspana as a premium brand of Tiles. The allied activities in Trading Vertical like Pencils, Resin borders, mosaics, sand blasting, sandwiched glass highlighters, toughened glass highlighters also continued successful.

PUBLIC DEPOSIT

Your Company has not accepted any fixed deposits within the meaning of Section 58A of the Companies Act, 1956.

AUDITORS' REPORT

All the items on which, comments have been made by the Auditors in their report to the Members are self explanatory, as explained by way of notes to the accounts and therefore needs no further explanation by the Board.

DIRECTORS

Mr. R. K. Borar and Mr. G. L. Sultania, Directors of the Company retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for re-appointment.

AUDITORS

M/s. A. K. Maheshwari & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and offer themselves for re-appointment and submitted requisite certificate pursuant to Section 224(1B) of the Companies Act, 1956.

CORPORATE GOVERNANCE

A report on Corporate Governance along with Management Discussion and 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.

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PARTICULARS OF EMPLOYEES

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

SECRETARIAL COMPLIANCE CERTIFICATE

Your Directors are pleased to annex the Secretarial Compliance Certificate for the year 2012-13, forming part of 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, if any ;
- (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, 2013 and of the loss 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 co-operation and assistance extended by the Central and State Governments, Financial Institutions, Banks, Customers, Dealers, Vendors and Employees of the Company.

Place : Noida
Date : the 29th May, 2013

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

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) Low Temperature Decal (Cold Transfers).
 - ii) Induction of new highlighters in designer tiles.
 - iii) 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

	<u>Rs./Lacs</u>
A. Foreign Exchange Outgo	43.86
B. Foreign Currency Earned	7.48

Place : Noida
Date : the 29th May, 2013

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

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

Though Construction Industry continues to grow, the advent of digital printing caused a shift in trend from third fired products to on line products from mainline tile companies, driven by ignorance on the part of customers these products fetched good margins to the traders but, as competition is heating up and margins eroding, the better lot of dealers in quest of differentiating their offering are returning towards third fired products and a reversal in trends is being witnessed, your Company is preparing with gusto to ride this wave of change.

The trading vertical continues to grow but there is a huge pressure on margins, this division is significantly contributing to better utilization of decorative tile manufacturing facility. Brand "Keraspana" is gaining acceptance and visibility more than ever.

The transfer division has improved its performance on expected lines, new markets have been developed, new customers have been added, new products i.e. glass highlighter range is growing. With a continued focus and thrust on creativity Schablona maintains its pull amongst the Bone china, porcelain, and Opal glass crockery manufacturers as always.

In spite of setbacks that disruptive technological changes have caused to the Company it is fighting back with full might and is all set for a comeback this financial year.

Risk Factors and its Mitigations

- **Obsolescence of Designs:** Designer Tile being a fashion product, design obsolescence is a burning issue for this business. The Company is organizing itself to go mostly for made to order manufacturing to combat this problem, and is strengthening its forecasting methods to be more closer and in sync with market changes.
- **Rising Cost of Inputs, Energy & Transportation:** All the three factors have a major bearing on the profitability; Company is taking effective steps towards improvements in Efficiency, Cost cutting and price adjustments wherever possible.
- **Competition with Un-Organized Sector:** This sector poses threats primarily at the entry level bulk selling products thus impacting topline, the Company is working to fight this challenge by leveraging its capabilities to produce better designs through its state of the art studios and delivering high quality products using advanced machineries at competitive prices.

Internal Control Systems

Budgetary system of control stands implemented and all efforts for full compliances are being made. An internal group of department heads working as Schablona Strategic Group examines, discusses every new initiative or expansion and suitable decision is taken thereafter. Regular audit of systems & accounts of the Company is carried out by the Internal Auditor and it is ensured that Internal Control Systems 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.

Human Resources & Industrial Relations

The Company continues to have cordial relations with its staff & workers who are continuously being trained to acquire and develop necessary skills for conducting business of the Company in a better way. The Company is employing close to 228 employees as on 31.03.2013. Industrial relations during the year continued to be cordial.

Place : Noida
Date : the 29th May, 2013

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

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SECRETARIAL COMPLIANCE CERTIFICATE

CIN NO. of the Company : L51109WB1983PLC036899

Nominal Capital : Rs. 5,00,00,000/-

Paid up Capital : Rs. 1,26,36,860/-

To,

The Members

SCHABLONA INDIA LIMITED

2, Red Cross Place, Kolkata - 700 001

We have examined the various registers, records, books & papers of M/S. SCHABLONA INDIA LIMITED (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made there under and also the provisions contained in the Memorandum & Articles of Association of the Company for the financial year ended on 31st March, 2013. In our opinion & 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 there under 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 Ministry of Corporate Affairs under the Companies Act, 1956 and the Rules made there under. 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 4(four) times respectively on 26th May, 2012, 13th August, 2012, 10th November, 2012 & 6th February, 2013 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 15th September, 2012 to 28th September, 2012 (both days inclusive).
6. The Annual General Meeting of the Company for the financial year ended on 31st March, 2012 was held on 28th September, 2012 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 loan to its Director and/or person, 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 necessary.
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 3 new Share Certificates for 1200 Shares on account of loss of original Share Certificate 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 provisions of the Companies Act and as per listing agreement.
 - (c) declared dividend for the financial year ended on 31.03.2012 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.

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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.
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 there under.
19. The Company has not issued any Share/Debenture/other Security during the above financial year under review.
20. The Company has not bought back any Share during the above financial year.
21. The Company has neither issued nor redeemed any redeemable preference share/debenture.
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 financial year under review.
24. The amount borrowed during the financial year by the Company from Bank were within the limits prescribed under Section 293(1)(d) of the Companies Act, 1956.
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 be 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.

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

Place : 9, Crooked Lane,
Kolkata - 700 069
Date : 29th May, 2013

ANNEXURE - 'A'			ANNEXURE - 'B'				
Register as maintained by the Company			Forms and returns as filed by the Company with the Ministry of Corporate Affairs during the financial year ended on 31st March, 2013				
Sl. No.	Particulars	Section	Sl. No.	Form No. / Returns	Filed under Section	Date of filing	Whether filed within statutory time period
1.	Register of Members	150	1	Balance Sheet and Statement of Profit and Loss as at 31st March, 2012 in e forms 23ACXBRL & 23ACAXBRL	220	21/12/2012	Yes
2.	Directors Minutes Book	193	2	Compliance Certificate for Financial Year ended 31st March, 2012 in e form 66	383A	29/09/2012	Yes
3.	Shareholders Minutes Book	193	3	Annual Return made upto 28/09/2012 in e form 20B	159	19/11/2012	Yes
4.	Register of Directors	303	4	Special Resolution passed on 28/09/2012 in e form 23 u/s 309(4) & 309(7)	192	29/09/2012	Yes
5.	Register of Transfer	-	5	Statement of Unclaimed and Unpaid Dividend as on 03/09/2011 in e form 5INV	-	30/07/2012	Yes
6.	Register of Directors' Shareholding	307	6	Statement of Unclaimed and Unpaid Dividend as on 28/09/2012 in e form 5INV	-	30/11/2012	Yes
7.	Register of Contracts & Agreements	301					
8.	Register of Charges	143					
9.	Register of Investments	372A					
10.	Shareholders' Attendance Register	-					

SCHABLONA INDIA LIMITED

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is an integral part of the Company's Management and Business philosophy. Corporate Governance envisages the attainment of the highest levels of transparency, accountability and business prosperity with object of realising long term value for shareholders and all other stakeholders.

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 2012-13 i.e. on 26 May, 13 August, 10 November in 2012 and 06 February in 2013. Details of the Directors by category, their attendance, other directorship including Chairmanship/Membership of Board Committees and number 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	4	Yes	11	4	5	500
Mr. Anirudh Kabra	Independent	4	3	No	-	-	2	-
Mr. R. K. Borar	Independent	4	4	No	-	-	1	3,000
Mr. N. Goenka	Independent	4	4	Yes	6	1	2	-
Mr. A. K. Beejawat	Independent	4	3	No	1	-	-	-

(\$) Excluding directorship in Private Limited Companies, other than those which are subsidiary of Public Limited Company.

(#) Excluding Chairmanship/Membership in Share Transfer Committee and Selection/Remuneration Committee.

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, Chairman of the Company which is annexed hereto in this report hereafter.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The Audit Committee comprises of following Members and all of them are Non-Executive Independent Directors of the Company and they attended its meetings held on 26 May, 13 August, 10 November in 2012 and 06 February in 2013 and the Chairman of the Audit Committee attended the last Annual General Meeting held on 28th September, 2012 :-

Name of Members	No. of meetings held	No. of meetings attended	Status
Mr. G. L. Sultania	4	4	Chairman
Mr. Anirudh Kabra	4	3	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.

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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 and attended by all its members. Total 2500 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 15 days as on 31.03.2013.

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 5, 2012, August 02, 2012 and December 10, 2012 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 16 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 2012-13.

Remuneration to Directors

(Amount in Rs.)

Name	Directors' Commission (For the year 2011-12)	Sitting Fees	Total
Mr. G. L. Sultania	41,687	10,000	51,687
Mr. Anirudh Kabra	41,686	7,500	49,186
Mr. R. K. Borar	41,687	10,000	51,687
Mr. N. Goenka	41,687	10,000	51,687
Mr. A. K. Beejawat	41,687	4,500	46,187
Total	2,08,434	42,000	2,50,434

The Non-Executive Directors are entitled to receive Directors' Commission in accordance with a special resolution passed by the Shareholders at their Annual General Meeting held on 15th September, 2007 which was renewed vide special resolution passed by the shareholders at their Annual General Meeting held on 28th September, 2012.

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 Resolution passed in the past three years :

Year	Date	Time	Special Resolution passed
2011-2012	28.09.2012	3-00 P.M.	Authorisation for payment of Directors' Commission @ 1% of the Net Profit of the Company calculated in accordance with limits prescribed under the Act.
2010-2011	03.09.2011	11-30 A.M.	None
2009-2010	03.09.2010	11.30 A.M.	None

SCHABLONA INDIA LIMITED

The above stated Annual General Meetings of the Company were held at Somany Conference Hall, MCC Chamber of Commerce & Industry, 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, 2013 and no Special Resolution is proposed to be conducted through Postal Ballot in the ensuing Annual General Meeting.

SUBSIDIARY COMPANIES

The Company does not have 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 31.03.2013.
- (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 Business Standard, Kolkata (English edition) & Kalantar or News Bangla, Kolkata (Bengali edition). These are submitted to BSE Limited in accordance with the Listing Agreement and regularly posted in Company's website : www.schablona.in

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

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

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

GENERAL SHAREHOLDER'S INFORMATION

Date and Venue of Annual General Meeting :

Wednesday, the 11th September, 2013 at 11-30 A.M. at Jhahharia Committee Room of MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata - 700 001.

Financial Year : 1st April to 31st March.

Book Closure Date : 4th September, 2013 to 11th September, 2013 (both days inclusive).

Financial Calendar : The schedule of the results for 2013-2014 are as follows:

First Quarter : Within 45 days of end of June quarter 2013

Second Quarter : Within 45 days of end of September quarter 2013

Third Quarter : Within 45 days of end of December quarter 2013

Fourth Quarter : Within 60 days of end of Financial Year March, 2014

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 has not recommended payment of dividend on equity shares of Rs. 4/- each of the Company, for the year 2012-13, at its meeting held on 29th May, 2013.

Listing on Stock Exchange :

Shares of the Company are listed at BSE Limited (BSE) and the listing fee for the year 2013-14 has been paid by the Company to the said Exchange. Though the Equity Shares of the Company delisted from The Calcutta Stock Exchange 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 eligible for trade at CSE under the permitted category.

SCHABLONA INDIA LIMITED

Stock Code :

BSE - 507894, CSE -10029005

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	BSE Limited (*)			B S E Index	
	High (Rs.)	Low (Rs.)	No. of Shares Traded	High	Low
April, 2012	27.80	21.00	7,057	17,664.10	17,010.16
May, 2012	30.90	24.00	1,153	17,432.33	15,809.71
June, 2012	29.30	26.60	1,269	17,448.48	15,748.98
July, 2012	26.65	21.15	2,457	17,631.19	16,598.48
August, 2012	25.50	20.00	38,729	17,972.54	17,026.97
September, 2012	21.90	18.30	21,988	18,869.94	17,250.80
October, 2012	21.50	16.80	7,646	19,137.29	18,393.42
November, 2012	22.50	20.30	559	19,372.70	18,255.69
December, 2012	21.35	19.05	185	19,612.18	19,149.03
January, 2013	18.75	17.15	1,676	20,203.66	19,508.93
February, 2013	17.00	12.50	2,326	19,966.69	18,793.97
March, 2013	15.37	11.10	1,160	19,754.66	18,568.43

*Source : Official website of BSE.

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

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

Share Transfer System :

The Company's share are mostly traded on BSE Limited in compulsory demat mode. Shares in physical mode are lodged with the Company/RTA, 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, 2013 :

No. of Equity Shares	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1- 500	3,146	90.22	541,584	17.14
501-1000	199	5.71	151,038	4.78
1001-2000	72	2.07	105,104	3.33
2001-3000	22	0.63	58,566	1.85
3001-4000	4	0.11	13,363	0.42
4001-5000	10	0.29	45,380	1.44
5001-10000	15	0.43	122,170	3.87
10001 and above	19	0.54	2,122,010	67.17
Total	3,487	100.00	3,159,215	100.00

SCHABLONA INDIA LIMITED

Shareholding Pattern as on 31st March, 2013 :

Shareholders Category	No. of holders	No. of Shares	Percentage
Indian Promoters, Directors & Relatives	7	1,774,057	56.15
Mutual Funds & UTI	-	-	-
Banks, Financial Institutions, Insurance Companies	1	200	0.01
FIs	-	-	-
Private Corporate Bodies	50	143,459	4.54
Indian Public	3,420	1,237,398	39.17
NRIs/OCBs	8	4,001	0.13
Trusts	1	100	0.00
Clearing Members	-	-	-
Total	3,487	3,159,215	100.00

Dematerialisation of Shares :

The Company's equity shares enjoy the DEMAT facilities with NSDL as well as CDSL and 2,651,791 shares representing 83.94% of the equity capital as on 31.03.2013 were in demat form.

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

Plant Location :

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

Shareholder Enquiries : Individual may contact Mr. Shyamalendu Banerjee at :

2, Red Cross Place, Kolkata - 700 001, Phone : 033-22487406/7, Fax : 033-22487045, Email : silinvestors@schablona.in

Declaration on Code of Conduct

29th May, 2013

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, 2013.

G. L. Sultania
Chairman

Place : Noida

AUDITOR'S CERTIFICATE

To the Members of
Schablona India Limited

We have examined the Compliance of Corporate Governance by **SCHABLONA INDIA LIMITED** for the year ended 31st March, 2013 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. A. K. Maheshwari)
Proprietor
Membership No. 73875

Place : Noida
Dated : 29th day of May, 2013

SCHABLONA INDIA LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of
SCHABLONA INDIA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of SCHABLONA INDIA LIMITED, which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended by Amendment Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Place : Noida
Dated : 29th day of May, 2013

For **A. K. Maheshwari & Associates**
Chartered Accountants
(Firm Registration No. 500106N)
(CA. A. K. Maheshwari)
Proprietor
Membership No. 73875

SCHABLONA INDIA LIMITED

The Annexure referred to in paragraph 1 of our report of even date to the members of SCHABLONA INDIA LIMITED on the accounts of the Company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, no substantial part of the fixed assets has been disposed off during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) In our opinion and according to the information and records made available to us, the Company has not granted any loan, 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) to (d) of clause 4(iii) of the order are not applicable to the Company.
(b) In our opinion and according to the information and explanations given to us, the Company has not taken any loan, 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 lacs. At the end, the balance of such loan is Rs. 20.00 lacs.
(c) In our opinion, the rate of interest and other terms and condition of loan are prime facie not prejudicial to the interest of the Company.
(d) As informed to us in respect of the aforesaid loan, there is no stipulated schedule for payment of principal and interest and the same is payable on demand.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section; and
(b) As per information & explanations given to us and in our opinion, transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public covered under Section 58A and 58AA of the Companies Act, 1956.
7. In our opinion the Company has internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prime facie the prescribed cost records have been maintained. We have, however, not carried out detailed examination of the same.
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been

SCHABLONA INDIA LIMITED

regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March, 2013 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there is no amount payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes except in case of sales tax as per detailed below:

Name of Statute	Nature of Dues	Period to which the amount relates	Amount (Rs. in lacs)	Forum where the dispute is pending
Sales Tax Act	Sales Tax Assessment	2008-09	8.41	Excise and Taxation Officer-cum-Assessing Authority, Bahadurgarh
Sales Tax Act	Sales Tax Assessment	2009-10	25.01	Excise and Taxation Officer-cum-Assessing Authority, Bahadurgarh
	Total		33.42	

10. The Company does not have any accumulated loss at the end of financial year. However there is a cash loss of Rs. 75.08 lacs during the financial year covered by our audit. However, there was no cash loss during the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to banks.
12. 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.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from banks or financial institutions.
16. Based on our audit procedures and on the information given by the management, we report that the Company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company and vice-versa.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **A. K. Maheshwari & Associates**

Chartered Accountants

(Firm Registration No. 500106N)

(CA. A. K. Maheshwari)

Proprietor

Membership No. 73875

Place : Noida

Dated : 29th day of May, 2013

SCHABLONA INDIA LIMITED

BALANCE SHEET AS AT 31ST MARCH , 2013

<u>Particulars</u>	<u>Note No.</u>	<u>31.03.2013</u>	<u>(Rs. in Lacs)</u> <u>31.03.2012</u>
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	126.37	126.37
(b) Reserves and Surplus	4	613.64	699.96
		740.01	826.33
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	5	62.80	98.00
(b) Deferred Tax Liabilities (Net)	6	17.41	57.09
(c) Other Long Term Liabilities	7	200.44	153.44
(d) Long-Term Provisions	8	19.40	23.50
		300.05	332.03
(3) Current Liabilities			
(a) Short-Term Borrowings	9	463.77	551.83
(b) Trade Payables	10	508.97	412.37
(c) Other Current Liabilities	11	205.86	197.49
(d) Short-Term Provisions	12	18.02	44.49
		1,196.62	1,206.18
TOTAL		2,236.68	2,364.54
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	13		
(i) Tangible Assets		616.92	676.01
(ii) Capital Work-in-Progress		1.52	9.70
		618.44	685.71
(b) Long-Term Loans and Advances	14	36.38	28.99
(c) Other Non-Current Assets	15	-	5.08
		654.82	719.78
(2) Current Assets			
(a) Inventories	16	585.02	518.04
(b) Trade Receivables	17	724.03	662.42
(c) Cash and Cash Equivalents	18	78.14	308.46
(d) Short-Term Loans and Advances	19	194.67	155.84
		1,581.86	1,644.76
TOTAL		2,236.68	2,364.54
Significant Accounting Policies	1		
Notes to the Financial Statements	2		

For **A. K. Maheshwari & Associates**

Chartered Accountants
(Firm Regn. No. 500106N)
(CA. A. K. Maheshwari)

Proprietor

Membership No. 073875

Place : Noida

Dated : 29th day of May, 2013

G. L. Sultania } Directors
N. Goenka }

SCHABLONA INDIA LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

<u>Particulars</u>	<u>Note No.</u>	<u>31.03.2013</u>	<u>(Rs. in Lacs)</u> <u>31.03.2012</u>
INCOME			
Revenue from operations	20	3,809.63	4,416.36
Other Income	21	42.79	40.42
		<u>3,852.42</u>	<u>4,456.78</u>
EXPENDITURE			
Cost of Materials consumed	22	1,011.64	1,328.05
Purchase of Stock-in-Trade		1,538.33	1,301.57
Changes in Inventories	23	(46.59)	(73.66)
Employees Benefit expenses	24	599.96	654.87
Finance costs	25	89.96	87.58
Depreciation and Amortization expenses	13	63.70	68.75
Other Administrative Expenses	26	718.53	886.31
		<u>3,975.53</u>	<u>4,253.47</u>
Profit/(Loss) before exceptional and extraordinary items and tax		<u>(123.11)</u>	<u>203.31</u>
Exceptional Items		2.89	6.29
Profit/(Loss) before extraordinary items and tax		<u>(126.00)</u>	<u>197.02</u>
Extraordinary items		-	-
Profit/(Loss) before tax		<u>(126.00)</u>	<u>197.02</u>
Tax expense:			
(1) Current tax		-	65.00
(2) Deferred tax		(39.68)	(11.38)
(3) Tax for earlier years		-	6.32
Profit/(Loss) for the Year		<u>(86.32)</u>	<u>137.08</u>
Earning per equity share of face value Rs. 4/- each	2(3)		
- Basic		(2.73)	4.34
- Diluted		(2.73)	4.34
Significant Accounting Policies	1		
Notes to the Financial Statements	2		

For **A. K. Maheshwari & Associates**

Chartered Accountants
(Firm Regn. No. 500106N)
(CA. A. K. Maheshwari)

Proprietor
Membership No. 073875

Place : Noida
Dated : 29th day of May, 2013

G. L. Sultania } Directors
N. Goenka }

SCHABLONA INDIA LIMITED

NOTES TO THE BALANCE SHEET

<u>Particulars</u>	<u>31.03.2013</u>	<u>31.03.2012</u>		
(Rs. in Lacs)				
3 Share Capital				
Authorised :				
50,00,000 (Previous Year 50,00,000) Equity Shares of Rs. 10/- each	<u>500.00</u>	<u>500.00</u>		
Issued, Subscribed & Paid Up :				
31,59,215 (Previous Year 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)	<u>126.37</u>	<u>126.37</u>		
	<u>126.37</u>	<u>126.37</u>		
Note :				
(a) Reconciliation of Equity Share Capital (In Number) :				
Shares outstanding at the beginning of the year	3,159,215	3,159,215		
Add: Shares issued during the year	-	-		
Less: Shares bought back during the year	-	-		
Shares outstanding at the end of the year	3,159,215	3,159,215		
(b) Equity Shares :				
The Company has only one class of Equity Shares having paid-up value of Rs. 4/- each and each shareholder is entitled to one vote per share. Each shareholder have the right in profit/surplus in proportion to amount paid up with respect to share holder. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets, if any, in proportionate to their individual shareholding in the paid up equity capital of the Company.				
(c) List of shareholders holding more than 5% of the Equity Share Capital of the Company :				
	<u>31.03.2013</u>	<u>31.03.2012</u>		
<u>Name of the Shareholders</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
Bhilwara Holdings Limited	626,911	19.84	626,911	19.84
Hiralall Somany	431,647	13.66	431,647	13.66
SR Continental Limited	390,800	12.37	390,800	12.37
Somany Ceramics Limited	200,000	6.33	200,000	6.33
	<u>1,649,358</u>	<u>52.20</u>	<u>1,649,358</u>	<u>52.20</u>
4 Reserves & Surplus				
Capital Reserve				
As per last year	<u>0.63</u>		<u>0.63</u>	
General Reserve				
Balance at the beginning of the year	75.00		50.00	
Add : Transferred from surplus in Statement of Profit and Loss	-		25.00	
Closing Balance	<u>75.00</u>		<u>75.00</u>	
Surplus in Statement of Profit and Loss				
Balance at the beginning of the year	624.33		541.62	
Net Profit/(Loss) for the current year	<u>(86.32)</u>		<u>137.08</u>	
Amount available for appropriations	538.01		678.70	
Less: Appropriations				
Transfer to General reserve	-		25.00	
Proposed Dividend	-		25.27	
Tax on Proposed Dividend	-		4.10	
Closing Balance	<u>538.01</u>		<u>624.33</u>	
	<u>613.64</u>		<u>699.96</u>	

SCHABLONA INDIA LIMITED

NOTES TO THE BALANCE SHEET

<u>Particulars</u>	<u>31.03.2013</u>	<u>(Rs. in Lacs)</u> <u>31.03.2012</u>
5 Long-Term Borrowings		
Secured :		
Term Loans		
- From Banks	70.91	105.10
Car Loans		
- From Banks	3.67	9.42
	<u>74.58</u>	<u>114.52</u>
Less: Current Maturities of Long Term Borrowings		
Term Loans		
- From Banks	30.56	34.19
Car Loans		
- From Banks	1.22	2.33
	<u>31.78</u>	<u>36.52</u>
	<u>42.80</u>	<u>78.00</u>
Unsecured :		
Inter Corporate Deposits	20.00	20.00
(Refer Note No. - 2 (2B))		
	<u>20.00</u>	<u>20.00</u>
	<u>62.80</u>	<u>98.00</u>
(a) Term loan from State Bank of India is secured against first charge on all present & future fixed assets of the Company except Land & Building and a second charge on all present and future current assets of the Company. The said loan to be secured additionally by way of creation of mortgage on Land & Building of the Company at Kassar, Bahadurgarh, Haryana in due course of time.		
(b) The term loan is also secured by way of a Corporate Guarantee of M/s Somany Ceramics Limited.		
(c) Term Loan I amounting to Rs. 10.01 lac is repayable in monthly installments of Rs. 1.66 lac and Term Loan II amounting to Rs. 60.90 lac is repayable in monthly installments of Rs. 1.75 lac.		
(d) Car loan is secured against hypothecation of vehicles purchase thereunder and repayable in monthly installments as per stipulation in the loan agreement.		
6 Deferred Tax Liabilities (Net)		
Beginning of the year	57.09	68.47
Provided during the year	(39.68)	(11.38)
	<u>17.41</u>	<u>57.09</u>
7 Other Long Term Liabilities		
Security Deposit	200.44	153.44
	<u>200.44</u>	<u>153.44</u>

SCHABLONA INDIA LIMITED

NOTES TO THE BALANCE SHEET

<u>Particulars</u>	<u>31.03.2013</u>	<u>(Rs. in Lacs)</u> <u>31.03.2012</u>
8 Long Term Provisions		
Provision for Leave Encashment	19.40	23.50
	<u>19.40</u>	<u>23.50</u>
9 Short Term Borrowings		
From Bank		
Cash Credit	431.99	515.31
(Cash Credit is secured by way of First charge on all current assets of the Company by way of hypothecation of store, stocks , book debts and other current assets and Second charge on entire present and future fixed assets of the Company, except land & building which will be mortgaged in due course of time. The said financial assistance is additionally secured by way of a Corporate Guarantee of M/s. Somany Ceramics Limited)		
Current Maturities of Long Term Borrowings	31.78	36.52
	<u>463.77</u>	<u>551.83</u>
10 Trade Payables		
Sundry Creditors	508.97	412.37
	<u>508.97</u>	<u>412.37</u>
11 Other Current Liabilities		
Statutory dues	35.47	42.14
Advances from customers	98.34	30.51
Other Liabilities	72.05	124.84
	<u>205.86</u>	<u>197.49</u>
12 Short-Term Provisions		
Provision for Leave Encashment	2.31	1.54
Provision for Gratuity	9.25	8.87
Unpaid Dividend	6.46	4.71
Proposed Dividend	-	25.27
Corporate Dividend Tax	-	4.10
	<u>18.02</u>	<u>44.49</u>

SCHABLONA INDIA LIMITED

NOTES TO THE BALANCE SHEET

13 Fixed Assets

(Rs. in Lacs)

Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 31.03.12	Additions during the year	Sales/ Adjustments during the year	As at 31.03.13	Upto 31.03.12	For the Year	Adjustments during the Year	Upto 31.03.13	As at 31.03.13	As at 31.03.12
1.	Land	9.53	-	-	9.53	-	-	-	-	9.53	9.53
2.	Building	197.27	-	-	197.27	37.16	6.59	-	43.75	153.52	160.11
	- Own										
	- Improvement to Leasehold Premises	39.38	-	-	39.38	4.65	1.32	-	5.97	33.41	34.73
3.	Plant & Machinery	556.27	30.68	23.23	563.72	172.39	39.17	0.18	211.38	352.34	383.88
4.	Furniture & Fixture	24.97	0.15	-	25.12	6.47	1.57	-	8.04	17.08	18.50
5.	Computer	61.93	1.50	-	63.43	32.28	10.24	-	42.52	20.91	29.65
6.	Office Equipment	26.81	0.47	-	27.28	9.02	1.95	-	10.97	16.31	17.79
7.	Vehicles	29.67	0.63	7.41	22.89	7.85	2.86	1.64	9.07	13.82	21.82
	Total	945.83	33.43	30.64	948.62	269.82	63.70	1.82	331.70	616.92	676.01
	Capital Work in Progress	9.70	-	8.18	1.52	-	-	-	-	1.52	9.70
	Previous Year	933.54	35.66	23.37	945.83	211.11	68.75	10.04	269.82	676.01	722.43

SCHABLONA INDIA LIMITED

NOTES TO THE BALANCE SHEET

<u>Particulars</u>	<u>31.03.2013</u>	<u>(Rs. in Lacs)</u> <u>31.03.2012</u>
14 Long Term Loans and Advances		
Secured, Considered Good :		
Security Deposit		
– With Government Departments	7.79	7.79
– Other Deposits	3.70	11.55
Advance Payment of Income Tax (net of provisions)	24.89	9.65
	<u>36.38</u>	<u>28.99</u>
15 Other Non-Current Assets		
Deferred Revenue Expenditure	-	5.08
	<u>-</u>	<u>5.08</u>
16 Inventories		
(As taken, valued and certified by the Management)		
Raw Material	126.73	96.44
Work-in-Progress	30.16	19.62
Finished Goods	240.82	201.41
Stock-in-Trade	168.67	182.94
Stores & Spares	18.64	17.63
	<u>585.02</u>	<u>518.04</u>
17 Trade Receivables		
Outstanding for more than six months		
Unsecured, Considered Good	90.62	19.18
Others		
Secured, Considered Good	633.41	643.24
Doubtful	15.84	-
Less : Provision for Doubtful Debts	(15.84)	-
	<u>724.03</u>	<u>662.42</u>
18 Cash & Cash Equivalents		
Cash in hand (including cheques & stamps)	1.50	3.31
With Scheduled Banks :		
In Current Accounts	60.01	284.83
In Fixed Deposit Accounts (lodged as security)	10.17	15.61
In Unpaid Dividend Accounts	6.46	4.71
	<u>78.14</u>	<u>308.46</u>
19 Short-Term Loans and Advances		
Deposit with Others	15.81	10.59
Balances with Government Authorities	145.97	127.65
Prepaid expenses	2.43	4.54
Advance to Suppliers	30.46	13.06
	<u>194.67</u>	<u>155.84</u>

SCHABLONA INDIA LIMITED

NOTES TO THE STATEMENT OF PROFIT AND LOSS

<u>Particulars</u>	<u>31.03.2013</u>	<u>(Rs. in Lacs)</u> <u>31.03.2012</u>
20 Revenue from Operations		
Sales	2,090.37	3,075.89
Sale of traded goods	<u>1,876.63</u>	<u>1,515.61</u>
	3,967.00	4,591.50
<u>Other Operating revenue</u>		
Job Work Income	1.33	2.93
Insurance recovered on Sales	14.47	14.98
Miscellaneous Sales	<u>2.93</u>	<u>8.06</u>
	3,985.73	4,617.47
Less : Excise Duty	<u>176.10</u>	<u>201.11</u>
	<u>3,809.63</u>	<u>4,416.36</u>
21 Other Income		
Prior Period Adjustment	-	0.11
Liabilities no longer required written back	37.37	38.68
Interest received	<u>5.42</u>	<u>1.63</u>
	<u>42.79</u>	<u>40.42</u>
22 Cost of Materials Consumed		
Raw Material (with processing charges)	928.66	1,192.21
Packing Material	<u>82.98</u>	<u>135.84</u>
	<u>1,011.64</u>	<u>1,328.05</u>
23 Change in Inventories		
Closing Stock		
Finished Goods	240.82	201.41
Work-in-Progress	30.16	19.62
Stock-in-Trade	<u>168.67</u>	<u>182.94</u>
	<u>439.65</u>	<u>403.97</u>
Opening Stock		
Finished Goods	201.41	214.52
Work-in-Progress	19.62	72.12
Stock-in-Trade	<u>182.94</u>	<u>30.88</u>
	<u>403.97</u>	<u>317.52</u>
Increase/(Decrease) in Stock	35.68	86.45
Add: Increase/(Decrease) in excise duty on stock	<u>10.91</u>	<u>(12.79)</u>
	<u>46.59</u>	<u>73.66</u>
24 Employees Benefit Expenses		
Salary, Wages, Bonus & Gratuity	543.03	596.12
Contribution to Provident Fund and Other Funds	27.85	30.19
Workmen & Staff Welfare	<u>29.08</u>	<u>28.56</u>
	<u>599.96</u>	<u>654.87</u>
25 Finance Costs		
Interest on Borrowings	85.68	79.39
Other Borrowing Cost	<u>4.28</u>	<u>8.19</u>
	<u>89.96</u>	<u>87.58</u>

SCHABLONA INDIA LIMITED

NOTES TO THE STATEMENT OF PROFIT AND LOSS

<u>Particulars</u>	<u>31.03.2013</u>	<u>(Rs. in Lacs)</u> <u>31.03.2012</u>
26 Other Administrative Expenses		
Power & Fuel	88.90	111.93
Stores & Spares	85.45	114.48
Insurance	7.93	5.53
Travelling Expenses	111.91	121.89
Repair & Maintenance	14.79	22.49
Training & Recruitment Expenses	1.43	16.77
General Expenses	2.54	3.84
Miscellaneous Expenses	3.29	10.48
Legal & Professional Expenses	11.47	12.88
Postage, Telegram & Telephone Expenses	24.25	22.00
Rent	60.46	53.03
Rates & Taxes	3.12	2.34
Freight Outward and Handling Charges	31.46	43.81
Rebate & Discounts	49.22	43.98
Selling & Distribution Expenses	196.54	290.20
Exchange Rate Difference	0.14	2.39
Director Fees	0.42	0.47
Directors Commission	-	2.08
Deferred Revenue Expenses Written Off	5.08	0.46
Prior Period Adjustment	0.04	0.16
Bad Debts	0.79	0.26
Provision for Doubtful Debts	15.84	-
Bank Charges	1.59	3.23
Payment to Auditors		
- Audit Fees	1.12	1.12
- Out of pocket expenses	0.75	0.49
	718.53	886.31

SCHABLONA INDIA LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

a) Method of Accounting

The Financial Statements are prepared on historical cost basis and in accordance with generally accepted accounting principles in India, applicable Accounting Standards and the relevant presentational requirements of the Companies Act, 1956. The Company follows accrual system of accounting in preparation of accounts except where otherwise stated.

b) Use of Estimates

The preparation of financial statements are in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period.

c) Fixed Assets & Depreciation

- i) Fixed assets are accounted for at cost of acquisition inclusive of freight, duties, taxes, erection, installation and other incidentals related to acquisitions and installation but exclusive of Excise Modvat recoverable on purchase of Capital Goods.
- ii) Cost of fixed assets acquired from outside India is converted into Indian rupees at the exchange rates prevailing on the date of disbursements.
- iii) Fixed assets are stated at cost less accumulated depreciation.
- iv) 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.
- v) Depreciation on Fixed Assets has been provided at the rates in accordance with Schedule XIV to 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.
- vi) On assets sold/discarded during the year, depreciation is provided up to the date of sale/discarding of such assets.
- vii) On the assets acquired during the year, depreciation is calculated on pro-rata basis from the date of acquisition/ installation of the assets.
- viii) 100% depreciation is charged on assets costing Rs. 5000/- or less.

d) Inventories

- i) Raw material, Stores and Spare parts, Tools & Implements and Packing material are valued at average weighted cost.
- ii) Stock of Work in process is valued at cost of Raw Material.
- iii) Finished stocks are valued at lower of costs or net realizable value. Costs includes raw material cost and appropriate share of manufacturing expenses and other expenses directly attributable to production and are inclusive of depreciation on plant and machinery and factory building and excise duty paid/payable thereon.
- iv) Traded goods are valued at lower of cost and net realisable value by adopting FIFO method. Cost includes purchase price and other associated cost directly incurred in bringing the inventory to its present location.

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e) Foreign Exchange Transaction

Transaction in foreign currency is recorded in Indian rupees using the rates of exchange prevailing on the dates of transactions. At each balance sheet date, recorded monetary balances are reported in Indian rupees at rates of exchange prevailing at the balance sheet date. All realized and unrealized exchange adjustment, gain and losses are dealt with in the Statement of Profit and Loss.

f) Excise & Customs Duty

Excise duty is accounted on the basis of both payments made in respect of goods cleared and also provision made for finished goods lying in bonded warehouse.

g) 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 "Short-Term Loans and Advances".

h) Research & Development Expenditure

Revenue expenditure is charged to Statement of Profit and Loss and capital expenditure is added to the cost of fixed assets in the year in which it is incurred.

i) 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, if any. 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.

j) 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 recognized 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.

k) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that asset may be impaired.

l) Gratuity and Other Retirement Benefits

- i) Retirement benefits in the form of Provident Fund is treated as a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss 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.

SCHABLONA INDIA LIMITED

- iii) Provision for Leave encashment has been made on the basis of estimation made by actuarial.
- iv) Other short term compensated absences are provided for based on past experience of leave availed.

m) Revenue Recognition

- i) Sales represent invoiced value of goods, net of sales return and trade discount but inclusive of Excise Duty, wherever applicable.
- ii) Domestic Sale of goods is recognized at the point of dispatch of material to customers. Export Sales are accounted for on the basis of Bill of Lading.
- iii) Profit/Loss on sale of fixed assets are recognized in the year of sale.
- iv) Interest is accounted on accrual basis.

n) Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized upto the date of its commissioning as part of the cost of such assets. All other borrowing costs are charged to Statement of Profit and Loss.

o) 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.

NOTE 2 NOTES TO THE FINANCIAL STATEMENTS

	<u>31.03.2013</u>	(Rs. in Lacs) <u>31.03.2012</u>
1. Contingent Liabilities not provided for		
a) Contingent liabilities not provided for in respect of Co-surety given to Sales Tax authorities on behalf of M/s. Somany Ceramics Limited	12.50	12.50
b) Sales Tax demand against which appeal has been filed by the Company	<u>33.42</u>	<u>8.41</u>
	<u>45.92</u>	<u>20.91</u>

2. 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 1st April, 2012 to 31st March, 2013 with related parties by the Company :

(Rs. in Lacs)					
Name of the Related Party	Naure of Transaction	Debit Transactions	Credit Transactions	Balance as at 31.03.2013	Balance as at 31.03.2012
M/s. Scope Vinimoy	Unsecured Loan	Nil	Nil	20.00	20.00
Private Limited	Interest on Unsecured Loan	2.00	Nil	Nil	Nil

SCHABLONA INDIA LIMITED

3. Earnings Per Share (EPS) :

	<u>31.03.2013</u>	<u>31.03.2012</u>
Profit attributable to the equity shareholders (Rs. in lacs)	(86.32)	137.08
Weighted Average No. of Equity Shares outstanding during the year	3,159,215	3,159,215
Paid up Value of each Equity share (Rs.)	4	4
EPS (Rs.)	(2.73)	4.34

4. In terms of Accounting Standard "22" issued by The Institute of Chartered Accountants of India, the Company has recognized a net deferred tax assets of Rs. 39.68 lacs (previous year Rs. 11.38 lacs) on a reasonable and conservative basis, which would be available for set off against the future profits of the Company.

	<u>31.03.2013</u>	<u>31.03.2012</u>
Deferred Tax Liability at the beginning of the year	57.09	68.46
Deferred Tax Assets		
Depreciation	0.73	1.35
Leave Encasement	(1.08)	1.21
Gratuity	0.33	2.96
Bonus & Ex-gratia	4.35	5.85
On losses	<u>35.35</u>	<u>-</u>
Net Deferred Tax Liability	<u>17.41</u>	<u>57.09</u>

5. 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.
6. 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 31.03.2013 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 31.03.2013 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".
7. 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. 102.80 lacs (previous year Rs. 94.42 lacs). However, the above has no impact on the profitability of the Company for the year. Further, sales for the year includes export sales of Rs. 7.48 lacs (previous year Rs. 14.74 lacs).
8. 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.
9. Balances in Trade Receivables, Trade Payables, Short-Term Loans and Advances, Long-Term Loans and Advances & Other Non-Current Assets are subject to confirmation/ reconciliation/ adjustment, if any. The effect of such adjustments shall be determined and accounted for in the year of determination.
10. An amount of Rs. 5.54 lacs is incurred during the financial year 2011-12 on addition and alteration of Furniture & Fixture on rented premises. During the year cover under audit, the Company has vacated the said rented premises. Consequently the Company has written off entire balance amount outstanding under the head "Other Non-Current Assets" amounting to Rs. 5.08 lacs in Statement of Profit and Loss during the financial year under reference.

11. Payments to Auditors
(Exclusive of Service Tax)

	<u>31.03.2013</u>	<u>31.03.2012</u>
i) Audit Fees	0.75	0.75
ii) Tax Audit Fees	0.25	0.25
iii) Out of Pocket Expenses	0.75	0.49

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12. Employee Benefit :

Statement of the Gratuity, Leave encashment & Sick Leave as at 31 March, 2013 is as follow :

(Rs. in lacs)

		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		(Funded)	and Sick Leave (Non-Funded)	(Funded)	and Sick Leave (Non-Funded)
		31.03.2013		31.03.2012	
I	Expense recognized in the Statement of Profit and Loss				
a	Current Service cost	5.51	3.50	6.10	4.58
b	Interest cost	2.94	2.00	2.76	1.76
c	Expected return on plan asset	(2.69)	-	(2.86)	-
d	Net actuarial (gain)/loss recognised in the period	3.49	2.69	3.56	2.16
e	Expenses recognized in Statement of Profit and Loss	9.25	8.19	9.56	8.50
II	Net Assets/(Liabilities) Recognised in the Balance sheet				
a	Present value of obligation as at the end of the period	43.48	21.71	42.46	25.04
b	Fair Value of plan asset as at the end of the period	34.23	-	33.59	-
c	Funded status	(9.25)	(21.71)	(8.87)	(25.04)
d	Net Assets/(Liabilities) recognised in the balance sheet	(9.25)	(21.71)	(8.87)	(25.04)
III	Change in present value of obligation				
a	Present value of obligation as at beginning of the period	42.46	25.04	35.11	20.77
b	Interest cost	2.94	2.00	2.76	1.76
c	Current Service cost	5.51	3.50	6.10	4.58
d	Benefits Paid	(11.44)	(11.52)	(1.15)	(4.23)
e	Actuarial (Gain)/Loss on obligation	4.01	2.69	(0.36)	2.16
f	Present value of obligation at the end of the period	43.48	21.71	42.46	25.04
IV	Changes in the fair value of plan assets				
a	Fair value of plan assets as at beginning of the period	33.59	-	35.80	-
b	Expected return on plan assets	2.69	-	2.86	-
c	Contributions	8.87	-	-	-
d	Benefits Paid	(11.44)	-	(1.15)	-
e	actuarial (Gain)/Loss on plan assets	0.52	-	(3.92)	-
f	Fair value of plan assets at the end of the period	34.23	-	33.59	-
V	The Major Category of Plan assets as a percentage to total plan				
	Mutual Funds	100%	-	100%	-
	Government Securities	0%	-	0%	-
	Bank	0%	-	0%	-
VI	Actuarial Assumptions				
	Economic Assumptions-				
	Discounting Rate	8.00%	8.00%	8.00%	8.50%
	Future Salary Increase	5.00%	5.50%	5.00%	6.00%
	Expected Rate of return on plan assets	8.00%	-	8.00%	-
	Demographic Assumptions-				
	Retirement Age	58	58	58	58
	Mortality Table	LIC (1994-96)	IALM (1994-96)	LIC (1994-96)	IALM (1994-96)
	Withdrawal Rates				
	Up to 30 Years	1%	3%	1%	3%
	From 31 to 44 years	3%	2%	3%	2%
	Above 44 years	6%	1%	6%	1%

SCHABLONA INDIA LIMITED

13. 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, 2013

	Rs. in lacs			
	<u>2012-13</u>	<u>2011-12</u>		
A. Trading Activities				
Tiles				
Opening Stock	182.94	72.12		
Purchase	1538.33	1301.57		
Closing Stock	168.67	182.94		
Sale	1876.63	1515.61		
B. Raw Material and Packing Material consumed				
Class of Goods				
Plain Tiles	362.35	639.51		
Paper	101.60	83.43		
Colours & Chemicals	285.72	290.79		
Others	178.99	178.48		
Packing Material	82.98	135.84		
	<u>1,011.64</u>	<u>1,328.05</u>		
C. Value of imported & indigenous Raw Material, Packing Material & Spare Parts consumed during the year				
Particulars	Raw Material & Packing Material		Stores & Spares	
	2012-13		2011-12	
Imported	41.08	4.06%	20.35	1.53%
Indigenous	970.56	95.94%	1,307.70	98.47%
	<u>1,011.64</u>	<u>100.00%</u>	<u>1,328.05</u>	<u>100.00%</u>
	0.42	0.49%	3.81	3.33%
	<u>85.03</u>	<u>99.51%</u>	<u>110.67</u>	<u>96.67%</u>
	<u>85.45</u>	<u>100.00%</u>	<u>114.48</u>	<u>100.00%</u>
D. Details of work in progress				
			<u>2012-13</u>	<u>2011-12</u>
Plain Tiles			14.70	3.25
Paper			3.16	3.45
Colours & Chemicals			11.67	12.41
Others			0.63	0.51
			<u>30.16</u>	<u>19.62</u>
E. CIF value of Imports				
- Spare Parts			-	2.82
- Raw Material			42.97	24.39
			<u>42.97</u>	<u>27.21</u>
F. Earnings in Foreign Currency				
FOB Value of Exports			7.48	14.74
G. Expenditure in Foreign Currency				
- Travelling Expenses			0.76	5.04
- Training Expenses			-	10.81
- Others			0.13	-
			<u>0.89</u>	<u>15.85</u>

14. Previous year's figures have been regrouped/ rearranged/ reclassified wherever consider necessary in order to meet current year classification.

As per our Audit Report of even date attached

For **A. K. Maheshwari & Associates**

Chartered Accountants
(Firm Regn. No. 500106N)
(CA. A. K. Maheshwari)

Proprietor

Membership No. 073875

Place : Noida

Dated : 29th day of May, 2013

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

SCHABLONA INDIA LIMITED

ANNEXURE -"A" Segment Wise Revenue, Results and Capital Employed (Under Clause 41 of the Listing Agreement)

		(Rs. in Lacs)	
Sl. No.	Particulars	31.03.2013	31.03.2012
1	Segment Revenue		
	a) Designer Tiles	3,022.12	3,728.53
	b) Transfer Sheets	871.58	756.28
	c) Others	18.73	25.97
	Total :	<u>3,912.43</u>	<u>4,510.78</u>
	Less : Inter segment revenue	102.80	94.42
	Net sales/income from operations	<u>3,809.63</u>	<u>4,416.36</u>
2	Segment Results: Profit(+)/(Loss)(-) before tax and interest from segment		
	a) Designer Tiles	(108.71)	245.46
	b) Transfer Sheets	74.91	44.93
	c) Others	0.65	0.50
	Total :	<u>(33.15)</u>	<u>290.89</u>
	Less : i) Interest	89.96	87.58
	ii) Other un-allocable expenditure net off un-allocable income	2.89	6.29
	Total Profit before Tax :	<u>(126.00)</u>	<u>197.02</u>
3	Capital Employed		
	a) Designer Tiles	967.66	1,225.40
	b) Transfer Sheets	316.34	307.85
	c) Others	-	-
	Total :	<u>1,284.00</u>	<u>1,533.25</u>

Place : Noida
Dated : 29th day of May, 2013

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

SCHABLONA INDIA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	<u>31.03.2013</u>	(Rs. in Lacs) <u>31.03.2012</u>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extra-ordinary items	(126.00)	197.02
Adjustments for		
- Depreciation	63.70	68.75
- Interest Expenses	89.96	87.58
- Interest Received	(5.42)	(1.63)
- Loss on sale of fixed assets	2.89	6.29
- Deferred Revenue Expenditure Written off	5.08	0.46
- Liabilities no longer required Written back	(37.37)	(38.68)
- Bad Debts	0.79	0.26
- Provision for doubtful debts	15.84	-
	<u>135.47</u>	<u>123.03</u>
Operating profit before Working capital changes	9.47	320.05
Adjustment for		
- Inventories	(66.98)	(16.00)
- Trade Receivables	(78.24)	3.66
- Other Receivables	(31.82)	4.95
- Trade Payables	188.14	37.02
	<u>11.10</u>	<u>29.63</u>
Cash generated from operations	20.57	349.68
-Direct Taxes Paid	(15.24)	(65.89)
Cash Flow before Extraordinary items	5.33	283.79
-Extraordinary items	-	-
Cash flow from operating activities	<u>5.33</u>	<u>283.79</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Net Purchase/ Sale of Fixed Assets (Incl Cap WIP)	0.68	(38.32)
- Interest received	6.26	1.96
- Deferred Revenue Expenditure	-	(5.54)
Net cash used in Investing activities	<u>6.94</u>	<u>(41.90)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Raising of Secured Loans	(123.26)	(11.99)
- Interest Paid	(89.96)	(87.58)
- Dividend Paid	(25.27)	(25.27)
- Dividend Tax Paid	(4.10)	(4.21)
Cash flow from Financing activities	<u>(242.59)</u>	<u>(129.05)</u>
Net increase in Cash & Cash equivalents	(230.32)	112.84
Cash & Cash Equivalents as at begining of the year	308.46	195.62
Cash & Cash Equivalents as at close of the year	<u>78.14</u>	<u>308.46</u>

Place : Noida

Dated : 29th day of May, 2013

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

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of M/s. Schablona India Limited for the year ended 31.03.2013. 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 Statement of Profit and Loss and Balance Sheet of the Company covered by our report dated 29th day of May, 2013 to the Members of the Company.

For **A. K. Maheshwari & Associates**

Chartered Accountants
(Firm Regn. No. 500106N)

(CA. A. K. Maheshwari)

Proprietor

Membership No. 073875

Place : Noida

Dated : 29th day of May, 2013

SCHABLONA INDIA LIMITED

SCHABLONA INDIA LIMITED

Registered Office : 2, Red Cross Place, Kolkata - 700 001

The Folio No. and Name(s) or the Member(s) are to be furnished below in BLOCK LETTERS.

Folio / Client ID No. _____ DP ID No. _____

Full Name(s) of Member / Joint Members

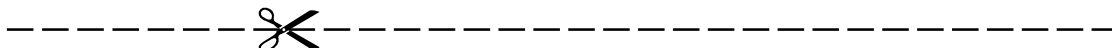
1. _____ 2. _____
3. _____ 4. _____

Full Name of the Proxy if attending the meeting _____

I hereby record my presence at the Annual General Meeting of the Company being held on Wednesday, the 11th September, 2013 at 11:30 A.M.

Signature of the Member / Joint Members / Proxy attending the meeting _____

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE
OF THE MEETING HALL



SCHABLONA INDIA LIMITED

Registered Office : 2, Red Cross Place, Kolkata - 700 001

The Folio No. and Name(s) of the Member(s) are to be furnished below in BLOCK LETTERS.

I/We _____ of _____

_____ being a Member / Members of Schablona India Ltd.

hereby appoint _____ of _____

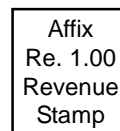
or failing him / her _____ of _____

of failing him / her _____ of _____

as my / our proxy to vote for me/us on my/our behalf at the Twenty Ninth Annual General Meeting of the Company to be held at Jhajharia Committee Room of MCC Chamber of Commerce & Industry, 15B, Hamanta Basu Sarani, 2nd Floor, Kolkata - 700 001 on Wednesday, the 11th September, 2013 at 11:30 A.M.

Signed at _____ this _____ day of _____ 2013.

Folio No. / DP ID No. / Client ID No. _____



- Notes :
1. The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
 2. Proxy can not speak at the meeting or vote on a show of hands.
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