

SCHABLONA INDIA LIMITED

Directors :

Mr. G. L. Sultania (Chairman upto 08.01.2014)
Mr. N. Goenka (Chairman w.e.f. 12.02.2014)
Mr. Anirudh Kabra
Mr. Rakesh Kumar Borar
Mr. A. K. Beejawat (Upto 06.04.2014)
Mr. Satish C. Vishwakarma (Executive Director w.e.f. 27.05.2014)

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 30th ANNUAL GENERAL MEETING of the Members of Schablona India Limited will be held at Jhahharia Committee Room of MCC Chamber of Commerce & Industry, 15-B, Hemanta Basu Sarani, Kolkata - 700 001 on Tuesday, the 16th September, 2014 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, 2014 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. N. Goenka (DIN: 00060864), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. A. K. Maheshwari & Associates, Chartered Accountants having Firm Registration No. 500106N, be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of 30th Annual General Meeting till the conclusion of the 34th Annual General Meeting of the Company, at a remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Satish C. Vishwakarma (holding DIN 06891937) , who was appointed as an Additional Director of the Company and who holds office as Director upto the date of this Annual General Meeting, pursuant to the provisions of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received notice in writing from a Member, as required under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Anirudh Kabra (holding DIN 00831248), Director of the Company, liable to retire by rotation, and in respect of whom the Company has received a notice in writing from a Member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years, not liable to retire by rotation, from 30th Annual General Meeting, till the conclusion of 35th Annual General Meeting of the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment

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thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. R. K. Borar (holding DIN 00798974), Director of the Company, liable to retire by rotation, and in respect of whom the Company has received a notice in writing from a Member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years, not liable to retire by rotation, from 30th Annual General Meeting, till the conclusion of 35th Annual General Meeting of the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, consent of the Company, be and is hereby accorded to the appointment of Mr. Satish C. Vishwakarma (holding DIN 06891937) as a Whole-time Director of the Company designated as 'Executive Director' for a period of three (3) years effective from 27th May, 2014, on the terms and conditions of appointment and remuneration as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting."

"RESOLVED FURTHER THAT notwithstanding anything contained herein above where in any financial year during the currency of the tenure of Mr. Satish C. Vishwakarma, the Company has no profits or its profits are inadequate, the Company do pay Mr. Satish C. Vishwakarma, the existing remuneration as, a "Minimum Remuneration" per month by way of salary, bonus/ ex-gratia in lieu of bonus, perquisites and allowances as specified in the 'Draft Agreement' and also in the Statement annexed to the AGM Notice, subject to and within the maximum ceiling limits laid down under Section II of Part II of Schedule V to the Companies Act, 2013 as applicable to the Company at the relevant time depending upon the effective capital of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Satish C. Vishwakarma and do all acts and take such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary to give effect to this resolution."

Place : Noida
Date : the 27th May, 2014

By Order of the Board
N. Goenka
Director

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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 Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business under item nos. 4 to 8 of the accompanying Notice is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 9th September, 2014 to Tuesday, the 16th September, 2014 (both days inclusive).
4. 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.
5. Members/Proxyholders are requested to bring their copies of Annual Report along with them at the meeting.
6. 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.
7. 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.
8. 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.
9. Members having multiple folios in the same order of name(s) may inform the Company for consolidation into one folio.
10. 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.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
12. Register of Contract or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
13. **Voting through electronic means:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members, facility to exercise their right to vote at the Annual General Meeting (AGM) by Electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a Member to vote using the facility, and a Member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below:

Procedure/ Instructions for e-voting are as under:

The voting period begins on Tuesday, 9th September, 2014 from 10 a.m. (IST) and ends on Thursday, 11th September, 2014 at 6:00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or dematerialised form, as on the cut-off date of 8th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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- (a) Shareholders should log on to the e-voting website www.evotingindia.com
- (b) Click on "Shareholders" tab.
- (c) Now, select the "Schablona India Limited" from the drop down menu and click on "SUBMIT".
- (d) Now Enter your User ID.
 - (i) For CDSL: 16 digits beneficiary ID,
 - (ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (iii) For shares held in Physical Form: Member should enter Folio Number registered with the Company.
- (e) Next enter the Image Verification as displayed and Click on Login.
- (f) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (g) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field.

- (h) After entering these details appropriately, click on "SUBMIT" tab.
- (i) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (k) Click on the EVSN for the relevant "Schablona India Limited" on which you choose to vote.
- (l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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- (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (q) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (r) Note for Institutional Shareholders
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (s) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (t) The voting rights of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. 8th August, 2014.
- (u) In case of members receiving the physical copy they are advised to follow all the steps from serial no. (a) to (p).

General:

- (a) The Board of Directors of the Company at their meeting held on 27th May, 2014, has appointed Mr. Pravin Kumar Drolia, Practising Company Secretary, Kolkata, (FCS No. 2366, CP No. 1362) as the Scrutinizer for conducting the e-voting process in a fair and transparent manner, whose email address is droliapravin@yahoo.co.in.
 - (b) The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
 - (c) The results of the voting will be announced at the Annual General Meeting (AGM) of the Company to be held at Jhaharia Committee Room of MCC Chamber of Commerce & Industry, 15-B, Hemanta Basu Sarani, Kolkata - 700 001. The results of the voting will be communicated to the stock exchanges and also be hosted on the website of the Company i.e. www.schablona.in and CDSL website within two days of passing of the resolution at the AGM of the Company.
14. In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.

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15. Members who do not have access to e-voting facility may send duly completed Assent/ Dissent Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Pravin Kumar Drolia, Practising Company Secretary at the Registered Office of the Company not later than Thursday, 11th September, 2014 (6.00 p.m. IST). Assent/Dissent Form received after this date will be treated as invalid.
16. In case, Members cast their vote exercising both the options (i.e. casting through Electronic means and by Assent/Dissent Form) , then votes casted through E-voting shall be only be taken into consideration and treated valid whereas votes casted by means of Assent/ Dissent Form, shall be treated as invalid.

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

Mr. N. Goenka, aged about 49 years, is a graduate in Commerce. He has over 26 years of experience in Finance and Secretarial. His long standing experience and knowledge will be useful to the Company. He is Chairman of Audit Committee and Shareholders'/ Investors' Grievance Committee of the Company. He is also on the Board of few Groups' Investment Company.

Mr. Anirudh Kabra, aged about 58 years, is a Commerce Graduate and a Businessman. He is a member of Audit Committee and Shareholders'/ Investors' Grievance Committee of the Board of Directors of the Company.

Mr. R. K. Borar, aged about 48 years, is B.Com (Hons.), ACS and MBA (U.K.). He has over 21 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. Satish C. Vishwakarma, aged about 48 years, is M.Sc. (Chemistry) and a M.B.A. He has vast experience in marketing of decals; operations and manufacturing management spanning of ceramic decals, decorated and designer third firing, R&D, engineering & maintenance, materials, accounts and finance etc. He has been associated with the Company for a period of 16 years till now and his long standing experience is of great value to the Company.

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

Item No. 4

The Board of Directors of the Company, at its meeting held on 27th May, 2014, had appointed Mr. Satish C. Vishwakarma as an Additional Director of the Company w.e.f. 27th May, 2014. As, such he holds office upto the date of this Annual General Meeting under the provisions of Section 161 of the Companies Act, 2013 read with Article 104 of Articles of Association of the Company. A notice from a Member under Section 160 of the Companies Act, 2013 has been received by the Company, proposing the appointment of Mr. Satish C. Vishwakarma, as Director of the Company. Mr. Satish C. Vishwakarma, aged about 48 years, has vast experience in marketing, operations and manufacturing of ceramic decals, decorated and designer third firing, R & D etc. His long standing experience and knowledge will be useful to the Company.

Save and except Mr. Satish C. Vishwakarma and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, in the said Resolution.

Item No. 5

The Board of Directors of the Company, at its meeting held on 27th May, 2014, had appointed Mr. Anirudh Kabra as Independent Director of the Company as per the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, for a term of five (5) years, from 30th Annual General Meeting, till the conclusion of 35th Annual General Meeting of the Company. A notice from a Member under Section 160 of the Companies Act, 2013, together with deposit of Rs. 100,000/- has been received

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by the Company in writing, proposing the appointment of Mr. Anirudh Kabra as Independent Director of the Company, not liable to retire by rotation.

Save and except Mr. Anirudh Kabra, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, in the said Resolution.

Item No. 6

The Board of Directors of the Company, at its meeting held on 27th May, 2014, had appointed Mr. R. K. Borar as Independent Director of the Company as per the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder for a term of five (5) years from 30th Annual General Meeting, till the conclusion of 35th Annual General Meeting of the Company. A notice from a Member under Section 160 of the Companies Act, 2013, together with deposit of Rs. 100,000/- has been received by the Company in writing, proposing the appointment of Mr. R. K. Borar, as Independent Director of the Company, not liable to retire by rotation.

Save and except Mr. R. K. Borar, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, in the said Resolution.

Item No. 7

The Board of Directors of the Company, at their meeting held on 27th May, 2014, appointed Mr. Satish C. Vishwakarma as a Director whose period of office is liable to determination by retirement of directors by rotation and as Whole-time Director designated as 'Executive Director' for a period of (3) three years commencing from 27th May, 2014. A notice has been received in writing, together with deposit of Rs. 100,000/-, from a Member proposing Mr. Satish C. Vishwakarma, as a candidate for the office of Director of the Company, liable to retire by rotation.

Mr. Satish C. Vishwakarma is a M.Sc. (Chemistry) and a M.B.A. He joined the Company in the year 1998 and has had a distinguished career with the Company. He has a wealth of experience in the area of marketing, operations and manufacturing of ceramic decals, decorated and designer third firing, specialize cutting etc.. The approval of the members is being sought to the terms, conditions and stipulations for the appointment of Mr. Satish C. Vishwakarma as the Whole-time Director designated as 'Executive Director' and the remuneration payable to him. The terms and conditions proposed (fixed by the Board of Directors at their meeting held on 27th May, 2014) are keeping in line with the remuneration package that is necessary to continue to encourage good professional managers with a sound career record to important position such as that occupied by Mr. Satish C. Vishwakarma.

The material terms of appointment and remuneration as contained in the draft Agreement are given below :-

- (a) SALARY : Rs. 70,750/- per month.
- (b) SPECIAL ALLOWANCE : Rs. 51,450/- per month.
- (c) BONUS : Equals to one month salary per annum.
- (d) VARIABLE PAY : Rs. 400,000/- per annum based on Annual Performance Achievement.
- (e) PERQUISITES : Mr. S. C. Vishwakarma will be entitled to the following perquisites in addition to salary, restricted to an amount equal to his annual salary.

Unless the context otherwise requires, perquisites are classified into three categories A, B and C as follows:-

CATEGORY - A

This will comprise of house rent allowance, leave travel concession, medical reimbursement and other benefits. These may be provided for as under:-

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House Rent Allowance

House Rent Allowance of Rs. 2,500/- per month.

Medical Reimbursement

Reimbursement of medical expenses for self and his family as per rules of the Company.

Leave Travel Concession

Leave travel concession once in a year, in accordance with the rules of the Company.

Other benefits and Allowances

Following other benefits may be allowed to Mr. S. C. Vishwakarma.

Conveyance allowance and other benefits, facilities and allowances as may be available as per rules of the Company.

The value of the perquisites for the purpose of calculating the above annual ceiling shall be evaluated as per Income Tax Rules wherever applicable, otherwise at actuals.

Explanation:

For the purpose of Category - 'A', family means, the spouse, the dependent children of Mr. S. C. Vishwakarma.

CATEGORY - B

- i) Contributions to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable as per Gratuity Act, 1972.
- iii) Encashment of Leave at the end of the tenure will be permitted as per the rules of the Company and will not be included in the computation of the ceiling on perquisites.

CATEGORY - C

Company to provide Car facility with reimbursement of petrol expenses to the extent of Rs. 10,000/- per month under the policy of the Company, whereby 70% of the purchase amount is to be borne by the Company and rest 30% to be recovered from Mr. S. C. Vishwakarma. He will also be provided with a mobile, laptop and internet connection for the purpose of the Company's business, which will also not form part of perquisites.

Minimum Remuneration

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of office of Mr. S. C. Vishwakarma, the Company shall pay him remuneration by way of salary and perquisites in accordance with the limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 now in force and as may be amended from time to time.

Sitting Fee

Mr. S. C. Vishwakarma shall not, so long as he acts as the Executive Director of the Company be paid any sitting fee for attending any meeting of the Board or any Committee thereof.

Other Terms

Mr. S. C. Vishwakarma shall not, during the continuance of his employment hereunder or at any time thereafter, divulge or disclose to any person or make use whatever for his own or for any other purpose any confidential information or knowledge acquired by him during his employment under the Company as to the business or affairs of the Company or as to any trade secret or secrets, processes of the Company and shall, during the continuance of his employment hereunder, use his best endeavors to prevent any other person from doing so.

Mr. S. C. Vishwakarma hereby undertakes that so long as he functions as the Executive Director, of the Company,

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he shall not become interested or otherwise concerned directly or indirectly, or through his spouse and/or minor children in any selling agency of the Company in future without the prior approval of the Central Government.

The Board of Directors may, in their discretion, revise or modify any of the terms of appointment and remuneration from time to time within the limits laid down in Schedule V to the Act.

Termination

Notwithstanding anything contained in this Agreement, either party, shall be entitled to determine this Agreement by giving 6 (six) calendar months' notice in writing in that behalf to the other party and on the expiry of the period of such notice, this Agreement shall stand terminated. The Company shall also be entitled without assigning any reason whatsoever, to terminate the Agreement on giving to Mr. S. C. Vishwakarma 6 (six) months' salary as specified in Clause "7(a)" hereinabove in lieu of six months' notice required to be given under this Clause.

Service of Notice

Any notice to be given hereunder shall be sufficiently given or served in case of Mr. S. C. Vishwakarma by being delivered either personally to him or left for him at his address last known to the Company or sent by registered post addressed to him at such address and in the case of the Company by being delivered at or sent by registered post addressed to its registered office, any such notice if so posted shall be deemed served on the day following that on which it was posted.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Ordinary Resolution set out at item no. 7 of the accompanying Notice for the approval of the Members. The re-appointment of Mr. Satish C. Vishwakarma is appropriate and in the best interest of the Company.

Copy of the Draft Agreement referred to in the Resolution and the Register maintained in pursuance of Section 189 of the Companies Act, 2013, would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, upto and including the date of the Annual General Meeting.

Mr. Satish C. Vishwakarma is not a Director in any other Company in India. He does not have any shareholding in the Company.

This Statement together with the accompanying Notice may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Save and except Mr. Satish C. Vishwakarma, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, in the said Resolution.

Item No.8

The, Board on recommendation of the Audit Committee has approved the appointment and remuneration of M/s. J D Associates, Cost Accountants, having Firm Registration No. 101443 of Institute of Cost and Works Accountant of India, to conduct audit of the cost records of the Company for the financial year ending 31st March, 2015, at a remuneration of Rs. 25,000/- per annum.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for passing Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, in this Resolution.

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DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Thirtieth Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2014.

(Rs. in Lacs)

ACCOUNTS	31.03.2014	31.03.2013
Gross Sales	4109.86	3967.00
Less: Excise Duty	177.78	176.10
Net Sales	3932.08	3790.90
Gross Loss for the year under review	95.85	62.30
Less: Depreciation for the year	62.91	63.70
Loss for the year before tax	158.76	126.00
Add: Deferred Tax Assets	71.08	39.68
Loss after Tax	87.68	86.32
Less: Balance brought forward from earlier years	538.01	624.33
Balance Carried to Balance Sheet	450.33	538.01

DIVIDEND

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

GENERAL DESCRIPTION

The magic of digitally printed highlighters has started waning and market of third fire tiles has started coming back due to the limitations of printing in online highlighters. Your company experienced the effect in the last quarter. Effect of reversal trend will continue in coming time with the emergence of big sizes values added highlighters which are being accepted in the market. We are equipped to meet the requirement of the market and better results in this financial year is expected.

OPERATION

Transfer division recorded a growth in revenue by 14.70% i.e. from Rs. 871.58 lacs to Rs. 999.71 lacs.

Decorated Tile division has registered a slight growth of 3.92% i.e. from Rs. 3022.12 lacs to Rs. 3140.58 lacs. Effect of our new range of products which are being launched regularly and the synergy with the trends these products will continue to bring increased revenues and profits to the Company. Disruptive technological changes which were giving unfavorable trends against third fire has started reversing.

MARKET AND FUTURE PROSPECTS

Ceramic Transfer Sheets (Decals)

With a renewed focus on creativity and innovations in designs the Company maintained the growth this year also and will continue this year as well.

Still Ceramic transfer business is facing challenges owing to direct printing on cylindrical ware by glassware manufacturers and captive plant installation by some of bigger customer. By focusing on our expertise in precious metal (gold, platinum etc.) transfer manufacturing and our design supremacy your Company will be able to sustain to increase the business in near future.

SCHABLONA INDIA LIMITED

Decorated Tiles

As expected the market started shifting back in favor of third fire decorated tiles and other value added segment for which we are better equipped. Effect of measures undertaken by your Company last year will reflect this year and in times to come also. Particular segment of the market is getting out of the digitally printed highlighters and murals which is also a favorable indication for decorative tiles business.

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

Trading

With the positive response market has given, Keraspana is establishing its brand value and growing at a healthy pace.

Schablona Lounge concept is taking a better shape and more such lounges will come this year also at prominent cities and towns. Addition of Specific sizes which are getting good response will continue in this portfolio. These sizes are not easily available in the market and a gap is always there. The allied activities in Trading Vertical like Pencils, Resin borders, mosaics, sand blasting, sandwiched glass highlighters, toughened glass highlighters also continued successfully.

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. N. Goenka, Director of the Company retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offers himself for re-appointment.

Mr. Anirudh Kabra and Mr. R. K. Borar, Independent Directors of the Company, liable to retire by rotation as per Companies Act, 1956, to be appointed as Independent Directors of the Company, for a term of 5 (five) consecutive years i.e. from 30th Annual General Meeting till the conclusion of 35th Annual General Meeting of the Company, in pursuant to Section 149(10) of the Companies Act, 2013, in respect of which notices has been received in writing from the Members under Section 160 of Companies Act, 2013, proposing candidature of Mr. Anirudh Kabra and Mr. R. K. Borar for the office of Independent Directors of the Company, not liable to retire by rotation.

Mr. G. L. Sultania and Mr. A. K. Beejawat, resigned from the Board w.e.f. 9th January, 2014 and 7th April, 2014 respectively. The Board placed on record its appreciation for the valued contribution made by them, in the various deliberations, discussions and guidance during their association with the Company.

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 139 of the Companies Act, 2013.

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.

SCHABLONA INDIA LIMITED

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 2013-14, 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, 2014 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 : 27th May, 2014

For and on behalf of the Board
N. Goenka
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	77.73
B. Foreign Currency Earned	4.74

Place : Noida
Date : 27th May, 2014

For and on behalf of the Board
N. Goenka
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

Setbacks caused by disruptive technological changes to the Company in last two years is slowly going in reversal mode.

Construction Industry continues to positive growths. As a reversal in trends is being witnessed a better lot of dealers have started differentiating their offering by returning towards third fired and value added products.

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 market 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.

Company is fighting back with full might and results was in our favor in last quarter and is all set to continue in same manner in 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 190 employees as on 31.03.2014. Industrial relations during the year continued to be cordial.

Place : Noida
Date : 27th May, 2014

For and on behalf of the Board
N. Goenka
Chairman

SCHABLONA INDIA LIMITED

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, 2014. 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 29th May, 2013, 9th August, 2013, 11th November, 2013 & 12th February, 2014 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 4th September, 2013 to 11th September, 2013 (both days inclusive).
6. The Annual General Meeting of the Company for the financial year ended on 31st March, 2013 was held on 11th September, 2013 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 not issued any duplicate 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) not required to deposit any amount in a separate bank account for dividend as no dividend was declared during the above financial year.
 - (d) not required to post dividend warrants to any of its Member as no Dividend was declared during the above financial year.
 - (d) 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.
 - (e) 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.

SCHABLONA INDIA LIMITED

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 : 27th May, 2014

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, 2014				
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, 2013 in e forms 23ACXBRL & 23ACAXBRL	220	08/10/2013	Yes
2.	Directors Minutes Book	193					
3.	Shareholders Minutes Book	193	2	Compliance Certificate for Financial Year ended 31st March, 2013 in e form 66	383A	13/09/2013	Yes
4.	Register of Directors	303					
5.	Register of Transfer	-	3	Annual Return made upto 11/09/2013 in e form 20B	159	10/11/2013	Yes
6.	Register of Directors' Shareholding	307					
7.	Register of Contracts & Agreements	301	4	Statement of Unclaimed and Unpaid Dividend as on 11/09/2013 in e form 5INV	-	07/12/2013	Yes
8.	Register of Charges	143					
9.	Register of Investments	372A	5	E-Form 32, for resignation of Mr. G. L. Sultania, Director of the Company w.e.f. 09.01.2014	303(2)	14/02/2014	No
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 31st March, 2014, Board of Directors comprises of Four Members consisting of one Independent Non-Executive Chairman and Three Independent Non-Executive Directors. There were 4 (four) Board meetings during the year 2013-14 i.e. on 29 May, 09 August, 11 November in 2013 and 12 February in 2014. 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	3	Yes	9	2	3	500
Mr. Anirudh Kabra	Independent	4	4	No	-	-	2	-
Mr. R. K. Borar	Independent	4	3	No	-	-	1	3,000
Mr. N. Goenka (**)	Independent	4	4	Yes	7	3	-	-
Mr. A. K. Beejawat (***)	Independent	4	4	No	1	-	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.

(*) Resigned from the directorship of the Company w.e.f 9th January, 2014.

(**) Chairman of the Company w.e.f 12th February, 2014.

(***) Resigned from the directorship of the Company w.e.f 7th April, 2014.

Code of Conduct:

The Board has laid down a code of conduct for all its Board Members and senior Management personnel, as approved by the Board and the same is being abided by all of them. The Company has obtained the confirmation of the compliances to the said effect from Mr. N. Goenka, 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 29 May, 09 August, 11 November in 2013 and 12 February in 2014 and the Chairman of the Audit Committee attended the last Annual General Meeting held on 11th September, 2013 :-

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

(*) Resigned from the directorship of the Company w.e.f 9th January, 2014.

(**) Appointed as Chairman of the Audit Committee w.e.f 12th February, 2014.

Terms of reference

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

SCHABLONA INDIA LIMITED

SHARE TRANSFER COMMITTEE

The Company has a Share Transfer Committee comprising of Mr. N. Goenka, the Chairman of the Company (who chairs the meeting), and Mr. S. Banerjee, a senior personal of the Company. Mr. G. L. Sultania, Ex-Chairman of the Company ceased to be the member of the Committee w.e.f. 9th January, 2014. The Committee met 12 times during the period under review and attended by all its members. Total 300 shares received for transfer/ transmission 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 31.03.2014.

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, 2013, August 12, 2013 and December 23, 2013 as detailed below :-

Members	Category	No. of meetings held	No. of meeting attended	Status
Mr. G. L. Sultania (*)	Independent	3	3	Ex-Chairman
Mr. Anirudh Kabra	Independent	3	-	Member
Mr. N. Goenka (**)	Independent	3	3	Chairman
Mr. A .K . Beejawat (***)	Independent	3	-	Member

(*) Resigned from the directorship of the Company w.e.f 9th January, 2014.

(**) Appointed as Chairman of the Shareholders'/Investors' Grievance Committee w.e.f 12th February, 2014. He is also acting as the Compliance Officer of the Company.

(***) He was appointed as the Member of the Committee w.e.f 12th February, 2014 and thereafter resigned from the directorship of the Company w.e.f 7th April, 2014.

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 7 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. N. Goenka w.e.f 12th February, 2014, Mr. Anirudh Kabra and Mr. A. K. Beejawat who became member of the Committee w.e.f 12th February, 2014. Mr. G. L. Sultania, Ex-Chairman of the Committee resigned w.e.f. 9th January, 2014. There was no agenda for holding this Committee's meeting during the year 2013-14.

Remuneration to Directors

(Amount in Rs.)

Name	Sitting Fees
Mr. G. L. Sultania	9,000
Mr. Anirudh Kabra	10,000
Mr. R. K. Borar	7,500
Mr. N. Goenka	11,500
Mr. A. K. Beejawat	6,000
Total	44,000

No Director's Commission was paid in the year 2013-14 for the year 2012-13 due to losses in the Company during that year.

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.

SCHABLONA INDIA LIMITED

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
2012-2013	11.09.2013(*)	11.30 A.M.	None
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

(*) Held at Jhahharia Committee Room of MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata - 700 001.

(**) 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 31st March, 2014 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 31.03.2014.
- (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 :

Tuesday, the 16th September, 2014 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 : 9th September, 2014 to 16th September, 2014 (both days inclusive).

Financial Calendar : The schedule of the results for 2014-2015 are as follows:

First Quarter : Within 45 days of end of June quarter 2014

Second Quarter : Within 45 days of end of September quarter 2014

Third Quarter : Within 45 days of end of December quarter 2014

Fourth Quarter : Within 60 days of end of Financial Year March, 2015

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 any dividend on equity shares of Rs. 4/- each of the Company, for the year 2013-14, at its meeting held on 27th May, 2014.

SCHABLONA INDIA LIMITED

Listing on Stock Exchange :

Shares of the Company are listed at BSE Limited (BSE) and the listing fee for the year 2014-15 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.

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, 2013	18.55	16.10	18	19,622.68	18,144.22
May, 2013	17.65	13.80	573	20,443.62	19,451.26
June, 2013	13.12	11.85	159	19,860.19	18,467.16
July, 2013	11.50	8.49	425	20,351.06	19,126.82
August, 2013	-	-	-	19,569.20	17,448.71
September, 2013	8.90	8.25	191	20,739.69	18,166.17
October, 2013	9.45	8.92	1,145	21,205.44	19,264.72
November, 2013	9.75	9.50	22	21,321.53	20,137.67
December, 2013	9.50	9.50	10	21,483.74	20,568.70
January, 2014	12.64	8.56	4,137	21,409.66	20,343.78
February, 2014	12.64	12.64	201	21,140.51	19,963.12
March, 2014	12.01	10.16	101,625	22,467.21	20,920.98

*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 Ltd. 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. N. Goenka, 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, 2014 :

No. of Equity Shares	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1- 500	3,171	90.34	541,234	17.13
501-1000	199	5.67	151,423	4.79
1001-2000	70	1.99	102,061	3.23
2001-3000	22	0.63	58,307	1.85
3001-4000	6	0.17	20,638	0.65
4001-5000	9	0.26	41,372	1.31
5001-10000	13	0.37	102,270	3.24
10001 and above	20	0.57	2,141,910	67.80
Total	3,510	100.00	3,159,215	100.00

SCHABLONA INDIA LIMITED

Shareholding Pattern as on 31st March, 2014 :

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	44	72,150	2.28
Indian Public	3,448	1,308,257	41.41
NRIs/OCBs	8	4,351	0.14
Trusts	2	200	0.01
Clearing Members	-	-	-
Total	3,510	3,159,215	100.00

Dematerialisation of Shares :

The Company's equity shares enjoy the DEMAT facilities with NSDL as well as CDSL and 2,654,791 shares representing 84.03% of the equity capital as on 31.03.2014 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

27th May, 2014

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, 2014.

Place : Noida

N. Goenka
Chairman

AUDITOR'S CERTIFICATE

To the Members of
Schablona India Limited

We have examined the Compliance of Corporate Governance by SCHABLONA INDIA LIMITED for the year ended 31st March, 2014 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. Shalin Poddar**)

Partner

Membership No. 515616

Place : Noida

Dated : 27th day of May, 2014

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, 2014, and 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 notified under the Companies Act, 1956 (Act) read with the general circular 15/2013 date 13.09.2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 (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, 2014;
- 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 notified under the Companies Act, 1956 (Act) read with the general circular 15/2013 date 13.09.2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Chartered Accountants

(Firm Registration No. 500106N)

(CA. Shalin Poddar)

Partner

Membership No. 515616

Place : Noida
Dated : 27th day of May, 2014

SCHABLONA INDIA LIMITED

The Annexure referred to in paragraph 1 of the our report of even date to the members of SCHABLONA INDIA LIMITED on the accounts of the Company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation 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 fixed asset 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.
(e) 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 covered in the register, maintained under Section 301 of the Companies Act, 1956, therefore, sub-clause (e) to (g) of clause 4(iii) of the Order are not applicable to the Company.
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 anyweaknesses 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 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, 2014 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 amounts 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 cases of income tax and sales tax as per detailed below:

SCHABLONA INDIA LIMITED

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	Central Sales Tax	2010-11	19.19	Excise and Taxation Officer-cum-Assessing Authority, Bahadurgarh
Sales Tax Act	Central Sales Tax	2011-12	88.86	Excise and Taxation Officer-cum-Assessing Authority, Bahadurgarh
Sales Tax Act	VAT	2011-12	0.21	Excise and Taxation Officer-cum-Assessing Authority, Bahadurgarh
Total			108.26	

10. The Company does not have any accumulated loss at the end of financial year. However there is a cash loss of Rs. 89.68 lacs during the financial year covered by our audit and of Rs. 75.08 lacs 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, 2014, 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.

Place : Noida
Dated : 27th day of May, 2014

For **A. K. Maheshwari & Associates**
Chartered Accountants
(Firm Registration No. 500106N)
(CA. Shalin Poddar)
Partner
Membership No. 515616

SCHABLONA INDIA LIMITED

BALANCE SHEET AS AT 31ST MARCH , 2014

<u>Particulars</u>	<u>Note No.</u>	<u>31.03.2014</u>	<u>(Rs. in Lacs)</u> <u>31.03.2013</u>
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	126.37	126.37
(b) Reserves and Surplus	4	525.96	613.64
		<u>652.33</u>	<u>740.01</u>
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	5	40.91	62.80
(b) Deferred Tax Liabilities (Net)	6	-	17.41
(c) Other Long Term Liabilities	7	209.83	200.44
(d) Long-Term Provisions	8	27.51	19.40
		<u>278.25</u>	<u>300.05</u>
(3) Current Liabilities			
(a) Short-Term Borrowings	9	523.26	463.77
(b) Trade Payables	10	884.77	508.97
(c) Other Current Liabilities	11	154.28	205.86
(d) Short-Term Provisions	12	14.60	18.02
		<u>1,576.91</u>	<u>1,196.62</u>
TOTAL		<u>2,507.49</u>	<u>2,236.68</u>
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	13		
(i) Tangible Assets		562.65	616.92
(ii) Capital Work In Progress		-	1.52
		<u>562.65</u>	<u>618.44</u>
(b) Deferred Tax Assets (Net)	6	53.67	-
(c) Long-Term Loans And Advances	14	11.07	11.49
		<u>627.39</u>	<u>629.93</u>
(2) Current Assets			
(a) Inventories	15	736.63	585.02
(b) Trade Receivables	16	894.33	724.03
(c) Cash And Cash Equivalents	17	43.50	78.14
(d) Short-Term Loans And Advances	18	205.64	219.56
		<u>1,880.10</u>	<u>1,606.75</u>
TOTAL		<u>2,507.49</u>	<u>2,236.68</u>
Significant Accounting Policies	1		
Notes to the Financial Statements	2		

For **A. K. Maheshwari & Associates**
Chartered Accountants
(Firm Regn. No. 500106N)
(CA. Shalin Poddar)

Place : Noida
Dated : 27th day of May, 2014

Partner
Membership No. 515616

N. Goenka - Director
Satish C. Vishwakarma - Executive Director

SCHABLONA INDIA LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

<u>Particulars</u>	<u>Note No.</u>	<u>31.03.2014</u>	<u>(Rs. in Lacs)</u> <u>31.03.2013</u>
INCOME			
Revenue from operations	19	3,950.29	3,809.63
Other Income	20	8.18	42.79
		<u>3,958.47</u>	<u>3,852.42</u>
EXPENDITURE			
Cost of Materials consumed	21	1,084.68	1,011.64
Purchase Of Stock-In-Trade		1,684.71	1,538.33
Changes in Inventories	22	(121.93)	(46.59)
Employees Benefit expenses	23	591.65	599.96
Financial Costs	24	91.14	89.96
Depreciation and Amortization expenses	13	62.91	63.70
Other Administrative Expenses	25	717.76	718.53
		<u>4,110.92</u>	<u>3,975.53</u>
Profit/(Loss) before exceptional and extraordinary items and tax		<u>(152.45)</u>	<u>(123.11)</u>
Exceptional Items		6.31	2.89
Profit/(Loss) before extraordinary items and tax		<u>(158.76)</u>	<u>(126.00)</u>
Extraordinary Items		-	-
Profit/(Loss) before tax		<u>(158.76)</u>	<u>(126.00)</u>
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(71.08)	(39.68)
Profit/(Loss) For the Year		<u>(87.68)</u>	<u>(86.32)</u>
Earning per equity share of face value Rs. 4/- each	2.3		
- Basic		(2.78)	(2.73)
- Diluted		(2.78)	(2.73)
Significant Accounting Policies	1		
Notes to the Financial Statements	2		

For **A. K. Maheshwari & Associates**
Chartered Accountants
(Firm Regn. No. 500106N)
(CA. Shalin Poddar)

Place : Noida
Dated : 27th day of May, 2014

Partner
Membership No. 515616

N. Goenka - Director
Satish C. Vishwakarma - Executive Director

SCHABLONA INDIA LIMITED

NOTES TO THE BALANCE SHEET

<u>Particulars</u>	<u>31.03.2014</u>	<u>31.03.2013</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>31.03.2014</u>	<u>31.03.2013</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 and Surplus				
Capital Reserve				
As per last year	<u>0.63</u>		<u>0.63</u>	
General Reserve				
As per last year	<u>75.00</u>		<u>75.00</u>	
Surplus in Statement of Profit and Loss				
Balance at the beginning of the year	538.01		624.33	
Net Profit/(Loss) for the current year	<u>(87.68)</u>		<u>(86.32)</u>	
Closing Balance	<u>450.33</u>		<u>538.01</u>	
	<u>525.96</u>		<u>613.64</u>	

SCHABLONA INDIA LIMITED

NOTES TO THE BALANCE SHEET

<u>Particulars</u>	<u>31.03.2014</u>	<u>(Rs. in Lacs)</u> <u>31.03.2013</u>
5 Long-Term Borrowings		
Secured :		
Term Loans		
- From Banks	37.98	70.91
Car Loans		
- From Banks	13.37	3.67
	<u>51.35</u>	<u>74.58</u>
Less: Current Maturities of Long Term Borrowings		
Term Loans		
- From Banks	25.75	30.56
Car Loans		
- From Banks	4.69	1.22
	<u>30.44</u>	<u>31.78</u>
	20.91	42.80
Unsecured :		
Inter Corporate Deposits	20.00	20.00
	<u>40.91</u>	<u>62.80</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 which was outstanding in the previous year was fully repaid in this financial year. Term loan II amounting to Rs. 37.98 lac was repayable in 22 monthly installment starting from April, 2014.		
(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/(Assets) (Net)		
Beginning of the year	17.41	57.09
Provided during the year	(71.08)	(39.68)
	<u>(53.67)</u>	<u>17.41</u>
7 Other Long Term Liabilities		
Security Deposit	209.83	200.44
	<u>209.83</u>	<u>200.44</u>

SCHABLONA INDIA LIMITED

NOTES TO THE BALANCE SHEET

<u>Particulars</u>	<u>31.03.2014</u>	<u>(Rs. in Lacs)</u> <u>31.03.2013</u>
8 Long Term Provisions		
Provision for Leave Encashment	29.29	21.71
Less:Provision for Short Term Leave Encashment	1.78	2.31
	<u>27.51</u>	<u>19.40</u>
9 Short Term Borrowings		
From Bank		
Cash Credit	492.82	431.99
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	30.44	31.78
	<u>523.26</u>	<u>463.77</u>
10 Trade Payables		
Sundry Creditors	884.77	508.97
	<u>884.77</u>	<u>508.97</u>
11 Other Current Liabilities		
Statutory Dues	34.66	35.47
Advances from Customers	36.50	98.34
Other Liabilities	83.12	72.05
	<u>154.28</u>	<u>205.86</u>
12 Short-Term Provisions		
Provision For Leave Encashment	1.78	2.31
Unpaid Dividend	6.42	6.46
Provision for Gratuity	6.40	9.25
	<u>14.60</u>	<u>18.02</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 31.03.13	Additions during the year	Sales/ Adjustments during the year	As at 31.03.14	Upto 31.03.13	For the Year	Adjustments during the Year	Upto 31.03.14	As at 31.03.14	As at 31.03.13
1	Land	9.53	-	-	9.53	-	-	-	-	9.53	9.53
2	Building	197.27	-	-	197.27	43.75	6.59	-	50.34	146.93	153.52
	- Own										
	- Improvement to Lease hold Premises	39.38	-	-	39.38	5.97	1.31	-	7.28	32.10	33.41
3	Plant & Machinery	563.72	4.78	22.50	546.00	211.38	38.34	11.68	238.04	307.96	352.34
4	Furniture & Fixture	25.12	0.02	-	25.14	8.04	1.59	-	9.63	15.51	17.08
5	Computer	63.43	2.46	4.58	61.31	42.52	10.19	1.92	50.79	10.52	20.91
6	Office Equipment	27.28	0.28	-	27.56	10.97	1.81	-	12.78	14.78	16.31
7	Vehicles	22.89	14.58	-	37.47	9.07	3.08	-	12.15	25.32	13.82
	Total	948.62	22.12	27.08	943.66	331.70	62.91	13.60	381.01	562.65	616.92
	Capital work in progress	1.52	-	1.52	-	-	-	-	-	-	1.52
	Previous Year	945.83	33.43	30.64	948.62	269.82	63.70	1.82	331.70	616.92	676.01

SCHABLONA INDIA LIMITED

NOTES TO THE BALANCE SHEET

<u>Particulars</u>	<u>31.03.2014</u>	<u>(Rs. in Lacs)</u> <u>31.03.2013</u>
14 Long Term Loans and Advances		
Secured, Considered Good :		
Security Deposit		
- With Government Departments	7.37	7.79
- Other Deposits	3.70	3.70
	<u>11.07</u>	<u>11.49</u>
15 Inventories		
(As taken, valued and certified by the Management)		
Raw Material	151.97	126.73
Work-in-Progress	19.64	30.16
Finished Goods	354.50	240.82
Stock-in-Trade	195.01	168.67
Stores & Spares	15.51	18.64
	<u>736.63</u>	<u>585.02</u>
16 Trade Receivables		
Outstanding for more than Six Months from due date		
Unsecured, Considered Good	78.22	90.62
Others:		
Secured, Considered Good	816.11	633.41
Doubtful	4.90	15.84
Less : Provision for Doubtful Debts	(4.90)	(15.84)
	<u>894.33</u>	<u>724.03</u>
17 Cash & Cash Equivalents		
Cash in hand (including cheques & stamps)	1.16	1.50
With Scheduled Banks :		
In Current Accounts	23.64	60.01
In Fixed Deposit Accounts (lodged as security)	12.28	10.17
In Unpaid Dividend Accounts	6.42	6.46
	<u>43.50</u>	<u>78.14</u>
18 Short-Term Loans and Advances		
Deposit with Others	30.94	15.81
Advance Income Tax (net of provisions)	24.98	24.89
Balances with Government Authorities	144.90	145.97
Prepaid expenses	2.59	2.43
Advance to Suppliers	2.23	30.46
	<u>205.64</u>	<u>219.56</u>

SCHABLONA INDIA LIMITED

NOTES TO THE STATEMENT OF PROFIT AND LOSS

<u>Particulars</u>	<u>31.03.2014</u>	<u>(Rs. in Lacs)</u> <u>31.03.2013</u>
19 Revenue from Operations		
Sales	2,111.38	2,090.37
Sale of traded goods	1,998.48	1,876.63
	<u>4,109.86</u>	<u>3,967.00</u>
<u>Other Operating revenue</u>		
Job Work Income	0.09	1.33
Insurance recovered on Sales	13.87	14.47
Miscellaneous Sales	4.25	2.93
	<u>4,128.07</u>	<u>3,985.73</u>
Less: Excise Duty	177.78	176.10
	<u>3,950.29</u>	<u>3,809.63</u>
20 Other Income		
Liabilities no longer required written back	0.15	37.37
Interest received	8.03	5.42
	<u>8.18</u>	<u>42.79</u>
21 Cost of Materials Consumed		
Raw Material (with processing charges)	978.54	928.66
Packing Material	106.14	82.98
	<u>1,084.68</u>	<u>1,011.64</u>
22 Change in Inventories		
Closing Stock		
Finished goods	354.50	240.82
Work-in-progress	19.64	30.16
Stock-in-trade	195.01	168.67
	<u>569.15</u>	<u>439.65</u>
Opening Stock		
Finished goods	240.82	201.41
Work-in-progress	30.16	19.62
Stock-in-trade	168.67	182.94
	<u>439.65</u>	<u>403.97</u>
Increase/(Decrease) in Stock	129.50	35.68
Add : (Increase)/Decrease in excise duty on stock	(7.57)	10.91
	<u>121.93</u>	<u>46.59</u>
23 Employees Benefit Expenses		
Salary, Wages, Bonus & Gratuity	536.90	543.03
Contribution to Provident Fund and Other Funds	27.54	27.85
Workmen & Staff Welfare	27.21	29.08
	<u>591.65</u>	<u>599.96</u>
24 Finance Costs		
Interest on Borrowings	86.96	85.68
Other Borrowing Cost	4.18	4.28
	<u>91.14</u>	<u>89.96</u>

SCHABLONA INDIA LIMITED

NOTES TO THE STATEMENT OF PROFIT AND LOSS

<u>Particulars</u>	<u>31.03.2014</u>	<u>(Rs. in Lacs)</u> <u>31.03.2013</u>
25 Other Administrative Expenses		
Power & Fuel	115.87	88.90
Stores & Spares	88.64	85.45
Insurance	10.14	7.93
Travelling Expenses	124.23	111.91
Repair & Maintenance	11.85	14.79
Training & Recruitment Expenses	29.01	1.43
General Expenses	1.58	2.54
Miscellaneous Expenses	3.95	3.29
Legal & Professional Expenses	8.65	11.47
Postage, Telegram & Telephone Expenses	21.40	24.25
Rent	52.30	60.46
Rates & Taxes	2.75	3.12
Freight Outward and Handling Charges	30.97	31.46
Rebate & Discounts	72.13	49.22
Selling & Distribution Expenses	138.71	196.54
Exchange Rate Difference	0.76	0.14
Director Fees	0.44	0.42
Deferred Revenue Expenses Written Off	-	5.08
Prior Period Adjustment	0.09	0.04
Bad Debts	-	0.79
Provision for Doubtful Debts	-	15.84
Bank Charges	2.63	1.59
Payment to Auditors		
- Audit Fees	1.12	1.12
- Out of pocket expenses	0.54	0.75
	717.76	718.53

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.

SCHABLONA INDIA LIMITED

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 belong. 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 are 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.

SCHABLONA INDIA LIMITED

- 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) 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>31.03.2014</u>	<u>31.03.2013</u>
		(Rs. in Lacs)
2.1 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	108.26	33.42
	<u>120.76</u>	<u>45.92</u>

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

Related Parties with whom transactions have taken place & description of relationship : None

SCHABLONA INDIA LIMITED

2.3 Earnings Per Share (EPS) :

	<u>31.03.2014</u>	<u>31.03.2013</u>
Profit attributable to the equity shareholders (Rs. in lacs)	(87.68)	(86.32)
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.)	(2.78)	(2.73)

- 2.4 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. 71.08 lacs (previous year Rs. 39.68 lacs) on a reasonable and conservative basis, which would be available for set off against the future profits of the Company.

	<u>31.03.2014</u>	<u>31.03.2013</u>
Deferred Tax Liability at the beginning of the year	17.41	57.09
Deferred Tax Assets		
Depreciation	4.96	0.73
Leave Encasement	2.46	(1.08)
Gratuity	(0.93)	0.33
Bonus & Ex-gratia	(3.21)	4.35
On losses	<u>67.80</u>	<u>35.35</u>
Net Deferred Tax Liability/(Assets)	<u>(53.67)</u>	<u>17.41</u>

- 2.5 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.

- 2.6 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 31.03.2014 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 31.03.2014 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".

- 2.7 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. 208.21 lacs (previous year Rs. 102.80 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. 4.74 lacs (previous year Rs. 7.48 lacs).

- 2.8 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.

- 2.9 Balances in Trade Receivables, Trade Payables, Short-Term Loans and Advances & Long-Term Loans and 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.

2.10 Payments to Auditors

		(Rs. in Lacs)
(Exclusive of Service Tax)		
	<u>31.03.2014</u>	<u>31.03.2013</u>
i) Audit Fees	0.75	0.75
ii) Tax Audit Fees	0.25	0.25
iii) Out of Pocket Expenses	0.54	0.75

SCHABLONA INDIA LIMITED

2.11 Employee Benefit :

Statement of the Gratuity, Leave encashment & Sick Leave as at 31 March, 2014 is as follow :

(Rs. in lacs)

		Gratuity (Funded)	Leave Encashment and Sick Leave (Non-Funded)	Gratuity (Funded)	Leave Encashment and Sick Leave (Non-Funded)
		31.03.2014		31.03.2013	
I	Expense recognized in the Statement of Profit and Loss				
a	Current Service cost	5.77	5.00	5.51	3.50
b	Interest cost	3.72	1.94	2.94	2.00
c	Expected return on plan asset	(3.08)	-	(2.69)	-
d	Net actuarial (gain)/loss recognised in the period	(0.01)	5.06	3.49	2.69
e	Expenses recognized in Statement of Profit and Loss	6.40	12.00	9.25	8.19
II	Net Assets/(Liabilities) recognised in the Balance sheet				
a	Present value of obligation as at the end of the period	49.20	29.29	43.48	21.71
b	Fair Value of plan asset as at the end of the period	42.80	-	34.23	-
c	Funded status	(6.40)	(29.29)	(9.25)	(21.71)
d	Net Assets/(Liabilities) recognised in the balance sheet	(6.40)	(29.29)	(9.25)	(21.71)
III	Change in present value of obligation				
a	Present value of obligation as at beginning of the period	43.48	21.71	42.46	25.04
b	Interest cost	3.72	1.94	2.94	2.00
c	Current Service cost	5.77	5.00	5.51	3.50
d	Benefits Paid	(4.33)	(4.42)	(11.44)	(11.52)
e	Actuarial (Gain)/Loss on obligation	0.56	5.06	4.01	2.69
f	Present value of obligation at the end of the period	49.20	29.29	43.48	21.71
IV	Changes in the fair value of plan assets				
a	Fair value of plan assets as at beginning of the period	34.23	-	33.59	-
b	Expected return on plan assets	3.08	-	2.69	-
c	Contributions	9.25	-	8.87	-
d	Benefits Paid	(4.33)	-	(11.44)	-
e	Actuarial (Gain)/Loss on plan assets	0.57	-	0.52	-
f	Fair value of plan assets at the end of the period	42.80	-	34.23	-
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	9.00%	9.20%	8.00%	8.00%
	Future Salary Increase	6.00%	6.00%	5.00%	5.50%
	Expected Rate of return on plan assets	9.00%	-	8.00%	-
	Demographic Assumptions-				
	Retirement Age	58	58	58	58
	Mortality Table	IALM (2006-08)	IALM (2006-08)	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

2.12 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, 2014

	Rs. in lacs			
	<u>2013-14</u>	<u>2012-13</u>		
A. Trading Activities				
Tiles				
Opening Stock	168.67	182.94		
Purchase	1684.71	1538.33		
Closing Stock	195.01	168.67		
Sale	1998.48	1876.63		
B. Raw material and packing material consumed				
Class of Goods				
Plain Tiles	397.85	362.35		
Paper	138.42	101.60		
Colours & Chemicals	346.61	285.72		
Others	95.66	178.99		
Packing Material	106.14	82.98		
	<u>1,084.68</u>	<u>1,011.64</u>		
C. Value of imported & indigenous Raw Material, Packing Material & Spare Parts consumed during the year				
Particulars	Raw Material & Packing Material		Stores & Spares	
	2013-14	2012-13	2013-14	2012-13
Imported	49.63	4.58%	41.08	4.06%
	-	-	0.42	0.49%
Indigenous	1,035.05	95.42%	970.56	95.94%
	88.64	100.00%	85.03	99.51%
	<u>1,084.68</u>	<u>100.00%</u>	<u>1,011.64</u>	<u>100.00%</u>
D. Details of work in progress			<u>2013-14</u>	<u>2012-13</u>
Plain Tiles			2.68	14.70
Paper			1.23	3.16
Colours & Chemicals			14.98	11.67
Others			0.75	0.63
			<u>19.64</u>	<u>30.16</u>
E. CIF value of Imports				
- Raw Material			48.30	42.97
			<u>48.30</u>	<u>42.97</u>
F. Earnings in Foreign Currency				
FOB Value of Exports			4.74	7.48
G. Expenditure in Foreign Currency				
- Travelling Expenses			1.41	0.76
- Training Expenses			28.02	-
- Others			-	0.13
			<u>29.43</u>	<u>0.89</u>

2.13 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. Shalin Poddar)

Place : Noida
Dated : 27th day of May, 2014

Partner
Membership No. 515616

N. Goenka - Director
Satish C. Vishwakarma - Executive Director

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	31.03.2014	31.03.2013
1	Segment Revenue		
	a) Designer Tiles	3,140.58	3,022.12
	b) Transfer Sheets	999.71	871.58
	c) Others	18.21	18.73
	Total :	<u>4,158.50</u>	<u>3,912.43</u>
	Less : Inter segment revenue	208.21	102.80
	Net sales/income from operations	<u>3,950.29</u>	<u>3,809.63</u>
2	Segment Results: Profit(+)/(Loss)(-) before tax and interest from segment		
	a) Designer Tiles	(196.97)	(108.71)
	b) Transfer Sheets	135.23	74.91
	c) Others	0.43	0.65
	Total :	<u>(61.31)</u>	<u>(33.15)</u>
	Less : i) Interest	91.14	89.96
	ii) Other un-allocable expenditure net off un-allocable income	6.31	2.89
	Total Profit before Tax :	<u>(158.76)</u>	<u>(126.00)</u>
3	Capital Employed		
	a) Designer Tiles	922.53	967.66
	b) Transfer Sheets	240.30	316.34
	c) Others	-	-
	Total :	<u>1,162.83</u>	<u>1,284.00</u>

Place : Noida
Dated : 27th day of May, 2014

N. Goenka - Director
Satish C. Vishwakarma - Executive Director

SCHABLONA INDIA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014	(Rs. in Lacs) 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extra-ordinary items	(158.76)	(126.00)
Adjustment for		
- Depreciation	62.91	63.70
- Interest Expenses	91.14	89.96
- Interest Received	(8.03)	(5.42)
- Loss on sale of fixed assets	6.31	2.89
- Deferred Revenue Expenditure Written off	-	5.08
- Liabilities no longer required Written back	(0.15)	(37.37)
- Bad Debts	-	0.79
- Provision for doubtful Debts	-	15.84
	<u>152.18</u>	<u>135.47</u>
Operating profit before Working capital changes	(6.58)	9.47
Adjustment for		
- Inventories	(151.61)	(66.98)
- Trade Receivables	(170.30)	(78.24)
- Other Receivables	16.38	(31.82)
- Trade Payables	338.45	188.14
	<u>32.92</u>	<u>11.10</u>
Cash generated from operations	26.34	20.57
- Direct Taxes Paid	(0.09)	(15.24)
Cash Flow before Extraordinary items	26.25	5.33
- Extraordinary items	-	-
Cash flow from operating activities	<u>26.25</u>	<u>5.33</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Net Purchase/ Sale of Fixed Assets (Incl Cap WIP)	(13.43)	0.68
- Interest received	6.08	6.26
Net cash used in Investing activities	<u>(7.35)</u>	<u>6.94</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Raising of Secured Loans	37.60	(123.26)
- Interest Paid	(91.14)	(89.96)
- Dividend Paid	-	(25.27)
- Dividend Tax Paid	-	(4.10)
Cash flow from Financing activities	<u>(53.54)</u>	<u>(242.59)</u>
Net increase in Cash & Cash equivalents	(34.64)	(230.32)
Cash & Cash Equivalents as on 01-04-2013	78.14	308.46
Cash & Cash Equivalents as on 31-03-2014	<u>43.50</u>	<u>78.14</u>

Place : Noida
Dated : 27th day of May, 2014

N. Goenka - Director
Satish C. Vishwakarma - Executive Director

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of M/s. Schablona India Limited for the year ended 31.03.2014. 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 & Loss and Balance Sheet of the Company covered by our report dated 27th day of May, 2014 to the Members of the Company.

For **A. K. Maheshwari & Associates**
Chartered Accountants
(Firm Regn. No. 500106N)
(CA. Shalin Poddar)
Partner
Membership No. 515616

Place : Noida
Dated : 27th day of May, 2014

SCHABLONA INDIA LIMITED

CIN : L51109WB1983PLC036899

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

E-mail : silinvestors@schablona.in, Website : www.schablona.in

Phone No. : 033-22487406/07, Fax : 033-22487045

Form - MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

30th Annual General Meeting — 16th September, 2014

Name of the Member(s) : _____

Registered Address : _____

Email : _____

Folio No. / Client ID No. : _____

DP ID : _____

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint:

1) Name: _____ Address: _____

E-mail Id: _____ Signature: _____

Or falling him/her

2) Name: _____ Address: _____

E-mail Id: _____ Signature: _____

Or falling him/her

3) Name: _____ Address: _____

E-mail Id: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Tuesday, 16th September, 2014 at 11:30 A.M. at Jhajharia Committee Room of MCC Chamber of Commerce and Industry, 15B Hemanta Basu Sarani, Kolkata - 700 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote (Optional see Note)		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Audited Balance Sheet and the Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended 31st March, 2014.			
2	To appoint a Director in place of Mr. N. Goenka (DIN: 00060864), who retires by rotation and being eligible, offers himself for re-appointment.			
3	To appoint Auditors of the Company to hold office from the conclusion of 30th Annual General Meeting till the conclusion of the 34th Annual General Meeting of the Company and to fix their remuneration.			
Special Business				
4	Appointment of Mr. Satish C. Vishwakarma as Director			
5	Appointment of Mr. Anirudh Kabra as Independent Director			
6	Appointment of Mr. R. K. Borar as Independent Director			
7	Appointment of Mr. Satish C. Vishwakarma as Executive Director			
8	Ratification of remuneration to Cost Auditor for Financial Year ended 31st March, 2015			

Signed this _____ day of _____ 2014

Signature of Member _____

Signature of Proxy holder(s) _____



Note:

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. A proxy need not be a member of the Company.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the box. If you leave the For or Against or Abstain column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
4. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. For the Resolutions, Statements and Notes, please refer Notice of the 30th Annual General Meeting.
7. Please complete all details of Member(s) in above box, before submission.

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ASSENT / DISSENT FORM FOR VOTING ON AGM RESOLUTIONS

1. Name(s) & Registered Address of the sole/first named Member :
2. Name(s) of the Joint-Holder(s), if any :
3. i) Registered Folio No. :
ii) DP ID No. & Client ID No. :
[Applicable to Members holding shares in dematerialized form]
4. Number of share(s) held :
5. I/We hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated 16th September, 2014, by conveying my/our assent or dissent to the resolutions by placing tick (✓) mark in the appropriate box below:

	Resolution	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Ordinary Business				
1	Adoption of Audited Balance Sheet and the Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended 31st March, 2014.			
2	To appoint a Director in place of Mr. N. Goenka (DIN: 00060864), who retires by rotation and being eligible, offers himself for re-appointment.			
3	To appoint Auditors of the Company to hold office from the conclusion of 30th Annual General Meeting till the conclusion of the 34th Annual General Meeting of the Company and to fix their remuneration.			
Special Business				
4	Appointment of Mr. Satish C. Vishwakarma as Director			
5	Appointment of Mr. Anirudh Kabra, as Independent Director			
6	Appointment of Mr. R. K. Borar as Independent Director			
7	Appointment of Mr. Satish C. Vishwakarma as Executive Director			
8	Ratification of remuneration to Cost Auditor for Financial Year ended 31 March, 2015			

Place :

Date :

Signature of the Member
Or, Authorised Representative

Note:

1. If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
2. Last date for receipt of Assent/Dissent Form : 11th September, 2014.
3. Please read the instructions printed overleaf carefully before exercising your vote.

INSTRUCTIONS

General Instructions

1. Shareholders have option to vote either through e-voting i.e. electronic means or to convey assent/dissent in physical form. If a shareholder has opted for Physical Assent / Dissent Form, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through both physical assent/dissent form and e-voting, then vote cast through e-voting shall be considered and treated as valid and vote cast through physical assent/dissent shall be treated as invalid.
2. The notice of Annual General Meeting is dispatched to the members whose names appear on the Register of Members as on 8th August, 2014 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through physical assent/dissent form cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization, as stated below.

Instructions for voting physically on Assent/Dissent Form

1. A Members desiring to exercise vote by Assent/Dissent should complete this Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, Mr. P. K. Drolia, Practicing Company Secretary and send the same at their cost to reach the Scrutinizer at the registered office of the Company on or before the close of working hours i.e. 6:00 P.M. on 11th September, 2014. All Forms received after this date will be strictly treated as if the reply from such Member has not been received.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies etc.), the completed Assent/Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
4. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Assent/Dissent Form for every folio/client id irrespective of the number of joint holders.
7. A Member may request for a duplicate Assent/Dissent Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No.1 above.
8. Members are requested not to send any other paper along with the Assent/Dissent Form. They are also requested not to write anything in the Assent/Dissent Form excepting giving their assent or dissent and putting their signature. If any such other paper is sent the same will be destroyed by the Scrutinizer.
9. The Scrutinizer's decision on the validity of the Assent/Dissent Form will be final and binding.
10. Incomplete, unsigned or incorrectly ticked Assent/Dissent Forms will be rejected.

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ATTENDANCE SLIP

30TH ANNUAL GENERAL MEETING

The Folio No. and Name(s) of the Members(s) are to be furnished below in Block Letters

Folio No. No. of shares held.....

Client ID DP ID.....

Full Name of the Member/Joint Members

1..... 2.....

3..... 4.....

Full Name of the Proxy if attending the meeting.....

I/We hereby record my/our presence at the 30th Annual General Meeting of the Company at Jhajharia Committee Room of MCC Chamber of Commerce and Industry, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on Tuesday, 16th September, 2014 at 11-30 A.M.

Signature of the Member/Joint Members/Proxy attending the Meeting

Note:

1. Please complete this Attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copy of the Annual Report for reference at the meeting.