

# SCHABLONA INDIA LIMITED

email - [siliconnestor@schablona.in](mailto:siliconnestor@schablona.in)  
Regd. Office : 2, RED CROSS PLACE, KOLKATA-700 001, India  
Tel. : 91-33-2248-7406/07, Fax : 099 (033) 2248 7045

CIN : L51109WB1983PLC036899

*Schablona*  
ART KE RAMIK

17<sup>th</sup> September, 2016

Department of Corporate Services,  
BSE Limited,  
Floor 24, P. J. Towers,  
Dalal Street,  
Mumbai - 400 001

**Sub: Submission of Annual Report 2015-16 of the Company, pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/ Madam,

In compliance with requirements under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find the Annual Report 2015-16 of the Company for the financial year ended 31<sup>st</sup> March, 2016, duly approved and adopted by the Member in their 32<sup>nd</sup> Annual General Meeting (AGM) of the Company which was convened on Friday, 16<sup>th</sup> September, 2016 at Somany Conference Hall, MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, 2<sup>nd</sup> Floor, Kolkata-700 001 at 11.30 a.m.

This is for your information and record. Kindly acknowledge receipt.

Thanking you,

Yours faithfully,  
For Schablona India Limited

*Mansata*

(Ritika Mansata)  
Company Secretary & Compliance Officer

Encl:a.a.

**Unit-1 :**  
P.O. Kassar, Bahadurgarh-124507  
Distt. : Jhajjar, Haryana (India)  
PH. : +91-1276-241133 (5 Lines)  
Fax : +91-1276-241135  
E-mail : [kassar@schablona.in](mailto:kassar@schablona.in)



A SOMANY ENTERPRISE

**Unit-2 :**  
18/1, 18/2, GIDC Industrial Estate  
Kadi-328715, Gujarat  
PH. : 02764-240366, 241342  
Fax : 02764-240367  
E-mail : [kadi@schablona.in](mailto:kadi@schablona.in)

## SCHABLONA INDIA LIMITED

### **Directors :**

Mr. N. Goenka, Chairman  
Mr. Rakesh Kumar Borar (Upto 18.07.2015)  
Mr. Satish C. Vishwakarma  
Ms. Abha Kabra  
Mr. Vinod Kumar Karwa (w.e.f. 23.07.2015)

### **Company Secretary & Chief Financial Officer :**

Ms. Ritika Mansata

### **Auditors :**

A. K. Maheshwari & Associates  
Chartered Accountants  
First Floor, C-30, Sector 63  
Noida - 201307

### **Bankers :**

State Bank of India  
HDFC Bank Limited  
Punjab National Bank

### **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  
Phone : 033-2243 5809 / 5029  
Fax : 033-2248 4787  
E-mail : mdpldc@yahoo.com

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## SCHABLONA INDIA LIMITED

### DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Thirty-Second Annual Report together with the Financial Statements of the Company for the year ended 31st March, 2016.

### FINANCIAL SUMMARY OR HIGHLIGHTS

	(Rs. in Lacs)	
PARTICULARS	31.03.2016	31.03.2015
Gross Sales	2425.09	4567.84
Less: Excise Duty	110.58	180.72
Net Sales	2314.51	4387.12
Gross Loss for the year under review	524.07	351.33
Add: Depreciation for the year	50.47	52.22
Loss for the year before tax	574.54	403.55
Less: Deferred Tax Assets	-	58.24
Less: Tax for earlier year	2.46	-
Loss after Tax	572.08	345.31
Less: Balance brought forward from earlier years	73.27	450.33
Surplus/(Deficit) carried to Balance Sheet	(498.81)	105.02*

\* After adjustment of Rs. 31.75 lacs on account of depreciation in terms of Schedule II of the Companies Act, 2013, the balance of surplus in Statement of Profit and Loss was Rs. 73.27 lacs as on 31st March, 2015.

### OPERATIONS

During the year under review, net sales decreased to Rs. 2314.51 lacs, as compared to Rs. 4387.12 lacs in the previous year.

Transfer Division has registered de-growth to an extent of 47.78%, driven primarily by the setting up of captive decal plants by decal users.

In the Decorated Tile Division, the de-growth was to an extent of 46.28% due to unfavourable trends against third fired decorated tiles.

The performance of your Company was adversely affected mainly on the account of the following reasons:

- Evolution of Digital Printing on Basic Tiles against Screen Printing in Decorative Tiles. The proliferation of Digital Printing on Tiles and other medium like Glass, Resin, Steel, Aluminium and Sand Blasting competed against our Designer Tiles also affected our business. Most of the units in the un-organized sector have had to close down owing to this sudden change in trends. Even organized units are shifting to alternatives of printing, which may be a small reprieve, but cannot compensate for the lost market in ceramic tiles segment.
- Setting up of Captive Decal Plants by Decal Users.
- Copying of our products by local suppliers.
- Rising cost of inputs, energy and transportation have also affected the financials of the Company.
- Design Obsolescence in designer tiles.
- This sector poses threats primarily at the entry level bulk selling products thus impacting topline.
- Disruptive technological changes resulted in unfavourable trends against third fired decorated tiles.

All these above reasons collectively resulted in adverse business scenario and thereby the Company's loss gradually accumulated at Rs.498.81 lacs as at the end of financial year ended 31st March, 2016.

## SCHABLONA INDIA LIMITED

To overcome these difficult situations, constant efforts are being made by the Company to equip itself with new range of products by launching them periodically and in synergy with the trends which is expected to bring increased revenue and profits in the Company.

Further, your Company is also focusing on Creative Concepts in Decorated / Ornamented Tiles and Decals in order to increase its market share and taking various initiatives to equip our Design Development Department to meet the requirement by different methods for facing challenges by Decal users engaging in manufacture of decorative tiles themselves.

### MARKET AND FUTURE PROSPECTS

#### Ceramic Transfer Sheets (Decals)

Setting up of Captive Decal Plant by Decal Users affected our business adversely. Despite that, good responses from buyers in higher segment for Quality Decals are expected to receive which may not increase the volume but may show some positivity in the bottom-line. Your Company is expected to maintain its hold on premium segment of Transfer market through its precious metal base specialised Decals with Schablona's edge on designing.

#### Decorated Tiles

Digitally printed Highlighters, Motifs and Murals dominated the mass market leaving little scope for decorated tiles in that segment. Fortunately, our move towards Creative Concepts in Decorated / Ornamented Tiles by means of different methods to feed the better end market is expected to gain greater acceptance and the vertical is also expected to show a growth during current financial year onwards.

#### Trading

Competition with Mainstream Tiles Giants affected this segment adversely forcing us to move towards trading of better end conceptualised tiles by different methods of Cutting, Water-Jet, third fired tiles, Sand Basting, PVD etc. with better realisation.

#### Revival Strategy

- Your Company is responding to the aforesaid challenges by undertaking various initiatives for improving the financials of your Company by adding new customers and increasing share of Decal consumption of each buyer and also making efforts to reach out to small buyers for its products.
- The Transfer division is facing major challenges from captive manufacturing facilities put up by major crockery manufacturing unit, but constant efforts are being made by turning to its core competency of bringing out creative designs and presenting to these manufacturers and thereby trying to retrieve the share back.
- With the launch of big Wall Tile range, a growth in the Trading vertical is expected to be achieved. Efforts are being made for addition of new independent dealers for improving sales of our manufacturing verticals. The brand "Keraspana" is continuously gaining acceptance and the trading vertical continues to grow but there is huge pressure on margins. This division is significantly contributing for better utilization of decorative tile manufacturing facility.
- A High end Product range "Shapes" has been introduced which is based on the various cutting involved by water-jet and Linear using Glazed Vitrified Tiles (GVT) and other value added Tiles. The focus of selling will be specifically through the "Schablona Plus" counters.
- Designer Tiles being a fashion product, design obsolescence is a burning issue for this business. Your Company is continuously organizing itself to go mostly for made to order manufacturing to combat this problem, and making constant efforts to strengthen its forecasting methods to be closer and in sync with market changes.
- Your Company is taking effective steps for making improvement in efficiency, cost cutting and price adjustments where ever possible.
- Management seeks to ensure that there exists in place adequate internal control systems to constantly ensure steps being taken by the Management to improve the turnover and financials of your Company.

## SCHABLONA INDIA LIMITED

### SIGNIFICANT MATERIAL CHANGES

Your Company booked accumulated losses as at the end of financial year 2015-2016 at Rs.498.81 lacs, for the reasons mentioned aforesaid, resulting in erosion of more than fifty percent of its peak net worth during the immediately preceding four financial years, thereby falling within the definition of 'Potentially Sick Company' in terms of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA).

### DIVIDEND

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

### INVESTOR EDUCATION & PROTECTION FUND (IEPF)

The Company is required to transfer dividends which have remain unpaid/ unclaimed for a period of seven years to the IEPF established by the Central Government. Accordingly, the amount of unpaid/ unclaimed dividend for the financial year ended 31st March, 2009 is due for transfer to IEPF on or after 3rd September, 2016.

### PUBLIC DEPOSIT

Your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

### AUDITORS

#### Statutory Auditor

M/s. A. K. Maheshwari & Associates, Chartered Accountants, Statutory Auditors of the Company, having Firm Registration No. 500106N, were appointed as Statutory Auditors for a term of 4 (four) consecutive years at the 30th Annual General Meeting (AGM) held on 16th September, 2014, to hold office till the conclusion of the 34th AGM of the Company, subject to ratification of their appointment at every AGM, in terms of the first proviso to Section 139 of the Companies Act, 2013, read with Rule 3(7) of Companies (Audit and Auditors) Rules, 2014.

In this regard the Company has received a letter from the Auditors conforming that they are eligible for appointment as Auditors of the Company under Section 139 of the Companies Act, 2013 and meet the criteria for appointment specified under Section 141 of the said Act.

Based on the recommendations by the Audit Committee, the Board of Directors recommend the ratification of appointment of M/s. A. K. Maheshwari & Associates, Chartered Accountants, Statutory Auditors of the Company, by the Shareholders at the ensuing AGM.

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 does not contain any qualification, reservation or adverse remark, therefore needs no further explanation by the Board in terms of Section 134(3)(f)(i) of the Companies Act, 2013.

#### Secretarial Auditor

Your Board appointed M/s. Drolia & Company, Practicing Company Secretaries, having Certificate of Practice No. 1362 as Secretarial Auditors on such remuneration as may be determined by the Board, for the financial year ended 31st March, 2016, to undertake the Secretarial Audit of the Company, pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time.

The Secretarial Audit Report for the financial year 2015-16, in terms of Section 204(1) of the Companies Act, 2013, submitted by the said Auditors, forming part of this Report, is marked as '**Annexure A**'. The said Report does not contain any qualification, reservation or adverse remark, therefore no need for any explanation/s by the Board in terms of Section 134(3)(f)(ii) of the Companies Act, 2013.

## SCHABLONA INDIA LIMITED

### NUMBER OF BOARD MEETINGS

During the year 4 (four) Board Meetings were convened and held. Details of such meetings are given in the Corporate Governance Report, forming part of this Report.

### RISK MANAGEMENT

The Company has in place mechanism to inform Board Members about the Risk Assessment and Minimization procedures which is periodically reviewed to ensure that risk is controlled by the Executive Management.

Details in respect of adequacy of internal financial controls with reference to the Financial Statements are given in the Management Discussion and Analysis, which forms part of this Report.

### INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal control systems which commensurate with the size, scale and complexity of the operations of the Company.

### RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties during the financial year 2015-16 were on arm's length basis and were in the ordinary course of business. Further, there were no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2, is not required.

Related Party Transactions Policy as approved by the Board has been uploaded on the Company's website [www.schablona.in](http://www.schablona.in) at the web link: <http://www.schablona.in/admin/images/SIL%20Related%20Party%20Transaction%20Policy.pdf>

### EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEE AND OF DIRECTORS

Pursuant to the provisions of Companies Act, 2013 the Board has carried out an annual performance evaluation of its own performance, the performance of individual Directors as well as the evaluation of working of its Committees, on the various parameters and criteria's governing their performance, in form of circulation of Questionnaire among the Members of the Board and the same was taken on record. The criteria's for evaluation of the performance has been mentioned in the Corporate Governance Report forming part of this Report.

### EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013, in Form MGT-9, in terms of Section 134(3)(a) of the Companies Act, 2013 forms part of this Report and is marked as 'Annexure B'.

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed hereto and forms part of this report and marked as 'Annexure C'.

### DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as stipulated under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Appointments

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. N. Goenka, Non-Executive Non Independent Director, retires by rotation and being eligible, offers himself for re-appointment.

## SCHABLONA INDIA LIMITED

Mr. Vinod Kumar Karwa, Non-Executive Independent Director, was appointed as an Additional Director by the Board at its meeting held on 23rd July, 2015 and was appointed as an independent director for a term of 5 (five) consecutive years at the 31st Annual General Meeting of the Company held on 16th September, 2015, not liable to retire by rotation.

### Resignations

Mr. R.K. Borar, Independent Director of the Company, resigned from the Directorship of the Company, w.e.f. 18th July, 2015.

The Board placed on record its appreciation for the valued contribution made by him in the various deliberations, discussions and guidance during his association with the Company.

### NOMINATION AND REMUNERATION POLICY

The Company's Policy on Director's and Key Managerial Personnel appointment and remuneration including criteria's for determining qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 and Listing Regulations is available on the Company's website [www.schablona.in](http://www.schablona.in) at the web link: <http://www.schablona.in/admin/images/N%20%20R%20POLICY-AR.pdf>

### DIRECTORS RESPONSIBILITY STATEMENT

As required by Section 134(3)(c) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:-

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### COMMITTEES OF THE BOARD

Your Company has duly constituted the following Committees required under the Companies Act, 2013 read with applicable Rules made thereunder and the Listing Regulations:

- Audit Committee
- Share Transfer Committee
- Stakeholders Relationship Committee
- Nomination and Remuneration Committee

The Board of Directors of the Company has formed Audit Committee with all Non-Executive Directors wherein Independent Directors form the majority, consisting of Mr. Vinod Kumar Karwa, Independent Director as the Chairman, Ms. Abha Kabra, Independent Director and Mr. N. Goenka, Non-Independent Director as other Members of the Committee as on 31st March, 2016. All recommendations made by the Audit Committee were accepted by the Board. More details on the Committee have been provided in the Corporate Governance Report, forming part of this Report.

### VIGIL MECHANISM

Your Company has formulated a Policy "Whistle Blower Policy/Vigil Mechanism pursuant to Section 177 of the Companies Act, 2013 read with Regulation 22 of the Listing Regulations which provides a mechanism for its employees, Directors

## SCHABLONA INDIA LIMITED

and other stakeholders of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct. The details of such Policy is explained in the Corporate Governance Report and has been uploaded on the Company's website, [www.schablona.in](http://www.schablona.in) at the web link: <http://www.schablona.in/admin/images/Mechanism%20and%20Whistle%20Blower%20Policy.pdf>

### **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT**

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

### **PARTICULARS OF EMPLOYEES**

Information required as per Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto as '**Annexure D**', forming part of this Report.

During the year under review, there were no managerial personnel/employee whose information required to be provided under Rule 5, sub-rule 2 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has adopted a Policy for prevention of sexual harassment at work place and has constituted an Internal Complaints Committee. During the year, the Company has not received any complaints on sexual harassment under the said Act.

### **OTHER DISCLOSURES**

- I. No loans, guarantees and investments under Section 186 of the Companies Act, 2013 were made by the Company during the year under review, hence disclosure in terms of Section 134(3)(g) of the Companies Act, 2013 does not arise.
- II. No issue of equity shares were made during the year under review with respect to differential rights, Employee Stock Options, Sweat Equity shares, Buy-back of shares and Bonus Issue under Companies (Share Capital and Debentures) Rules, 2014.
- III. No Corporate Social Responsibility (CSR) initiatives have been undertaken by the Company, as Section 135 of the Companies Act, 2013 on CSR is not applicable.
- IV. Business Responsibility Report as per Regulation 34(f) of the Listing Regulations, describing the initiatives taken by Company from an environmental, social and governance perspective is not applicable to the Company, as per SEBI's Notification No. SEBI/LAD-NRO/GN/2015-16/27 dated 22 December, 2015.
- V. There were no significant material orders passed by the Regulators / Courts during the financial year 2015-16 which would impact the going concern status of the Company and its future operations.

### **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 : 21st May, 2016

For and on behalf of the Board  
**N. Goenka**  
Chairman



# SCHABLONA INDIA LIMITED

## ANNEXURE 'A' TO THE DIRECTORS' REPORT

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Schablona India Limited**  
CIN:L51109WB1983PLC036899  
2, Red Cross Place,  
Kolkata-700 001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Schablona India Limited (CIN:L51109WB1983PLC036899)** (hereinafter called "the Company"). The Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the **M/s. Schablona India Limited** and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2016 according to the provisions of:

- I. The Companies Act, 2013(the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- V. The following Regulations ( as amended from time to time ) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and as replaced by Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with Clients;
  - (d) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

**[The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company for the financial year ended 31-03-2016:-**

  - (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share based Employee Benefits) Regulations, 2014;
  - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
  - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

## SCHABLONA INDIA LIMITED

VI. The following Industry Specific laws:

- a. Factories Act, 1948
- b. Industrial Disputes Act, 1947
- c. The Payment of Wages Act, 1936
- d. The Minimum Wages Act, 1948
- e. Employee State Insurance Act, 1948
- f. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- g. The Payment of Bonus Act, 1965
- h. The Payment of Gratuity Act, 1972
- i. The Contract Labour (Regulations and Abolition) Act, 1970
- j. The Maternity Benefit Act, 1961
- k. Environment Protection Act, 1986 and rules thereunder
- l. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 and Amendments thereof and any other laws as may be applicable to the Company from time to time.

**We have also examined compliance with the following:**

- (i) The Listing Agreement entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), made applicable w.e.f. 1st December, 2015.
- (ii) Secretarial Standard 1 (SS-1) on meeting of Board of Directors and Secretarial Standard 2 (SS-2) on General Meetings, issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Agreement/Listing Regulations, as and when applicable.

Adequate Notice is given to all Directors to schedule the Board Meetings. Agenda and detailed Notes on Agenda were sent at least seven days in advance, in terms of Listing Agreement and Section 173 of the Act and five days in advance, in terms of Listing Regulations as and when applicable during the relevant period, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board were unanimous and the same was captured and recoded as part of the Minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as also represented by the management.

We further report that during the audit period, the Company has not made any:

- (i) Public/Right/ Preferential issue of Shares/Debentures/Sweat Equity or any other Security.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger/Amalgamation/Reconstruction etc
- (v) Foreign technical collaborations.

**FOR DROLIA & COMPANY**  
(Practicing Company Secretaries)  
**Pravin Kumar Drolia**  
(Proprietor)  
FCS:2366  
C P No.: 1362

Place: Kolkata  
Date: 21-05-2016

## SCHABLONA INDIA LIMITED

To,

The Members,

**Schablona India Limited**

**CIN:L51109WB1983PLC036899**

2, Red Cross Place,

Kolkata-700 001

Our Secretarial Audit Report of even date is to be read along with this letter.

### **Management's Responsibility:**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### **Auditors' Responsibility:**

2. Our responsibility is to express as opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's Management is adequate and appropriate for us to provide a basis for our opinion.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

### **Disclaimer:**

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR DROLIA & COMPANY**  
(Practicing Company Secretaries)

**Pravin Kumar Drolia**

(Proprietor)

FCS:2366

C P No.: 1362

Place: Kolkata

Date: 21-05-2016

# SCHABLONA INDIA LIMITED

## ANNEXURE 'B' TO THE DIRECTORS' REPORT

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L51109WB1983PLC036899
ii)	Registration Date	5th November, 1983
iii)	Name of the Company	Schablona India Limited
iv)	Category/ Sub-category of the Company	Public Company limited by shares
v)	Address of the Registered office and contact details	2, Red Cross Place, Kolkata- 700 001 Phone No. :033-22487406/07 E-mail: silinvestors@schablona.in Website: www.schablona.in
vi)	Whether Listed Company (Yes/No)	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Pvt. Ltd. Address: 6, Mangoe Lane, Kolkata- 700 001 Phone No.: 033-2243 5809/5029, Fax No. : 033-2248 4787 E-mail: mdpldc@yahoo.com

#### II. PRINCIPLE BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company :

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service *	% to total turnover of the company
1.	Designer Tiles	475	77.33
2.	Transfer Sheets	181	22.67
			100.00

\*As per National Industrial Classification- Ministry of Statistics and Programme Implementation

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company does not have any Holding, Subsidiary or Associate Company.

## SCHABLONA INDIA LIMITED

### IV. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of Total Equity) :

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2015				No. of Shares held at the end of the year i.e. 31.03.2016				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	431,647	-	431,647	13.66	431,647	-	431,647	13.66	-
b) Central Govt / State Govt (s)	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	1,338,910	-	1,338,910	42.38	1,338,910	-	1,338,910	42.38	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>1,770,557</b>	<b>-</b>	<b>1,770,557</b>	<b>56.04</b>	<b>1,770,557</b>	<b>-</b>	<b>1,770,557</b>	<b>56.04</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)=(A)(1) + (A)(2)</b>	<b>1,770,557</b>	<b>-</b>	<b>1,770,557</b>	<b>56.04</b>	<b>1,770,557</b>	<b>-</b>	<b>1,770,557</b>	<b>56.04</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	200	200	0.01	0.01
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other(specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>200</b>	<b>0.01</b>	<b>0.01</b>

## SCHABLONA INDIA LIMITED

(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	57,857	7,400	65,257	2.07	56,039	7,400	63,439	2.01	(0.06)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	598,267	488,626	1,086,893	34.40	601,547	483,726	1,085,273	34.35	(0.05)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	225,907	-	225,907	7.15	225,990	-	225,990	7.15	-
c) Others(specify)									
i) Non-Resident Individuals	9,701	700	10,401	0.33	7,701	700	8,401	0.27	(0.06)
ii) Trust	200	-	200	0.01	200	-	200	0.01	-
iii) Clearing Member	-	-	-	-	5,155	-	5,155	0.16	0.16
Sub-total (B) (2)	891,932	496,726	1,388,658	43.96	896,632	491,826	1,388,458	43.95	(0.01)
Total Public Shareholding (B)=(B)(1) + (B)(2)	891,932	496,726	1,388,658	43.96	896,632	492,026	1,388,658	43.96	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,662,489	496,726	3,159,215	100.00	2,667,189	492,026	3,159,215	100.00	-

*ii) Shareholding of Promoters*

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2015			Shareholding at the end of the year i.e. 31.03.2016			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Hiralall Somany	431,647	13.66	-	431,647	13.66	-	-
2.	Bhilwara Holdings Limited	626,911	19.84	-	626,911	19.84	-	-
3.	SR Continental Limited	390,800	12.37	-	390,800	12.37	-	-
4.	Somany Ceramics Limited	200,000	6.33	-	200,000	6.33	-	-
5.	Sarvottam Vanija Limited	121,199	3.84	-	121,199	3.84	-	-
	<b>Total</b>	<b>1,770,557</b>	<b>56.04</b>	<b>-</b>	<b>1,770,557</b>	<b>56.04</b>	<b>-</b>	<b>-</b>

## SCHABLONA INDIA LIMITED

### *iii) Change in Promoters' Shareholding*

There was no change in the Promoters' Shareholding during the financial year 2015-16.

### *iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):*

Sl. No.	For each of the top 10 Shareholders	Shareholding at the beginning of the year i.e. 01.04.2015		Cumulative Shareholding during the year and at the close of the year on 31.03.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	<b>Jatinder Jagdishrai Agarwal</b>				
	Beginning of the Year	105,100	3.33	105,100	3.33
	End of the Year			105,100	3.33
2.	<b>Sanjay Harikishan</b>				
	Beginning of the Year	31,500	1.00	31,500	1.00
	End of the Year			31,500	1.00
3.	<b>Sanjaykumar Sarawagi</b>				
	Beginning of the Year	31,367	0.99	31,367	0.99
	10/04/2015-Purchase	83	0.00	31,450	1.00
	End of the Year			31,450	1.00
4.	<b>Pritty Devi Sarawagi</b>				
	Beginning of the Year	31,440	1.00	31,440	1.00
	End of the Year			31,440	1.00
5.	<b>Laxmi Devi Madangopal Damani</b>				
	Beginning of the Year	26,500	0.84	26,500	0.84
	End of the Year			26,500	0.84
6.	<b>Shashi Rani Gupta</b>				
	Beginning of the Year	20,887	0.66	20,887	0.66
	22/01/2016- Sale	824	0.03	20,063	0.64
	End of the Year			20,663	0.64
7.	<b>VSL Securities Pvt. Ltd.</b>				
	Beginning of the Year	19,000	0.60	19,000	0.60
	End of the Year			19,000	0.60

## SCHABLONA INDIA LIMITED

<b>8. Rakesh Prakash Mittal</b>				
Beginning of the Year	17,779	0.56	17,779	0.56
End of the Year			17,779	0.56
<b>9. Karuna Kothari</b>				
Beginning of the Year	14,168	0.45	14,168	0.45
End of the Year			14,168	0.45
<b>10. Chirayush Pravin Vakil</b>				
Beginning of the Year	13,513	0.43	13,513	0.43
12/06/2015- Purchase	1,100	0.03	14,613	0.46
19/06/2015- Purchase	149	0.00	14,762	0.47
07/08/2015- Purchase	272	0.01	15,034	0.48
14/08/2015- Sale	272	0.01	14,762	0.47
06/11/2015- Purchase	100	0.00	14,862	0.47
04/12/2015- Sale	200	0.01	14,662	0.46
08/01/2016- Sale	1203	0.04	13,459	0.43
15/01/2016- Sale	498	0.02	12,961	0.41
12/02/2016- Purchase	500	0.02	13,461	0.43
End of the Year			13,461	0.43

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year i.e. on 01.04.2015		Cumulative Shareholding during the year and at the close of the year on 31.03.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	<b>Mr. Rakesh Kumar Borar (*)</b>				
	Beginning of the Year	3,000	0.09	3,000	0.09
	29/05/2015 - Sale	450	0.01	2,550	0.08
	12/06/2015 - Sale	1,500	0.05	1,050	0.03
	21/01/2016 - Sale	260	0.01	790	0.03
	End of the Year			790	0.03
2.	<b>Ms. Abha Kabra</b>				
	Beginning of the Year	9,950	0.31	9,950	0.31
	End of the Year			9,950	0.31

(\*) Resigned from the directorship of the Company w.e.f. 18th July, 2015



## SCHABLONA INDIA LIMITED

### V. INDEBTEDNESS

*Indebtedness of the Company including interest outstanding/accrued but not due for payment: (Rs. In lacs)*

Particulars	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	547.14	195.00	-	742.14
ii) Interest due but not paid	0.29	-	-	0.29
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	547.43	195.00	-	742.43
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	25.00	-	25.00
• Reduction	58.11	-	-	58.11
<b>Net Change</b>	58.11	25.00	-	83.11
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	489.32	220.00	-	709.32
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	489.32	220.00	-	709.32

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(in Rs.)

Sl. No.	Particulars of Remuneration	Mr. Satish C. Vishwakarma (WTD, designated as Executive Director)	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	1,801,110	1,801,110
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- As % of profit	-	-
	- Others, specify	-	-
5.	Other, please specify	-	-
	<b>Total (A)</b>	1,801,110	1,801,110
	Ceiling as per the Act	5% of the net profit of the Company calculated as per Section 197 & 198 of the Companies Act, 2013. In case of inadequacy of profit, upto Rs. 30 Lacs based on the effective capital of the Company.	

## SCHABLONA INDIA LIMITED

### B. Remuneration to other Directors:

(in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. N. Goenka	Mr. R. K. Borar	Mr. Vinod Kumar Karwa (*)	Ms. Abha Kabra	
1.	Independent Directors					
	• Fees for attending board committee meetings	-	3,000	-	6,000	9,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	-	3,000	-	6,000	9,000
2.	Other Non-Executive Directors					
	• Fees for attending board committee meetings	9,000	-	-	-	9,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	9,000	-	-	-	9,000
	<b>Total (B)= (1+2)</b>	9,000	3,000	-	6,000	18,000
3.	Total Managerial Remuneration					18,000
4.	Overall Ceiling as per the Act	1% of the net profit of the Company calculated as per Section 197 & 198 of the Companies Act, 2013.				

(\*) Relinquished his entitlement to receive sitting fees

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(in Rs.)

Sl. No.	Particulars of Remuneration	Ms. Ritika Mansata (Company Secretary & CFO)	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	302,137	302,137
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- As % of profit	-	-
	- Others, specify	-	-
5.	Other, please specify	-	-
	<b>Total</b>	302,137	302,137

### VII. PENALTIES/ PUNISHMENT/ COMPUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for the year ending 31st March, 2016.

# SCHABLONA INDIA LIMITED

## ANNEXURE 'C' TO THE DIRECTORS' REPORT

[Information as required under sub rule 3 of Rule 8 of The Companies (Accounts) Rules, 2014]

### A) CONSERVATION OF ENERGY

#### i) Energy Conservation measures taken:

- (a) Timely maintenance of electric motors.
- (b) Grouping in lighting systems changed to separate lighting system to enable the disconnection of power when not in use.

#### Impact on conservation of energy:

Energy consumption vis-à-vis cost continues to be at the optimum level.

#### ii) Steps taken for utilizing alternate sources of energy:

Use of Solar Energy is being discussed with the different agencies and is in the final stage. It is being planned to install 5% of the connected load as per the Government norms. Use of LED lighting is also in process.

#### iii) Capital investment on energy conservation instruments:

No additional investments are considered necessary at present.

### B) TECHNOLOGY ABSORPTION

#### i) Efforts made towards technology absorption:

Research and Development (R & D) has been carried out by the Company in the following specific areas:

- Matt Underlay / Embossed / Burnish Gold Decal.
- Induction of Conceptualised Designing in Decorated Tiles.
- Development of Various Sizes and up-gradation of Products by of rare Raw Material.

#### ii) Benefits derived:

- Benefits derived as a result of R & D are lower rejections, keeping pace with the updated international technology and better quality;
- Installation of new machineries to the existing manufacturing process resulted lower rejections and better quality produced.

#### iii) In case of Imported Technology (imported during the last three years reckoned from the beginning of the financial year):

Not Applicable.

### C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Rs./Lacs

A. Foreign Exchange Outgo	3.59
B. Foreign Currency Earned	Nil

## SCHABLONA INDIA LIMITED

### ANNEXURE 'D' TO THE DIRECTORS' REPORT

[Information pursuant to Section 197(12) of the Companies Act, 2013 read with sub rule (1) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- (i) The ratio of remuneration of Mr. Satish C. Vishwakarma, Whole-time Director, designated as Executive Director of the Company, to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2015-16 is around 11:1. (MRE for financial year 2015-16 is Rs. 16,937)
- (ii) During the financial year 2015-16, there was no increase in the remuneration of the Directors of the Company other than an increase of 12% in the remuneration of Ms. Ritika Mansata, Company Secretary & CFO of the Company.
- (iii) The percentage increase in the Median Remuneration of Employees (MRE) in the financial year 2015-16 (Rs.16,937) as compared to financial year 2014-15 (Rs.16,641) is around 1.78%.
- (iv) There were around 157 permanent employees on the rolls of the Company as on 31st March, 2016.
- (v) The Company follows prudent remuneration practices under the guidance of the Board and the Nomination and Remuneration Committee of the Board. The Company's approach to remuneration is intended to drive meritocracy within the framework of prudent risk management. Remuneration is linked to corporate performance, business performance and individual performance. The performance of the Company has bearing on the remuneration payable and increment provided thereto.
- (vi) Remuneration of KMP during the financial year 2015-16 was based upon the recommendation of the Nomination and Remuneration Committee and duly approved by the Board and as per the criteria's laid down in the Nomination and Remuneration Policy of the Company.
- (vii) Details of market capitalisation, P/E Ratio and price of the equity shares of the Company and variation thereto:

Particulars	F.Y ended 31.03.2015 (Rs.)	F.Y ended 31.03.2016 (Rs.)	% Increase/(decrease)
Market Capitalization	34,751,365	57,971,595	66.82
Price earnings ratio	(1.01)	(1.01)	-
Closing price on BSE	11.00	18.35	66.82

The closing price of the Company's equity shares on BSE Ltd. as on 31st March, 2016 was Rs. 18.35 per share, representing a 83.50% increase over the price of Rs.10 at which the last Public Issue which was maiden Public offer was made during October, 1985.

- (viii) The average percentile increase already made in the salaries of employees other than managerial personnel in the financial year 2015-16 was around 6.55% over the financial year 2014-15.

Ms. Ritika Mansata, Company Secretary & CFO, i.e. Whole-time Key Managerial Personnel of the Company was granted an increment in the remuneration at the rate of 12% for the financial year 2015-16. She was granted increment appropriately on the basis of her performance and was approximately in line with the increment provided to the other employees of the Company.

- (ix) Remuneration paid to KMP is in line with factors as outlined in point (v) above.

Name	Designation	Remuneration (Rs.)
Mr. Satish C. Vishwakarma	Executive Director	1,801,110
Ms. Ritika Mansata	Company Secretary & CFO	302,137

- (x) The key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management of the Company.
- (xi) The Executive Director is the highest paid Director. No employee received remuneration higher than the Executive Director.
- (xii) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2016 is as per the Nomination and Remuneration Policy of the Company.

# 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

Even though construction Industry is in a positive growth trend yet, Decorated Tiles Industry is again going through a major upheaval like few year back. Widespread proliferation of digital printing on ceramic tiles is again usurped the third fired decorated tiles business, most of the units in the unorganised sector have had to close down owing to this sudden change in trends. Even organised units are shifting to alternatives printing which is a small reprieve but cannot compensate for the lost market in ceramic tiles segment.

Acceptance of brand "Keraspana" is continuously gaining acceptance and the trading vertical continues to grow but there is a huge pressure on margins, this division is significantly continuing contributing to better utilization of decorative tile manufacturing facility.

A High end Product range "Shapes" has been introduced which is based on the various cutting involved by Water-Jet and Linear using GVT and other Value added Tiles. Focus of selling will be specifically through the "Schablona Plus" counters.

Transfer division is facing challenges from captive manufacturing facilities put up by major crockery manufacturing units but Schablona has turned to its core competency of bringing out creative designs and presenting to these manufacturers and thereby trying to retrieve the share back. New High end Crockery decorating units are throwing open new opportunities and Schablona is all set to tap into them.

### 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 continuously organizing itself to go mostly for made to order manufacturing to combat this problem, and is strengthening its forecasting methods to be 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 has around 157 employees as on 31.03.2016. Industrial relations during the year continued to be cordial.

Place : Noida  
Date : 21st May, 2016

For and on behalf of the Board  
**N. Goenka**  
Chairman

## 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. We believe that Corporate Governance is a voluntary and self-discipline code which means not only ensuring compliance with regulatory requirements but by also being responsive to our stakeholders needs.

#### **REPLACEMENT OF LISTING AGREEMENT BY SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (LISTING REGULATIONS)**

Listing Agreement entered into by the Company with the Stock Exchange, BSE Limited, where the shares of the Company is presently listed and continued to be listed, was replaced by execution of fresh uniform Listing Agreement with BSE Limited, whereby parties to the said agreement agreed to abide by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), effective from 1 December, 2015. During the year under review, Clause 49 of the Listing Agreement was applicable to the Company upto 30 November, 2015, thereafter Listing Regulations was applicable to the Company.

#### **BOARD OF DIRECTORS**

As on 31 March, 2016, Board comprises of four Members and has an optimum combination of Executive and Non-Executive Directors, in compliance with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). There were 4 (four) Board meetings held during the year 2015-16 i.e. on 18 May, 23 July, 26 October in 2015 and on 25 January in 2016. Details of the Directors by category, their attendance and other directorship including Chairmanship/Membership of Board Committees and number of shares held are:-

Directors	Category	No. of Meetings held during the tenure of Member	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. N. Goenka	N	4	3	Yes	7	2	1	-
Mr. R. K. Borar (*)	I	1	1	NA	-	-	-	-
Mr. Satish C. Vishwakarma	E	4	4	No	-	-	-	-
Mr. Vinod Kumar Karwa (**)	I	3	2	No	-	1	1	-
Ms. Abha Kabra	I	4	2	No	-	-	2	9,950

Category: N= Non-Executive & Non-Independent; I= Non-Executive & Independent; E= Executive & Non-Independent  
 (\$) Excluding directorship in Private Limited Companies, other than those which are subsidiary of a Public Limited Company.

(#) Includes only the Chairmanship/ Membership in Audit Committee and Stakeholder's Relationship Committee of Public Limited Companies.

(\*) Resigned from the directorship of the Company w.e.f. 18 July, 2015.

(\*\*) Appointed as an Additional Director and designated as an Independent Director of the Company w.e.f. 23 July, 2015.

#### **Code of Conduct:**

The Board in terms of Listing Agreement, has adopted a Code of Conduct for all its Board Members and Senior Management Personnel of the Company, after suitably incorporating Code of Conduct for Independent Directors as laid down under Schedule IV to Companies Act, 2013 and the same is being abided by all of them on annual basis. The Company has obtained the confirmation of the compliances to the said effect from Mr. Satish C. Vishwakarma, Executive Director of the Company which is annexed hereto in this Report hereafter. A copy of the said Code of Conduct has been put on the Company's website i.e. [www.schablona.in](http://www.schablona.in).

#### **CEO/CFO Certification:**

In terms of Regulation 17(8) of the Listing Regulations, the Executive Director and the Chief Financial Officer of the Company have certified regarding the Financial Statements for the year ended 31 March, 2016 which is annexed to this Report.

## SCHABLONA INDIA LIMITED

### COMMITTEES OF THE BOARD AUDIT COMMITTEE

In terms of the provisions of Section 177 of the Companies Act, 2013 and Listing Agreement, Mr. Vinod Kumar Karwa, Independent Director of the Company was appointed as the Chairman of the Committee w.e.f. 23 July, 2015 with Mr. N. Goenka and Ms. Abha Kabra as other members of the Committee. All the Members of the Audit Committee are Non-Executive Directors of the Company with majority of Independent Directors. The Company Secretary acts as the Secretary to the Committee. There were 4 (four) Audit Committee meetings held during the year 2015-16, i.e. on 18 May, 23 July, 26 October in 2015 and on 25 January in 2016.

#### Composition and Attendance of Audit Committee Meetings:

Name of Members	No. of meetings held during the tenure of member	No. of meeting attended	Status
Mr. Vinod Kr. Karwa	3	2	Chairman
Mr. N. Goenka	4	3	Member
Mr. R. K. Borar (*)	1	1	Chairman
Ms. Abha Kabra	4	2	Member

(\*) Mr. R.K. Borar, Chairman and Member of the Audit Committee resigned from directorship of the Company w.e.f. 18 July, 2015.

#### Terms of reference

Terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement/Listing Regulations, as and when applicable, that inter-alia includes, 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, review of the financial and risk management policies, recommendation for appointment of Statutory Auditors, Internal Auditors and fee payable to them, ensure disclosure of related party transactions, review functioning of Whistle Blower mechanism etc.

### SHARE TRANSFER COMMITTEE

The Company has a Share Transfer Committee comprising of Mr. N. Goenka, the Chairman of the Company (who Chairs the meeting), with Mr. S. Banerjee, a Senior Personnel and Ms. Ritika Mansata, Company Secretary and Chief Financial Officer of the Company. The Committee met 12 times during the year under review. Total 902 shares received for transfer/ transmission were registered and dispatched within the stipulated time specified under the laws. There were no valid share transfers pending for registration for more than the stipulated time period specified under Regulation 40 of the Listing Regulations as on 31.03.2016.

### STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee specifically looks into the redressal of grievances of the Shareholders. There were 4 (four) Committee meetings held during the year 2015-16, i.e. on 18 May, 23 July, 26 October in 2015 and on 25 January in 2016. Ms. Ritika Mansata, Company Secretary and CFO of the Company, is acting as the Compliance Officer. During the year 13 complaints were received and resolved. There were no complaints of Shareholders pending as on 31.03.2016.

#### Composition and Attendance of Stakeholder's Relationship Committee Meetings:

Members	No. of meetings held during the tenure of member	No. of meeting attended	Status
Mr. N. Goenka	4	3	Chairman
Mr. R. K. Borar (*)	1	1	Member
Mr. Vinod Kr. Karwa(**)	3	2	Member
Ms. Abha Kabra	4	2	Member

(\*) Resigned from the directorship of the Company w.e.f. 18 July 2015, hence ceased to be member of the Committee thereafter.

(\*\*) Inducted as a Member of the Committee w.e.f. 23 July, 2015.

## SCHABLONA INDIA LIMITED

### NOMINATION AND REMUNERATION COMMITTEE

The Committee comprises of three Non-Executive Directors, with majority of Independent Directors, pursuant to Section 178 of the Companies Act, 2013 and Listing Agreement/Listing Regulations, as and when applicable. Mr. Vinod Kumar Karwa, Non-Executive Independent Director of the Company was appointed as the Chairman of the Committee w.e.f. 23 July, 2015. Mr. N. Goenka and Ms. Abha Kabra, Non-Executive Directors of the Company were other members of the Committee. There were 3(three) Committee meetings held during the year 2015-16, i.e. on 18 May, 23 July and 26 October in 2015.

#### Composition and Attendance of Nomination and Remuneration Committee Meetings:

Members	No. of meetings held during the tenure of member	No. of meeting attended	Status
Mr. R. K. Borar (*)	1	1	Member
Mr. N. Goenka	3	3	Member
Mr. Vinod Kumar Karwa	2	1	Chairman
Ms. Abha Kabra	3	1	Member

(\*) Mr. R.K. Borar, Chairman and Member of the Committee resigned from directorship of the Company w.e.f.18 July, 2015.

#### Terms of reference

Terms of reference of the Nomination and Remuneration Committee are as per the guidelines set out in the Listing Agreement/ Listing Regulations, as and when applicable and Section 178 of the Companies Act, 2013, that inter-alia includes, formulating criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board a Policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees, formulating criteria for evaluation of Independent Directors and the Board, devising a Policy on Board's diversity, identifying persons who are qualified to become Directors and who may be appointed in the senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and such other matters as may be prescribed in the Nomination and Remuneration Policy of the Company.

#### Performance Evaluation Criteria for Independent Directors and the Board:

The Independent Directors and the Board shall be evaluated on the basis of the following criteria's i.e. whether they:

- Act objectively and constructively while exercising their duties;
- Exercise their responsibilities in a bona fide manner in the interest of the Company;
- Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- Refrain from any action that would lead to loss of his independence;
- Inform the Board immediately when they lose their independence;
- Assist the Company in implementing the best corporate governance practices;
- Strive to attend all meetings of the Board of Directors and the Committees;
- Participate constructively and actively in the Committees of the Board in which they are chairpersons or members;
- Strive to attend the general meetings of the Company;
- Keep themselves well informed about the Company and the external environment in which it operates;
- Do not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
- Abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.

The performance of Executive Directors shall also be evaluated on the basis of Targets/ Criteria met by them, as given by the Board from time to time.



## SCHABLONA INDIA LIMITED

**Remuneration paid to Mr. Satish C. Vishwakarma, Executive Director of the Company, during the period from 1 April, 2015 to 31 March, 2016:**

Particulars	Amount (Rs.)
Salary	849,000
Perquisites and Allowances	979,760
Ex-gratia	70,750
Provident Fund	101,880
Performance linked incentive	-
<b>Total</b>	<b>2,001,390</b>
Stock Options granted	Nil

### **Service contracts, notice period, severance fees**

Mr. Satish C. Vishwakarma, Executive Director of the Company, has entered into employment contract with the Company which terminates on 26 May, 2017. His service can be terminated by giving 6 months' notice or alternatively 6 months' salary in lieu of Notice. No severance fees is payable to him under the Service Agreement entered into between the Company and Mr. Satish C. Vishwakarma.

### **Remuneration paid to Non-Executive Directors of the Company during the year 2015-16:**

Name	Sitting Fees (Rs.)
Mr. N. Goenka	9,000
Mr. R. K. Borar	3,000
Mr. Vinod Kumar Karwa (*)	-
Ms. Abha Kabra	6,000
<b>Total</b>	<b>18,000</b>

(\*) Mr. Vinod Kumar Karwa, Independent Director, relinquished his entitlement to receive sitting fees for attending meetings of the Board and that of its Committees.

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 28th September, 2012.

No Director's Commission was paid in the year 2015-16, for the year 2014-15, due to losses in the Company during that year.

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

### **SEPARATE MEETING OF INDEPENDENT DIRECTORS**

As stipulated by the Code of Conduct for Independent Directors under Schedule IV to the Companies Act, 2013 and Listing Agreement/Listing Regulations as and when applicable, a separate meeting of the Independent Directors of the Company was held on 25 January, 2016, to review the performance of Non-Independent Directors and the Board as a whole and also the performance of Mr. N. Goenka, the Chairperson of the Company. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Company management and the Board which is necessary to effectively and reasonably perform and discharge their duties.

### **INDUCTION AND TRAINING OF INDEPENDENT DIRECTORS**

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as the nature of industry in which the Company operates through induction programmes at the time of their appointment as Directors.

## SCHABLONA INDIA LIMITED

Upon appointment, the concerned Director is issued a letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Formal induction programmes undertaken by the Company for the Independent Directors involves giving brief description on Company's manufacturing, marketing, finance and other important aspects. The Company Secretary, briefs the Director about their legal and regulatory responsibilities as a Director. The induction for Independent Directors also includes interactive sessions with Business and Functional heads, visit to manufacturing sites etc. On matters of specialized nature, the Company engages outside experts/consultants for presentation and discussion with the Board members. The details of familiarisation programmes for Independent Directors are uploaded on the website of the Company, i.e. [www.schablona.in](http://www.schablona.in) at the web link: [http://www.schablona.in/admin/images/Familiarisation%20Programme%20for%20Independent%20Directors\\_Draft.pdf](http://www.schablona.in/admin/images/Familiarisation%20Programme%20for%20Independent%20Directors_Draft.pdf)

### EVALUATION OF THE BOARD'S PERFORMANCE

One of the key functions of the Board is to monitor and review the Board evaluation framework. During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including Chairman of the Board. The exercise for evaluation of performance of the Board as a whole and that of its Committees was carried out through a structured evaluation process covering various aspects of Board's and its Committees functioning such as composition of Board & its Committees, experience and competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual directors, including the Board, Chairman, who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholder's interest etc.

### WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company promotes ethical behaviour in all its business activities and has established a vigil mechanism for Directors and Employees to report genuine concerns. The Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed is implemented through the Whistle Blower Policy (Policy), to provide adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee of the Company to report illegal or unethical behavior, actual or suspected fraud or violation of Company's code of conduct. The Policy provides for protected disclosure and protection to Whistle Blower. The Policy has been appropriately communicated within the Company and has also been hosted on the website of the Company at the web link: <http://www.schablona.in/admin/images/Mechanism%20and%20Whistle%20Blower%20Policy.pdf>

### SUBSIDIARY COMPANIES

The Company does not have Subsidiary Company.

### 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
2014-2015	16.09.2015(*)	11.30 A.M.	None
2013-2014	16.09.2014(**)	11.30 A.M.	None
2012-2013	11.09.2013(**)	11.30 A.M.	None

(\*) Held at Somany Conference Hall, MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata - 700 001.

(\*\*) Held at Jhajharia Committee Room, 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 31 March, 2016 and none of the resolutions proposed to be passed at the ensuing Annual General Meeting, needs to be passed by Postal Ballot.

### DISCLOSURES

- (i) There were no materially significant related party transactions i.e. the Company's transactions that are of material nature with its directors or management or promoters and their relatives that may have potential conflict with the interests of the Company. Related party transactions have been disclosed in the notes to the financial statements as at 31 March, 2016.

## SCHABLONA INDIA LIMITED

- (ii) There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years, hence the question of imposition of penalties or strictures on the Company by the Stock Exchange or SEBI or any statutory authority, does not arise.
- (iii) The Company complies with all mandatory requirements of Clause 49 of the Listing Agreement/Regulation 17 to 27 and Clause (b) to (i) to sub-regulation 2 of Regulation 46 of the Listing Regulations, as and when applicable. It also complies with one of the non-mandatory requirements of said Agreement of having separate post for Chairman and Executive Director of the Company.
- (iv) The Company has followed Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, as amended from time to time, read with Companies (Accounts) Rules, 2014, in preparation of its Financial Statements.
- (v) During the year under review, no employee of the Company has been denied access to the Audit Committee in respect of suspected fraud or error, under the vigil mechanism adopted by the Board.
- (vi) The Company has in place a mechanism to inform the Board Members about the risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.

### MEANS OF COMMUNICATION

The annual, half-yearly and quarterly Results are usually published in Business Standard, Kolkata (English edition) & Kalantar, Kolkata (Bengali edition). These are submitted to BSE Limited in accordance with the Listing Agreement/ Listing Regulations, as and when applicable and regularly posted on Company's website: [www.schablona.in](http://www.schablona.in)

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

### MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

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

### GENERAL SHAREHOLDER'S INFORMATION

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

Friday, the 16 September, 2016 at 11.30 A.M. at Somany Conference Hall, MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata - 700 001.

**Financial Year** : 1 April to 31 March.

**Book Closure Date** : 9 September, 2016 to 16 September, 2016 (both days inclusive).

**Financial Calendar: The schedules of the results for 2016-2017 are as follows:**

First Quarter	:	Within 45 days of end of June quarter 2016
Second Quarter	:	Within 45 days of end of September quarter 2016
Third Quarter	:	Within 45 days of end of December quarter 2016
Fourth Quarter	:	Within 60 days of end of Financial Year March, 2017

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

Mr. N. Goenka, Director  
2, Red Cross Place, Kolkata - 700 001  
Phone : 033 - 22487406/07  
E-mail : [silinvestors@schablona.in](mailto:silinvestors@schablona.in)

#### Dividend:

The Board of Directors has not recommended any dividend on equity shares of Rs. 4/- each of the Company, for the year 2015-16, at its meeting held on 21 May, 2016.

## SCHABLONA INDIA LIMITED

### Listing on Stock Exchange and payment of listing fees:

Shares of the Company are listed at BSE Limited (BSE) and the listing fee for the year 2016-17 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 10 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. The address of the Stock Exchanges where the shares of the Company are listed are as follows:

BSE Limited (Stock Code: 507894): Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai 400 001, Tel: (022) 2272 1233; Fax: (022) 2272 1919.

Calcutta Stock Exchange Ltd. (Stock Code: 10029005): 7, Lyons Range, Kolkata 700 001, Tel: (033) 4025 3000, Fax: (033) 2210 4500, 4025 3030

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, 2015	12.18	11.06	4,701	29,094.61	26,897.54
May, 2015	13.69	11.31	3,455	28,071.16	26,423.99
June, 2015	12.36	11.04	2,729	27,968.75	26,307.07
July, 2015	11.05	11.05	3	28,578.33	27,416.39
August, 2015	11.55	8.55	4,702	28,417.59	25,298.42
September, 2015	10.37	9.41	552	26,471.82	24,833.54
October, 2015	11.00	9.87	3,201	27,618.14	26,168.71
November, 2015	13.00	9.00	4,809	26,824.30	25,451.42
December, 2015	14.79	12.20	19,526	26,256.42	24,867.73
January, 2016	18.90	14.27	13,590	26,197.27	23,839.76
February, 2016	19.20	16.75	1,787	25,002.32	22,494.61
March, 2016	18.35	17.55	2	25,479.62	23,133.18

\*Source : Official website of BSE.

**Registrar & Share Transfer Agent :** Maheshwari Datamatics Private Limited  
(Both for physical and demat segment) 6, Mangoe Lane, Kolkata - 700 001  
Phone No. 033-2243 5809/5029, Fax No. 033-2248 4787  
E-mail : mdpldc@yahoo.com

### Share Transfer System :

The Company's share are 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 has 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.

## SCHABLONA INDIA LIMITED

### Distribution of Shareholding as on 31 March, 2016 :

No. of Equity Shares	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1- 500	3,161	90.00	530,814	16.81
501-1000	204	5.81	156,356	4.95
1001-2000	74	2.11	108,034	3.42
2001-3000	22	0.63	57,412	1.82
3001-4000	8	0.23	26,655	0.84
4001-5000	11	0.31	51,291	1.62
5001-10000	11	0.31	84,400	2.67
10001 and above	21	0.60	2,144,253	67.87
<b>Total</b>	<b>3,512</b>	<b>100.00</b>	<b>3,159,215</b>	<b>100.00</b>

### Shareholding Pattern as on 31 March, 2016 :

Shareholders Category	No. of holders	No. of Shares	Percentage
Indian Promoters, Directors & Relatives	6	1,780,507	56.35
Mutual Funds & UTI	-	-	-
Banks, Financial Institutions, Insurance Companies	1	200	0.01
FII's	-	-	-
Private Corporate Bodies	40	63,439	2.01
Indian Public	3,449	1,301,313	41.19
NRIs/OCBs	10	8,401	0.27
Trusts	2	200	0.01
Clearing Members	4	5,155	0.16
<b>Total</b>	<b>3,512</b>	<b>3,159,215</b>	<b>100.00</b>

### Dematerialisation of Shares :

The Company's equity shares enjoy the DEMAT facilities with NSDL as well as CDSL and 2,667,189 shares representing 84.43% of the equity capital as on 31.03.2016 were in demat form.

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

### Plant Location :

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

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

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

### Declaration on Code of Conduct

21 May, 2016

I hereby confirm and declare that, all the Directors and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct of the Company for the year ended 31 March, 2016.

Place : Noida

Satish C. Vishwakarma  
Executive Director

## SCHABLONA INDIA LIMITED

### CEO/CFO CERTIFICATION

To the Board of Directors of  
**Schablona India Limited**

We have reviewed the financial statements and the cash flow statement of Schablona India Limited for the year ended 31 March, 2016 and to the best of our knowledge and belief, state that:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies, if any, made during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Satish C. Vishwakarma**  
Executive Director

**Ritika Mansata**  
Company Secretary & CFO

Place: Noida  
Date: 21 May, 2016

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### 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 31 March, 2016 as stipulated in Clause 49 of the Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as and when applicable to the Company.

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/listing regulations, as and when applicable, with the Stock Exchange.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Noida  
Dated : 21 May, 2016

**For A. K. Maheshwari & Associates**  
Chartered Accountants  
**(CA. Tushar Jain)**  
Partner  
Membership No. 524134

# 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** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 the internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

### Opinion

In our opinion, read with note No. 2.11 and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true

## SCHABLONA INDIA LIMITED

and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on the date.

### Report on Other Legal and Regulatory Requirements

1. In our opinion and to the best of our information and according to the explanations given to us, the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Companies Act, 2013, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. on the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'.
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial positions in its financial statement - Refer Note No. 2.1 to the financial statements.
    - ii. the Company has made necessary provision in its financial statements under the applicable law or accounting standards, wherever required;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and protection fund by the Company.

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

Chartered Accountants

(Firm Registration No. 500106N)

**(CA. Tushar Jain)**

Partner

Membership No. 524134

Place : Noida

Dated : 21st day of May, 2016



## SCHABLONA INDIA LIMITED

### ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date

1. In respect of Fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - b) As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification and the same have been properly dealt with in the books of accounts.
  - c) As per the records and information and explanations given to us, title deeds of immovable properties are in the name of the Company.
2. In respect of its inventory:
  - a) As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at regular intervals by the Management.
  - 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 were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.
3. According to the information and explanations given to us, the Company has not granted any loans to companies, firms, limited liabilities partnership or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3(iii) of the Order is not applicable.
4. The Company has not made any transaction in respect of loans covered under section 185 of the Companies Act, 2013 and in respect of loans, investments, guarantees and security covered under section 186 of the Companies Act, 2013, the provisions of the said section 186 have been duly complied.
5. The Company has not accepted any deposits from the public and consequently, the directives issued by Reserve Bank of India, the provisions of sections 73 to 76 of the Companies Act, 2013 and rules framed there under are not applicable.
6. In accordance with the information given by the management, the maintenance of cost records has not been prescribed by the Central Government under section 148 (1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 for the goods/ products manufactured by the Company.
7. (a) According to the records of the Company and information and explanations given to us, the Company has generally been regular in depositing the undisputed statutory dues, including Provident fund, Employees State Insurance (ESI), Investor Education and Protection Fund, Income tax, Tax deducted at source, Professional Tax, Sales tax, Value Added Tax(VAT), Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues as applicable with the appropriate authorities.  
  
(b) According to the information and explanations given to us, there was no undisputed amounts payable in respect of the above dues and other material statutory dues in arrears/ were outstanding as at 31st March, 2016 for a period of more than six months from the date of their becoming payable except in case of sales tax and income tax as 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	2013-14	28.46	Excise and Taxation Officer-cum-Assessing Authority, Bahadurgarh
Income Tax Act, 1961	Income Tax	AY 2012-13	0.47	CIT(A)-2, Kolkata
<b>Total</b>			<b>28.93</b>	

8. The Company has not defaulted during the year, in repayment of any loans or borrowing to a financial institution, bank, Government. The Company has no dues towards debenture holders.
9. According to the information and explanations given to us, the Company has not raised any term loan and any money by way of further public offer during the year, hence clause 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us, no fraud by the Company or no fraud on the Company by the Company's officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration, in accordance with the requisite approvals mandated by the provisions of section 197 read with the Schedule V of the Act.
12. In our opinion and according and explanation given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. The transactions with the related parties made by the Company are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause 3(xiv) of the Order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him, hence clause 3(xv) of the Order is not applicable.
16. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

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

Chartered Accountants

(Firm Registration No. 500106N)

**(CA. Tushar Jain)**

*Partner*

*Membership No. 524134*

Place : Noida

Dated : 21st day of May, 2016

## SCHABLONA INDIA LIMITED

### **Annexure 'B' to the Independent Auditor's Report of even date on the Financial Statements of SCHABLONA INDIA LIMITED**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of SCHABLONA INDIA LIMITED ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the The Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable

## SCHABLONA INDIA LIMITED

detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Place : Noida  
Dated : 21st day of May, 2016

For **A. K. Maheshwari & Associates**  
Chartered Accountants  
(Firm Registration No. 500106N)  
**(CA. Tushar Jain)**  
*Partner*  
*Membership No. 524134*

## SCHABLONA INDIA LIMITED

### BALANCE SHEET AS AT 31ST MARCH , 2016

<u>Particulars</u>	<u>Note No.</u>	<u>31.03.2016</u>	<u>(Rs. in Lacs)</u> <u>31.03.2015</u>
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	126.37	126.37
(b) Reserves and Surplus	4	(423.18)	148.90
		<u>(296.81)</u>	<u>275.27</u>
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	5.26	4.60
(b) Other Long-Term Liabilities	6	199.27	212.43
(c) Long-Term Provisions	7	20.71	33.66
		<u>225.24</u>	<u>250.69</u>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	8	704.06	737.83
(b) Trade Payables	9	1,048.23	1,118.73
(c) Other Current Liabilities	10	115.25	181.49
(d) Short-Term Provisions	11	31.27	18.09
		<u>1,898.81</u>	<u>2,056.14</u>
<b>TOTAL</b>		<u>1,827.24</u>	<u>2,582.10</u>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	12		
- Tangible Assets		431.42	482.15
(b) Deferred Tax Assets (Net)	13	111.91	111.91
(c) Long-Term Loans And Advances	14	16.49	10.40
		<u>559.82</u>	<u>604.46</u>
<b>(2) Current Assets</b>			
(a) Inventories	15	584.36	690.43
(b) Trade Receivables	16	483.76	1,010.36
(c) Cash and Cash Equivalents	17	20.81	79.76
(d) Short-Term Loans and Advances	18	178.49	197.09
		<u>1,267.42</u>	<u>1,977.64</u>
<b>TOTAL</b>		<u>1,827.24</u>	<u>2,582.10</u>
Significant Accounting Policies	1		
Notes to the financial statements	2		
For <b>A. K. Maheshwari &amp; Associates</b>			
Chartered Accountants			
(Firm Regn. No. 500106N)			
<b>(CA. Tushar Jain)</b>		<b>N. Goenka</b>	
Partner		Director	
Membership No. 524134		(DIN - 00060864)	
		<b>Satish C. Vishwakarma</b>	
		Executive Director	
		(DIN - 06891937)	
Place : Noida		<b>Ritika Mansata</b>	
Dated : 21st day of May, 2016		Company Secretary and CFO	
		(ACS 34156)	

## SCHABLONA INDIA LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

<u>Particulars</u>	<u>Note No.</u>	<u>31.03.2016</u>	<u>(Rs. in Lacs)</u> <u>31.03.2015</u>
<b>INCOME</b>			
Revenue from operations	19	2,318.75	4,393.78
Other Income	20	8.04	8.85
		<u>2,326.79</u>	<u>4,402.63</u>
<b>EXPENDITURE</b>			
Cost of Materials consumed	21	765.83	1,037.93
Purchase of Stock-In-Trade		847.90	2,085.19
Changes in Inventories	22	60.39	36.95
Employees Benefit expenses	23	547.94	661.36
Financial Costs	24	112.42	106.38
Depreciation and Amortization expenses	12	50.47	52.22
Other Administrative Expenses	25	511.99	825.56
		<u>2,896.94</u>	<u>4,805.59</u>
Profit/(Loss) before exceptional and extraordinary items and tax		<b>(570.15)</b>	<b>(402.96)</b>
Exceptional Items		4.39	0.59
Profit/(Loss) before extraordinary items and tax		<u>(574.54)</u>	<u>(403.55)</u>
Extraordinary Items		-	-
Profit/(Loss) before tax		<b>(574.54)</b>	<b>(403.55)</b>
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	(58.24)
(3) Tax for earlier years		(2.46)	-
Profit/(Loss) For the Year		<u>(572.08)</u>	<u>(345.31)</u>
<b>Earning per equity share of face value of Rs. 4/- each</b>	2.3		
- Basic		(18.11)	(10.93)
- Diluted		(18.11)	(10.93)
Significant Accounting Policies	1		
Notes to the Financial Statements	2		
<b>For A. K. Maheshwari &amp; Associates</b>			
Chartered Accountants (Firm Regn. No. 500106N) <b>(CA. Tushar Jain)</b> Partner Membership No. 524134		<b>N. Goenka</b> Director (DIN - 00060864)	<b>Satish C. Vishwakarma</b> Executive Director (DIN - 06891937)
Place : Noida Dated : 21st day of May, 2016		<b>Ritika Mansata</b> Company Secretary and CFO (ACS 34156)	

## SCHABLONA INDIA LIMITED

### NOTES TO THE BALANCE SHEET

<u>Particulars</u>	<u>31.03.2016</u>	<u>(Rs. in Lacs)</u> <u>31.03.2015</u>		
<b>3 Share Capital</b>				
Authorised :				
50,00,000 (Previous Year 50,00,000) Equity Shares of Rs. 10/- each	500.00	500.00		
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 dt. 14.12.04 of Hon'ble High Court, Calcutta)	126.37	126.37		
	<u>126.37</u>	<u>126.37</u>		
<b>Note :</b>				
(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 :				
	<b>31.03.2016</b>	<b>31.03.2015</b>		
<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>
<b>4 Reserves and Surplus</b>				
<b>Capital Reserve</b>				
As per last year	0.63		0.63	
<b>General Reserve</b>				
As per last year	75.00		75.00	
<b>Surplus in Statement of Profit and Loss</b>				
Balance at the beginning of the year	73.27		450.33	
Adjustment of Depreciation *	-		(31.75)	
Net Profit/(Loss) for the current year	(572.08)		(345.31)	
Closing Balance	<u>(498.81)</u>		<u>73.27</u>	
	<b>(423.18)</b>		<b>148.90</b>	

\* Depreciation on assets whose life have expired but WDV is remaining in books, have been adjusted with retained earnings as per schedule II of the Companies Act, 2013.

## SCHABLONA INDIA LIMITED

### NOTES TO THE BALANCE SHEET

<u>Particulars</u>	<u>31.03.2016</u>	<u>(Rs. in Lacs)</u> <u>31.03.2015</u>
<b>5 Long-Term Borrowings</b>		
<b>Secured :</b>		
<b>Term Loans</b>		
- From Banks	-	19.82
<b>Car Loans</b>		
- From Banks	6.71	7.28
	6.71	27.10
<b>Less: Current Maturities of Long Term Borrowings</b>		
<b>Term Loans</b>		
- From Banks	-	19.82
<b>Car Loans</b>		
- From Banks	1.45	2.68
	1.45	22.50
	5.26	4.60
(a) Term loan from State Bank of India was 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.		
(b) The term loan was also secured by way of a Corporate Guarantee of M/s Somany Ceramics Limited.		
(c) Car loan is secured against hypothecation of vehicles purchase thereunder and repayable in monthly installments as per stipulation in the loan agreement.		
<b>6 Other Long Term Liabilities</b>		
Security Deposit	199.27	212.43
	199.27	212.43
<b>7 Long-Term Provisions</b>		
Provision for Leave Encashment	22.53	35.43
Less: Provision for Short term leave encashment	1.82	1.77
	20.71	33.66
<b>8 Short-Term Borrowings</b>		
<b>From Bank</b>		
Cash Credit	482.61	520.33
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. 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	1.45	22.50
	484.06	542.83
<b>Unsecured :</b>		
Inter Corporate Deposits	220.00	195.00
	704.06	737.83



## SCHABLONA INDIA LIMITED

### NOTES TO THE BALANCE SHEET

<u>Particulars</u>	<u>31.03.2016</u>	<u>31.03.2015</u>
(Rs. in Lacs)		
<b>9 Trade Payables</b>		
Sundry Creditors	1,048.23	1,118.73
	<u>1,048.23</u>	<u>1,118.73</u>
<b>10 Other Current Liabilities</b>		
Statutory Dues	24.81	34.37
Advances From Customers	24.42	45.43
Other Liabilities	66.02	101.69
	<u>115.25</u>	<u>181.49</u>
<b>11 Short-Term Provisions</b>		
Provision For Leave Encashment	1.82	1.77
Unclaimed dividend	5.45	6.38
Provision for Gratuity	24.00	9.94
	<u>31.27</u>	<u>18.09</u>

### 12 Fixed Assets

(Rs. in Lacs)

Sl. No.	Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As at 31.03.15	Additions during the year	Sales/ Adjustments during the year	As at 31.03.16	Upto 31.03.15	For the Year	Adjustments during the Year	Upto 31.03.16	As at 31.03.16	As at 31.03.15
1	Land	9.53	-	-	9.53	-	-	-	-	9.53	9.53
2	Building										
	- Own	197.27	-	-	197.27	63.72	7.06	-	70.78	126.49	133.55
	- Leasehold Improvements	39.38	-	-	39.38	9.05	1.25	-	10.30	29.08	30.33
3	Plant & Machinery	550.06	1.21	9.85	541.42	274.55	33.74	8.30	299.99	241.43	275.51
4	Furniture & Fixture	25.76	-	0.31	25.45	16.86	2.06	0.31	18.61	6.84	8.90
5	Computer	64.32	0.63	9.57	55.38	58.76	1.80	9.45	51.11	4.27	5.56
6	Office Equipment	27.79	-	0.86	26.93	23.63	0.50	0.86	23.27	3.66	4.16
7	Vehicles	32.35	10.15	18.01	24.49	17.74	4.06	7.43	14.37	10.12	14.61
	<b>Total</b>	<b>946.46</b>	<b>11.99</b>	<b>38.60</b>	<b>919.85</b>	<b>464.31</b>	<b>50.47</b>	<b>26.35</b>	<b>488.43</b>	<b>431.42</b>	<b>482.15</b>

Previous Year	943.66	7.92	5.12	946.46	381.01	83.97	0.67	464.31	482.15	562.65
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## SCHABLONA INDIA LIMITED

### NOTES TO THE BALANCE SHEET

<u>Particulars</u>	<u>31.03.2016</u>	<u>(Rs. in Lacs)</u> <u>31.03.2015</u>
<b>13. Deferred Tax Assets (Net)</b>		
Beginning of the year	111.91	53.67
Provided during the year	-	58.24
	<u>111.91</u>	<u>111.91</u>
<b>14 Long -Term Loans and Advances</b>		
Secured, Considered Good		
Security Deposit		
- With Government Departments	13.71	8.45
- Other Deposits	2.78	1.95
	<u>16.49</u>	<u>10.40</u>
<b>15 Inventories</b>		
(As taken, valued and certified by the Management)		
Raw Material	105.69	149.04
Work-in-Progress	16.10	18.02
Finished Goods	272.30	296.75
Stock-in-Trade	176.96	213.64
Stores & Spares	13.31	12.98
	<u>584.36</u>	<u>690.43</u>
<b>16 Trade Receivables</b>		
<b>Outstanding for more than Six Months from due date</b>		
Unsecured, Considered Good	198.48	121.42
Doubtful	-	9.36
Less : Provision for Doubtful Debts	-	9.36
	<u>198.48</u>	<u>121.42</u>
<b>Others</b>		
Unsecured, Considered Good	285.28	888.94
	<u>483.76</u>	<u>1,010.36</u>
<b>17 Cash &amp; Cash Equivalents</b>		
Cash in hand (including cheques & stamps)	0.52	1.14
With Scheduled Banks :		
In Current Accounts	10.42	58.94
In Fixed Deposit Accounts (lodged as security)	4.42	13.30
In Unclaimed Dividend Accounts	5.45	6.38
	<u>20.81</u>	<u>79.76</u>
<b>18 Short-Term Loans and Advances</b>		
Deposit with Others	14.47	23.83
Advance Payment of Income Tax (net of provisions)	28.86	26.25
Balances with Government Authorities	130.07	140.13
Prepaid expenses	3.88	2.25
Advance to Suppliers	1.21	4.63
	<u>178.49</u>	<u>197.09</u>

## SCHABLONA INDIA LIMITED

### NOTES TO THE STATEMENT OF PROFIT AND LOSS

<u>Particulars</u>	<u>31.03.2016</u>	<u>(Rs. in Lacs)</u> <u>31.03.2015</u>
<b>19 Revenue from Operations</b>		
Sales	1,375.20	2,092.53
Sale of traded goods	1,049.89	2,475.31
	<u>2,425.09</u>	<u>4,567.84</u>
<u>Other Operating revenue</u>		
Job Work Income	0.24	-
Miscellaneous Sales	4.00	6.66
	<u>2,429.33</u>	<u>4,574.50</u>
Less: Excise Duty	110.58	180.72
	<u><b>2,318.75</b></u>	<u><b>4,393.78</b></u>
<b>20 Other Income</b>		
Liabilities no longer required written back	5.20	0.41
Interest received	2.84	8.44
	<u><b>8.04</b></u>	<u><b>8.85</b></u>
<b>21 Cost of Materials Consumed</b>		
Raw Material (with processing charges)	711.14	942.46
Packing Material	54.69	95.47
	<u><b>765.83</b></u>	<u><b>1,037.93</b></u>
<b>22 Change in Inventories</b>		
<b>Closing Stock</b>		
Finished goods	272.30	296.75
Work-in-progress	16.10	18.02
Stock-in-trade	176.96	213.64
	<u><b>465.36</b></u>	<u><b>528.41</b></u>
<b>Opening Stock</b>		
Finished goods	296.75	354.50
Work-in-progress	18.02	19.64
Stock-in-trade	213.64	195.01
	<u><b>528.41</b></u>	<u><b>569.15</b></u>
Increase/(Decrease) in Stock	(63.05)	(40.74)
Add : (Increase)/Decrease in excise duty on stock	2.66	3.79
	<u><b>(60.39)</b></u>	<u><b>(36.95)</b></u>
<b>23 Employees Benefit Expenses</b>		
Salary, Wages, Bonus & Gratuity	495.73	600.99
Contribution to Provident Fund and Other Funds	25.90	29.74
Workmen & Staff Welfare	26.31	30.63
	<u><b>547.94</b></u>	<u><b>661.36</b></u>
<b>24 Finance Costs</b>		
Interest on Borrowings	112.42	106.38
	<u><b>112.42</b></u>	<u><b>106.38</b></u>

## SCHABLONA INDIA LIMITED

### NOTES TO THE STATEMENT OF PROFIT AND LOSS

<u>Particulars</u>	<u>31.03.2016</u>	<u>(Rs. in Lacs)</u> <u>31.03.2015</u>
<b>25 Other Administrative Expenses</b>		
Power & Fuel	80.41	106.55
Stores & Spares	94.36	104.78
Insurance	0.94	1.31
Travelling Expenses	68.83	110.69
Repair & Maintenance	12.72	17.06
Training & Recruitment Expenses	4.27	31.78
General Expenses	0.85	1.24
Miscellaneous Expenses	4.10	3.94
Legal & Professional Expenses	10.87	15.85
Postage, Telegram & Telephone Expenses	19.06	20.02
Rent	39.77	45.26
Rates & Taxes	4.83	11.62
Freight Outward and Handling Charges	28.42	30.41
Rebate & Discounts	37.13	95.80
Selling & Distribution Expenses	98.82	220.02
Exchange Rate Difference	(0.30)	(0.05)
Director Fees	0.18	0.30
Bad Debts	4.46	-
Provision for Doubtful Debts	(4.46)	4.46
Bank Charges	5.36	2.67
Payment to Auditors		
- Audit Fees	1.00	1.12
- Certification Fee	0.08	-
- Out of pocket expenses	0.29	0.73
	<b>511.99</b>	<b>825.56</b>

# SCHABLONA INDIA LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

#### a) Method of Accounting

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention, except for certain Fixed Assets which are carried at revalued amounts. The financial statements are presented in Indian rupees rounded off to the nearest rupees in Lacs.

#### 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 on a straight line method, considering the estimated useful lives as specified in Schedule II to the Companies Act, 2013 as notified by the Department of Company Affairs vide notification no. GSR. 237(E) dated 31.03.2014 except in case of car which is being written off over 5 years instead of 8 years. As per Company policy, car is transfer to employee after 5 years.
- 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.

#### 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.

#### e) Foreign Exchange Transaction

Transaction in foreign currency is recorded in Indian rupees using the rates of exchange prevailing on the dates of

## SCHABLONA INDIA LIMITED

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) 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.

## SCHABLONA INDIA LIMITED

### m) Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized up to 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.

### n) 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.
- 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.

### 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>31.03.2016</u>	<u>31.03.2015</u>
(Rs. in Lacs)		
<b>2.1 Contingent Liabilities not provided for</b>		
a) Contingent liabilities not provided for in respect of Co-surety given to Sales Tax authorities on behalf of M/s Somany Ceremaics Limited	12.50	12.50
b) Sales Tax demand against which appael has been filed by the Company	28.46	8.02
c) Income Tax demand against which appeal has been filed by the Company	0.47	0.47
	41.43	20.99

### 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 and description of relationship :

Name of Related Party	Nature of Related Party	Amount Paid	Outstandings as at 31.03.2016
Mr. Satish C Vishwakarma - Executive Director	Key Managerial Personnel (KMP)	Rs. 2,001,390	Rs. 89,600
Ms. Ritika Mansata - Company Secretary and CFO	- do -	Rs. 317,401	Rs. 22,897

## SCHABLONA INDIA LIMITED

### 2.3 Earnings Per Share (EPS) :

	<u>31.03.2016</u>	<u>31.03.2015</u>
Profit/(Loss) attributable to the equity shareholders (Rs. in lacs)	(572.08)	(345.31)
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.)	(18.11)	(10.93)

- 2.4 In terms of Accounting Standard "22" issued by The Institute of Chartered Accountants of India, in the absence of virtual certainty the Company has not recognized Deferred Tax Asset during the year. Though Deferred Tax Assets has been carry forward as provided in the earlier year.

	<u>31.03.2016</u>	<u>31.03.2015</u>
(Rs. in Lacs)		
<i>Deferred Tax Liability</i>		
On account of Depreciation	(11.38)	(11.38)
<i>Deferred Tax Assets</i>		
On account of Leave Encasement	1.90	1.90
Provision of Gratuity	1.09	1.09
Bonus and Ex-gratia and provision of Doubtful Debt	2.08	2.08
On losses	<u>118.22</u>	<u>118.22</u>
<i>Net Deferred Tax Assets</i>	<u>111.91</u>	<u>111.91</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 31.03.2016 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 31.03.2016 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. 100.88 lacs (previous year Rs. 138.55 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. NIL (previous year Rs. 5.27 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

(Exclusive of Service Tax)

	<u>31.03.2016</u>	<u>31.03.2015</u>
(Rs. in Lacs)		
i) Audit Fees	0.75	0.75
ii) Tax Audit Fees	0.25	0.25
iii) Certification Fees	0.08	-
iv) Out of Pocket Expenses	0.29	0.73

- 2.11 The Company has accumulated losses of Rs. 423.18 lacs as on Balance Sheet date. However the Company is making necessary efforts to reduce losses/generating profit going forward. Accordingly financial statement is prepared on going concern basis.



## SCHABLONA INDIA LIMITED

### 2.12 Employee Benefit :

Statement of the Gratuity, Leave encashment & Sick Leave as at 31st March, 2016 is as follow :

(Rs. in lacs)

	Gratuity (Funded)	Leave Encashment and Sick Leave (Non-Funded)	Gratuity (Funded)	Leave Encashment and Sick Leave (Non-Funded)
	31.03.2016		31.03.2015	
<b>I Expense recognized in the Statement of Profit and Loss</b>				
a Current Service cost	6.36	3.19	7.60	5.27
b Interest cost	4.49	2.83	3.70	2.84
c Expected return on plan asset	(4.52)	-	(3.42)	-
d Net actuarial (gain)/loss recognised in the period	7.73	(6.53)	5.07	2.86
e Expenses recognized in Statement of Profit and Loss	<b>14.06</b>	<b>(0.51)</b>	<b>12.95</b>	<b>10.97</b>
<b>II Net Assets/(Liabilities) recognised in the Balance Sheet</b>				
a Present value of obligation as at the end of the period	58.86	22.53	66.50	35.43
b Fair Value of plan asset as at the end of the period	34.86	-	56.56	-
c Funded status	(24.00)	(22.53)	(9.94)	(35.43)
d Net Assets/(Liabilities) recognised in the Balance Sheet	<b>(24.00)</b>	<b>(22.53)</b>	<b>(9.94)</b>	<b>(35.43)</b>
<b>III Change in present value of obligation</b>				
a Present value of obligation as at beginning of the period	66.50	35.43	49.20	29.29
b Interest cost	4.49	2.83	3.70	2.84
c Current Service cost	6.36	3.19	7.60	5.27
d Benefits Paid	(20.75)	(12.39)	(5.78)	(4.83)
e Actuarial (Gain)/Loss on obligation	2.26	(6.53)	11.78	2.86
f Present value of obligation at the end of the period	<b>58.86</b>	<b>22.53</b>	<b>66.50</b>	<b>35.43</b>
<b>IV Changes in the fair value of plan assets</b>				
a Fair value of plan assets as at beginning of the period	56.56	-	42.81	-
b Expected return on plan assets	4.52	-	3.42	-
c Contributions	-	-	9.40	-
d Benefits Paid	(20.75)	-	(5.78)	-
e Actuarial (Gain)/Loss on plan assets	(5.47)	-	6.71	-
f Fair value of plan assets at the end of the period	<b>34.86</b>	-	<b>56.56</b>	-
<b>V The Major Category of Plan assets as a percentage to total plan</b>				
Mutual Funds	100%	-	100%	-
Government Securities	0%	-	0%	-
Bank	0%	-	0%	-
<b>VI Actuarial Assumptions</b>				
<b>Economic Assumptions-</b>				
Discounting Rate	8.00%	8.00%	8.00%	7.78%
Future Salary Increase	6.00%	6.00%	6.00%	6.00%
Expected Rate of return on plan assets	8.00%	-	8.00%	-
<b>Demographic Assumptions-</b>				
Retirement Age	58	58	58	58
Mortality Table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
<b>Withdrawal Rates</b>				
Up to 29 Years	1%	5%	1%	3%
From 29 to 45 years	3%	5%	3%	2%
Above 45 years	6%	5%	6%	1%

## SCHABLONA INDIA LIMITED

### 2.13. Additional Information forming part of the accounts for the year ended 31st March, 2016

	<b>Rs. in lacs</b>			
<b>A. Trading Activities</b>	<b>2015-16</b>	<b>2014-15</b>		
<b>Tiles</b>				
Opening Stock	213.64	195.01		
Purchase	847.90	2,085.19		
Closing Stock	176.96	213.64		
Sale	1,049.89	2,475.31		
<b>B. Raw material and packing material consumed</b>				
Class of Goods				
Plain Tiles	404.56	384.00		
Paper	66.30	141.35		
Colours & Chemicals	204.90	346.70		
Others	35.38	70.41		
Packing Material	54.69	95.47		
	765.83	1,037.93		
<b>C. Value of imported &amp; indigenous Raw Material, Packing Material &amp; Spare Parts consumed during the year</b>				
Particulars	Raw Material & Packing Material		Stores & Spares	
	2015-16		2014-15	
Imported	44.42	5.80%	67.49	6.50%
Indigenous	721.41	94.20%	970.44	93.50%
	765.83	100.00%	1,037.93	100.00%
	2.77	2.94%	0.44	0.42%
	91.59	97.06%	104.34	99.58%
	94.36	100.00%	104.78	100.00%
<b>D. Details of work in progress</b>	<b>2015-16</b>	<b>2014-15</b>		
Plain Tiles	5.06	4.36		
Paper	0.81	3.92		
Colours & Chemicals	8.28	9.25		
Others	1.93	0.49		
	16.08	18.02		
<b>E. CIF value of Imports</b>				
- Spare Parts	3.75	-		
- Raw Material	19.68	97.42		
	23.43	97.42		
<b>F. Earnings in Foreign Currency</b>				
FOB Value of Exports	-	5.27		
<b>G. Expenditure in Foreign Currency</b>				
- Travelling Expenses	0.16	0.09		
- Training Expenses	3.44	31.13		
	3.59	31.22		

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

As per our Audit Report of even date attached

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

Chartered Accountants  
(Firm Regn. No. 500106N)  
**(CA. Tushar Jain)**  
Partner  
Membership No. 524134

**N. Goenka**  
Director  
(DIN - 00060864)

**Satish C. Vishwakarma**  
Executive Director  
(DIN - 06891937)

**Ritika Mansata**  
Company Secretary and CFO  
(ACS 34156)

Place : Noida  
Dated : 21st day of May, 2016

## SCHABLONA INDIA LIMITED

### ANNEXURE -"A" Segment Wise Revenue, Results and Capital Employed

		(Rs. in Lacs)	
Sl. No.	Particulars	31.03.2016	31.03.2015
1	Segment Revenue		
	a) Designer Tiles	1,893.94	3,525.60
	b) Transfer Sheets	525.69	1,006.72
	Total	<u>2,419.63</u>	<u>4,532.32</u>
	Less : Inter segment revenue	100.88	138.54
	Net sales/income from operations	<u>2,318.75</u>	<u>4,393.78</u>
2	Segment Results: Profit(+)/(Loss)(-) before tax and interest from segment		
	a) Designer Tiles	(476.26)	(370.80)
	b) Transfer Sheets	18.53	74.21
	Total	<u>(457.73)</u>	<u>(296.59)</u>
	Less : i) Interest	112.42	106.38
	ii) Other un-allocable expenditure net off un-allocable income	4.39	0.58
	Total Profit before Tax :	<u>(574.54)</u>	<u>(403.55)</u>
3	Capital Employed		
	a) Designer Tiles	180.37	707.95
	b) Transfer Sheets	120.24	197.84
	Total	<u>300.61</u>	<u>905.79</u>

## SCHABLONA INDIA LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	<b>31.03.2016</b>	(Rs. in Lacs) <b>31.03.2015</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before Tax and extra-ordinary items</b>	(574.54)	(403.55)
Adjustment for		
- Depreciation	50.47	52.22
- Interest Expenses	112.42	106.38
- Interest Received	(2.84)	(8.44)
- Loss on sale of fixed assets	4.39	0.59
- Liabilities no longer required Written back	(5.20)	(0.41)
- Bad Debts	4.46	-
- Provision for doubtful Debts	(4.46)	4.46
	159.24	154.80
<b>Operating profit before Working capital changes</b>	(415.30)	(248.75)
Adjustment for		
- Inventories	106.08	46.20
- Trade Receivables	526.60	(120.49)
- Other Receivables	15.13	13.43
- Trade Payables	(142.01)	273.82
	505.80	212.96
Cash generated from operations	90.50	(35.79)
-Direct Taxes Paid	(2.62)	(1.27)
Cash Flow before Extraordinary items	87.88	(37.06)
-Extraordinary Items	-	-
Cash flow from operating activities	87.88	(37.06)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Net Purchase/ Sale of Fixed Assets (Incl Cap WIP)	(4.13)	(4.06)
- Interest received	2.84	5.49
Net cash used in Investing activities	(1.29)	1.43
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Raising of Secured Loans	(33.12)	178.27
- Interest Paid	(112.42)	(106.38)
Cash flow from Financing activities	(145.54)	71.89
Net increase in Cash & Cash equivalents	(58.95)	36.26
Cash & Cash Equivalents as on 01-04-2015	79.76	43.50
Cash & Cash Equivalents as on 31-03-2016	<b>20.81</b>	<b>79.76</b>

**N. Goenka**  
Director  
(DIN - 00060864)

**Satish C. Vishwakarma**  
Executive Director  
(DIN - 06891937)

Place : Noida  
Dated : 21st day of May, 2016

**Ritika Mansata**  
Company Secretary and CFO  
(ACS 34156)

#### AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of M/s. Schablona India Limited for the year ended 31.03.2016. The statement has been prepared by the Company in accordance with the requirement of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is based on and in agreement with corresponding Statement of Profit & Loss and Balance Sheet of the Company covered by our report dated 21st May, 2016 to the Members of the Company.

For **A. K. Maheshwari & Associates**  
Chartered Accountants  
(Firm Regn. No. 500106N)  
**(CA. Tushar Jain)**  
Partner  
Membership No. 524134

Place : Noida  
Dated : 21st day of May, 2016