



SCHABLONA

Schablona India Ltd. CIN : L51109DL1983PLC318655
Unit-1 : P. O. Kassar Bahadurgarh-124507, Distt. Jhajjar, Haryana, India.
Ph.: 01276-241133 (5 lines), Fax: 01276-241135. E-mail: marketing@schablona.in



Regd. Office : 82/19, Bhakerwara Road, Mundka, New Delhi-110041, Phone : 011-28341085
E-Mail : silinvestors@schablona.in ; Website : www.schablona.in

26th August, 2017

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

Sub: Submission of Annual Report 2016-17 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 2016-17 of the Company for the financial year ended 31st March, 2017, duly approved and adopted by the Member in their 33rd Annual General Meeting (AGM) of the Company which was convened on Friday, 25th August, 2017 at LakshmiPat Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 at 2.00 p.m.

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

Thanking you,

Yours faithfully,
For **Schablona India Limited**

(Ritika Mansata)
Company Secretary & Compliance Officer

Encl:a.a.

SCHABLONA INDIA LIMITED

CIN : L51109WB1983PLC036899*

Directors :

Mr. N. Goenka, Chairman (DIN : 00060864)
Mr. Satish C. Vishwakarma, Executive Director and CFO (DIN :06891937)
Ms. Abha Kabra, Independent Director (DIN: 07142125)
Mr. Vinod Kumar Karwa, Independent Director (DIN : 00123284)

Company Secretary and Compliance Officer :

Ms. Ritika Mansata, Membership No. A - 34156

Statutory Auditors :

M/s. A. K. Maheshwari & Associates, Chartered Accountants
Firm Registration No. 500106N
First Floor, C-30, Sector 63, Noida - 201307

Internal Auditors:

M/s. D. P. Kapoor & Co., Chartered Accountants
Firm Registration No. 002251N
N-52, Connaught Circus, New Delhi - 110 001

Bankers :

State Bank of India
HDFC Bank Limited
Punjab National Bank

Registered Office:

82/19, Bhakerwara Road, Mundka, New Delhi - 110 041
Phone No. 011 - 2834 1085

Share Department :

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 :

M/s. Maheshwari Datamatics Pvt. Ltd.
23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001
Phone : 033-2243 5809 / 5029
Fax : 033-2248 4787
E-mail : mdpldc@yahoo.com

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* Subject to change upon receipt of fresh Certificate of Incorporation consequent upon shifting of Registered Office of the Company from the State of West Bengal to NCT of Delhi.

SCHABLONA INDIA LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Thirty-Third Annual Report together with the Financial Statements of the Company for the year ended 31 March, 2017.

FINANCIAL SUMMARY OR HIGHLIGHTS

	(Rs. in Lacs)	
PARTICULARS	31.03.2017	31.03.2016
Gross Sales	2342.00	2425.09
Less: Excise Duty	96.35	110.58
Net Sales	2245.65	2314.51
Gross Loss for the year under review	541.22	524.07
Add: Depreciation for the year	49.99	50.47
Loss for the year before tax	591.21	574.54
Less: Tax for earlier year	-	2.46
Loss after Tax	591.21	572.08
Less: Balance brought forward from earlier years	(498.81)	73.27
Deficit carried to Balance Sheet	1090.02	498.81

OPERATIONS

Net Sales of the Company decreased from Rs. 2314.51 Lakh in the previous year to Rs. 2245.65 Lakh in the year under review.

A nominal growth of 0.62% was registered in the Decorated Tile Division while a de-growth of 13.28% was registered in the Transfer (Decal) Division due to Decal Units installed by the most of the Tableware Manufacturing Companies.

Your Company was able to maintain last year performance in spite of adverse effect which is still continue due to the following reasons:

- Digital Printing on Basic Tiles is Technologically going in next phase against Screen Printing in Decorated Tile Division.
- Captive Plant setup by the Tableware Industries who were the major user of the Decals.

MARKET AND FUTURE PROSPECTS

Ceramic Transfer Sheets (Decals)

Requirement of Quality Decals in the market where our Design Supremacy is established is slowly growing and good response from such user is expected in coming time due to impact of GST which will give an edge to Organised Sectors like us. Few more manufacturer of Tableware are being established under Make in India programme and our discussion on Decal is going on with a good business outcome this year.

Decorated Tiles

Our move towards creative concepts in Decorated Tiles by means of different methods to feed the better market is expected to gain as more Wall Tile Plants are coming in the vicinity and this vertical will show a marginal growth during the current year.

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Trading

Our move towards the trading of Better End Conceptualised Tiles by various method of Cutting, Water-Jet, PVD, Sand Blasting, 3rd Fire etc. with better realisation expected to continue to improve our top-line as well as bottom-line.

SHIFTING OF REGISTERED OFFICE OF THE COMPANY

Your Company, pursuant to the Central Government Order No. RD/T/25525/S-13(4)/17/1836 dated 5 May, 2017 and upon subsequent filling of e-form INC-28 and e-form INC-22 with the Registrar of Companies, has shifted its registered office from the State of West Bengal to NCT of Delhi, i.e., from 2, Red Cross Place, Kolkata - 700 001 to 82/19, Bhakerwara Road, Mundka, New Delhi - 110 041, with effect from 16 May, 2017.

However, other than the aforesaid, there were no such significant or material orders passed by the regulators or courts or tribunals impacting the Company's going concern status and/or its future operations.

DIVIDEND

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

HUMAN RESOURCES (HR)

The Company's HR policies and procedures are designed to recruit and retain the best talent to support the operations of your Company and to align the interests of all employees with the long term organizational goals.

ENVIRONMENT, HEALTH AND SAFETY

Your Company is driven by principles of sustainability incorporating environment, employees and society aspects in all our activities. We are focused on employee well-being, developing safe and efficient products, minimizing environmental impact of our operations and products and minimizing the impact of our operations on society.

INVESTOR EDUCATION & PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 125 of the Companies Act, 2013, the Company is required to transfer dividends which have remain unpaid/ unclaimed for a period of seven consecutive years from the date of transfer to unpaid dividend account, to the IEPF established by the Central Government.

Accordingly, the amount of unpaid/ unclaimed dividend in respect of the financial year 2008-09 was transferred to IEPF on 26 September, 2016 and the amount of unpaid/ unclaimed dividend in respect of the financial year 2009-10 is due for transfer to IEPF on or after 14 September, 2017.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with Companies) Rules, 2012, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on 16 September, 2016 (the date of last Annual General Meeting) on the website of the Company www.schablona.in

Further, pursuant to the provisions of Section 124 of the Companies Act, 2013 and of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all shares in respect of which dividend has not been paid or claimed by the Shareholders for seven consecutive years, the Company is required to transfer such Equity Shares of the members to the Demat Account of the IEPF. The Company has sent a communication to all shareholders concerned and had also published a Notice in the leading Newspapers, Business Standard (English Edition), Kolkata and Kalantar (Bengali Edition), Kolkata on 29th March, 2017 respectively, with respect to the formalities and process of such transfers. The Company shall transfer such shares to the Demat Account of IEPF Authority, as per the guidelines issued by the concerned authority/(ies), in this regard, from time to time. However, the Members may claim the same from the concerned authority/(ies) by complying with necessary formalities provided thereunder.

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PUBLIC DEPOSIT

Your Company during the year under review has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013, read Chapter V of the said Act and 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 during the financial year ended 31 March, 2017.

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 16 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 Financial Statements 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 31 March, 2017, 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 2016-17, 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.

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.

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INTERNAL FINANCIAL CONTROLS

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

During the year under review, no material or serious observations has been received from the Internal Auditors of the Company for inadequacy or ineffectiveness of such controls.

RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered by the Company during the financial year 2016-17, with Related Parties, as defined under Section 188 of the Companies Act, 2013 and the Rules made thereunder and as per applicable provisions of the Listing Regulations, were in the ordinary course of business and on arm's length basis and were placed before the Audit Committee for review and approval. 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 at the web link: <http://www.schablona.in/files/investors/1473321786SIL%20Related%20Party%20Transaction%20Policy.pdf>

However, members may refer Notes to the financial statements which sets out related party disclosures pursuant to Accounting Standards.

EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEE AND OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), 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 all the Independent Directors of the Company confirming that they meet the criteria of independence as stipulated under Section 149(6) of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and Listing Regulations.

There has been no change in the circumstances which may affect their status as Independent Director during the financial year under review.

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DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Ritika Mansata, Key Managerial Personnel (KMP) and designated as Company Secretary & Chief Financial Officer (CFO) of the Company, resigned from the post of CFO with effect from 23 January, 2017 and was re-designated as Company Secretary & Compliance Officer of the Company with immediate effect.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with rules made thereunder and consequent upon resignation of Ms. Ritika Mansata, from the post of CFO of the Company, Mr. Satish C. Vishwakarma, Key Managerial Personnel, designated as Executive Director of the Company was appointed as CFO of the Company with effect from 23 January, 2017 and re-designated as Executive Director & CFO of the Company with immediate effect.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Satish C. Vishwakarma, Executive Director of the Company, retires by rotation and being eligible, offers himself for re-appointment. Further, as stipulated under Regulation 36 of the Listing Regulations, his brief resume, has been provided in the Notice of the 33rd Annual General Meeting of the Company.

NOMINATION AND REMUNERATION POLICY

The Company's Policy on appointment and remuneration of Directors and Key Managerial Personnel 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 at the web link: <http://www.schablona.in/files/investors/1473321316N%20%20R%20POLICY-AR.pdf>

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 31 March, 2017. 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 "Whistle Blower Policy/Vigil Mechanism", pursuant to Section 177 of the Companies Act, 2013 read with Rules made thereunder and Regulation 22 of the Listing Regulations, which provides a mechanism for its employees, Directors and other stakeholders of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct. During the financial year under review, no such complaints were received by the Company. The details of such Policy is explained in the Corporate Governance Report and has been uploaded on the Company's website, www.schablona.in at the web link: <http://www.schablona.in/files/investors/1473321759Mechanism%20and%20Whistle%20Blower%20Policy.pdf>

CORPORATE GOVERNANCE

The report on Corporate Governance and the Certificate of the Auditors of the Company regarding compliance of the conditions of the Corporate Governance as stipulated in Part C of Schedule V to the Listing Regulations, are enclosed

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as a separate section and forms part of this report. A declaration signed by the Executive Director in regard to compliance with the Code of Conduct by the members of the Board and Senior Management Personnel also forms part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook of the Company and its business are given in the Management Discussion and Analysis, and forms 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, as amended from time to time, 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, as amended from time to time.

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 in place a Policy for prevention of sexual harassment of women at work place and the Internal Complaints Committee, constituted in terms of the said Act, reported to the Board that during the year under review, the Company has not received any complaints on sexual harassment of women at workplace.

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. The paid-up equity share capital of the Company as on 31 March, 2017 remained at Rs.126.37 Lacs. No issue of equity shares were made during the year under review with respect to differential voting 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. No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.
- VI. There was no change in the nature of the business of the Company during the financial year ended 31 March, 2017.

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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.

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.

For and on behalf of the Board
For **SCHABLONA INDIA LIMITED**

Place : Noida
Date : 23rd May, 2017

N. Goenka
Chairman
(DIN : 00060864)

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ANNEXURE 'A' TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017

[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
82/19, Bhakerwara Road, Mundka,
New Delhi - 110 041

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, 2017 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, 2017 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 (Prohibition of Insider Trading) Regulations, 1992 and as replaced by Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with Clients;
 - (c) The Securities and Exchange Board of India (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 31-03-2017:-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) 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;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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- 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:

Secretarial Standard on meetings of Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2), 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 Director, Non-Executive Directors, Independent Directors and a Woman Director. There were no changes in the composition of the Board of Directors during the period under review. The Executive Director of the Company was also appointed as the Chief Financial Officer of the Company, consequent upon release of Company Secretary from the post of Chief Financial Officer of the Company, during the year under review.

Adequate Notice has been given to all the Directors to schedule the Board Meetings. Agenda and detailed Notes on Agenda were sent at least seven days in advance, in compliance with the provisions of Section 173 of the Act and Listing Regulations, 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.

Postal Ballot was conducted by the Company vide its Postal Ballot Notice dated 27 October, 2016 for passing the following Special Resolutions and subsequent amendment in the Memorandum and Articles of Association of the Company:

1. Shifting of Registered Office of the Company from the State of West Bengal to NCT of Delhi and;
2. Adoption of new set of Articles of Association of the Company in accordance with Companies Act, 2013.

The aforesaid Special Resolutions were passed by the Shareholders of the Company with requisite majority and the results of the Postal Ballot was declared by the Chairman of the Company on 4 January, 2017 on the basis of Scrutinizers Report dated 3 January, 2017. Further, the results of the Postal Ballot were deemed to be passed on the last date of receipt of Postal Ballot Forms and/or remote e-voting, i.e., 2 January, 2017, in terms of compliance with the provisions of Secretarial Standard on General Meetings (SS-2).

Further, with respect to shifting of Registered Office of the Company, from the State of West Bengal to NCT of Delhi, the Company had received Central Government Order No. RD/T/25525/S-13(4)/17/1836 dated 5 May, 2017, sanctioning shifting of the Registered Office of the Company to NCT of Delhi. The Company had filed Order of the Central Government in e-form INC-28 on 15 May, 2017 and thereafter filed e-form INC-22 on 19 May, 2017, intimating the new address of the Registered Office of the Company at 82/19, Bhakerwara Road, Mundka, New Delhi - 110 041 with the Ministry of Corporate Affairs (MCA).

The Company is awaiting a Fresh Certificate of Incorporation and new CIN Number, registered under Registrar of Companies, National Capital Territory of Delhi and Haryana.

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.

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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: 20-05-2017

Note : This report is to be read with our letter of even date which is annexed as Annexure A.1 and forms and itegral part of this report.

ANNEXURE 'A.1'

To,

The Members,
Schablona India Limited
CIN:L51109WB1983PLC036899
82/19, Bhakerwara Road, Mundka
New Delhi - 110 041

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. 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: 20-05-2017

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, 2017**

[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	<u>Registered Office</u> : 82/19 Bhakerwara Road, Mundka, New Delhi - 110 041 Phone: 011-2834 1085 <u>Share Dept.</u> : 2, Red Cross Place, Kolkata - 700 001 Phone No. :033 - 2248 7406/07 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. 23, R.N. Mukherjee Road, Kolkata - 700 001 Phone No.: 033-2243 5809/5029, Fax No. : 033-2248 4787 E-mail: mdpldc@yahoo.com

**CIN No. of the Company is subject to change upon receipt of fresh certificate of incorporation from the Registrar of Companies, NCT of Delhi and Haryana, as the Registered Office of the Company has been shifted to NCT of Delhi from the State of West Bengal, in terms of Central Government Order No. RD/T/25525/S-13(4)/17/1836 dated 5th May, 2017*

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	79.65
2.	Transfer Sheets	181	20.35
			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 Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2016				No. of Shares held at the end of the year i.e. 31.03.2017				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
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	1,338,599	-	1,338,599	42.37	(0.01)
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	1,770,557	-	1,770,557	56.04	1,770,246	-	1,770,246	56.03	(0.01)
(2) Foreign									
a) NRI's-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FIs	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	1,770,557	-	1,770,557	56.04	1,770,246	-	1,770,246	56.03	(0.01)
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	200	200	0.01	-	200	200	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)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	-	200	200	0.01	-	200	200	0.01	-

SCHABLONA INDIA LIMITED

(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	56,039	7,400	63,439	2.01	47,050	7,400	54,450	1.72	(0.29)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	601,547	483,726	1,085,273	34.35	555,089	480,425	1,035,514	32.78	(1.57)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	225,990	-	225,990	7.15	281,636	-	281,636	8.91	1.76
c) Others(specify)									
i) Non-Resident Individuals	7,701	700	8,401	0.27	1,201	700	1,901	0.06	(0.21)
ii) Trust	200	-	200	0.01	100	-	100	0.00	(0.01)
iii) Clearing Member	5,155	-	5,155	0.16	15,168	-	15,168	0.48	0.32
Sub-total (B) (2)	896,632	491,826	1,388,458	43.95	900,244	488,525	1,388,769	43.96	0.01
Total Public Shareholding (B) = (B)(1)+ (B)(2)	896,632	492,026	1,388,658	43.96	900,244	488,725	1,388,969	43.97	0.01
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,667,189	492,026	3,159,215	100.00	2,670,490	488,725	3,159,215	100.00	-

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2016			Shareholding at the end of the year i.e. 31.03.2017			% 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	-	-	-	-	(12.37)
4.	Somany Ceramics Limited	200,000	6.33	-	-	-	-	(6.33)
5.	Sarvottam Vanijya Limited	121,199	3.84	-	711,688	22.53	-	18.69
	Total	1,770,557	56.04	-	1,770,246	56.03	-	(0.01)

SCHABLONA INDIA LIMITED

iii) Change in Promoters' Shareholding

Sl. No.	Change in Promoters shareholding	Shareholding at the beginning of the year i.e. 01.04.2016		Cumulative Shareholding during the year and at the close of the year on 31.03.2017	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	SR Continental Limited				
	Beginning of the Year	390,800	12.37	390,800	12.37
	Sale-22.09.2016	390,800	12.37	-	-
	End of the Year			-	-
2.	Somany Ceramics Limited				
	Beginning of the Year	200,000	6.33	200,000	6.33
	Sale-22.09.2016	200,000	6.33	-	-
	End of the Year			-	-
3.	Sarvottam Vanijya Limited				
	Beginning of the Year	121,199	3.84	121,199	3.84
	Purchase-22.09.2016	590,489	18.69	711,688	22.53
	End of the Year			711,688	22.53

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. 01.04.2016		Cumulative Shareholding during the year and at the close of the year on 31.03.2017	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Jatinder Jagdishrai Agarwal				
	Beginning of the Year	105,100	3.33	105,100	3.33
	End of the Year			105,100	3.33
2.	Sanjay Harikishan				
	Beginning of the Year	31,500	1.00	31,500	1.00
	End of the Year			31,500	1.00
3.	Sanjaykumar Sarawagi				
	Beginning of the Year	31,450	1.00	31,450	1.00
	17/06/2016-Purchase	5,360	0.17	36,810	1.17
	15/07/2016-Purchase	290	0.01	37,100	1.17
	22/07/2016-Purchase	9,050	0.29	46,150	1.46
	30/09/2016-Purchase	12,741	0.40	58,891	1.86
	21/10/2016-Purchase	399	0.01	59,290	1.88
	28/10/2016-Purchase	11	0.00	59,301	1.88
	04/11/2016-Purchase	425	0.01	59,726	1.89
	End of the Year			59,726	1.89

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4. Pritty Devi Sarawagi				
Beginning of the Year	31,440	1.00	31,440	1.00
30/06/2016-Purchase	40	0.00	31,480	1.00
08/07/2016-Purchase	3	0.00	31,483	1.00
15/07/2016-Sale	32	0.00	31,451	1.00
End of the Year			31,451	1.00
5. Laxmi Devi Madangopal Damani				
Beginning of the Year	26,500	0.84	26,500	0.84
13/05/2016-Folio Consolidation	700	0.02	27,200	0.86
20/05/2016-Purchase	3,000	0.09	30,200	0.96
End of the Year			30,200	0.96
6. Shashi Rani Gupta#				
Beginning of the Year	20,063	0.64	20,063	0.64
09/09/2016-Sale	4,999	0.16	15,064	0.48
30/09/2016-Sale	15,064	0.48	-	-
End of the Year			-	-
7. VSL Securities Pvt. Ltd.				
Beginning of the Year	19,000	0.60	19,000	0.60
End of the Year			19,000	0.60
8. Rakesh Prakash Mittal				
Beginning of the Year	17,779	0.56	17,779	0.56
End of the Year			17,779	0.56
9. Karuna Kothari				
Beginning of the Year	14,168	0.45	14,168	0.45
End of the Year			14,168	0.45
10. Chirayush Pravin Vakil				
Beginning of the Year	13,461	0.43	13,461	0.43
18/11/2016-Sale	249	0.01	13,212	0.42
06/01/2017-Sale	500	0.02	12,712	0.40
13/01/2017- Sale	1,000	0.03	11,712	0.37
10/02/2017-Sale	500	0.02	11,212	0.35
17/02/2017-Sale	200	0.01	11,012	0.35
24/02/2017-Sale	20	0.00	10,992	0.35
24/03/2017-Purchase	200	0.01	11,192	0.35
31/03/2017-Purchase	5	0.00	11,197	0.35
End of the Year			11,197	0.35

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11.	Ayush N Desai *				
	07/10/2016-Purchase	300	0.01	300	0.01
	14/10/2016-Purchase	250	0.01	550	0.01
	28/10/2016-Purchase	110	0.00	660	0.02
	04/11/2016-Purchase	141	0.00	801	0.03
	11/11/2016-Purchase	880	0.03	1,681	0.05
	18/11/2016-Purchase	550	0.02	2,231	0.07
	25/11/2016-Purchase	476	0.02	2,707	0.09
	02/12/2016-Purchase	370	0.01	3,077	0.10
	09/12/2016-Purchase	1,270	0.04	4,347	0.14
	16/12/2016-Purchase	450	0.01	4,797	0.15
	23/12/2016-Purchase	700	0.02	5,497	0.17
	06/01/2017-Purchase	2,760	0.09	8,257	0.26
	13/01/2017-Purchase	6,069	0.19	14,326	0.45
	20/01/2017-Purchase	1,315	0.04	15,641	0.50
	27/01/2017-Purchase	4,478	0.14	20,119	0.64
	10/02/2017-Purchase	2,115	0.07	22,234	0.70
	17/02/2017-Purchase	1,980	0.06	24,214	0.77
	24/02/2017-Purchase	20	0.00	24,234	0.78
	03/03/2017-Purchase	525	0.02	24,759	0.78
	10/03/2017-Purchase	270	0.01	25,029	0.79
	24/03/2017-Purchase	1,980	0.06	27,009	0.85
	31/03/2017-Purchase	350	0.01	27,359	0.87
	End of the Year			27,359	0.87

Ceased to be in the list of Top 10 shareholders as on 31/03/2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2016.

* Not in the list of Top 10 shareholders as on 01/04/2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2017.

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 01.04.2016		Cumulative Shareholding during the year and at the close of the year on 31.03.2017	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Ms. Abha Kabra				
	Beginning of the Year	9,950	0.31	9,950	0.31
	End of the Year			9,950	0.31

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	489.32	220.00	-	709.32
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	489.32	220.00	-	709.32
Change in Indebtedness during the financial year				
• Addition	31.74	535.05	-	566.79
• Reduction	484.06	-	-	484.06
Net Change	(452.32)	535.05	-	82.73
Indebtedness at the end of the financial year				
i) Principal Amount	37.00	720.00	-	757.00
ii) Interest due but not paid	-	35.05	-	35.05
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	37.00	755.05	-	792.05

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 and CFO)	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	19,75,123	19,75,123
	(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	-	-
	Total (A)	19,75,123	19,75,123
	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. Vinod Kumar Karwa (*)	Ms. Abha Kabra	
1.	Independent Directors • Fees for attending board and committee meetings • Commission • Others, please specify	-	-	12,000	12,000
	Total (1)	-	-	12,000	12,000
2.	Other Non-Executive Directors • Fees for attending board and committee meetings • Commission • Others, please specify	12,000	-	-	12,000
	Total (2)	12,000	-	-	12,000
	Total (B)= (1+2)	12,000	-	12,000	24,000
3.	Total Managerial Remuneration				24,000
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)	Total Amount
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961 (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	350,155	3,50,155
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - As % of profit - Others, specify	-	-
5.	Other, please specify	-	-
	Total	3,50,155	3,50,155

VII. PENALTIES/PUNISHMENT/COMPUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for the year ending 31st March, 2017.

For and on behalf of the Board
For **SCHABLONA INDIA LIMITED**

Place : Noida
Date : 23rd May, 2017

N. Goenka
Chairman
(DIN : 00060864)

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 Electrical Instruments like Motors and Compressors etc.
- b) Groupings in lighting systems has already been changed to separate lighting system to use the required lighting only.

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 still being analysed as per the revised Government Norms to install the prescribed percentage of Connected Load. LED lighting is continuously being replaced as a regular 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 as per the Market requirement to be remain a Benchmark Company in the segment. Last year it was as per following:

- Range of Luminescent and Coloured Lustres were introduced in Transfer Division.
- Conceptualised Designing in Decorated Tiles is regularly being introduced.
- Up-gradation of Products by use of New Raw Material and New Sizes.

II. Benefits derived:

- Benefits derived as a result of R & D are lower rejections, keeping pace with the updated international technology and better quality.
- Existing manufacturing process is continuously resulting lower rejections and better quality by Optimisation of Process.

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	0.68
B. Foreign Currency Earned	Nil

For and on behalf of the Board
For **SCHABLONA INDIA LIMITED**

N. Goenka
Chairman
(DIN : 00060864)

Place : Noida
Date : 23rd May, 2017

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 (Key Managerial Personnel), designated as Executive Director & Chief Financial Officer of the Company, to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2016-17 is around 9:1. (MRE for financial year 2016-17 is Rs. 18,453)
- (ii) Percentage increase in the remuneration of each Director and Key Managerial Personnel during the financial year 2016-17:

Sl.	Name	Designation	% increase
1.	Mr. Satish C. Vishwakarma	Executive Director & Chief Financial Officer	5.21
2.	Ms. Ritika Mansata	Company Secretary	7.25

- (iii) The percentage increase in the Median Remuneration of Employees (MRE) in the financial year 2016-17 (Rs.18,453) as compared to financial year 2015-16 (Rs.16,937) is around 8.95%.
- (iv) There were around 130 permanent employees on the rolls of the Company as on 31 March, 2017.
- (v) The average percentile increase already made in the salaries of employees other than Key Managerial Personnel in the financial year 2016-17 was around 5.90%, while the average increase in the remuneration of the Key Managerial Personnel was in the range of 5% to 7.50%. The aggregate limits of remuneration of key managerial personnel was reviewed and revised, keeping in view the need for leveraging experience and expertise as well as rewarding talent and the prevailing trend in the industry.
- (vi) It is hereby affirmed that the remuneration paid during the year ended 31 March, 2017 is as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board
For **SCHABLONA INDIA LIMITED**

Place : Noida
Date : 23rd May, 2017

N. Goenka
Chairman
(DIN : 00060864)

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

Growth in Construction Industry was stagnant hence Decorated Tiles Industry is also going through a major upheaval like few year back. Technological Development in digital printing on ceramic tiles is continuously affecting the third fired decorated tiles business. But as more Wall Tile Plants in the vicinity are coming which will give a better opportunity to 3rd Fire manufacturer like us for the particular segment of society which is growing currently.

Conceptualised Product range by the fusion of various method of value addition like Water-Jet, Sand Blasting, 3rd Fire etc. will re-assure a significant contribution and better utilization of decorative tile manufacturing facility.

Requirement of Quality Decals in the market where our Design Supremacy is established is slowly growing and good response from such user is expected in coming time due to impact of Goods and Service Tax (GST) which will give an edge to Organised Sectors like us. Few more manufacturer of Tableware are being established under Make in India programme and our discussion on Decal is going on with a good business outcome this year.

Impact of GST will be a winning factor for organised sector like us as either un-organised player will streamline their business as per the government norms or they will disappear from the market.

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 top-line, 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. Further, with introduction of GST, the Company is expecting to be better placed in its segment.

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 130 employees as on 31.03.2017. Industrial relations during the year continued to be cordial.

For and on behalf of the Board
For **SCHABLONA INDIA LIMITED**

Place : Noida
Date : 23rd May, 2017

N. Goenka
Chairman
(DIN : 00060864)

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.

BOARD OF DIRECTORS

As on 31 March, 2017, 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 2016-17 i.e. on 21 May, 27 July, 27 October in 2016 and on 23 January in 2017. Details of the Directors by category, their attendance and other directorship including Chairmanship/Membership of Board Committees and number of shares held are as under:-

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	4	Yes	7	2	1	-
Mr. Satish C. Vishwakarma	E	4	4	No	-	-	-	-
Mr. Vinod Kumar Karwa	I	4	4	No	-	1	1	-
Ms. Abha Kabra	I	4	4	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.

Code of Conduct:

The Board in terms of Listing Regulations, 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 & Chief Financial Officer 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.

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 of the Company for the year ended 31 March, 2017 which is annexed to this Report.

COMMITTEES OF THE BOARD AUDIT COMMITTEE

In terms of the provisions of Section 177 of the Companies Act, 2013 and Listing Regulations, Mr. Vinod Kumar Karwa,

SCHABLONA INDIA LIMITED

is the Chairman of the Committee 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 2016-17, i.e. on 21 May, 27 July, 27 October in 2016 and on 23 January in 2017.

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 Kumar Karwa	4	4	Chairman
Mr. N. Goenka	4	4	Member
Ms. Abha Kabra	4	4	Member

Terms of reference

Terms of reference of the Audit Committee are as per the guidelines set out in the 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, half-yearly 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 Compliance Officer of the Company. The Committee met 12 times during the year under review. Total 400 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 31.03.2017.

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 2016-17, i.e. on 21 May, 27 July, 27 October in 2016 and on 23 January in 2017. Ms. Ritika Mansata, Company Secretary of the Company, is acting as the Compliance Officer. During the year 8 complaints were received and resolved. There were no complaints of Shareholders pending as on 31.03.2017.

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	4	Chairman
Mr. Vinod Kumar Karwa	4	4	Member
Ms. Abha Kabra	4	4	Member

NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Section 178 of the Companies Act, 2013 and Listing Regulations, the Committee comprises of three Non-Executive Directors, with majority of Independent Directors. Mr. Vinod Kumar Karwa, Non-Executive Independent Director of the Company is the Chairman of the Committee. Mr. N. Goenka and Ms. Abha Kabra, Non-Executive Directors of the Company are other members of the Committee. There were 2(two) Committee meetings held during the year 2016-17, i.e. on 21 May, 2016 and 23 January, 2017.

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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. Vinod Kumar Karwa	2	2	Chairman
Ms. Abha Kabra	2	2	Member
Mr. N. Goenka	2	2	Member

Terms of reference

Terms of reference of the Nomination and Remuneration Committee are as per the guidelines set out in the Listing Regulations, 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/or 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 are evaluated on the basis of the following criteria's i.e. whether they:

- (a) Act objectively and constructively while exercising their duties;
- (b) Exercise their responsibilities in a bonafide manner in the interest of the Company;
- (c) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) 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;
- (e) Refrain from any action that would lead to loss of his independence;
- (f) Inform the Board immediately when they lose their independence;
- (g) Assist the Company in implementing the best corporate governance practices;
- (h) Strive to attend all meetings of the Board of Directors and the Committees;
- (i) Participate constructively and actively in the Committees of the Board in which they are chairpersons or members;
- (j) Strive to attend the general meetings of the Company;
- (k) Keep themselves well informed about the Company and the external environment in which it operates;
- (l) Do not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- (m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
- (n) 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 is also evaluated on the basis of Targets/ Criteria met by them, as given by the Board from time to time.

Remuneration paid to Mr. Satish C. Vishwakarma*, Executive Director & CFO of the Company, during the period from 1 April, 2016 to 31 March, 2017:

Particulars	Amount (Rs.)
Salary	9,00,000
Perquisites and Allowances	7,19,166
Ex-gratia	74,970
Provident Fund	1,08,000
Performance linked incentive	-
Total	18,02,136
Stock Options granted	Nil

*Mr. Satish C. Vishwakarma was appointed as the Chief Financial Officer (CFO) of the Company with effect from 23 January, 2017 and re-designated as Executive Director & CFO of the Company under the existing terms of remuneration.

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Service contracts, notice period, severance fees

The employment contract of Mr. Satish C. Vishwakarma, Executive Director of the Company, was getting expired by efflux of time on 26 May, 2017. Therefore, the Shareholders approval was obtained in the 32nd Annual General Meeting of the Company for entering into a contract of employment with the Company, for a further period of 3 (three) consecutive years effective from 27 May, 2017 till 26 May, 2020. 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 2016-17:

Name	Sitting Fees (Rs.)
Mr. N. Goenka	12,000
Mr. Vinod Kumar Karwa (*)	-
Ms. Abha Kabra	12,000
Total	24,000

(*) 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 of the Company are entitled to receive Director's Commission, in accordance with the provisions of Section 197 and all other applicable provisions under the Companies Act, 2013 read with rules made thereunder. An Ordinary Resolution has been recommended for approval of the Shareholders, for payment of such commission for the year ended 31 March, 2018 till 31 March, 2022 at their ensuing Annual General Meeting, scheduled to be held on 25 August, 2017.

No Director's Commission was paid in the year 2016-17, for the year 2015-16, 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 of the Company.

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 Regulations as and when applicable, a separate meeting of the Independent Directors of the Company was held on 23 January, 2017, 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. 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/files/investors/1473321356Familiarisation%20Programme%20for%20Independent%20Directors_Draft.pdf) at the web link: http://www.schablona.in/files/investors/1473321356Familiarisation%20Programme%20for%20Independent%20Directors_Draft.pdf

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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/files/investors/1473321759Mechanism%20and%20Whistle%20Blower%20Policy.pdf>

INSIDER TRADING REGULATIONS

The Company has notified Code of Practices and Procedures for fair disclosure of unpublished price sensitive information pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company Secretary of the Company is designated as the Compliance Officer for this Code. The said Code has also been uploaded on the website of the Company at www.schablona.in at the weblink: http://www.schablona.in/files/investors/1473321587SIL_Code%20of%20Fair%20Disclosure.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
2015-2016	16.09.2016(*)	11.30 A.M.	Re-appointment of Mr. Satish C. Vishwakarma (DIN: 06891937), Executive Director of the Company, for a further period of 3 (three) consecutive years, effective from 27 May, 2017 till 26 May, 2020, upon expiry of his term of appointment by efflux of time on 26 May, 2017.
2014-2015	16.09.2015(*)	11.30 A.M.	None
2013-2014	16.09.2014(**)	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.

During the financial year 2016-17, no Extra-Ordinary General Meeting was held.

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POSTAL BALLOT

Pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, as amended from time to time, the Company has passed the following two Special Resolutions through Postal Ballot conducted during the year 2016-17, as per Postal Ballot Notice dated 27 October, 2016, the results of which were announced on 4 January, 2017 and deemed to be passed on the last date of receipt of postal ballot forms, i.e., 2 January, 2017:

Agenda Shifting of Registered Office of the Company from the State of West Bengal to NCT of Delhi
 Resolution Required Special
 Mode of Voting E-voting/Physical Postal Ballot
 Remarks Passed with requisite majority

Category	No. of Shares held	No. of Votes Polled	% of Votes Polled on Outstanding Shares	No. of Votes in Favour	No. of Votes Against	% of votes in favour on Votes Polled	% of votes against on Votes Polled
	(1)	(2)	(3)=(2)/(1)*100	(4)	(5)	(6)=(4)/(2)*100	(7)=(5)/(2)*100
Promoters and Promoter Group	1,770,246	1,770,246	100.00	1,770,246	-	100.00	-
Public- Institutions	200	-	-	-	-	-	-
Public-Non Institutions	1,388,769	25,682	1.85	25,681	1	100.00	0.00
Total	3,159,215	1,795,928	56.85	1,795,927	1	100.00	0.00

Agenda Adoption of new set of Articles of Association of the Company in accordance with Companies Act, 2013
 Resolution Required Special
 Mode of Voting E-voting/Physical Postal Ballot
 Remarks Passed with requisite majority

Category	No. of Shares held	No. of Votes Polled	% of Votes Polled on Outstanding Shares	No. of Votes in Favour	No. of Votes Against	% of votes in favour on Votes Polled	% of votes against on Votes Polled
	(1)	(2)	(3)=(2)/(1)*100	(4)	(5)	(6)=(4)/(2)*100	(7)=(5)/(2)*100
Promoters and Promoter Group	1,770,246	1,770,246	100.00	1,770,246	-	100.00	-
Public- Institutions	200	-	-	-	-	-	-
Public-Non Institutions	1,388,769	25,682	1.85	25,681	1	100.00	0.00
Total	3,159,215	1,795,928	56.85	1,795,927	1	100.00	0.00

Mr. Pravin Kumar Drolia of M/s. Drolia & Company, Practicing Company Secretaries, Kolkata (FCS: 2366, COP:1362) was appointed as the Scrutinizer by the Board of Directors of the Company to conduct the aforesaid Postal Ballot process in a fair and transparent manner.

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There is no immediate proposal for passing any resolution through postal ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a special resolution through postal ballot.

POSTAL BALLOT PROCEDURE

In compliance with Regulation 44 of the Listing Regulations and Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of Central Depository Services (India) Limited (CDSL) for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business envelopes to its members whose names appear on the register of members/list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the e-mail addresses registered with their depository participants (in case of electronic shareholding) and in case of physical shareholding, physical dispatch of the Postal Ballot Notice to the Shareholders at their respective addresses registered with the Registrar and Share Transfer Agent or the Company. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members, desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of the voting period. Members, desiring to exercise their votes by electronic mode are requested to vote before the close on business hours on the last date of e-voting. The Scrutinizer submits his report to the Chairman or any other person so authorized by the Chairman, after the completion of scrutiny, within the stipulated time period and then the consolidated results of the voting by postal ballot are announced by the Chairman/ authorized officer on the date and time mentioned in the postal ballot notice. The results are displayed on the website of the Company, www.schablona.in, besides being communicated to BSE Limited and CDSL. The results of postal ballot are also published in the newspapers having wide circulation in English and regional language where the registered office of the Company is situated. The last date of receipt of postal ballot forms and remote e-voting shall deemed to be the date of passing of postal ballot resolutions, in terms of Secretarial Standard on General Meetings (SS-2).

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, 2017.
- (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 Regulation 17 to 27 and Clause (b) to (i) of 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 Listing Regulations of having separate post for Chairman and Executive Director of the Company.
- (iv) The Company has appointed M/s. D.P. Kapoor & Co., Chartered Accountants as the Internal Auditors. The Internal Audit Report is presented to the Audit Committee and representative of the Internal Auditor replies the questions of the Audit Committee members.
- (v) 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.
- (vi) Details with respect to transfer of unpaid/unclaimed dividends for the financial year 2009-10 to Investor Education and Protection Fund (IEPF) and transfer of underlying shares to IEPF in cases where unclaimed/unpaid dividends for the financial year 2008-09 have been transferred to IEPF, has been provided in the Directors Report and also forms part of the Notes of the Notice of the 33rd Annual General Meeting of the Company, send to the Shareholders.

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(vii) 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.

(viii) 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 Regulations, as and when applicable and regularly posted on Company's website: www.schablona.in

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

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

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

GENERAL SHAREHOLDER'S INFORMATION

Date and Venue of Annual General Meeting:

Friday, the 25 August, 2017 at 2.00 P.M. at LakshmiPat Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016.

Financial Year : 1 April to 31 March.

Book Closure Date : 18 August, 2017 to 25 August, 2017 (both days inclusive).

Financial Calendar : The schedules of the results for 2017-2018 are as follows:

First Quarter : Within 45 days of end of June quarter 2017

Second Quarter : Within 45 days of end of September quarter 2017

Third Quarter : Within 45 days of end of December quarter 2017

Fourth Quarter : Within 60 days of end of Financial Year March, 2018

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

Dividend:

In view of losses, the Board of Directors of the Company, has not recommended any dividend on equity shares of Rs. 4/- each of the Company, for the year 2016-17, at its meeting held on 23 May, 2017.

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 2017-18 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.

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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.

Company Identification Number (CIN)

All forms, returns, balance sheets, charges, if any, and all other documents, papers etc. filed by the Company with the Registrar of Companies are available for inspection on the official website of Ministry of Corporate Affairs (MCA) at www.mca.gov.in under CIN L51109WB1983PLC036899, which is subject to change upon receipt of fresh certificate of incorporation from Registrar of Companies, National Capital Territory of Delhi and Haryana, as the Company has shifted its Registered Office from the State of West Bengal to NCT of Delhi, vide Central Government Order No. RD/T/25525/S-13(4)/17/1836 dated 5 May, 2017.

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, 2016	17.45	15.85	496	26,100.54	24,523.20
May, 2016	15.65	11.53	1,661	26,837.20	25,057.93
June, 2016	13.30	9.99	9,046	27,105.41	25,911.33
July, 2016	13.55	9.76	14,143	28,240.20	27,034.14
August, 2016	15.59	11.28	9,259	28,532.25	27,627.97
September, 2016	17.88	13.50	6,25,587	29,077.28	27,716.78
October, 2016	17.85	14.65	6,996	28,477.65	27,488.30
November, 2016	18.70	14.40	18,932	28,029.80	25,717.93
December, 2016	16.60	14.60	8,000	26,803.76	25,753.74
January, 2017	20.90	15.40	27,415	27,980.39	26,447.06
February, 2017	25.75	21.90	12,124	29,065.31	27,590.10
March, 2017	25.75	20.40	20,112	29,824.62	28,716.21

*Source : Official website of BSE.

Registrar & Share Transfer Agent : Maheshwari Datamatics Private Limited
(Both for physical and demat segment) 23, R. N. Mukherjee Road, 5th Floor, 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.

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Distribution of Shareholding as on 31 March, 2017 :

No. of Equity Shares	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1- 500	3,117	90.27	5,16,158	16.34
501-1000	191	5.53	1,47,179	4.66
1001-2000	75	2.17	1,06,862	3.39
2001-3000	18	0.52	47,703	1.51
3001-4000	11	0.32	38,298	1.21
4001-5000	11	0.32	50,877	1.61
5001-10000	12	0.35	86,350	2.73
10001 and above	18	0.52	21,65,788	68.55
Total	3,453	100.00	3,159,215	100.00

Shareholding Pattern as on 31 March, 2017 :

Shareholders Category	No. of holders	No. of Shares	Percentage
Indian Promoters, Directors & Relatives	4	17,80,196	56.35
Mutual Funds & UTI	-	-	-
Banks, Financial Institutions, Insurance Companies	1	200	0.01
FIs	-	-	-
Private Corporate Bodies	38	54,450	1.72
Indian Public	3,396	13,07,200	41.38
NRIs/OCBs	7	1,901	0.06
Trusts	1	100	0.00
Clearing Members	6	15,168	0.48
Total	3,453	3,159,215	100.00

Pledge of Shares : No pledge has been created over the Equity Shares of the Company held by the Promoters and/or Promoter Group Shareholders as on 31 March, 2017.

Dematerialisation of Shares : The Company's equity shares enjoy the DEMAT facilities with NSDL as well as CDSL and 2,670,490 shares representing 84.53% of the equity capital as on 31.03.2017 were in demat form.

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

The Company has not granted any Stock Options during the financial year ended 31 March, 2017.

Registered Office :

82/19, Bhakerwara Road, Mundka, New Delhi - 110 041.

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 : 033-2248 7406/ 07, Email : silinvestors@schablona.in

For and on behalf of the Board
For **SCHABLONA INDIA LIMITED**

N. Goenka
Chairman
(DIN : 00060864)

Place : Noida
Date : 23rd May, 2017

SCHABLONA INDIA LIMITED

Declaration on Code of Conduct

23 May, 2017

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, 2017.

Place : Noida

Satish C. Vishwakarma
Executive Director and CFO
DIN : 06891937

CEO/CFO CERTIFICATION

To the Board of Directors of
Schablona India Limited

I have reviewed the financial statements and the cash flow statement of Schablona India Limited for the year ended 31 March, 2017 and to the best of my 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 my 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) I accept the responsibility for establishing and maintaining internal controls for financial reporting and confirm to 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 I am aware and the steps that have been taken or propose to take for rectifying these deficiencies.
- (d) I 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 & CFO
DIN : 06891937

Place: Noida
Date: 23 May, 2017

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, 2017 as stipulated in the 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 Regulations, as and when amended, 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.

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

Place : Noida
Dated : 23 May, 2017

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, 2017, 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,

SCHABLONA INDIA LIMITED

the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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.
 - iv. The Company has provided requisite disclosures in the financial statements under Note No. 2.12 as regards the holding and as well as dealings in Specified Bank Notes as defined in the Notification S. O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, Govt. of India, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by Company.

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

Chartered Accountants

(Firm Registration No. 500106N)

(CA. Tushar Jain)

Partner

Membership No. 524134

Place : Noida

Dated : 23rd day of May, 2017

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, 2017 for a period of more than six months from the date of their becoming payable except in case of 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
Income Tax Act, 1961	Income Tax	AY 2012-13	0.47	CIT(A)-2, Kolkata
Total			0.47	

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 to the information and explanations 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 : 23rd day of May, 2017

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, 2017 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, 2017, 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 : 23rd day of May, 2017

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, 2017

<u>Particulars</u>	<u>Notes</u>	<u>31.03.2017</u>	<u>(Rs. in Lacs)</u> <u>31.03.2016</u>
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	126.37	126.37
(b) Reserves and Surplus	4	(1,014.39)	(423.18)
		<u>(888.02)</u>	<u>(296.81)</u>
(2) Non-Current Liabilities			
(a) Long-term Borrowings	5	19.48	5.26
(b) Other Long-term Liabilities	6	210.83	199.27
(c) Long-term Provisions	7	20.23	20.71
		<u>250.54</u>	<u>225.24</u>
(3) Current Liabilities			
(a) Short-term Borrowings	8	737.52	704.06
(b) Trade Payables	9	1,621.13	1,048.23
(c) Other Current Liabilities	10	142.68	115.25
(d) Short-term Provisions	11	27.04	31.27
		<u>2,528.37</u>	<u>1,898.81</u>
TOTAL		<u>1,890.89</u>	<u>1,827.24</u>
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	12		
- Tangible Assets		412.30	431.42
(b) Deferred Tax Assets (Net)	13	111.91	111.91
(c) Long-term Loans and Advances	14	14.11	16.49
		<u>538.32</u>	<u>559.82</u>
(2) Current Assets			
(a) Inventories	15	409.73	584.36
(b) Trade Receivables	16	736.73	483.76
(c) Cash and Cash Equivalents	17	49.36	20.81
(d) Short-term Loans and Advances	18	156.75	178.49
		<u>1,352.57</u>	<u>1,267.42</u>
TOTAL		<u>1,890.89</u>	<u>1,827.24</u>
Significant Accounting Policies	1		
Notes to the financial statements	2		
For A. K. Maheshwari & Associates			
Chartered Accountants			
(Firm Regn. No. 500106N)			
(CA. Tushar Jain)			
Partner			
Membership No. 524134			
		N. Goenka	Satish C. Vishwakarma
		Director	Executive Director and CFO
		(DIN - 00060864)	(DIN - 06891937)
		Ritika Mansata	
		Company Secretary	
		(ACS - 34156)	
Place : Noida			
Dated : 23rd day of May, 2017			

SCHABLONA INDIA LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

<u>Particulars</u>	<u>Notes</u>	<u>31.03.2017</u>	<u>(Rs. in Lacs)</u> <u>31.03.2016</u>
INCOME			
Revenue from operations	19	2,264.56	2,318.75
Other Income	20	4.11	8.04
		<u>2,268.67</u>	<u>2,326.79</u>
EXPENSES			
Cost of Materials consumed	21	884.44	765.83
Purchase of Stock-in-trade		636.79	847.90
Changes in Inventories	22	165.14	60.39
Employee Benefits expense	23	503.86	547.94
Financial Costs	24	114.09	112.42
Depreciation and amortization expenses	12	49.99	50.47
Other Expenses	25	506.30	511.99
		<u>2,860.61</u>	<u>2,896.94</u>
Profit/(Loss) before exceptional and extraordinary items and tax		<u>(591.94)</u>	<u>(570.15)</u>
Exceptional Items		(0.73)	4.39
Profit/(Loss) before extraordinary items and tax		<u>(591.21)</u>	<u>(574.54)</u>
Extraordinary Items		-	-
Profit/(Loss) before tax		<u>(591.21)</u>	<u>(574.54)</u>
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Tax for earlier years		-	(2.46)
Profit/(Loss) for the year		<u>(591.21)</u>	<u>(572.08)</u>
Earning per equity share of face value of Rs. 4/- each	2.3		
- Basic		(18.71)	(18.11)
- Diluted		(18.71)	(18.11)
Significant Accounting Policies	1		
Notes to the Financial Statements	2		
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 and CFO (DIN - 06891937)	
Place : Noida Dated : 23rd day of May, 2017		Ritika Mansata Company Secretary (ACS - 34156)	

SCHABLONA INDIA LIMITED

NOTES TO THE BALANCE SHEET

<u>Particulars</u>	<u>31.03.2017</u>	<u>(Rs. in Lacs)</u> <u>31.03.2016</u>		
3 Share Capital				
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>		
Note :				
(a) Reconciliation of Equity Share Capital (In Number) :				
Shares outstanding at the beginning of the year	3,159,215	3,159,215		
Add: Shares issued during the year	-	-		
Less: Shares bought back during the year	-	-		
Shares outstanding at the end of the year	3,159,215	3,159,215		
(b) Equity Shares :				
The Company has only one class of Equity Shares having paid-up value of Rs. 4/- each and each shareholder is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity share will be entitled to receive the remaining assets, if any, in proportionate to the number of equity shares held by the Shareholders.				
(c) Particulars of shareholders holding more than 5% of the Equity Share Capital of the Company :				
	<u>31.03.2017</u>	<u>31.03.2016</u>		
<u>Name of the Shareholders</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
Bhilwara Holdings Limited	626,911	19.84	626,911	19.84
Hiralall Somany	431,647	13.66	431,647	13.66
SR Continental Limited	-	-	390,800	12.37
Somany Ceramics Limited	-	-	200,000	6.33
Sarvottam Vanijya Limited *	711,688	22.53	-	-
	<u>1,770,246</u>	<u>56.03</u>	<u>1,649,358</u>	<u>52.20</u>
*Previous year held 121199 equity shares of Rs. 4/- each comprising of 3.24% of the paid-up capital of the Company and not disclosed since below 5%.				
4 Reserves and Surplus				
Capital Reserve				
As per last year	0.63		0.63	
General Reserve				
As per last year	75.00		75.00	
Surplus in Statement of Profit and Loss				
Balance at the beginning of the year	(498.81)		73.27	
Net Profit/(Loss) for the current year	(591.21)		(572.08)	
Closing Balance	<u>(1,090.02)</u>		<u>(498.81)</u>	
	<u>(1,014.39)</u>		<u>(423.18)</u>	

SCHABLONA INDIA LIMITED

NOTES TO THE BALANCE SHEET

<u>Particulars</u>	<u>31.03.2017</u>	<u>(Rs. in Lacs)</u> <u>31.03.2016</u>
5 Long-term Borrowings		
Secured :		
Car Loans		
- From Banks	24.77	6.71
	24.77	6.71
Less: Current Maturities of Long-term Borrowings		
Car Loans		
- From Banks	5.29	1.45
	5.29	1.45
	19.48	5.26
Car loan is secured against hypothecation of vehicles purchased thereunder and repayable in monthly installments as per stipulation in the loan agreement.		
6 Other Long-term Liabilities		
Security Deposit	210.83	199.27
	210.83	199.27
7 Long-term Provisions		
Provision for Leave Encashment	21.74	22.53
Less: Provision for Short-term leave encashment	1.51	1.82
	20.23	20.71
8 Short-term Borrowings		
From Bank		
Cash Credit	12.23	482.61
Overdraft for the current year is secured against Fixed Deposit of Rs. 25 lacs. Previous year, Cash Credit was 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 was additionally secured by way of a Corporate Guarantee of M/s. Somany Ceramics Limited.		
Current Maturities of Long-term Borrowings	5.29	1.45
	17.52	484.06
Inter Corporate Deposits (Unsecured)	720.00	220.00
	737.52	704.06

SCHABLONA INDIA LIMITED

NOTES TO THE BALANCE SHEET

<u>Particulars</u>	<u>31.03.2017</u>	<u>31.03.2016</u>
(Rs. in Lacs)		
9 Trade Payables		
Sundry Creditors	1,621.13	1,048.23
	<u>1,621.13</u>	<u>1,048.23</u>
10 Other Current Liabilities		
Statutory Dues	24.77	24.81
Advances from Customers	5.47	24.42
Other Liabilities	112.44	66.02
	<u>142.68</u>	<u>115.25</u>
11 Short-Term Provisions		
Provision for Leave Encashment	1.51	1.82
Unclaimed dividend	4.31	5.45
Provision for Gratuity	21.22	24.00
	<u>27.04</u>	<u>31.27</u>

12 Fixed Assets

(Rs. in Lacs)

Sl. No.	Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As at 31.03.16	Additions during the year	Sales/ Adjustments during the year	As at 31.03.17	Upto 31.03.16	For the Year	Adjustments during the Year	Upto 31.03.17	As at 31.03.17	As at 31.03.16
1	Land	9.53	-	-	9.53	-	-	-	-	9.53	9.53
2	Building										
	- Own	197.27	-	-	197.27	70.78	7.06	-	77.84	119.43	126.49
	- Leasehold Improvements	39.38	-	-	39.38	10.30	1.25	-	11.55	27.83	29.08
3	Plant & Machinery	541.42	4.28	18.03	527.67	299.99	32.64	8.04	324.59	203.08	241.43
4	Furnituree & Fixture	25.45	0.21	-	25.66	18.61	1.85	-	20.46	5.20	6.84
5	Computer	55.38	10.14	0.85	64.67	51.11	1.82	0.81	52.12	12.55	4.27
6	Office Equipment	26.93	-	-	26.93	23.27	0.38	-	23.65	3.28	3.66
7	Vehicles	24.49	26.27	-	50.76	14.37	4.99	-	19.36	31.40	10.12
	Total	919.85	40.90	18.88	941.87	488.43	49.99	8.85	529.57	412.30	431.42
	Previous Year	946.46	11.99	38.60	919.85	464.31	50.47	26.35	488.43	431.42	482.15

SCHABLONA INDIA LIMITED

NOTES TO THE BALANCE SHEET

<u>Particulars</u>	<u>31.03.2017</u>	<u>(Rs. in Lacs)</u> <u>31.03.2016</u>
13. Deferred Tax Assets (Net)		
Beginning of the year	111.91	111.91
Provided during the year	-	-
	<u>111.91</u>	<u>111.91</u>
14 Long-term Loans and Advances		
Secured, Considered Good		
Security Deposit		
- With Government Departments	13.72	13.71
- Other Deposits	0.39	2.78
	<u>14.11</u>	<u>16.49</u>
15 Inventories		
(As taken, valued and certified by the Management)		
Raw Material	110.90	105.69
Work-in-Progress	35.38	16.10
Finished Goods	183.61	272.30
Stock-in-Trade	78.36	176.96
Stores & Spares	1.48	13.31
	<u>409.73</u>	<u>584.36</u>
16 Trade Receivables		
Outstanding for more than six months from due date		
Unsecured, Considered Good	232.57	198.48
Others		
Unsecured, Considered Good	504.16	285.28
	<u>736.73</u>	<u>483.76</u>
17 Cash and Cash Equivalents		
Cash in hand (including cheques & stamps)	0.19	0.52
With Scheduled Banks :		
In Current Accounts	5.03	10.42
In Fixed Deposit Accounts (lodged as security)	41.25	4.42
In Unclaimed Dividend Accounts	2.89	5.45
	<u>49.36</u>	<u>20.81</u>
18 Short-term Loans and Advances		
Deposits with Others	10.89	14.47
Advance Payment of Income Tax (net of provisions)	29.22	28.86
Balances with Government Authorities	105.14	130.07
Prepaid expenses	1.16	3.88
Advances to Suppliers	10.34	1.21
	<u>156.75</u>	<u>178.49</u>

SCHABLONA INDIA LIMITED

NOTES TO THE STATEMENT OF PROFIT AND LOSS

<u>Particulars</u>	<u>31.03.2017</u>	<u>(Rs. in Lacs)</u> <u>31.03.2016</u>
19 Revenue from Operations		
Sales	1,454.64	1,375.20
Sale of traded goods	887.36	1,049.89
	<u>2,342.00</u>	<u>2,425.09</u>
<u>Other Operating revenue</u>		
Job Work	1.81	0.24
Miscellaneous Sales	17.10	4.00
	<u>2,360.91</u>	<u>2,429.33</u>
Excise Duty	96.35	110.58
	<u>2,264.56</u>	<u>2,318.75</u>
20 Other Income		
Liabilities no longer required written back	1.13	5.20
Interest received	2.98	2.84
	<u>4.11</u>	<u>8.04</u>
21 Cost of Materials Consumed		
Raw Material	828.84	711.14
Packing Material	55.60	54.69
	<u>884.44</u>	<u>765.83</u>
22 Change in Inventories		
Closing Stock		
Finished goods	183.61	272.30
Work-in-progress	35.38	16.10
Stock-in-trade	78.36	176.96
	<u>297.35</u>	<u>465.36</u>
Opening Stock		
Finished goods	272.30	296.75
Work-in-progress	16.10	18.02
Stock-in-trade	176.96	213.64
	<u>465.36</u>	<u>528.41</u>
Increase/(Decrease) in Stock	(168.01)	(63.05)
Add : (Increase)/Decrease in excise duty on stock	2.87	2.66
	<u>(165.14)</u>	<u>(60.39)</u>
23 Employee Benefits Expense		
Salary, Wages, Bonus & Gratuity	454.05	495.73
Contribution to Provident Fund and Other Funds	22.56	25.90
Workmen & Staff Welfare	27.25	26.31
	<u>503.86</u>	<u>547.94</u>
24 Finance Costs		
Interest on Borrowings	114.09	112.42
	<u>114.09</u>	<u>112.42</u>

SCHABLONA INDIA LIMITED

NOTES TO THE STATEMENT OF PROFIT AND LOSS

<u>Particulars</u>	<u>31.03.2017</u>	<u>(Rs. in Lacs)</u> <u>31.03.2016</u>
25 Other Expenses		
Power & Fuel	61.45	80.41
Stores & Spares	78.52	94.36
Insurance	3.95	0.94
Travelling Expenses	50.20	68.83
Job work expenses	2.55	-
Repairs & Maintenance		
- Building	0.47	1.81
- Plant & Machinery	2.55	4.79
- Others	6.56	6.12
Training & Recurritment Expenses	0.37	4.27
Miscellaneous Expenses	9.04	4.95
Legal & Professional Expenses	7.78	10.87
Postage, Telegram & Telephone Expenses	13.11	19.06
Rent	32.76	39.77
Rates & Taxes	6.79	4.83
Freight Outward and Handling Charges	35.19	28.42
Rebate & Discounts	21.98	37.13
Selling & Distribution Expenses	167.89	98.82
Exchange Rate Difference	-	(0.30)
Director Fees	0.24	0.18
Bad Debt	-	4.46
Provision for Doubtful Debts	-	(4.46)
Bank Charges	3.05	5.36
Payment to Auditors		
- Audit Fees	1.50	1.00
- Certification Fees	0.08	0.08
- Out of pocket expenses	0.27	0.29
	506.30	511.99

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 transferred 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.

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e) Foreign Exchange Transaction

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

f) Excise & Customs Duty

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

g) CENVAT Credit

The CENVAT credit available on purchase of raw material, other eligible inputs and capital goods is adjusted against excise duty payable on clearance of goods produced. The un-availed CENVAT credit is shown under the head "Short-term Loans and Advances".

h) Research & Development Expenditure

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

i) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue and share split, if any. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

j) Taxes on Income

Provision for tax for the year comprises estimated current income tax determined to be payable in respect of taxable income and deferred tax being the tax effect of timing differences representing the difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is calculated in accordance with the relevant domestic tax laws. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

k) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset 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.

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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>31.03.2017</u>	<u>31.03.2016</u>
		(Rs. in Lacs)
2.1 Contingent Liabilities not provided for		
a) Contingent liabilities not provided for in respect of Co-surety given to Sales Tax authorities on behalf of M/s Somany Ceramics Limited	12.50	12.50
b) Sales Tax demand against which appeal has been filed by the Company	-	28.46
c) Income Tax demand against which appeal has been filed by the Company	0.47	0.47
Total	<u>12.97</u>	<u>41.43</u>

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

Related Parties with whom transactions have taken place and description of relationship :

Name of Related Party	Nature of Related Party	Amount Paid	Outstandings as at 31.03.2017
Mr. Satish C Vishwakarma - Executive Director & CFO	Key Managerial Personnel (KMP)	Rs. 1,975,123/-	Rs. 89,600/-
Ms. Ritika Mansata Company Secretary	- do -	Rs. 350,155/-	Rs. 34,300/-

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2.3 Earnings Per Share (EPS) :

	<u>31.03.2017</u>	<u>31.03.2016</u>
Profit/(Loss) attributable to the equity shareholders (Rs. in lacs)	(591.21)	(572.08)
Weighted Average No. of Equity Shares outstanding during the year	3,159,215	3,159,215
Paid up Value of each Equity share (Rs.)	4	4
EPS (Rs.)	(18.71)	(18.11)

- 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. Henceforth Deferred Tax Asset has been carry forward as provided in the earlier year. The major components of Deferred Tax Liability and Deferred Tax assets are as under :

	<u>31.03.2017</u>	<u>31.03.2016</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	118.22	118.22
Net Deferred Tax Assets	111.91	111.91

- 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 31.03.2017 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 31.03.2017 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. 104.59 lacs (previous year Rs. 100.88 lacs). However, the above has no impact on the profitability of the Company for the year.
- 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.

SCHABLONA INDIA LIMITED

2.10 Payments to Auditors

(Exclusive of Service Tax)	(Rs. in Lacs)	
	<u>31.03.2017</u>	<u>31.03.2016</u>
i) Audit Fees	1.10	0.75
ii) Tax Audit Fees	0.40	0.25
iii) Certification Fees	0.08	0.08
iv) Out of Pocket Expenses	0.27	0.29

2.11 The Company has accumulated losses of Rs. 1090.02 lacs as on Balance Sheet date. However, the Company is making necessary efforts to reduce losses/generate profit, going forward. Accordingly, financial statements are prepared on going concern basis.

2.12 Disclosure on Specified Bank Notes (SBNS)

During the year, the Company had specified bank notes or other denomination as defined in the MCA notification G.S.R. 308(E) dated 30 March 2017, on the details of specified bank notes (SBNS) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNS and other notes as per the notification is given below :

	(Rs. in lacs)		
	SBNS	Other Denomination Notes	Total
Closing Cash in hand on 08 November 2016	9.98	0.68	10.66
Add:- Permitted Receipts	-	1.88	1.88
Less:- Permitted Payments	-	1.82	1.82
Less:- Amount Deposited into the Bank	9.98	0.50	10.48
Closing Cash in hand on 30 December 2016	-	0.24	0.24

SCHABLONA INDIA LIMITED

2.13 Employee Benefit :

Statement of the Gratuity, Leave encashment & Sick Leave as at 31st March, 2017 is as follow :

(Rs. in lacs)

		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		(Funded)	and Sick Leave (Non-Funded)	(Funded)	and Sick Leave (Non-Funded)
		31.03.2017		31.03.2016	
I	Expense recognized in the Statement of Profit and Loss				
a	Current Service cost	5.97	3.42	6.36	3.19
b	Interest cost	3.95	1.80	4.49	2.83
c	Expected return on plan asset	(2.61)	-	(4.52)	-
d	Net actuarial (gain)/loss recognised in the period	(0.10)	(0.41)	7.73	(6.53)
e	Expenses recognized in Statement of Profit and Loss	7.21	4.81	14.06	(0.51)
II	Net Assets/(Liabilities) recognised in the Balance Sheet				
a	Present value of obligation as at the end of the period	60.56	21.53	58.86	22.53
b	Fair Value of plan asset as at the end of the period	39.34	-	34.86	-
c	Funded status	(21.22)	(21.53)	(24.00)	(22.53)
d	Net Assets/(Liabilities) recognised in the Balance Sheet	(21.22)	(21.53)	(24.00)	(22.53)
III	Change in present value of obligation				
a	Present value of obligation as at beginning of the period	58.86	22.53	66.50	35.43
b	Interest cost	3.96	1.81	4.49	2.83
c	Current Service cost	5.97	3.42	6.36	3.19
d	Benefits Paid	(12.25)	(5.82)	(20.75)	(12.39)
e	Actuarial (Gain)/Loss on obligation	4.02	(0.41)	2.26	(6.53)
f	Present value of obligation at the end of the period	60.56	21.53	58.86	22.53
IV	Changes in the fair value of plan assets				
a	Fair value of plan assets as at beginning of the period	34.86	-	56.56	-
b	Expected return on plan assets	2.61	-	4.52	-
c	Contributions	10.00	-	-	-
d	Benefits Paid	(12.25)	-	(20.75)	-
e	Actuarial (Gain)/Loss on plan assets	4.12	-	(5.47)	-
f	Fair value of plan assets at the end of the period	39.34	-	34.86	-
V	The Major Category of Plan assets as a percentage to total plan				
	Mutual Funds	100%	-	100%	-
	Government Securities	0%	-	0%	-
	Bank	0%	-	0%	-
VI	Actuarial Assumptions				
	Economic Assumptions-				
	Discounting Rate	7.50%	7.54%	8.00%	8.00%
	Future Salary Increase	6.00%	6.00%	6.00%	6.00%
	Expected Rate of return on plan assets	7.50%	-	8.00%	-
	Demographic Assumptions-				
	Retirement Age	58	58	58	58
	Mortality Table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
	Withdrawal Rates				
	Up to 29 Years	1%	5%	1%	5%
	From 29 to 45 years	3%	5%	3%	5%
	Above 45 years	6%	5%	6%	5%

SCHABLONA INDIA LIMITED

2.14. Additional Information forming part of the accounts for the year ended 31st March, 2017

	Rs. in lacs			
	2016-17	2015-16		
A. Trading Activities				
Tiles				
Opening Stock	176.96	213.64		
Purchase	636.79	847.90		
Closing Stock	78.36	176.96		
Sale	887.36	1,049.89		
B. Raw material and packing material consumed				
Class of Goods				
Plain Tiles	356.64	404.56		
Paper	56.65	66.30		
Colours & Chemicals	355.48	204.90		
Others	60.07	35.38		
Packing Material	55.60	54.69		
	884.44	765.83		
C. Value of imported & indigenous Raw Material, Packing Material & Spare Parts consumed during the year				
Particulars	Raw Material & Packing Material		Stores & Spares	
	2016-17	2015-16	2016-17	2015-16
Imported	29.24	3.31%	44.42	5.80%
	1.31	1.67%	2.77	2.94%
Indigenous	855.20	96.69%	721.41	94.20%
	77.21	98.33%	91.59	97.06%
	884.44	100.00%	78.52	100.00%
	884.44	100.00%	78.52	100.00%
D. Details of work in progress				
Plain Tiles	18.28		5.08	
Paper	1.31		0.81	
Colours & Chemicals	14.71		8.28	
Others	1.08		1.93	
	35.38		16.10	
E. CIF value of Imports				
- Spare Parts	0.60		3.75	
- Raw Material	15.33		19.68	
	15.93		23.43	
F. Earnings in Foreign Currency				
FOB Value of Exports	-		-	
G. Expenditure in Foreign Currency				
- Travelling Expenses	0.68		0.16	
- Training Expenses	-		3.43	
	0.68		3.59	

2.15 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 and CFO

(DIN - 06891937)

Ritika Mansata

Company Secretary

(ACS - 34156)

Place : Noida

Dated : 23rd day of May, 2017

SCHABLONA INDIA LIMITED

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

		(Rs. in Lacs)	
Sl. No.	Particulars	31.03.2017	31.03.2016
1	Segment Revenue		
	a) Designer Tiles	1,963.67	1,951.56
	b) Transfer Sheets	501.83	578.65
	Total	<u>2,465.50</u>	<u>2,530.21</u>
	Less : Inter segment revenue	104.59	100.88
	Net sales/income from operations	<u>2,360.91</u>	<u>2,429.33</u>
2	Segment Results: Profit(+)/(Loss)(-) before tax and interest from segment		
	a) Designer Tiles	(402.64)	(476.26)
	b) Transfer Sheets	(75.20)	18.53
	Total	<u>(477.84)</u>	<u>(457.73)</u>
	Less : i) Interest	114.10	112.42
	ii) Other un-allocable expenditure net off un-allocable income	(0.73)	4.39
	Total Profit before Tax :	<u>(591.21)</u>	<u>(574.54)</u>
3	Capital Employed		
	a) Designer Tiles	230.35	182.83
	b) Transfer Sheets	118.90	152.36
	Total	<u>349.25</u>	<u>335.19</u>

SCHABLONA INDIA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017	(Rs. in Lacs) 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extra-ordinary items	(591.21)	(574.54)
Adjustment for		
- Depreciation	49.99	50.47
- Interest Expenses	111.84	112.42
- Interest Received	(2.98)	(2.84)
- (Profit)/Loss on sale of fixed assets	(0.73)	4.39
- Liabilities no longer required Written back	(1.13)	(5.20)
- Bad Debts	-	4.46
- Provision for doubtful Debts	-	(4.46)
	156.99	159.24
Operating profit before Working capital changes	(434.22)	(415.30)
Adjustment for		
- Inventories	174.63	106.08
- Trade & Other Receivables	(228.49)	541.73
- Trade & Other Payables	608.31	(144.47)
	554.45	503.34
Cash generated from operations	120.23	88.04
- Direct Taxes Paid	(0.36)	(0.16)
Cash Flow before Extraordinary items	119.87	87.88
- Extraordinary Items	-	-
Cash flow from operating activities	119.87	87.88
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Net Purchase/ Sale of Fixed Assets (Incl Cap WIP)	(30.14)	(4.13)
- Interest received	2.98	2.84
Net cash used in Investing activities	(27.16)	(1.29)
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Raising of Secured Loans	(452.32)	(58.12)
- Raising of unsecured Loans	500.00	25.00
- Interest Paid	(111.84)	(112.42)
Cash flow from Financing activities	(64.16)	(145.54)
Net increase in Cash & Cash equivalents	28.55	(58.95)
Cash & Cash Equivalents as on 01-04-2016	20.81	79.76
Cash & Cash Equivalents as on 31-03-2017	49.36	20.81

N. Goenka
Director
(DIN - 00060864)

Satish C. Vishwakarma
Executive Director and CFO
(DIN - 06891937)

Ritika Mansata
Company Secretary
(ACS - 34156)

Place : Noida
Dated : 23rd day of May, 2017

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of M/s. Schablona India Limited for the year ended 31.03.2017. 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 23rd day of May, 2017 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 : 23rd day of May, 2017