

Schablona India Limited

**Eighteenth
Annual Report**

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2001-2002

Directors

H. L. Somany, Chairman
G. L. Sultania
R. K. Lakhotia
N. Goenka

Auditors

Sandeep Parwal & Associates
C-Block, Community Centre
Janak Puri
New Delhi-110 058

Bankers

Central Bank of India
Punjab National Bank
Canara Bank
The Lakshmi Vilas Bank Ltd.

Registered Office

2, Red Cross Place
Kolkata-700 001

Works

Sankhol, Kasar
Rohtok
(Haryana)

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SCHABLONA INDIA LIMITED

NOTICE is hereby given that the **Eighteenth Annual General Meeting** of the Members of Schablona India Ltd., will be held on Monday, the 23rd September, 2002 at 11.30 A.M. at Jhajharia Committee Room, of Merchants Chamber of Commerce, 15-B, Hemanta Basu Sarani, Kolkata-700 001 to transact the following business.

1. To receive, consider and adopt the Directors' Report, Auditors' Report and the Audited Balance Sheet as at 31st March, 2002 and the Profit & Loss Account of the Company for the year ended as on that date.
2. To appoint a Director in place of Shri H. L. Somany, who retires by rotation, and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification (s) the following resolutions :

4. AS AN ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Shri R. K. Lakhota be and is hereby elected and appointed as a Director liable to retire by rotation."

By Order of the Board

NEW DELHI
Dated : 31st May, 2002

G. L. SULTANIA
Director

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 16th September, 2002 to Monday, the 23rd September, 2002 (both days inclusive).
3. Members are requested to notify immediately change in their address, if any, to the Company.
4. Shareholders desiring any information as regards the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready.
5. In accordance with the Provisions of Section 205(A) of the Companies Act, 1956, the Company as from time to time, transferred unclaimed/unpaid dividend for and upto the Financial Year 31.03.1993 to the General Revenue Account of the Central Government. Members who have a valid claim to any unclaimed/unpaid dividends may claim the same from the Registrar of Companies, West Bengal, in the prescribed manner. No dividend was declared for the year 1994 and onwards.

SCHABLONA INDIA LIMITED

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 4**

The Board of Directors at its meeting held on Tuesday, the 22nd January, 2002 appointed Shri R. K. Lakhotia as an Additional Director of the Company with effect from 1st March, 2002.

The appointment of Shri R. K. Lakhotia is pursuant to Article 104 of the Articles of Association of the Company read with Section 260 of the said Act he shall retire at this Annual General Meeting and is eligible for re-appointment.

The Company has received a Notice in writing from a member of the Company under section 257 of the said Act alongwith a deposit of Rs. 500/- signifying his intention to propose the appointment of Shri R. K. Lakhotia liable to retire by rotation.

Shri R. K. Lakhotia is willing to act as Director of the Company, if appointed and has filed his consent with the Company in compliance with the provisions of Section 264(1) of the Act. The Board of Directors of the Company considers that the appointment of Shri R. K. Lakhotia will prove beneficial to the Company and accordingly recommends the Resolution under Item No. 4 of convening notice.

None of the Directors except Shri R. K. Lakhotia is concerned or interested in the said Resolution.

Brief Resume and other information in respect of the Director seeking re-appointment at the Annual General Meeting

Aged about 81 years is the Chairman of SPL Limited, Hind Syntex Ltd. and many Investment Companies of Somany Group. He is the Past President & Member of Merchant's Chamber of Commerce and ASSOCHAM, He is the President and Founder Member of SAMAGAM. He has also set up visible and respected companies like Hindustan Sanitaryware & Industries Ltd., & Hindustan National Glass & Industries Ltd., these companies are leaders in their respective fields of business. He is a fellow member of the Institute of Ceramics. He was member of various government and non-government agencies and held positions as Chairman of CAPEXIL in 1969, Commissioner of Calcutta Port Trust during 1972-74.

POSITION HELD IN

Sl. No.	Name of the Companies in which he is Director	Position held	Share Transfer Committee	Investors Grievance Committee	Remuneration Committee
1.	SPL Limited	Chairman			
2.	Hind Syntex Limited	Chairman			
3.	Bhilwara Holdings Ltd.	Chairman			
4.	Brindavan Commercial Ltd.	Chairman			
5.	Charchika Impex Ltd.	Director			
6.	Chakrapani Promotions Ltd.	Chairman			
7.	Dhandhapani Co. Ltd.	Chairman			
8.	Sarvottam Vanijya Ltd.	Chairman			
9.	Gemini Constructions Ltd.	Director			

Regd. Office : 2, Red Cross Place,
Kolkata-700 001
Dated : 31st May, 2002

By Order of the Board
G. L. Sultania
Director

SCHABLONA INDIA LIMITED

DIRECTORS' REPORT*To The Members*

Your Directors have pleasure in presenting their Eighteenth Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2002.

ACCOUNTS

	31.03.2002	31.03.2001
	Rs./(000)	Rs./(000)
Gross Profit for the year under Review	2694	4895
Less : Depreciation for the year	2294	2456
Profit for the year	400	2439
Less : Provision for Income Tax	0	0
	400	2439
Less : Income Tax for earlier years	0	398
Add : Loss brought forward from the previous year	(7943)	(9984)
Loss carried to Balance Sheet	(7543)	(7943)

DIVIDEND

Your Directors do not recommend any dividend for the year under review.

OPERATION

With opening up of imports freely, adverse conditions in bone china industry, the main buyers of Decals, has aggravated. Consequently, sales have reduced to 2.88 Lacs sheets as against 3.17 Lacs sheets in the previous year.

MARKET AND FUTURE PROSPECTS

Market conditions have remained dull. In glass segment also, demand for decals has been greatly reduced due to new concept of self designing after the imported glassware.

On the positive side, the company has been able to carve for itself a good share of the emerging demand for decals for the expanding Indian market for coffee mugs needed for export. Overall the sales are expected to improve somewhat in the current year.

TRADING ACTIVITIES

Trading activity, started during the year under report, has been helpful in closing the year with a nominal profit. These activities are proposed to be continued.

AUDITOR'S REPORT

All the items on which, comments have been made by the auditors in their report to the shareholders are self explanatory, as explained by way of notes to the accounts.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Shri H. L. Somany retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Shri Abhishek Somany resigned from the Directorship with effect from 28th July, 2001. Shri N. K. Goenka was appointed as Director on 28.7.2001 in the casual vacancy caused by the resignation of Shri Abhishek Somany.

Shri T. R. Hartinger resigned from the Directorship with effect from 22nd January, 2002.

Shri R. K. Lakhotia was appointed as an Additional Director w.e.f. from 1st March, 2002, pursuant to section 260 of the Companies Act, 1956 and will hold office till the forthcoming Annual General Meeting. A Notice has been received from a Member U/S 257 of the Companies Act, 1956 proposing his name for the Directorship of the Company.

SCHABLONA INDIA LIMITED

AUDITORS

M/s. Sandeep Parwal and Associates, Chartered Accountants, auditors of the Company, retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

ADDITIONAL INFORMATION

As regards disclosure under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988, a statement showing particulars of conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is annexed hereto and forms part of this report.

PARTICULARS OF EMPLOYEES

Information as required U/S 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 in respect of Company's employees are not being given since no employee is covered under this clause.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that :

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with the proper explanation relating to material departures;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit of the company for that period;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the annual accounts on a going concern basis.

For and on Behalf of the Board

New Delhi
Dated, the 31st May, 2002

H. L. Somany
Chairman



SCHABLONA INDIA LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

ADDITIONAL INFORMATION GIVEN AS REQUIRED under the Companies (Disclosure of the Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken :

The measures taken in the previous year have kept consumption of energy at the lowest level.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :

No additional investments are considered necessary at present.

c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

Energy consumption and cost continue to be at the optimum level.

d) Total energy consumption and energy consumption per unit of production.

The Company is not covered under the list of specified industries.

B. TECHNOLOGY ABSORPTION

FORM - B

1. Research and Development (R & D)

i) Specified areas in which R & D carried out by the Company :

The development activities of the Company are mainly towards improvement of product quality, testing and introduction of new material, import substitution, process improvement and cost effectiveness.

ii) Benefits derived, as a result of the above R & D :

Lower rejections, keeping pace with upgraded international technology and better quality.

iii) Future plan of action and expenditure on R & D :

R & D will be continued in the areas mentioned in (i) above as an ongoing process. No separate record of the expenditure incurred is maintained.

2. Technology absorption, adaptation and innovation.

Efforts in brief and benefits derived.

Manufacturing technology for transfers / (decals) imported from erstwhile collaborators has been fully absorbed and has been adapted to suit the needs of our various markets. Innovations are made as needed. We keep ourselves abreast of new developments in our field.

3. Foreign Exchange Earnings & Outgo.

	Rs./000
A. Foreign Exchange Outgo	246
B. Foreign Currency Earned	Nil

For and on behalf of the Board

New Delhi
Dated, the 31st May, 2002

H. L. SOMANY
Chairman