

SCHABLONA INDIA LIMITED

Directors :

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

Company Secretary & Chief Financial Officer :

Ms. Ritika Mansata

Auditors :

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

Bankers :

State Bank of India
HDFC Bank Limited
Punjab National Bank

Registered Office :

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

Works :

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

Registrar & Transfer Agent :

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane
Kolkata - 700 001
Phone : 033-2243 5809 / 5029
Fax : 033-2248 4787
E-mail : mdpldc@yahoo.com

CONTENTS

Directors' Report	2
Management Discussion and Analysis	20
Report on Corporate Governance	21
Auditors' Report	30
Financial Statement	36

SCHABLONA INDIA LIMITED

DIRECTORS' REPORT

To the Members,

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

FINANCIAL SUMMARY OR HIGHLIGHTS

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

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

OPERATIONS

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

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

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

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

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

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

SCHABLONA INDIA LIMITED

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

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

MARKET AND FUTURE PROSPECTS

Ceramic Transfer Sheets (Decals)

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

Decorated Tiles

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

Trading

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

Revival Strategy

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

SCHABLONA INDIA LIMITED

SIGNIFICANT MATERIAL CHANGES

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

DIVIDEND

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

INVESTOR EDUCATION & PROTECTION FUND (IEPF)

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

PUBLIC DEPOSIT

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

AUDITORS

Statutory Auditor

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

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

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

All the items on which, comments have been made by the Auditors in their report to the Members are self-explanatory, as explained by way of notes to the accounts and does not contain any qualification, reservation or adverse remark, therefore needs no further explanation by the Board in terms of Section 134(3)(f)(i) of the Companies Act, 2013.

Secretarial Auditor

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

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

SCHABLONA INDIA LIMITED

NUMBER OF BOARD MEETINGS

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

RISK MANAGEMENT

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

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

INTERNAL FINANCIAL CONTROLS

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

RELATED PARTY TRANSACTIONS

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

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

EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEE AND OF DIRECTORS

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

EXTRACT OF ANNUAL RETURN

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

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

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

DECLARATION BY INDEPENDENT DIRECTORS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments

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

SCHABLONA INDIA LIMITED

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

Resignations

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

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

NOMINATION AND REMUNERATION POLICY

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

DIRECTORS RESPONSIBILITY STATEMENT

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

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

COMMITTEES OF THE BOARD

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

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

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

VIGIL MECHANISM

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

SCHABLONA INDIA LIMITED

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

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

PARTICULARS OF EMPLOYEES

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

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

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

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

OTHER DISCLOSURES

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

ACKNOWLEDGEMENT

Your Directors acknowledge with sincere gratitude the co-operation and assistance extended by the Central and State Governments, Financial Institutions, Banks, Customers, Dealers, Vendors and Employees of the Company.

Place : Noida
Date : 21st May, 2016

For and on behalf of the Board
N. Goenka
Chairman

SCHABLONA INDIA LIMITED

ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

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

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

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

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

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

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

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

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

SCHABLONA INDIA LIMITED

VI. The following Industry Specific laws:

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

We have also examined compliance with the following:

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

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

We further report that:

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

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

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

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

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

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

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

Place: Kolkata
Date: 21-05-2016

SCHABLONA INDIA LIMITED

To,

The Members,

Schablona India Limited

CIN:L51109WB1983PLC036899

2, Red Cross Place,

Kolkata-700 001

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

Management's Responsibility:

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

Auditors' Responsibility:

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

Disclaimer:

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

FOR DROLIA & COMPANY
(Practicing Company Secretaries)

Pravin Kumar Drolia
(Proprietor)

FCS:2366

C P No.: 1362

Place: Kolkata

Date: 21-05-2016