

## SCHABLONA INDIA LIMITED

CIN : L51109DL1983PLC318655

### **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 / 5913  
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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## SCHABLONA INDIA LIMITED

CIN : L51109DL1983PLC318655

Registered Office : 82/19, Bhakerwara Road, Mundka, New Delhi - 110 041, Phone : 011-2834 1085

Share Dept. : 2, Red Cross Place, Kolkata - 700 001, Phone No. : 033-2248 7406/5913

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

### NOTICE

NOTICE is hereby given that the 34th ANNUAL GENERAL MEETING of the Members of Schablona India Limited will be held at City Park Resort, Ghevra, Rohtak Road, (NH-10), Opp. Metro Pillar No.631, New Delhi - 110 041 on Wednesday, the 19th September, 2018 at 11-30 A.M. to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2018 together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. N. Goenka (DIN: 000060864), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment thereof, for the time being in force), M/s. Shalin Poddar & Associates, Chartered Accountants (Firms Registration No.: 020397C), be and is hereby appointed as the Statutory Auditors of the Company, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting till the conclusion of 39th (Thirty Ninth) Annual General Meeting of the Company to be held in the year 2023, , at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

By Order of the Board  
For **Schablona India Limited**

Place : New Delhi  
Date : 24th May, 2018

**N. Goenka**  
Director

#### NOTES:

1. **A Member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on a Ballot paper/poll, if any, instead of himself. A Proxy need not be a member of the Company. Proxies, in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.**
2. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder of the Company.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, the 12th September, 2018 to Wednesday, the 19th September, 2018 (both days inclusive).
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
5. Members are requested to bring their Folio Nos., Depository ID and Client ID Nos. for easier identification of attendance at the Annual General Meeting (AGM).

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6. Members/Proxy holders are requested to bring their copies of Annual Report along with them at the meeting.
7. Members are requested to write to the Company, their query(ies), if any, on the Financial Statements and operations of the Company at least 10 days before the meeting to keep the information ready at the meeting.
8. Members holding shares in physical form are requested to notify changes in their address, if any, quoting their Folio Number(s) to the Registrar & Share Transfer Agent M/s. Maheshwari Datamatics Private Limited.
9. Members having multiple folios in the same name(s) may inform the Company for consolidation into one folio.
10. The Securities and Exchange Board of India (SEBI) has mandated to furnish a copy of PAN Card in all the cases of transfer of shares in physical form.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
12. Register of Contract or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
13. Members who have not encashed their dividend warrants for the year ended 31st March, 2011 and 31st March, 2012 may write to the Company or RTA for revalidation of the same. The Company has not declared any dividend for the year ended 31st March, 2013 onwards.
14. (a) Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, the unpaid/unclaimed dividend upto the year 2009-2010 has been transferred to Investor Education and Protection Fund ("IEPF") and dividends for the Financial Year ended 31st March, 2011 and thereafter which remain unpaid or unclaimed for a period of 7 consecutive years are due for transfer to the IEPF constituted by the Central Government, on or after 7th October, 2018. The Company has also uploaded full details of such shareholders, whose unclaimed/unpaid dividends as on 31st March, 2018 are due for transfer to IEPF, on its website [www.schablona.in](http://www.schablona.in). Members, who have not encashed their dividend warrant(s) for the financial year ended 31st March, 2011 or any subsequent financial year(s) are urged to claim such amount from the Company. Shareholders whose amount has been transferred to IEPF as above may claim refund from IEPF in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.
- (b) 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 25th August, 2017 (the date of last Annual General Meeting) on the website of the Company [www.schablona.in](http://www.schablona.in)
- (c) 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 encashed/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. Accordingly, the Company has transferred 111,600 Equity Shares of Rs. 4/- each to IEPF whose dividend has not been encashed for consecutive 7 years from 2008-09 and 13,103 Equity Shares of Rs. 4/- each for the year 2009-2010, details of which are also available on website of the Company. Similarly, the Company will transfer such shares to the Demat Account of IEPF Authority on which dividend for 2010-11 has not been encashed for consecutive 7 years, as per the guidelines issued by the concerned authority/(ies), from time to time.
15. Additional information, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment/re-appointment at the 34th Annual General Meeting is annexed to the Notice.
16. Route Map of the venue of the Annual General Meeting is attached herewith.
17. The Company is providing facility for voting by electronic means (remote e-voting) to vote on the Resolutions set out in the Notice of the 34th AGM of the Company. The facility for voting through Ballot Paper will also be made

## SCHABLONA INDIA LIMITED

available at the AGM and the Members attending the AGM who have not cast their votes by remote e-voting shall be able to exercise their right at the AGM through Ballot Paper. Members who have cast their votes by remote e-voting prior to the AGM, may attend the AGM, but shall not be entitled to cast their votes again.

### 18. Voting through electronic means (remote e-voting):

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members, facility to exercise their votes electronically through remote e-voting facility provided by Central Depository Services (India) Limited (CDSL). It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility, and a Member may avail of the facility at his/her/its discretion, subject to compliance with the instructions prescribed below:

#### Procedure/ Instructions for remote e-voting are as under:

The remote e-voting period begins on Sunday, 16th September, 2018 from 9.00 a.m. (IST) and ends on Tuesday, 18th September, 2018 at 5.00 p.m. (IST). During this period, Shareholders of the Company, holding shares either in physical form or dematerialised form, as on the cut-off date i.e. 12th September, 2018, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Any person who becomes a Member of the Company after dispatch of the Notice of the 34th AGM and holding shares as on the cut-off date i.e. 12th September, 2018, may contact RTA to obtain the User ID and Password to vote on the Resolutions as set out in the said Notice through remote e-voting procedure. Please follow the below procedure for remote e-voting:

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

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field. The Sequence number is printed on a separate letter addressed to the Shareholders individually, containing particulars of remote e-voting sent along with the notice of 34th Annual General Meeting of the Company.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's (zero) before the number after the first two characters of the name in CAPITAL letters. e.g. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>

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DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank details in order to login. If the details are not recorded with the depository or Company please enter the member id/ folio number in the Dividend Bank details field.</li> </ul>

- (h) After entering these details appropriately, click on "SUBMIT" tab.
- (i) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be used by the demat holders for voting on resolutions of any other Company also on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (k) Click on the EVSN for the relevant "Schablona India Limited" on which you choose to vote.
- (l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (q) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (r) Note for Non-Individual Shareholders and Custodians :
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

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- (s) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- (t) The voting rights of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. 12th September, 2018.

### General:

- (a) In case, Members cast their vote exercising both the options i.e. voting through electronic means (remote e-voting) and by means of Ballot Paper at the AGM, then votes casted through remote e-voting shall only be taken into consideration and treated valid.
- (b) In case of joint shareholders attending the AGM, only such joint holder who is higher in the order of the names will be entitled to vote.
- (c) The Board of Directors of the Company at their meeting held on 24th May, 2018, had appointed Mr. Pradeep Pincha, Partner of M/s. Pincha & Co., Company Secretaries, (Membership No. 5369, CP No. 4426) as the Scrutinizer to scrutinize the remote e-voting process and voting through Ballot Papers at the AGM in a fair and transparent manner.
- (d) The Scrutinizer, after conclusion of the voting at the AGM through Ballot Papers, first count the votes cast at the AGM and thereafter unblock the votes casted through remote e-voting in the presence of at least two witnesses not in employment of the Company and shall not later than three days of the conclusion of the AGM, make a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any and submit the same to the Chairman of the Company or a person so authorised by him in writing, who shall countersign the same and declare the results of voting forthwith.
- (e) The results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website i.e. [www.schablona.in](http://www.schablona.in) and on the website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com). The results shall simultaneously be communicated to BSE Limited, where the equity shares of the Company are listed.
- (f) Subject to the receipt of requisite number of votes, the Resolutions set out in the Notice of the 34th AGM of the Company, shall deemed to be passed on the date of the AGM i.e. 19th September, 2018.

### BRIEF RESUME AND OTHER INFORMATION PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IN RESPECT OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

Mr. N. Goenka (DIN: 00060864), Director of the Company, is aged about 53 years and is a graduate in Commerce. He has over 30 years of experience in Finance and Secretarial. He is a Non-Executive Non Independent Director and Chairman of the Company. He is also holding Chairmanship in the Stakeholders Relationship Committee of the Company and is a member of the Audit and Nomination and Remuneration Committee of the Company. He is also on the Board of few Group Investment Companies. His long standing experience and knowledge will be useful to the Company. At present he is not holding any shares in the Company.

By Order of the Board  
For **Schablona India Limited**

Place : New Delhi  
Date : 24th May, 2018

**N. Goenka**  
Director

## SCHABLONA INDIA LIMITED

### DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Thirty-Fourth Annual Report together with the Financial Statements of the Company for the year ended 31 March, 2018.

### FINANCIAL SUMMARY

	(Rs. in Lacs)	
PARTICULARS	31.03.2018	31.03.2017
Revenue (Net Sales)	2,343.44	2,270.04
Loss for the year under review	338.53	541.22
Add: Depreciation for the year	52.51	49.99
Loss for the year before tax	391.04	591.21
Less: Deferred Tax Charges	111.91	-
Loss after Tax	502.95	591.21
Less: Balance brought forward from earlier years	1,090.02	(498.81)
Deficit carried to Balance Sheet	1,592.97	1,090.02

### OPERATIONS

Net Sales of the Company increased from Rs. 2,270.04 lakh in the previous year to Rs. 2,343.44 lakh in the year under review.

A nominal growth of 8.68% was registered in the Decorated Tile Division while a de-growth of 16.14% was registered in the Transfer (Decal) Division.

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 now technically more advanced against Screen Printing in Decorated Tile.
- Setting up of Captive Plants by major users of Decals manufactured by the Company, because of low cost of such plants.

### MARKET AND FUTURE PROSPECTS

#### Ceramic Transfer Sheets (Decals)

Manufactures of Tableware are setting up their Captive Plants, resulting into lower utilisation of our capacity. However, because of quality and design supremacy your Company is expecting to retain its customers.

#### Decorated Tiles

Digital Printing on Basic Tiles became technically more advance against screen printing leading to remain incompetent in the market. However efforts are being made to improve in this segment.

## SCHABLONA INDIA LIMITED

### DIVIDEND

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

### 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 2009-10 was transferred to IEPF on 25 September, 2017 and the amount of unpaid/ unclaimed dividend in respect of the financial year 2010-11 is due for transfer to IEPF on or after 7 October, 2018.

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 25 August, 2017 (the date of last Annual General Meeting) on the website of the Company [www.schablona.in](http://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 encashed/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. Accordingly, the Company has transferred 111,600 Equity Shares of Rs. 4/- each to IEPF whose dividend has not been encashed for consecutive 7 years from 2008-09 and 13,103 Equity Shares of Rs. 4/- each for the year 2009-2010, details of which are also available on website of the Company. Similarly, the Company will transfer such shares to the Demat Account of IEPF Authority on which dividend for 2010-11 has not been encashed for consecutive 7 years, as per the guidelines issued by the concerned authority/(ies), from time to time. However, the Members may claim the same from the concerned authority/(ies) by complying with necessary formalities provided thereunder.

### OPEN OFFER TO SHAREHOLDERS BY PROMOTORS

During the year under review, M/s. Bhilwara Holdings Limited and Sarvottam Vanijya Limited, promoters of the Company, agreed to sell their entire equity stake in the Company to Mr. Shreekant Somany, Mr. Abhishek Somany and Mr. Shrivatsa Somany "the acquirers and ultimate beneficiary", by way of a Share Sale and Purchase Agreement dated 24 November, 2017. In terms of the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, the acquirer issued a Public Announcement on 24 November, 2017 to make an open offer to the equity shareholders of the Company. After the receipt of SEBI's nod, the offer opened on 13 March, 2018 and closed on 26 March 2018. Mr. Shreekant Somany, Mr. Abhishek Somany and Mr. Shrivatsa Somany, jointly acquired 1,83,565 equity shares of the Company under the open offer. Subsequent to these acquisitions on 11th April, 2018, Mr. Shreekant Somany, Mr. Abhishek Somany and Mr. Shrivatsa Somany, the promoters of the Company, collectively, holds 61.84% of the equity capital of the Company.

### 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.

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company during the financial year under review.

## SCHABLONA INDIA LIMITED

### 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 period 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. Accordingly M/s. A. K. Maheshwari & Associates, Chartered Accountants, will cease to be Statutory Auditors of the Company at conclusion of the ensuing AGM of the Company.

The Company has received a letter from M/s. Shalin Poddar & Associates, Chartered Accountants, conforming that they are eligible for appointment as Statutory Auditors of the Company under Section 139 of the Companies Act, 2013 and meet the criteria for appointments specified in Section 141 of the said Act.

Based on the recommendations of the Audit Committee, the Board of Directors of the Company have recommended the appointment of M/s Shalin Poddar & Associates, Chartered Accountants, having Firm Registration No. 020397C as Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of the 34th AGM of the Company till conclusion of 39th AGM of the Company to be held in the year 2023, subject to the approval of Shareholders.

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

The Secretarial Audit Report for the financial year 2017-18, in terms of Section 204(1) of the Companies Act, 2013, submitted by M/s. Drolia & Company, Practicing Company Secretaries, having Certificate of Practice No. 1362, the Secretarial Auditors appointed by the Board, 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 5 (five) 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 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.

## SCHABLONA INDIA LIMITED

### RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered by the Company during the financial year 2017-18, 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](http://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'.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31st March, 2018, there were four (4) Directors on the Board of your Company consisting of two (2) Independent Directors, one (1) Executive Director and one (1) Non-Executive Non-Independent Director. In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. N. Goenka, Non-Executive Non-Independent 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 34th Annual General Meeting of the Company.

### 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.