

**16<sup>th</sup>**  
**Annual Report**  

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**2014 - 2015**

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**DECOLIGHT CERAMICS LIMITED**  
MORBI

## DECOLIGHT CERAMICS LIMITED

### 16th ANNUAL REPORT

2014-2015

#### **BOARD OF DIRECTORS :**

Kantilal Maganlal Pethapara	Chairman, CFO & Managing Director
Girishbhai Maganlal Pethapara	Whole-Time Director
Vasant Avacharbhai Kaila	Independent Director
Vijaybhai Maganlal Vidja	Independent Director
Mr. Dharmendra M Soni	Compliance Officer

#### **REGISTERED OFFICE ADDRESS :**

Behind Romer Ceramics, Ghuntu Road,  
Morbi, Gujarat - 363642.

Tel.: 02822-241156

Email : Decolight2012@yahoo.com

Website : www.decocovering.com



#### **FACTORY OFFICE ADDRESS :**

Survey No. 650 & 651P,  
Old Ghuntu Road, Morbi - 363 642.

#### **REGISTRARS :**

Bigshare Services Pvt. Ltd,  
E-2/3, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka, Andheri (East),  
Mumbai, Maharashtra - 400072.

Tel.: 022-28560652

Fax : 022-28475207

Email : info@bigshareonline.com

Website : www.bigshareonline.com

**CIN : L26914GJ2000PLC037494**

**NOTICE**

NOTICE is hereby given that the SIXTEENTH ANNUAL GENERAL MEETING of the Members of DECOLIGHT CERAMICS LIMITED will be held at Morden Hall, Shanala By Pass, Morbi - 363641, Dist: Rajkot, Gujarat, India, on Monday, the 28th September, 2015 at 11:00 a.m. to transact the following business:

**Ordinary Business :**

1. To receive, consider and adopt the Balance Sheet as at March 31, 2015 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Kantibhai M Pethapara (DIN: 00055108) who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint M/s G.P. Kapadia & Co. Chartered Accountants, Morvi, Firm No. 104768W, as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution:

"Resolved that M/s G.P. Kapadia & Co., Chartered Accountants, Morvi, Firm No. 104768W, be and are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the consecutive fifth Annual General Meeting, subject to ratification by members at every annual general meeting, on such remuneration as may be determined by the Board of Directors in consultation with the Auditors."

**Special Business :**

4. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:  
"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 the consent of the Company be and is hereby accorded to the re-appointment of Mr. Girishbhai M Pethapara (DIN: 00380910), as Whole-time Director of the Company, for a period of three years commencing from 01.10.2015 on remuneration, terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Girishbhai M Pethapara (DIN: 00380910) Managing Director, including the monetary value thereof, to the extent recommended by the nomination and remuneration committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER that any one of the Directors be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

5. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:  
"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 the consent of the Company be and is hereby accorded to the re-appointment of Mr. Kantibhai M Pethapara (DIN: 00055108), as Managing Director of the Company, for a period of three years commencing from 01.10.2015 on remuneration, terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Kantibhai M Pethapara (DIN: 00055108) Managing Director, including the monetary value thereof, to the extent recommended by the nomination and remuneration committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER that any one of the Directors be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

**By order of the Board of Directors  
Sd/-**

**Place : Morbi  
Date : 30th June, 2015**

**Kantilal Maganlal Pethapara  
Managing Director  
(DIN : 00055108)**

**Registered Office:  
B/h. Romer Ceramic,  
Old Ghuntu Road, Morbi - 363642.**



**NOTE :**

1. The relative Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act"), with respect to the special business set out in Item Nos. 3, 4 and 5 above, is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.
3. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions/ authority, as applicable.
4. Electronic copy of the Annual report is being sent to all the members whose email IDs are registered with the Company/ Depositories unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
5. The Register of members and share transfer books of the Company will remain closed from 23th September, 2015 to 28th September, 2015 (both day inclusive) for the purpose of Annual General Meeting of the Company.
6. The members are requested to intimate their change of address, if any, immediately to the companies & its Registrar and Transfer Agent (RTA) Viz. M/s. Bigshare Services Pvt. Ltd., E-23, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai -400072, Tel: 91-22-28470652, Email: investors @bigshareonline.com, . In case shares are held in electronic form, this information should be passed on directly to their respective Depository Participant (DP).

Members holding shares in physical form may please note that as per the recent changes in Listing Agreement, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company / RTAs for registration of such shares.

To serve you better, our RTA Agent has launched Gen-Next Investor Module iBoss the most advanced tool to interact with shareholders. Please log on to iBoss ([www.bigshareonline.com](http://www.bigshareonline.com)) and help them serve you better."

Queries on accounts may please be sent to the Company seven days in advance of the Annual General Meeting so that the satisfactory answers may be made available at the meeting.

Members may also note that the Annual Report for FY 2014-15 will also be available on the Company's website [www.decocovering.com](http://www.decocovering.com) for their download.

7. Share transfer documents and all correspondence relating thereto, should be addressed at the Registered Office of the Company or the Registrar and Transfer Agents of the Company.
8. Members are requested to notify immediately any change in their addresses at the registered office of the Company or to the R.T.A. of the Company.
9. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Members are provided with the facility to cast their votes on resolutions through e-voting services provided by National Depository Services Limited ("NSDL"). In order to enable its Members, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for voting through Ballot Form are given at the back of the said form and instructions for e-voting are given at Note No.12 annexed to this Notice. Resolution(s) passed by Members through Ballot Forms or e-voting is/are deemed to have been passed as if they have been passed at the AGM.
10. Members who hold shares in dematerialized form are requested to write their client ID and DPID numbers and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting.
11. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies of Annual Report and the attendance slip at the Annual General Meeting of the Company.
12. **Steps for e-voting :**
  1. Open the internet browser and type the following URL : <https://www.evoting.nsdl.com>
  2. Click on Shareholder-Login



3. If you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for Login.
4. If you are logging in for the first time, please enter the User ID and Password provided in this document.
5. The Password Change Menu will appear on your screen. Change to a new Password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of the two. Please take utmost care to keep your Password confidential.
6. Once the e-voting homepage opens, click on e-Voting > Active Voting Cycles.
7. Select the EVEN (E-Voting Event Number) of Decolight Ceramics Limited (the number is provided in this document). Once you enter the number, the Cast Vote page will open. Now you are ready for e-voting.
8. Cast your vote by selecting your favored option and clicking Submit. Also click Confirm when prompted. Please note that once your vote is cast on the selected resolution, it cannot be modified.
9. Institutional shareholders (i.e. members other than individuals, HUF, NRIs, etc.) are required to send a scanned copy (PDF / JPG format) of the relevant board resolution / authority letter, etc., together with the attested specimen signature(s) of the duly authorized signatory(ies) who is/are authorized to vote, to the scrutinizer via email at : vachhani.dhaval@gmail.com, with a copy marked to evoting@nsdl.co.in
10. For members whose email IDs are not registered with the Company / Depository Participant(s), the following instructions may be followed :
11. The initial password is provided in the E-voting particulars section this document.
12. Please follow all the steps from Sl. No. 1 to Sl. No. 9 mentioned above, in order to successfully cast your vote.
13. In case of any queries, please refer to the Frequently Asked Questions (FAQs) for members and the e-voting user manual for members available in the 'Downloads' section of <https://www.evoting.nsdl.com>. You can also mail your queries to NSDL by sending an email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
14. You can also update your mobile number and email ID in the user profile details of the folio, which may be used for sending future communication.

**General instructions :**

- a. The e-voting period commences on 25th September, 2015 (09:00 a.m. IST) and ends on 27th September, 2015 (05:00 p.m. IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., 21st September, 2015, may cast their vote electronically. The e-voting module will be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently or cast the vote again.
- b. Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the Notice of AGM and holds shares as of the cut-off date i.e. 21st September, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset the password by using 'Forgot User Details / Password' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c. A member may participate in the AGM even after exercising his right to vote through remote e-voting, but shall not be allowed to vote again at the AGM.
- d. The facility for voting through ballot will also be made available at the AGM, and members attending the AGM who have not already cast their vote by remote e-voting will be able to exercise their right at the AGM. Shareholders who have not cast their vote electronically, by remote e-voting may only cast their vote at the AGM through ballot paper.
- e. The voting rights of shareholders shall be in proportion to their shares of in the paid-up equity share capital of the Company as on 21st September, 2015.
- f. Mr. Dhaval Vachhani, Practicing Company Secretary (Membership No. ACS 35844), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- g. At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.



- h. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, not later than three days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith.
- i. The result, along with the Scrutinizer's Report, will be placed on the Company's website, www.decocovering.com and on the website of NSDL immediately after the result is declared by the Chairman or any other person authorized by the Chairman, and the same shall be communicated to the BSE Ltd.

All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102 (1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the 16th Annual General Meeting of the Company.

**1. Details of directors retiring by rotation and eligible for reappointment in terms of paragraph IV(G)(i) of Clause 49 of the Listing Agreement :**

<b>Particulars</b>	<b>Mr. Kantibhai M Pethapara</b>
Date of Appointment	07.03.2000 (Last reappointed as Managing Director w.e.f. 01.10.2011 to 30.09.2015 )
Date of birth	21.06.1958
Qualification	BSc in Agriculture Science
Expertise in functional area	He has been associated with the Company since inception and he possesses about 18 years of experience in the Ceramic Industry.
	He held the post of Assistant Seed Certification Officer with Gujarat State for a period of sixteen for a period of thirteen years prior to joining the Company.
List of other Limited Companies in which Directorships held	DECO GOLD ELECTRONICS LIMITED
Chairmanship/ Membership of other Board Committees	Member of Audit Committee Member of Nomination And Remuneration Committee Member of Stakeholders Relationship And Investors Grievance Committee
Share holding in Deco Light Ceramics Ltd.	22160 shares (0.0458% w.r.t. the paid up equity share capital of the Company).

**By order of the Board of Directors**

**Sd/-**

**Place : Morbi  
Date : 30th June, 2015  
Registered Office :  
B/h. Romer Ceramic,  
Old Ghuntu Road, Morbi - 363642.**

**Kantilal Maganlal Pethapara  
Managing Director  
(DIN : 00055108)**

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice :

**ITEM NO. 3 :**

M/s SVK & Associates, Chartered Accountants, Ahmedabad were appointed Statutory Auditors of the Company at the last Annual General Meeting (AGM) pursuant to provisions of Section 224, 224A, 225 and other applicable provisions of the Companies Act, 1956 to hold office until the conclusion of this AGM. They have been in the office for a period of ten years now.

In pursuance of Section 139(2) of the Companies Act, 2013, every Listed Company shall not appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. As per Rule 6(3) of the Companies (Audit and Auditors) Rules, 2014, the period for which the firm has held office as auditor prior to the commencement of the act shall be taken into account for calculating the period of five consecutive years (in case of individual as Auditor) or ten consecutive years (in case of firm as an Auditor) as the case may be. Accordingly it is proposed to appoint M/s G.P. Kapadia & Co., Chartered Accountants, Morvi, (Firm Registration No: 104768W) as the Statutory Auditor of the Company, for a term of consecutive five years i.e. from the conclusion of this AGM to the conclusion of the consecutive five AGM, subject to ratification by members at every AGM.

Your Directors, therefore, recommend the proposed resolution for your approval.

**ITEM NO. 4 :**

Mr. Girishbhai M Pethapara, aged 59 years, is a co-promoter and Whole-time Director of the Company and having over 19 years of industry experience. He has a degree in Electrical Engineering from Saurashtra University. He holds 23000 equity shares representing 0.00476 per cent of the equity share capital of the company. He is not a member of any committee of the Company.

His current term of appointment as Whole-time Director of the Company will expire on September 30, 2015. He has excellent grasp and thorough knowledge and experience of not only of engineering but also of general management and company business. His knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Mr. Girishbhai M Pethapara should be available to the Company for a further period of three years with effect from 1st October, 2015.

In terms of the provisions of the Companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Board and the Board of Directors have, at their meeting held on June 30, 2015, re-appointed him as Managing Director of the Company for a further period of three years with effect from October 01st, 2015 on the current remuneration of 24,00,000/- (Rupees Twenty Four Lakhs Only) per annum. In case, the Company has no profits or its profits are inadequate, then the remuneration shall be paid to him in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act.

Following are the details of the annual salary (payable monthly) proposed to be paid to Mr. Girishbhai M Pethapara, Whole-time Director: -

Consolidated Salary including Perquisites -Rs 24,00,000/- (Rupees Twenty-four Lakhs only).

In addition to the above, he shall be entitled to receive the following: -

- a. Gratuity as per the rules of the Company, but not exceeding half a month's salary for each completed year of service.
- b. Encashment of leave at the end of tenure.
- c. Provision of car for use on Company's business.
- d. Free landline telephone facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.

**ITEM NO. 5 :**

Mr. Kantibhai M Pethapara, aged 57 years, is a co-promoter and Managing Director of the Company and having over 18 years of industry experience. He has a degree in Agricultural Science. He holds 22160 equity shares representing 0.00458 per cent of the equity share capital of the company. He is a member of the Committees of the Board.

His current term of appointment as Managing Director of the Company will expire on September 30th, 2015. He has excellent grasp and thorough knowledge and experience of financial management, industry matters and company's business. His knowledge of various aspects relating to the Company's affairs and long business experience, the Board



of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Mr. Kantibhai M Pethapara should be available to the Company for a further period of three years with effect from 01st October, 2015.

In terms of the provisions of the Companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Board and the Board of Directors have, at their meeting held on June 30th, 2015, re-appointed him as Joint Managing Director of the Company for a further period of three years with effect from October 01th, 2015 on the current remuneration of 24,00,000/- (Rupees Twenty Four Lakhs Only) per annum. In case, the Company has no profits or its profits are inadequate, then the remuneration shall be paid to him in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act.

Following are the details of the annual salary (payable monthly) proposed to be paid to Mr. Kantibhai M Pethapara, Joint Managing Director: -

Consolidated Salary including Perquisites- Rs. 24,00,000/- (Rupees Twenty-four Lakhs only).

In addition to the above, he shall be entitled to receive the following: -

- a. Gratuity as per the rules of the Company, but not exceeding half a month's salary for each completed year of service.
- b. Encashment of leave at the end of tenure.
- c. Provision of car for use on Company's business.
- d. Free landline telephone facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.

Mr Girishbhai M Pethapara and Mr Kantibhai M Pethapara are Directors and brothers inter se; all two directors are deemed to be concerned or interested in the resolution.

**By order of the Board of Directors**



**Place : Morbi  
Date : 30th June, 2015  
Registered Office :  
B/h. Romer Ceramic, Old Ghuntu Road,  
Morbi - 363 642.**

**Sd/-  
Kantilal Maganlal Pethapara  
Managing Director  
(DIN : 00055108)**





DIRECTORS' REPORT

To,  
The Members,

Your Directors are pleased to present their report on the working of the company along with the Audited Accounts for the year ended 31st March, 2015:

**1. FINANCIAL RESULTS :**

The details of the financial performance of the company are appearing in the Balance sheet, Profit & Loss Account along with other financial statement.

Highlights are as under :-

(Rs. In Lacs)

Particulars	2014-15	2013-14
Total Income from operations	237.31	1019.85
Profit before considering Exceptional items, Prior Period Items, Interest, Depreciation and Taxation	-929.96	-1756.97
Less: Interest & Financial Charges	564.56	498.37
Less: Depreciation	514.37	431.86
Profit / (Loss) before considering Exceptional Items, prior period Item and Tax	-2008.89	-2687.20
Less: Exceptional Items	830.28	789.81
Profit / (Loss) after exceptional items and before prior period Item and tax	-2839.17	-3477.01
Less: Prior period items	5.00	-
Profit / (Loss) Before Tax	-2844.17	-3477.01
Provision for taxation	-	-
Profit / (Loss) after Tax	-2844.17	-3477.01
Add: Balance of Profit brought forward from previous year	-3222.67	254.34
Profit available for appropriation	-6066.84	-3222.67
Appropriation to:	--	--
Proposed Dividend on Equity Shares	--	--
Balance Carried over to the Balance Sheet	-6066.84	-3222.67

**2. TRANSFER TO RESERVES :**

In view of the state of affairs of the company as highlighted herein, no amount is proposed to be transferred to reserves.

**3. DIVIDEND :**

Your directors do not recommend any dividend for the year 2014-15 due to the performance of the company not meeting management expectations.

**4. BUSINESS PERFORMANCE :**

The business performance of the company was seriously affected owing to financial difficulties. The manufacturing facilities and the plant were not operational due to grave financial difficulties. Fixed expenses, interest charges and other expenses remained thus unabsorbed leading to incurring losses as given above.

**5. PRESENT STATE OF AFFAIRS OF THE COMPANY :**

The Company has been served with notice under SARFAESI Act for recovery of dues and presently the properties of the company including collaterals are under symbolic possession of the Bank. There was no plant and manufacturing facilities operations presently. The management's efforts are on to find solution to the problems of the company including willing potential investors.

**6. CORPORATE HIGHLIGHTS :**

**Capacity Expansion :**

The current capacity of the company's manufacturing facilities for the production of vitrified tiles stand at 12000 sq. mtrs per day. There was no capacity expansion during the year under review.



**7. SHARE CAPITAL & SUSPENSION OF TRADING IN SECURITIES :**

**A) Issue of equity shares with differential rights.**

The Company has not issued any equity shares with differential rights during the year under review.

**B) Issue of sweat equity shares**

The Company has not issued any Sweat Equity Shares during the year under review.

**C) Issue of employee stock options**

The Company has not provided any Stock Option Scheme to the employees.

**D) Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees**

The Company has not bought back or provided for buyback of any of its securities during the year under review.

**E) Issue of Bonus Shares**

No Bonus Shares were issued during the year under review.

Presently the company's total issued, subscribed and paid up capital stands at Rs, 48,33,54,440/- The company's shares have been listed in the Bombay Stock Exchange Ltd. and The National Stock Exchange Ltd. Trading of securities of the Company remains suspended from the first week of May, 2015 in NSE for reasons of non/late compliance and non-payment of listing fees, fines, etc. as the company continued to be in financial difficulties. In BSE also call auction is suspended due to penal reasons. Listing fee arrears for 2013-14 and listing fee for 2014-15 is yet to pay.

**8. PUBLIC DEPOSITS :**

The Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

**9. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES :**

The names of each of the companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year along with the details of their performance and financial position, to be mentioned separately: NIL

**10. PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS UNDER SECTION 186 : NIL**

There are no Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

**11. LISTING :**

The equity shares of the Company are listed with Bombay Stock Exchange (BSE), and National Stock Exchange (NSE).

**12. AWARDS AND RECOGNITIONS :**

During the year under review the company is not in receipt of any award or recognition.

**13. HEALTH, SAFETY, AND ENVIRONMENT :**

The Company is taking continuous steps and also developing environment friendly processes for effective resource management with specific focus to energy, water and basic raw materials. Monitoring and periodic review of the HSE Management System is done on a continuous basis with emphasis and focus given to safety at workplace. For better environment management operations, the Company has implemented a Management System complying with the requirements of ISO 14001:2004 for manufacturing of Vitrified Tiles.

**14. QUALITY :**

The company's products undergo different quality parameter checking and the Company continues to focus on delivering products and services that consistently meet customer's expectations.

**15. EXTRACT OF ANNUAL RETURN :**

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, an extract of the Annual Return in Form MGT-9 is given as Annexure 'F' forming part of this Report.

**16. INSURANCE :**

All the assets of the Company are adequately insured and the policies are valid and subsisting.



**17. PARTICULARS OF THE EMPLOYEES :**

Pursuant to Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company states that none of the employees of the Company who was in receipt of remuneration in excess of Rs. 60 Lacs, if employed throughout the year or Rs. 5 Lacs per month, if employed for part of the financial year or received remuneration in excess of that drawn by the MD/WTD/Manager & holding 2% or more of equity share capital of the Company (himself along with spouse & dependent children). Hence, the disclosure as required by above Rule are not given as none of the employees qualify for such disclosure.

**18. EMPLOYEES STOCK OPTION SCHEME :**

Pursuant to Rule 12(9) of The Companies (Share Capital and Debentures) Rules, 2014, the Company has no Employees Stock Option Scheme in force hence disclosures are not, for the time being, applicable to the Company.

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

Presently the company's properties including collaterals are under its commercial banker's symbolic possession and so the plants and allied manufacturing facilities are not operational. The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee will be set up to redress complaints received regarding sexual harassment when the company will be fully operational. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During 2014-15 the company has not employed any women employee.

**20. VIGIL MECHANISM :**

The company established vigil mechanism for directors and employees to report genuine concerns. The vigil mechanism, Inter alia, provides for adequate safeguards against victimization of persons who use such mechanism and also makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

**21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO: :**

**A) CONSERVATION OF ENERGY :**

**a) Energy Conservation steps taken :**

Your Company continued to be committed to energy conservation in its manufacturing operations.

**i) Some significant Energy conservation steps implemented in the recent past are:**

1. The company took every necessary step towards reducing the consumption of energy.
2. The Company continued to reduce the firing cost of Tiles driers by effective recovery of waste heat for using in Roller Kilns and for this the company on a regular basis identified leakage points and necessary prevention / rectification is done / being done.
3. The Company made regular maintenance to plant and machinery in addition to design modifications in the machinery and allied equipments to aid in conservation of energy and improvement in operational efficiency.
4. The instructions of the energy auditor have been disseminated throughout the manufacturing set ups with the objective of creating awareness towards effective conservation of energy and reduction of costs.
5. Majority of the instructions have been implemented leading to substantial savings in specific energy consumptions.
6. The Company also uses the energy saving techniques by using the waste steam converting into vapors and then reusing the same in cooling and filtering the Coal gas.
7. To reduce the company's Spray Dryer fuel cost further, the company imported new Coal Stove in the past.
8. The company also imported digital testing machines towards upgrading its laboratory last year.

**ii) The steps taken by the company for utilizing alternate sources of energy ;**

Presently the company's properties including collaterals are under its commercial banker's



symbolic possession and so the plants and allied manufacturing facilities are not operational. Therefore, no steps were taken by the company for utilizing alternate sources of energy.

**iii) The capital investment on energy conservation equipment :**

There were no capital investments on energy conservation equipment during financial year 2014-15 owing to the company's properties including collaterals under symbolic possession with its commercial banker. Also, the plants and allied manufacturing facilities were not operational during 2014-15.

**B) TECHNOLOGY ABSORPTION :**

**Efforts made in technology absorption :**

During year 2014-15 the Company continued to pursue its research and development efforts in the areas of product concept development, raw material usage giving priority to local contents and product features and product quality improvement, reduction in the Kiln cycling of Vitrified Tiles, etc. However, the plant remained mostly closed during 2014-15 owing to financial difficulties and presently the plant is closed consequent upon symbolic possession of the company's properties by the company's commercial banker. As a result, the company could not pursue its intended programs technology absorption front.

The benefits derived are reflected in the products of the company in the form of improved product features, quality, product life, and better hygienic contents in addition to the increased business opportunities for the company's product that may accrue in the periods ahead.

The company has not imported any Technology during the last three years reckoned from the beginning of the financial year.

**The expenditure incurred on R & D :**

The company's property is under symbolic possession of the company's commercial banker and the plant is closed presently and there is substantial uncertainty with respect to future plan of action. The company is presently in grave financial difficulties. No amount therefore has been spent on R & D during the financial year 2014-15.

**Foreign exchange Earnings and Outgo :**

There are no Foreign Exchanges earned in terms of actual inflows during the financial year 2014-15. Also there are no Foreign Exchange outgoes during the financial year 2014-15 in terms of actual outflows.

**22. RISK MANAGEMENT POLICY :**

During the year 2014-15, the Board of Directors developed and implemented risk management policy for the company including identification of elements of risk which in the opinion of the board might threaten the existence of the company. The Company's Audit Committee terms of reference include evaluation of risk management systems and they are satisfied themselves that systems of risk management are robust and defensible.

The company periodically reviews its risk assessment and minimization procedures so as to ensure that executive management controls risk through means of a properly defined framework. Executive management of the company periodically places before the Audit Committee risk identification report and risk mitigation measures. Subject to the company's properties and collaterals now under the symbolic possession of the company's commercial bankers, the properties of the company are adequately insured from risk and where risk transfer is not practicable, such risks are retained and effectively controlled as per the Risk Management Policy of the Company.

**23. CORPORATE SOCIAL RESPONSIBILITY :**

Pursuant to the requirements of Section 135 (1) of the Companies Act, 2013, the Company states that the company is, for the year 2014-15, not meeting the criteria mentioned in the said section. Therefore the Company has not constituted any Corporate Responsibility Committee during the financial year 2014-15 and the composition of such committee not disclosed. Subject to the present state of affairs of the company, the company will constitute a Corporate Social Responsibility (CSR) Committee, as soon as the company's financial condition is improved, which shall formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the company as well as the amount of expenditure to be incurred on the activities as mentioned in the policy.

**24. INDUSTRIAL / HUMAN RELATIONS :**

The Industrial relations during the year under review continue to remain cordial between the workers and management. The Management appreciates the employees of all cadres for their dedicated service to the



Company, and expects continued support for higher level of productivity in achieving the targets set for the future. The Company continued its efforts in the HR policies and processes to further its performance.

**25. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

Management Discussion and Analysis Report as required under the Listing Agreement with the Stock Exchanges is attached as Annexure 'A'.

**26. DIRECTORS :**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company-

- i) Mr. Kantibhai M Pethapara, Director of the Company, retires by rotation and, being eligible, offers himself for re-appointment.
- ii) Mr. Girishbhai M Pethapara, Whole-time Director is being reappointed for a further term of three years effective from 1st October, 2015.
- iii) Mr Kantibhai M Pethapara, Managing Director, is being reappointed for a further term of three years effective from 1st October, 2015.
- iv) Mr. Jayantibhai M Pethapara, Director and Mr Ashvin H Bopaliya, Independent Director, resigned during the year 2014-15 w.e.f. 15.12.2014.

Appropriate resolution for the appointment of the aforesaid Director is being moved at the ensuing Annual General Meeting for your approval.

**27. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS :**

Pursuant to the requirements of Section 134 of the Companies Act, 2013, The Board of Directors met 07 (Seven) times during the year. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report attached hereto which forms part of this Report.

**28. BOARD EVALUATION / INDEPENDENT DIRECTORS MEETING :**

During the year under review, the Independent Directors met on February 14, 2015, inter alia, to discuss:

- 1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
- 2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- 3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

Manner of evaluation: Presently the company is in financial distress. Two of the directors already resigned. Auditors have expressed high uncertainty as to the status of going concern. Subject to these state of affairs, a framework for evaluation has been prepared and based on the framework, questionnaire has been made including different specific topics of evaluation and setting out different parameters / criteria against which the different topics as to the Board and its committees, Chairman and non-independent directors, have been evaluated, both individually and collectively, based on inputs received from directors and internal sources.

Performance of the Independent Directors was evaluated by the Peer group basis as per the evaluation criteria determined by the Nomination Committee, which inter alia, includes the following:

- Clear accountability
- \* More independent view
- \* More time to devote to task
- \* Other leadership skills and experiences
- \* Contribution to the development of (i) Strategy and (ii) risk management.
- \* Follow up on matters on which the independent directors expressed concern
- \* Relationship with other board members, the company secretary and senior management
- \* How actively and successfully do they refresh their knowledge and skill?
- \* Skill gaps



**29. APPOINTMENT / RE-APPOINTMENT OF INDEPENDENT DIRECTOR :**

Pursuant to Section 149 (10) of the Companies Act, 2013, the Company discloses that –

Shri Vasant A Kaila (DIN: 02680103), was appointed in the annual general meeting held on 29th September, 2014, as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term up to the conclusion of 18th Annual General Meeting of the Company in the calendar year 2017.

Shri Vijay M Vidja (DIN: 02680111), was appointed in the Annual General Meeting held on 29th September, 2014, as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term up to the conclusion of 18th Annual General Meeting of the Company in the calendar year 2017.

There are no re-appointments of independent director at the ensuing annual general meeting.

**30. CHANGE IN THE COMPOSITION OF THE BOARD :**

Pursuant to Section 168(1) of the Companies Act, 2013 read with Rule 8(5)(iii) of The Companies (Accounts) Rules, 2014, the details of directors or key managerial personnel who were appointed or have resigned during the year:

During the year 2014-15, Mr. Jayantibhai M Pethapara, and Mr. Ashwin H Bopaliya, Directors, have resigned from the office of Directors effective from 15th December, 2014. The Board appreciated the services rendered by them to the Company.

Reason for resignation by Mr. J M Pethapara, Director: Owing to financial difficulties the company is not in operation presently. Besides, the Company's commercial Banker had taken over symbolic possession of the company. These unfortunate developments badly affected his physical health and mental condition and therefore he was unable to continue in the Board or contribute anything to the Board. Under those backgrounds he tendered his resignation from the Board as Whole Time Director."

Reason for resignation by Mr. A H Bopaliya, Director: Owing to financial difficulties the company is not in operation presently. Besides, the Company's commercial Banker had taken over symbolic possession of the company and the plant is closed. In view of these developments, he was not willing to be in the Board and therefore he tendered his resignation from the Board and its committees on his own interest and accord.

Shri Suresh S Dave, Company Secretary, resigned from the Company effective from 15th December, 2014.

Reason for resignation by Mr. Suresh S Dave, Company Secretary: Due to pre-occupation.

**Declaration of fulfillment of independence**

Pursuant to Section 149 (7) of the Companies Act, 2013, the Company has received statement with respect to declaration of fulfillment of the criteria of independence by independent directors.

**Details of equity share with differential rights**

Pursuant to Rule 4(4) of The Companies (Share Capital and Debentures) Rules, 2014, the Company states that during the year 2014-15, the Company has not issued any equity shares with differential rights.

**Details of Sweat equity shares**

Pursuant to Rule 8(13) of The Companies (Share Capital and Debentures) Rules, 2014, the Company states that during the year 2014-15, the Company has not issued any sweat equity shares.

**Composition of Audit Committee**

Pursuant to the requirement of Section 177 (8) of the Companies Act, 2013, following is the composition of the Audit Committee for year 2014-15:

Mr. Vasant Avachar Kaila,	-- Chairman
Mr. Mr Vijay Maganlal Vidja	-- Member
Mr. Ashvin H Bopaliya	-- Member (resigned w.e.f.15.12.2015)
Mr. Kantibhai M Pethapara	-- Member

The recommendations of the audit committee, have been accepted by the Board.

**31. CORPORATE GOVERNANCE :**

The disclosures as required under the Corporate Governance have been furnished as part of this report. Subject to the ongoing financial difficulties, the Company has taken the requisite steps to comply with the recommendations concerning Corporate Governance. A report on Corporate Governance together with a certificate of compliance from the Practicing Company Secretary, forms part of this report.



**32. DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to the requirements under section 134 (3) (c) and (5) of the Companies Act, 2013, the Board of Directors of the Company hereby state 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 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; and (the auditors of the company have qualified that there is high uncertainty as to the going concern status of the company).
- (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.

**33. STATUTORY AUDITORS :**

Pursuant to provisions of Section 224 of the Companies Act, 1956, M/s SVK & Associates, Chartered Accountants, Ahmedabad , were the statutory auditors of the Company who hold office up to the conclusion of the this Annual General Meeting and they completed two terms of consecutive five years.

As per Section 139 (2) of the Companies Act, 2013, M/s G.P. Kapadia & Co., Chartered Accountants, Morbi, are being appointed as the new statutory auditors for a term of maximum five years from the conclusion of this AGM till the conclusion of the consecutive fifth annual general meeting, subject to ratification by Members at every annual general meeting. The Company has received a letter from M/s G.P. Kapadia & Co., Chartered Accountants, Morbi, to the effect that their re-appointment, if made, would be in accordance with the conditions prescribed under section 139 (2) of the Companies Act, 2013 and they are not disqualified for such reappointment within the meaning of Section 141 of the said Act.

The observation of the auditors referred to in the Auditors' Report have been suitably explained in the Notes on Accounts.

**34. AUDITORS' QUALIFICATION :**

Auditors have qualified the financial statements about unutilized funds of equity preferential issue privately placed lying in ICD of Rs 27.57 Crores is pending for renewal / receipt from respective parties. In this context, the management, proceeding legally, filed civil suit in Morbi Court for recovery of the above amount.

Auditors have also qualified the financial statements with respect to the Going Concern Aspect due to various reasons. In this context the management is putting their best efforts to find potential investors who can take the company on track and thus afford going concern status to the company.

**35. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS :**

The auditors in their report have qualified over going concern status of the company on the following grounds-

1. The short term borrowings of the company have been classified as NPA by the bank consequent to default in repayment of debt by the company.
2. Pending various statutory liabilities
3. Operational efficiency of the plant badly affected due to old technology based plant & machinery and also sale of certain machineries
4. Reduction in volume of sales operation resulting into cash losses owing to the financial operational and machinery related issues.
5. Various Contingent Liabilities not provided for.
6. Others like i) Power connection of the factory unit disconnected by the State Electricity Board ii) Bank has filed complain / legal suits on the company for sales of machineries / stock hypothecated to bank without its consent and also for recovery of its entire dues along with the interest iii) Differences in physical



verification of plant & machineries taken by bank and management of the company iv) Receivables/ advances and Payables/liabilities of the company are subject to confirmation of the concerned parties v) ongoing various litigations by government as well as non-government parties.

In this context, the management is putting their best efforts to find out solution to the problems of the company including willing potential investors who can take the company on track.

**36. SECRETARIAL AUDIT :**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. Kavita Khatri & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the Financial Year 2014-15. The Secretarial Audit Report is given as Annexure 'D' forming part of this Report.

The Secretarial Auditors have given adverse comments in their reports with respect to the appointment of Women Director, Chief Financial Officer and Company Secretary. In this context the management reports that the company was served with notice under SARFAESI Act for recovery of dues and presently the properties of the company including collaterals are under symbolic possession of the bank. There was no plant and manufacturing facilities operations during the year under review or presently. In such a situation, the company is continuously confronting financial difficulties in appointing key managerial persons and to keep them remunerated. Besides, given the state of affairs of the company, no candidate for women director was willing to join the Board. However, the management's efforts are on to appoint key managerial persons.

**37. ACKNOWLEDGEMENT :**

Your Directors place on record their sense of appreciation for the co-operation received from all.

**For and on behalf of Board of Directors**

Place : Morbi  
Date : 30th June, 2015



**Sd/-**  
**Kantilal Maganlal Pethapara**  
**Managing Director**  
**DIN : 00055108**





ANNEXURE A TO THE DIRECTORS' REPORT

Management's Discussion and Analysis

Financial Highlights:

Highlights are as under :

(Rs. In Lacs)

Particulars	2014-15	2013-14
Total Income from operations	237.31	1019.85
Profit before considering Exceptional items, Prior Period Items, Interest, Depreciation and Taxation	-929.96	-1756.97
Less: Interest & Financial Charges	564.56	498.37
Less: Depreciation	514.37	431.86
Profit / (Loss) before considering Exceptional Items, prior period Item and Tax	-2008.88	-2687.20
Less: Exceptional Items	830.28	789.81
Profit / (Loss) after exceptional items and before prior period Item and tax	-2839.17	-3477.01
Less: Prior period items	5.00	-
Profit / (Loss) Before Tax	-2844.17	-3477.01
Provision for taxation	-	-
Profit / (Loss) after Tax	-2844.17	-3477.01
Add: Balance of Profit brought forward from previous year	-3222.67	254.34
Profit available for appropriation	-6066.84	-3222.67
Appropriation to:	--	--
Proposed Dividend on Equity Shares	--	--
Balance Carried over to the Balance Sheet	-6066.84	-3222.67

The Business performance of the Company was seriously affected owing to financial difficulties. The manufacturing facilities and the plant were not operational due to grave financial difficulties. Fixed expenses, interest charges and other expenses remained thus unabsorbed leading to incurring losses as given above.

The Company has been served with notice under SARFAESI Act for recovery of dues and presently the properties of the company including collaterals are under symbolic possession of the bank. There was no plant and manufacturing facilities operations presently. The management's efforts are on to find solution to the problems of the company including willing potential investors.

Segment information :

The company is operating in one segment namely "Tiles and other building material, as given in the financial statement. The major and material activities of the company are restricted to only one geographical segment i.e. India, hence the secondary segment disclosure is not applicable.

Industry Structure & Developments :

Vitrified Tiles: The total size of the Indian ceramic industry is expected to be around Rs. 15000 Crores and out of this vitrified tiles segment is expected to constitute the size of Rs. 5500 Crores. The production capacity of vitrified tiles continued to remain 6,22,500 sq. mtrs. per day contributed by about 83 units. On global front, the consumption per head of ceramic tiles, which includes vitrified tiles, comes to 3 to 4 sq. mtr. in Europe, 1.8 sq.mtr. in China and 0.45sqmtr in India. The demand for vitrified tiles is driven by the developments and growth in construction, realty, housing and infrastructure sectors.

Company Outlook :

Vitrified Tiles: The size of the Vitrified Tiles segment is expected to constitute about 35% of the ceramic industry. With Vitrified Tiles, the size of the ceramic tiles market has increased considerably. It is expected that vitrified tiles segment will capture the bulk of the market gradually, replacing the conventional floor and wall tiles segment. These tiles are light and have the added advantage of being offered in designer looks as compared to mosaic tiles, which are heavier and more expensive to transport. The per capita consumption of ceramic tiles in India is very less as compared to



the other countries. Therefore, the vitrified tiles segment is likely to maintain its growth momentum as the invaluable aura and elegance of vitrified tiles flooring is distinctly visible and this attraction has stimulated the growth of the vitrified tiles segment and the segment is growing at a faster rate.

Presently the company's plant is closed and the company's commercial banker has taken over symbolic possession of the company's plant and properties including collateral securities. The management's efforts are on to find out suitable investors so as to resume the operations of the company and to clear the dues of the bank.

**Opportunity and threats :**

Due to the ongoing financial difficulties, presently the Company's plant is closed. Opportunities available in the industry in which the company is placed can be ceased only after inducting sufficient funds for which the management efforts are on including finding out potential and willing investors to take the company on track.

**Risks & Concerns :**

The ceramics industry is a highly energy intensive sector. Petroleum and raw material products together form the most critical component in the production of the industry .Higher input costs due to the cascading effect of inflation vis-à-vis manufacturing sector may contribute to shrinking of margins.

The ceramic industry has been modernizing continuously, by newer innovations in product design, quality etc. However, in order to make the Ceramic Industry domestically and globally competitive, initiatives in the national and international level for constant technological and quality up gradations must emerge.

The ceramic industry is suffering from labour issues and non-availability of skilled man power and to overcome this automation needs to be done for which capital infusion is needed. However, the increasing interest rate environment can put pressure on margin and cash flows in addition to deferring corporate capex plans.

The structure of Indian ceramics industry is highly fragmented with very few large players and a large number of SMEs who face problems of poor economies of scale.

**Internal Control Systems and their adequacy :**

**Internal Control :**

The Company has an adequate internal control system commensurate with the size of the company and nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services.

**Internal Audit :**

Looking to the small / nil volume of business operations carried out by the company during the year and critical financial position of the Company, no internal audits were carried out during 2014-15.

**Cautionary Statement :**

The statement in this report may be forward looking within the meaning of applicable laws or regulations. These statements are made on certain assumptions and expectations of future events. Actual results could however differ materially from those stated above. The Company and its Board of Directors assume no responsibility in respect of the forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information and events.

**Form No. MR-3  
SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015****[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,  
Decolight Ceramics Limited,  
B/h. Romer Ceramic, Old Ghuntu Road,  
At. Ghuntu Morbi, Gujarat.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Decolight Ceramics Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 not fully complied with the statutory provisions listed hereunder due to inadequate legal department owing to financial difficulties. However the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') 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 to the extent of Foreign Direct Investment and Overseas Direct Investment (Not Applicable to the company during the Audit Period).
- v. The following Regulations 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;
  - b. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- vi. Other laws applicable specifically to the Company namely :
  - a. Factories Act, 1948
  - b. Industrial Disputes Act, 1947
  - c. Employees State Insurance Act, 1948
  - d. Employees Provident Fund And Misc. Provisions Act, 1952
  - e. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
  - f. Payment of Bonus Act, 1965
  - g. Payment of Gratuity Act, 1972
  - h. Workmen's Compensation Act, 1923
  - i. The Trade Unions Act, 1926
  - j. Shops and Establishment Act, 1954
  - k. Laws related to wages
  - l. Law related to contract labour.
  - m. Trade mark Act, 1999.

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Stock Exchanges in India. I report that, during the year under review, the Company did not have sound Legal department therefore, the Company has not fully complied with the provisions of the Acts, rules, regulations and guidelines mentioned above and received notice from Bombay Stock Exchange for non Submission of Reconciliation of Share Capital Audit Report under provision of Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996. However the Company has submitted the above report lately after receiving that notice.



Further The Company has not paid the listing Fee of Both the National Stock Exchange & Bombay Stock Exchange under the Provision Clause 38(a) of Listing agreement.

I further report that, there were no actions / events in pursuance of:

- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998,
- (f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

Requiring compliance thereof by the Company during the financial year and the Secretarial Standards issued by The Institute of Company Secretaries of India were not applicable during the year.

I further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads / company secretary / CEO taken on record by the Board of Directors of the Company, in my opinion, the Company is not having adequate systems and processes and control mechanism to monitor and ensure compliance with applicable general laws like labour laws, competition law, and environmental laws. Further, for most of the time, the Company could not operate its plant continuously due to legal and financial crises and lay-off of employees, also the Company has closed its manufacturing unit and stopped the Production in rest of the time during the year.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place by resignation of Shri Ashwinbhai Harakhjibhai Bopaliya and Shri Jayantilal Maganlal Pethapara during the period under review were carried out in compliance with the provisions of the Act. As per information and explanation explained to me, the 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 to all Directors, 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. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded. However, the Management and officers of the Company has failed to produce complete documentation of such event.

I further report that, there are no 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.

I report further that, during the audit period,

1. The Company Secretary of the Company Mr. Suresh Somnath Dave has resigned on 15th December, 2014 and the Company is yet to appoint another Company Secretary in whole time Employment as per section 203 of the Companies Act, 2013, as the key managerial persons of the Company.
2. The Company has not appointed any Chief Financial Officer as per section 203 of the Companies Act, 2013, as the key managerial persons of the Company.
3. The Company has not Appointed Woman Director under the provisions of section 149 of the Companies Act, 2013.
4. The Company has received notice from Bank of India as on 04/06/2014 that the Bank has taken symbolic possession of the assets of the Company under section 13(4) SARFEASI Act, 2012 due to nonpayment of their dues.
5. The PGVIL(GER) & GSPC Ltd., both have discontinued the Electricity connection and gas supply, respectively owing to non-payment of their dues and invoked the fixed deposits held with them for realizing their dues and returned the remaining amount of FD to the Company.

**For Kavita Khatri & Associates  
Company Secretaries**

**Place : Ahmedabad  
Date : 30/05/2015**

**Kavita Khatri  
[Proprietor]  
Mem. No.: 25076**



**CORPORATE GOVERNANCE REPORT**

The report on Corporate Governance is pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges and forms a part of the report of the Board of Directors. Your Company has complied in respects with the applicable Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchanges. A Report on the Corporate Governance compliance is furnished below:

**1. CORPORATE GOVERNANCE PHILOSOPHY :**

Your Company is committed to the continued adoption and adherence to good Corporate Governance Practices, which shall ensure that all the concerned parties associated with the Company obtain requisite information, which would help them to make positive decision. Such Corporate Governance practices help enhance long-term shareholder value and interest of other stakeholders.

The Board fully appreciates the need of increased awareness for responsibility, transparency and professionalism and focus for effective control and management of the organization. The Company has adequate number of independent directors and committees of Board.

**2. BOARD OF DIRECTORS :**

The Board of Directors has a mix of Executive and Non executive Directors. Presently the Board comprises of two Executive directors including the Chairman and two Non Executive Directors which are also independent directors.

Except the two Executive Directors, who are brothers inter se, there is no relationship between the independent directors and all the directors are above 21 years of age and possess the requisite qualifications and experience useful to the company in their capacity as directors.

The composition of the Board and other relevant details relating to Directors for 2014-15 are given below :

Name of Director	Category	No. of other Directorships*		No. of other Committee memberships*		No. of Board Meetings attended	Attendance at last AGM
		Chairman	Director	Chairman	Member		
Mr. G.M.Pethapara (Chairman)	Promoter, Executive	1	1	None	None	7	Yes
Mr. K.M.Pethapara	Promoter Executive	1	1	None	None	7	Yes
Mr. J.M.Pethapara *	Promoter Executive	None	1	None	None	5	Yes
Mr. Vijay Maganlal Vidja	Independent Non-Executive	None	None	None	None	7	Yes
Mr. Vasant Avachar Kaila	Independent Non-Executive	None	None	None	None	7	Yes
Mr. Ashvin H. Bopaliya*	Independent Non-Executive	None	None	None	None	5	Yes

Last Annual General Meeting was held on 29th September, 2014.

\*ceased to be director from 15.12.2014

**3. DIRECTORS APPOINTMENT / REAPPOINTMENT :**

- i) Mr. Mr Kantibhai M Pethapara, Director of the Company, retires by rotation and, being eligible, offers himself for re-appointment.
- ii) Mr. Girishbhai M Pethapara, Whole-time Director is being reappointed for a further term of three years effective from 1st October, 2015.
- iii) Mr Kantibhai M Pethapara, Managing Director, is being reappointed for a further term of three years effective from 1st October, 2015.
- iv) Mr. Jayantibhai M Pethapara, Director and Mr Ashvin H Bopaliya, Independent Director, resigned during the year 2014-15 w.e.f. 15.12.2014.

Details of the directors seeking appointment / reappointment as required under Clause 49 IV(G) (i) are given in the annexure to the Notice of the 16th Annual General Meeting to be held on 18th September, 2015.

Appropriate resolution for the appointment / reappointment of the aforesaid Director is being moved at the ensuing Annual General Meeting.



**4. RESIGNATION :**

During the year 2014-15, Shri Jayantibhai M Pethapara, and Shri Ashwin H Bopaliya, Directors, have resigned from the office of Director effective from 15th December, 2015. The Board appreciated the services rendered by them to the Company.

Reason for resignation by Mr. J M Pethapara, Director: "It is understood that owing to financial difficulties the company is not in operation presently. Besides, the company's commercial banker has taken over symbolic possession of the company. These unfortunate developments have badly affected my physical health and mental condition and therefore I am unable to continue in the Board or contribute anything to the Board. Under those backgrounds I have tendered my resignation from the Board as Whole Time Director."

Reason for resignation by Mr. A H Bopaliya, Director: It is understood that owing to financial difficulties the company is not in operation presently. Besides, the company's commercial banker has taken over symbolic possession of the company and the plant is closed. In view of these developments, I am not willing to be in the Board and therefore I have tendered my resignation to the Board on my own interest and accord.

**5. ATTENDANCE OF DIRECTORS AT AGM :**

All the Promoter Executive Directors attended the AGM and the Chairman of Audit Committee and the other Independent Directors of the Company also attended at the meeting.

**6. BOARD MEETINGS :**

Number of Board meetings held during the financial year and dates of Board Meetings:-

Board Meeting	Date	Board Meeting	Date
1	25.04.2014	5	14.11.2014
2	30.05.2014	6	23.12.2014
3	14.08.2014	7	14.02.2015
4	25.08.2014		

**7. CODE OF CONDUCT :**

The Company has adopted Code of Conduct for all the Directors and Senior Management of the Company. The Code of Conduct is posted on the Website of the company. All the Board Members and senior management of the Company have affirmed compliance with Code of Conduct. The declaration on adopting the code of conduct is given elsewhere in the report.

**8. CODE FOR PREVENTION OF INSIDER TRADING PRACTICES :**

In compliance with the SEBI regulation on prevention of Insider Trading, the Company has framed a code of conduct for prevention of insider trading to be observed by the Directors, Officers and Designated Employees of the Company.

**9. AUDIT COMMITTEE :**

**The Composition of Audit Committee as on 31.03.2015**

- Mr. Vasant Avachar Kaila -- Chairman
- Mr. Mr Vijay Maganlal Vidja -- Member
- Mr. Ashvin H Bopaliya -- Member (resigned w.e.f.15.12.2015)
- Mr. Kantibhai M Pethapara -- Member

All the members of the Committee have exposure in the relevant areas. The Composition of the Committee is in conformity with Clause 49 (II)(A) of the Listing Agreement and Section 177(2) of the Companies Act, 2013.

Consequent upon resignation of Director, the committee was reconstituted effective from 23rd December, 2014.

**10. ROLE & TERMS OF REFERENCE :**

The role and terms of reference of the Audit Committee broadly are as under:

- i. Overseeing the Company's financial reporting process and to ensure that the financial statements are correct, sufficient and credible.
- ii. Recommending to the Board, the appointment, reappointment or removal of statutory auditor, fixation of audit fees and for other services.
- iii. Reviewing with the management, the quarterly and annual financial statements before submission to the Board for approval.



- iv. Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- v. Discussion with internal auditors any significant findings and follow up there on.
- vi. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- vii. In addition to the above, all items listed in Clause 49(II)(D) of the Listing Agreement.
- viii. Looking into the matters as required by the Companies Act, 2013, particularly of Section 177 or by rules framed thereunder.
- ix. Reviewing the functioning of Whistle Blower Mechanism.
- x. Evaluation of internal financial controls and risk management systems;
- xi. Appointment of CFO
- xii. Approval or any subsequent modification of transactions of the company with related parties (section 177(4)(iv)) of the Companies Act, 2013

**11. MEETINGS HELD :**

There are in all five Audit Committee Meetings held during the financial year 2014-15. The dates of meeting: 25.04.2014, 30.05.2014, 14.08.2014, 14.11.2014 and 14.02.2015.

Name	Meeting held	Attendance
Mr. Vasant Avachar Kaila -- Chairman	5	5
Mr. Vijay Maganlal Vidja -- Member	5	5
Mr. Ashvin H Bopaliya -- Member	4	4
Mr. Kantibhai M Pethapara -- Member	1	1

The Company Secretary of the Company was the Secretary to the Committee as of 15.12.2014 and since then he resigned.

**12. NOMINATION AND REMUNERATION COMMITTEE :**

Composition and terms of reference: As on date, the Nomination and Remuneration Committee comprises the following non-executive independent Directors in compliance with Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.

**Consequent upon resignation of Director, the committee was reconstituted effective from 23rd December, 2014.**

- Mr Vasant Avachar Kaila, -- Chairman
- Mr Mr Vijay Maganlal Vidja -- Member
- Mr Ashvin H Bopaliya -- Member (resigned w.e.f.15.12.2014)
- Mr Kantibhai M Pethapara -- Member

**Terms of Reference :**

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To recommend to the Board, the remuneration packages of the Company's Managing/ Joint Managing/ Deputy Managing/ Whole time/ Executive Directors and Key Management Personnel, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
- To be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on



behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/ Joint Managing/ Deputy Managing/ Whole time/ Executive Directors/ other Key Managerial Personnel, including pension rights and any compensation payment;

**Attendance during the year :**

There was one meeting of the committee during the year 2014-15.

Name	Meeting held	Attendance
Mr. Vasant Avachar Kaila -- Chairman	1	1
Mr. Vijay Maganlal Vidja -- Member	1	1
Mr. Kantibhai M Pethapar -- Member	1	1

(In view of inadequacy of profit and overdues with the Bankers, the three Executive Directors have not been paid any salary & perquisites during the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15.)

**13. REMUNERATION OF DIRECTORS :**

Independent Directors are paid sitting fees for attending Board and Committee meetings. The fees paid to them during the year are shown below:

<b>Non-Executive Directors :</b>	
Name of Director	Sitting Fees (Rs. In lakhs )
Mr Vasant Avachar Kaila	0.35
Mr Vijay Maganlal Vidja	0.35
Mr Ashvin H Bopaliya	0.25
Executive Directors:	
Name of Director	Salary & Perquisites *
Shri Girishbhai M. Pethapara	NIL
Shri Kantibhai M. Pethapara	NIL
Shri Jayantibhai M. Pethapara	NIL

**Remuneration Policy :**

The Company while deciding the remuneration package takes into consideration, the following:

- Employment scenario.
- Remuneration package of the industry / other industries for the requisite managerial talent.
- The qualification and experience held by the appointee.
- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

**14. STAKEHOLDERS RELATIONSHIP AND INVESTORS GRIEVANCE COMMITTEE :**

The details as to the composition of the Stakeholders Relationship and Investors Grievance Committee, and the attendance of the members of the Committee during the financial year ended 31st March, 2015 are as follows:

Consequent upon resignation of Director, the committee was reconstituted effective from 23rd December, 2014.

- Mr. Vasant Avachar Kaila, -- Chairman
- Mr. Mr Vijay Maganlal Vidja -- Member
- Mr. Ashvin H Bopaliya -- Member (resigned w.e.f.15.12.2014)
- Mr. Kantibhai M Pethapara -- Member

**Terms of Reference :**

The terms of reference of the Committee were also amended pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The revised terms of reference includes enquiring into and





redress complaints of shareholders and investors and to resolve the grievance of security holders of the Company.

**Status of complaints :**

During the year 2014-15 the Company has not received any complaint. As of 31st March, 2015, no complaints were pending to be resolved.

There are in all four Meetings of the Committee held during the financial year 2013-14. The dates of meeting: 30.05.2014, 14.08.2014, 14.11.2014 and 14.02.2015.

Name	Meeting held	Attendance
Mr. Vasant Avachar Kaila -- Chairman	4	4
Mr. Vijay Maganlal Vidja -- Member	4	4
Mr. Ashwin H Bopaliya -- Member (ceased to be director w.e.f.15.12.2014)	4	3
Mr. Kantibhai M Pethapara -- Member	4	1

Name and designation of Compliance Officer: Mr. Suresh S. Dave, Company Secretary & Compliance Officer (as of 15.12.2014).

**15. DETAILS OF GENERAL BODY MEETINGS :**

Location, date and time of General Meetings held during the last 3 years:

**Annual General Meeting :**

Year	Location	Date	Day	Time	No. of Special Resolutions
2011-12	Regd. Office: B/h. Romer Ceramic, Old. Ghuntu Road, Morbi – 363642	31.07.2012	Tuesday	12:00 p.m.	3*
2012-13	Regd. Office: B/h. Romer Ceramic, Old. Ghuntu Road, Morbi – 363642	12.09.2013	Thursday	12:30 p.m.	Nil
2013-14	Regd. Office: B/h. Romer Ceramic, Old. Ghuntu Road, Morbi – 363642	29.09.2014	Monday	12:30 p.m.	3**

**Year 2011-12 (AGM) \***

- 1) Resolutions reappointing MD/JMD/WTD(AGM)

**Year 2013-14 (AGM) \*\***

- 2) Resolutions under New Companies Act, 2013 for borrowing power / authorization of mortgage / charge, etc. And adoption of new articles of association.

In the last year none of the resolutions was required to be put through postal ballot. E-voting / polling were done.

**16. DISCLOSURES :**

**Related party transactions :**

The Company has not entered into any transactions of material nature, with its promoters, the directors, the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large except the related party transactions that are disclosed in the notes to the accounts. All contracts / transactions with the related parties entered into during the year were in the ordinary course of business and at arm's length price / fair market value prices and these were periodically brought to the notice of the Board and have no potential conflict with the interest of the Company at large.

**Disclosure of accounting treatment :**

The Company has followed all relevant and applicable Accounting Standards while preparing the financial statements.

**Risk Management :**

The company periodically reviews its risk assessment and minimization procedures so as to ensure that executive management controls risk through means of a properly defined framework. Executive management of the company periodically places before the Audit Committee risk identification report and risk mitigation measures.



The properties of the company are adequately insured from risk and where risk transfer is not practicable, such risks are retained and effectively controlled.

**Statutory Compliance, penalties :**

The company has received notices for late submission of stock exchange periodical returns. Presently the securities of the Company are suspended from trading in BSE and NSE.

As continuously reported in this part of the report, the company had been served with a show cause notice for Rs 4.91 Cr. by DGCEI, Ahmedabad, in furtherance of the search operations carried out by the DGCEI, Ahmedabad, in the month of March 2008. Besides, in connection with the search operations, during March 2008 the company paid Rs 4 crores under protest towards bail conditions of the two directors. In addition to this, as per the High Court Order last year consequent upon remand back of the case to lower Court, the Directors / Company submitted Solvency Certificate to the Lower Court in the sum of Rs 3.25 Cr pending adjudication of the case by Central Excise Authorities. The case is still pending to be adjudicated.

**Share Capital :**

Presently the Company's total issued, subscribed and paid up capital stands at Rs 48,33,54,440/-. The company's shares have been listed in the Bombay Stock Exchange Ltd. and The National Stock Exchange Ltd. The company is yet to pay the listing fees for 2014-15 owing to financial difficulties.

**Disclosure of unclaimed shares :**

The company has no unclaimed shares in the suspense account hence the information as per the Clause 5A of the listing agreement has not been provided / applicable.

**17. MEANS OF COMMUNICATION :**

The website of the Company [www.decocovering.com](http://www.decocovering.com) acts as the primary source of information regarding the activities, nature of businesses etc. of the Company. Dedicated email id for communication [dcl@decocovering.com](mailto:dcl@decocovering.com). Quarterly and half-yearly financial results were published in two news papers Financial Express and Indian Express and the same are also available with the company's website and stock exchanges website where the Companies shares are listed.

**18. INDEPENDENT DIRECTORS MEETING :**

During the year under review, the Independent Directors met on February 14, 2015, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

**Manner of evaluation :** Presently the company is in financial distress. Two of the directors already resigned. Auditors have expressed high uncertainty as to the status of going concern. Subject to these state of affairs, a framework for evaluation has been prepared and based on the framework, questionnaire has been made including different specific topics of evaluation and setting out different parameters / criteria against which the different topics as to the Board and its committees, Chairman and non-independent directors, have been evaluated, both individually and collectively, based on inputs received from directors and internal sources.

**19. GENERAL SHAREHOLDERS INFORMATION :**

**9.1. Annual General Meeting :**

**Date, Time and Venue of Annual General Meeting :**

**Date :** Monday, 28th September, 2015

**Time :** 11:00 A.M.

**Venue :** Morden Hall, Shanala By Pass, Morbi - 363641, Dist: Rajkot, Gujarat,

**9.2 Financial Year :** The Company's financial year is based on twelve months starting from April to March.

**Financial Calendar :** Q1 Results FY 2015-16 by August, 2015 2nd week  
 Q2 Results FY 2015-16 by November, 2015 2nd week  
 Q3 Results FY 2015-16 by February, 2016 1st / 2nd week  
 Q4 Results FY 2015-16 by May, 2016 2nd or last week



- 9.3 Dates of Book Closure :** The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, the 23th of September, 2015 to Monday, the 28th of September, 2015, both days inclusive, for AGM purposes.
- 9.4 Dividend Payment Date :** Not Applicable since the Board has not recommended any dividend for the year 2014-15.
- 9.5 Listing on Stock Exchanges :** The Company's shares are listed in the following stock exchanges:  
 a) The Bombay Stock Exchange Limited (BSE), Scrip Code: 532858  
 b) The National Stock Exchange Of India Limited (NSE): Symbol: Decolight.
- Note : The Company's securities are suspended from trading owing to penal reasons.

**SHARE DISTRIBUTION AS ON 31.03.2015 :**

Range	Total Holders	% of Total Holders	Total Holding	% of Total Capital
5000	6969	69.3157	13969880	2.8902
5001 10000	1356	13.4872	11384610	2.3553
10001 20000	775	7.7084	11694540	2.4195
20001 30000	260	2.5860	6732010	1.3928
30001 40000	121	1.2035	4347080	0.8994
40001 50000	131	1.3030	6296580	1.3027
50001 100000	218	2.1683	16639960	3.4426
100001 999999999	224	2.2280	412289780	85.2976
<b>Total</b>	<b>10054</b>		<b>4,83,35,444</b>	<b>100.000</b>

**SHAREHOLDING PATTERN AS ON 31.03.2015 :**

Category	No. of shares held	% of holding
<b>A. Promoter and Promoter Group :</b>		
Individuals / Hindu Undivided Family	130,135	0.27
Bodies Corporate	5,000	0.01
<b>Sub Total</b>	<b>135,135</b>	<b>0.28</b>
<b>B. Public Shareholding :</b>		
1 Institution		
Foreign Institutional Investors	215,507	0.45
2 Non-Institutions		
a) Bodies Corporate	24987606	51.69
b) Individuals holding nominal Share capital up to Rs 1 lakh	6648176	13.75
c) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	15683611	32.44
<b>Others :</b>		
i) Non-Resident Indians	409374	0.85
ii) Clearing Member	256035	0.52
<b>Sub Total</b>	<b>48,200,309</b>	<b>99.72</b>
<b>Grand Total (A+B)</b>	<b>48,335,444</b>	<b>100</b>



**9.6 Registrar and Transfer Agent :** The Company has entered into Memorandum of Understanding with M/s. Bigshare Services Private Limited and they are acting as Registrar and Transfer Agent (RTA) to the company. Investors / Shareholders may contact at the following address for any query: Bigshare Services Pvt. Ltd., E-23, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072, Tel: 91-22-28470652, Email: investor@bigshareonline.com/info@bigshareonline.com. Our RTA has recently launched Gen-Next Investor Module i'Boss the most advanced tool to interact with shareholders. Please log on to i'Boss (www.bigshareonline.com) and help them serve you better.

Share Transfer System: Share transfers are registered and returned within a period of 21 days of receipt, if the documents are in order in all respects. The Company has no unclaimed shares in suspense account. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement with Stock Exchanges and files a copy of the same with the Stock Exchanges where the company's shares are listed.

All the transfers received are processed by Registrar and Transfer Agents. Share transfers are registered and returned within maximum of 15 days from the date of lodgement if documents are complete in all respects. In case the shares are transferred through Demat mode, the procedure is adopted as stated in Depositories Act, 1996.

Dematerialization of shares: The dematerialization requests received were confirmed within 21 days from the date of receipt of DRF and Share Certificates. As on 31st March, 2015, 99.69% of the company's shares were in demat form and 0.31% of the shares were held in physical form. The company's ISIN: INE172101012

The Company has no outstanding GDRs / ADRs /Warrants or any convertible instruments.

**9.7 Plant Locations :** Survey No. 650 & 651 P, Old Ghuntu Road, Morbi - 363 642.

**9.8 Address for Correspondence :**

B/h. Romer Ceramics, Old Ghuntu Road,  
Morbi - 363642, Gujarat, India.

Tel: 91-2822-241156

Website: www.decocovering.com

Email: decolight2012@yahoo.com;

CIN: L26914GJ2000PLC037494



## DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

I, Kantibhai M. Pethapara, Managing Director of the Company hereby certify that :

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, the Board Members have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March, 2015.

**Place : Morbi**

**Date : 30th June, 2015**

**Kantibhai M. Pethapara**

**Managing Director**

**DIN : 00055108**

**CEO / CFO CERTIFICATION**

The Managing Director and the CFO heading the finance function has certified to the Board that:

- (a) He has reviewed the financial statements and the cash flow statement for the year and that to the best of his knowledge and belief:
  - (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 his knowledge and belief, no transactions entered into by the company during the period which are fraudulent, illegal or violative of the company's code of conduct.
- (c) He accepts the responsibility for establishing and maintaining internal controls and he has evaluated the effectiveness of the internal control systems of the company and he has disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which he is aware and the steps taken or propose to take to rectify the deficiencies.
- (d) He has indicated to the auditors and the Audit Committee
  - the significant changes in the internal control during the year
  - instances of significant fraud of which he has 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.

**Place : Morbi**  
**Date : 30th June, 2015**



**Kantibhai M. Pethapara**  
**Managing Director**  
**DIN : 00055108**



**MANAGEMENT RESPONSIBILITY STATEMENT :**

The financial statements are in full conformity with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. The Management of Decolight Ceramics Ltd. accepts responsibility for the integrity and objectivity of these financial statements, as well as, for estimates and judgments relating to matters not concluded by the year-end. The management believes that the financial statements reflect fairly the form and substance of transactions and reasonably presents the company's financial condition, and results of operations. To ensure this, the company has installed a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis. Our internal auditors have conducted periodical audits to provide reasonable assurance that the company's established policies and procedures have been followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls.

These financial statements have been audited by SVK & Associates, the statutory auditors of the company.

The Audit Committee of the Company meets periodically with the Chief Financial Officer, the Chief Accountant, Internal Auditors and Statutory Auditors to review the manner in which they are performing their responsibilities and to discuss auditing, internal controls and financial reporting issues. The ensure complete independence, the statutory auditors and internal auditors have full and free access to members of the Audit Committee to discuss any matter of substance.

The Audit Committee for the financial year 2014-15 consisted of :-

- |                           |  |
|---------------------------|--|
| Mr. Vasant Avachar Kaila  | -- Chairman                            |
| Mr. Vijay Maganlal Vidja  | -- Member                              |
| Mr. Ashvin H Bopaliya     | -- Member (resigned w.e.f. 15.12.2014) |
| Mr. Kantibhai M Pethapara | -- Member                              |

**Girishbhai M Pethapara**  
**Whole-time Director**  
**DIN : 00380910**  
**Place : Morbi**  
**Date : 30th June, 2015**

 **Value Research**  
**Kantibhai M Pethapara**  
**Managing Director/CEO & CFO**  
**DIN : 00055108**

**STATUS OF NON-MANDATORY REQUIREMENT :**

- 1 During the period under review, there was audit qualification in the financial statement which has been explained by the company. The company continues to adopt best practices to ensure unqualified financial statements.
- 2 All new directors are given orientation about the business, business model and risk profile of the business parameters of the company. No new directors have been appointed during the year under review.
- 3 The company established a Whistle-Blower Policy and placed the same in the Website of the company. The Company affirms that during the year under review the company has not denied any employee access to Audit Committee. The existence of the whistle-Blower Policy has been appropriately communicated throughout the organization, plant and manufacturing facilities.
- 4 The company provides all necessary infrastructure and assistance to the independent directors to enable them to discharge their responsibilities effectively.
- 5 The company did not send any half-yearly declaration of financial performance summary of the company to its shareholders.
- 6 The company established mechanism for evaluating non-executive Board Members.



**PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE**

**CERTIFICATE**

To,  
The Members  
Decolight Ceramics Limited  
Morbi.

I have examined the compliance of the conditions of Corporate Governance by Decolight Ceramics Limited (the Company) for the year ended on 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the Company's management. My examination was limited to the procedure 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 an opinion on the financial statements of the company.

In my opinion and to the best of my information and according to the explanation given to me the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement except various non compliances as mentioned in the Corporate Governance Report, Secretarial Audit Report & Statutory Audit Report. The details of transactions entered into by the Company with group companies / concerns and / or associates companies / concerns are stated by the Auditors in their Report and also stated in Notes to the Accounts. i.e. Note 27 Balance Sheet & Statement of Profit & Loss.

I 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 Aanal Satyawadi**

**Aanal Satyawadi  
(Proprietor)  
Mem. No: 31502  
COP 11558**

**Date : 30/05/2015  
Place : Ahmedabad**



FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2014

PURSUANT TO SECTION 92 (3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANY (MANAGEMENT & ADMINISTRATION) RULES, 2014.

I. REGISTRATION & OTHER DETAILS :

1. CIN	L26914GJ2000PLC037494
2. Registration Date	07th March, 2000
3. Name of the Company	DECOLIGHT CERAMICS LIMITED
4. Category/Sub-category of the Company	Company limited by shares
5. Address of the Registered office & contact details	B/h. Romer Ceramics, Old Ghuntu Road, Morbi – 363642, Gujarat, India.
6. Whether listed company	Listed
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Pvt. Ltd. E-23, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072. Tel: 91-22-28470652 Email: investor@bigshareonline.com/info@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SN.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1		239	
2			
3			

III. II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SN.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1			
2			
3			

IV. VI. SHARE HOLDING PATTERN : (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	130135	0	130135	0.27	130135	0	130135	0.27	0
b) Central Govt	-								
c) State Govt(s)	-								





**Category-wise Share Holding :**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bodies Corp.	5000	0	5000	0.01	5000	0	5000	0.01	0
e) Banks / FI	-								
f) Any other	-								
<b>Total shareholding of Promoter(A)</b>	<b>135135</b>	<b>0</b>	<b>135135</b>	<b>0.28</b>	<b>135135</b>	<b>0</b>	<b>135135</b>	<b>0.28</b>	<b>0</b>
<b>B. Public Shareholding :</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Cap.Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>									
<b>2. Non-Institutions</b>									
a) Bodies Corp.	13565062	0	13565062	28.0644	24987606	0	24987606	51.6962	+84.20
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5411730	46111	5365619	11.1962	6648176	46111	6602065	13.7542	+22.84
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	28654198	100000	28554198	59.2820	15683611	100000	15583611	32.4474	-45.26
c) Others (specify)									
Non Resident Indians	342266	0	342266	0.7081	409374	0	409374	0.8469	+19.60
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	11546	0	11546	0.0239	256035	0	256035	0.5297	+2217.52
Trusts									
Foreign Bodies - D R									
<b>Sub-total (B)(2):-</b>	<b>47984802</b>	<b>146111</b>	<b>47838691</b>	<b>99.2746</b>	<b>47838691</b>	<b>146111</b>	<b>47838691</b>	<b>99.2746</b>	
<b>1</b>	<b>48200309</b>	<b>146111</b>	<b>48854198</b>	<b>99.7204</b>	<b>48200309</b>	<b>146111</b>	<b>48054198</b>	<b>99.2746</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	0				0				
<b>Grand Total (A+B+C)</b>	<b>48335444</b>	<b>146111</b>	<b>48189333</b>	<b>100</b>	<b>48335444</b>	<b>146111</b>	<b>48189333</b>	<b>100.00</b>	



**B) Shareholding of Promoter :**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	JM Pethapara	46895	0.0970	0	46895	0.0970	0	0
2	GM Pethapara	23000	0.0476	0	23000	0.0476	0	0
3	KM Pethapara	22160	0.0458	0	22160	0.0458	0	0
4	MM Pethapara	16300	0.0337	0	16300	0.0337	0	0
5	JM Pethapara HUF	10000	0.0207	0	10000	0.0207	0	0
6	Decogold Glazed Tiles Ltd	5000	0.0103	0	5000	0.0103	0	0
7	Artiben J Patel	4990	0.0103	0	4990	0.0103	0	0
8	Maganbhai M Pethapara	5000	0.0103	0	5000	0.0103	0	0
9	AR Rajkotia	900	0.0019	0	900	0.0019	0	0
10	Vasantaben R Patel	600	0.0012	0	600	0.0012	0	0
11	Sadanaben B Kadivar	100	0.0002	0	100	0.0002	0	0
12	SK Pethapara	100	0.0002	0	100	0.0002	0	0
13	HG Pethapara	100	0.0002	0	100	0.0002	0	0
14	MK Pethapara	100	0.0002	0	100	0.0002	0	0
15	Lataben K Pethapara	100	0.0002	0	100	0.0002	0	0
16	Hansaben G Pethapara	100	0.0002	0	100	0.0002	0	0
17	Revaben M Patel	90	0.0002	0	90	0.0002	0	0
18	Hiralben G Pethapara	50	0.0001	0	50	0.0001	0	0
19	Ramaben M Pethapara	50	0.0001	0	50	0.0001	0	0

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	135135	0.028	135135	0.028
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	NIL			
At the end of the year	135135	0.028	135135	0.028



**D) Shareholding Pattern of top ten Shareholders :**

(Other than Directors, Promoters and Holders of GDRs and ADRs) :

For Each of the Top 10	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year				
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)				
At the end of the year				

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

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Mr Kantilal M Pethapara, Director / KMP</b>				
	At the beginning of the year	22160	0.0458		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):				
	At the end of the year	22160	0.0458		
2	<b>Mr Jayantibhai M Pethapara, Director / KMP (resigned w.e.f.15.12.2014)</b>				
	At the beginning of the year	46895	0.0970		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)				
	At the end of the year	46895	0.0970		
3	<b>Mr Girishbhai M Pethapara, Director / KMP</b>				
	At the beginning of the year	23000	0.0476		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)				
	At the end of the year	23000	0.0476		
4	<b>Mr Vasant A Kaila , Director</b>				
	At the beginning of the year	0	0		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)				
	At the end of the year	0	0		
5	<b>Mr Vijay M Vidja , Director</b>				
	At the beginning of the year	0	0		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):				
	At the end of the year	0	0		



**F) INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.  
(Rs. In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3350.47	364.17	-	3714.65
ii) Interest due but not paid	202.65	-	-	202.65
iii) Interest accrued but not due	0.07	-	-	0.07
<b>Total (i+ii+iii)</b>	<b>3553.19</b>	<b>364.17</b>	<b>-</b>	<b>3917.36</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	677.84	4.96	-	682.80
* Reduction	-1.34	-	-	-1.34
<b>Net Change</b>	<b>676.50</b>	<b>4.96</b>	<b>-</b>	<b>681.46</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3438.11	369.13	-	3807.24
ii) Interest due but not paid	791.54	-	-	791.54
iii) Interest accrued but not due	0.04	-	-	0.04
<b>Total (i+ii+iii)</b>	<b>4229.69</b>	<b>369.13</b>	<b>-</b>	<b>4598.82</b>

**XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :**

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		GM Pethapara	KM Pethapara	JM Pethapara	---	
1	Gross salary	0	0	0	0	0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission					
	- as % of profit					
	- others, specify...					
5	Others, please specify	0	0	0	0	0
	<b>Total (A)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Ceiling as per the Act</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

- I. Note: The MD / Jt MD / WTD have not been paid any remuneration during 2014-15.
- II. Number of permanent employees on the rolls of the Company: as on 31.3.2015: NIL
- III. Percentage increase in the median remuneration of employees in the financial year 2014-15: NIL.
- IV. Relationship between average increase in remuneration and the Company performance: Average remuneration per employee per annum increased from Rs. 7.08 lakhs as at the end of 2013-14 to Rs. 7.72 lakhs as at the end of 2014-15, by 9%.



V. Remuneration of Key Managerial Personnel: Suresh S Dave, Company Secretary; Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: The Company has not paid any remuneration to the Key Managerial Persons during 2013-14 and 2014-15 owing to financial difficulties.

The company has accumulated losses of Rs. 6066.84 Lacs which have exceeded fifty percent of its net worth as at the end of the financial year under review. The company has incurred cash loss in the year under review to the tune of Rs. 2329.80 Lacs and it has incurred cash loss of Rs. 3045.16 Lacs in the immediately preceding financial year.

VI. Market Price and Price Earnings Ratio : At the end of 2013-14, the market capitalization of the Company was Rs. 12.80 crores and as at the end of 2014-15, it was `5.56 crores, decrease of 56.77%. The Company had negative earnings in 2013-14 and 2014-15.

**B. REMUNERATION TO OTHER DIRECTORS :**

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		VA Kaila	VM Vidja	AH Bopaliya	---	
<b>1</b>	<b>Independent Directors</b>					
	Fee for attending board committee meetings	35000	35000	25000		95000
	Commission	0	0	0		0
	Others, please specify	0	0	0		0
	<b>Total (1)</b>	<b>35000</b>	<b>35000</b>	<b>25000</b>		<b>95000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
	Fee for attending board committee meetings	0	0	0		0
	Commission	0	0	0		0
	Others, please specify	0	0	0		0
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
	<b>Total (B)=(1+2)</b>	<b>35000</b>	<b>35000</b>	<b>25000</b>		<b>95000</b>
	<b>Total Managerial Remuneration</b>	35000	35000	25000		95000
	<b>Overall Ceiling as per the Act</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>		<b>NA</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/ WTD :**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CS	CFO	
1	Gross salary	0		0	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0		0	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0		0	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0		0	
2	Stock Option	0		0	
3	Sweat Equity	0		0	
4	Commission	0		0	
	- as % of profit	0		0	
	others, specify...	0		0	
5	Others, please specify	0		0	
	<b>Total</b>	<b>0</b>		<b>0</b>	



**XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty		NIL			
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					





## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF  
'DECOLIGHT CERAMICS LIMITED'**
**Report on Audited Financial Statements :**

We have audited the accompanying financial statements of DECOLIGHT CERAMICS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company 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 the 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.

**Auditor's Responsibility :**

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 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 an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of 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 and to the best of our information and according to the explanations given to us, the financial statements read together with and subject to the notes thereon, 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, to the extent applicable; subject to-

- a) Unutilized fund of equity preferential issue privately placed lying in Inter Corporate Deposits to the tune of Rs. 27.57/- crores is pending for renewal / receipt from the respective parties. Refer Note 27(10);
- b) The reasons pertaining to highly uncertainty about the Going Concern aspect of the company. Refer Notes 27(11).
  - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
  - ii. In the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
  - iii. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements :**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**As required by section 143(3) of the Act, 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account, as submitted to us;
- d) in our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable;
- e) on the basis of written representations received from the directors, as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 position in its financial statements as referred to in Note 27(12) to financial statements, which may affect the financial position of the company.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts, except as referred to in Note 27(13) to the financial statements.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For SVK & ASSOCIATES**  
**Chartered Accountants**  
**Firm No.: 118564W**

**Shilpang V. Karia**  
**Partner**  
**M. No.: 102114**

**Place : Morbi**  
**Date : 30th May, 2015**





**ANNEXURE TO THE AUDITOR'S REPORT**

**(Referred to in paragraph 1 of our Report of even date on the Statement of Accounts of DECOLIGHT CERAMICS LIMITED, for the year ended on 31st March, 2015)**

**i. FIXED ASSETS :**

- a. In our opinion, the company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to size of the company and nature of its assets, however certain material discrepancies with respect to book records were noticed on such verification by bank / its authorized representatives as mentioned in Note 27(11)(g) to the financial statements.

**ii. INVENTORIES :**

- a. As explained to us, physical verification of inventory has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable in relation to its size and nature of business.
- 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 are reasonable and adequate in relation its size and nature of business.
- c. In our opinion, the company is generally maintaining proper records of inventory in relation to its size and nature of business. However, as reported by the bank, there were certain material discrepancies noticed with respect to stock statements submitted to the bank by the company compared to its physical verification of inventory carried out by bank / its authorized representatives. As explained to us by management of the company, there were no material discrepancies on physical verification as compared to the book records. However, the year end inventory of the company was NIL.

**iii. LOANS :**

- a. According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013, during the year under review. Consequently, the provisions of clause (iii) of the order are not applicable to the company.

**iv. INTERNAL CONTROL :**

In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business with regard to purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in these areas.

**v. DEPOSITS :**

As explained to us, the company has not accepted any loans or deposits within meaning of Section 73 to 76 of the Companies Act, 2013 read with Rule 2(b) of the Companies (Acceptance of Deposit's) Rules 2014, during the year under review.

**vi. COST RECORDS :**

According to the information and explanations provided by the management to us and to the best of our knowledge, the Company is not engaged in production of any such goods or production of any such services for which the Central Government has prescribed particulars relating to utilization of material or labour or other items of cost. Hence the provisions of section 148(1) of the Act do not apply to the Company.

**vii. STATUTORY DUES :**

- a. According to the records of the company and on the basis of information and explanation explained to us, undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess to the extent applicable and any other statutory dues applicable to it, were being generally deposited delayed / not deposited with the appropriate authorities. Further according to information and explanation given to us, undisputed statutory dues accounted and applicable to the company as per the opinion of the management, outstanding as at 31st March, 2015 for a period of more than 6 months from the date they become payable are Central Excise Duty Rs. 0.64 Lacs, Value Added Tax & Central Sales Tax of Rs. 6.59 lacs, TDS of Rs. 0.89 Lacs, Provident Fund Rs. 0.94 lacs, and Professional tax of Rs. 0.11 lacs.
- b. According to the information and explanation available to us, details of dues of Excise Duty, VAT and Cess which have not been deposited on account of any dispute with appellate authority, are given below :



Sr. No.	Name of the statute	Nature of dues	Amount under dispute Rs. In lacs	Period to which amount relates	Forum where dispute is pending
1.	The Central Excise Act 1944*	Excise duty including interest and penalty as applicable	4.65	2004-05	Tribunal
2.	The GVAT Act, 2003	Central Sales Tax (excluding applicable interest and penalty)	146.90	2009-10	Commissioner (Appeals)
3	The GVAT Act, 2003	Central Sales Tax (excluding applicable interest and penalty)	1631.29	2010-11	Commissioner (Appeals)

The excise department had issued certain show cause notices amounting to tax liability of Rs. 493.96 lacs, which are pending at adjudication level and amount paid under protest for the same amounting to Rs. 408.79 lacs.

\* However the company has paid under protest Rs. 2.60 lacs for the above.

- c. As per the information and explanation available to us and to the best of our knowledge, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**viii. CASH LOSSES AND ACCUMULATED LOSSES :**

The company has accumulated losses of Rs. 6066.84 Lacs which have exceeded fifty percent of its net worth as at the end of the financial year under review. The company has incurred cash loss in the year under review to the tune of Rs. 2329.80 Lacs and it has incurred cash loss of Rs. 3045.16 Lacs in the immediately preceding financial year.

**ix. DUES TO FINANCIAL INSTITUTION, BANKS OR DEBENTURE HOLDER :**

Based on our audit procedures and as per information and explanation given to us by the management of the company, we are of the opinion that company has defaulted in repayment of dues to banks during the year under review. The short term borrowings from the banks by the company have been classified as Non Performing Assets (NPA) w.e.f. 28th October, 2013. Details of default at year end are as follows:

Period of Default	Amount (Rs. In lacs)
Less than 30 days	0.21
30 to 90 days	0.41
More than 90 days (Excluding uncharged interest of Rs. 791.21 Lacs)	3434.85

**x. GUARANTEE FOR LOANS TAKEN BY OTHERS :**

According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from any bank or financial institutions.

**xi. TERM LOANS :**

Based on our audit procedures and according to information and explanations given to us, the existing term loans have been applied for the purpose for which they were obtained.

**xii. FRAUD :**

Based upon the audit procedures performed and as per the information and explanation given to us by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit, except plant & machineries not in use having book value of Rs. 159.53/- Lacs have been sold at Rs. 40.96/- Lacs without taking prior permission of the bankers to whom such plant & machineries were hypothecated. As explained by the management, they have satisfactorily replied to the bankers in this aspect.

For, SVK & ASSOCIATES  
Chartered Accountants

Shilpang V. Karia  
Partner

M. No.: 102114

Firm No.: 118564W

Place : Morbi  
Date : 30th May, 2015



BALANCE SHEET AS AT 31st MARCH , 2015

Particulars	Note No.	As at 31 March-15 Rs.	As at 31 March-14 Rs.
<b>I. EQUITY AND LIABILITIES :</b>			
<b>1. Shareholders' Funds :</b>			
(a) Share Capital	1	48,33,54,440	48,33,54,440
(b) Reserves & Surplus	2	(39,52,86,062)	5,16,19,202
		<b>8,80,68,378</b>	<b>53,49,73,642</b>
<b>2. Non-current Liabilities :</b>			
(a) Long-term Borrowings	3	1,35,480	3,29,050
(b) Deferred Tax Liabilities (Net)		-	-
(c) Long-term Provisions	4	-	2,14,154
		<b>1,35,480</b>	<b>5,43,204</b>
<b>3. Current Liabilities :</b>			
(a) Short-term Borrowings	5	38,03,19,717	37,09,03,509
(b) Trade Payables	6	9,55,28,772	11,47,09,085
(c) Other Current Liabilities	7	10,30,05,892	4,72,23,668
(d) Short-term Provisions	8	4,39,336	1,00,16,076
		<b>57,92,93,717</b>	<b>54,28,52,337</b>
<b>TOTAL</b>		<b>66,74,97,575</b>	<b>1,07,83,69,183</b>
<b>II. ASSETS :</b>			
<b>1. Non-current Assets :</b>			
(a) Fixed Assets	9		
(i) Tangible Assets		23,46,21,942	41,27,00,841
(ii) Capital Work-In-Progress		-	5,17,99,902
(b) Non-current Investments	10	33,33,39,776	33,33,39,776
(c) Long-term Loans & Advances	11	3,18,000	3,18,000
(d) Other Non-current Assets	12	3,53,17,505	2,17,43,817
		<b>60,35,97,222</b>	<b>81,99,02,336</b>
<b>2. Current Assets :</b>			
(a) Inventories	13	-	12,64,11,824
(b) Trade Receivables	14	55,23,946	6,11,97,937
(c) Cash and Cash Equivalents	15	50,54,869	84,97,352
(d) Short-term Loans and Advances	16	5,33,21,537	6,23,59,733
(e) Other Current Assets	17	-	-
		<b>6,39,00,353</b>	<b>25,84,66,847</b>
<b>TOTAL</b>		<b>66,74,97,575</b>	<b>1,07,83,69,183</b>
Significant Accounting Policies	26		
The accompanying notes to accounts are an integral part of these financial statements	27		

As per our attached report of even date  
For SVK & ASSOCIATES  
Chartered Accountants

Shilpang V. Karia  
Partner  
M. No. - 102114  
Firm No. - 118564W

For and on behalf of the Board  
For DECOLIGHT CERAMICS LTD.

Girishbhai M. Pethapara  
Managing Director  
DIN : 00380910

Kantibhai M. Pethapara  
Joint Managing Director  
DIN : 00055108

Vasantbhai A. Kaila  
Director  
DIN : 02680103

Vijaybhai M. Vidja  
Director  
DIN : 02680111

Place : Morbi  
Date : 30th May, 2015

Place : Morbi  
Date : 30th May, 2015



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	For the year 31 March-15 Rs.	For the year 31 March-14 Rs.
<b>CONTINUING OPERATIONS :</b>			
I. Revenue From Operations	18	2,35,12,214	10,16,93,585
II. Other Income	19	2,18,635	2,91,811
<b>III. Total Revenue ( I + II )</b>		<b>2,37,30,850</b>	<b>10,19,85,396</b>
<b>IV. Expenses :</b>			
Cost of Materials Consumed	20	89,27,079	2,20,72,957
Purchases of Stock-In-Trade	21	4,11,73,011	3,12,55,960
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	1,96,06,545	7,68,09,106
Employee Benefit Expenses	23	17,62,465	29,55,351
Finance Costs	24	5,64,56,197	4,98,37,471
Depreciation & Amortization Expenses	9, 17	5,14,36,728	4,31,86,117
Other Expenses	25	4,52,57,298	14,45,88,942
<b>V. Total Expenses</b>		<b>22,46,19,322</b>	<b>37,07,05,903</b>
<b>VI. Profit Before Tax, Exceptional &amp; Prior Period Items</b>		<b>(20,08,88,472)</b>	<b>(26,87,20,507)</b>
VII. Less: Exceptional Items [Refer Note 27(14)]		8,30,28,104	7,89,81,152
<b>VIII. Profit Before Tax &amp; Prior Period Items</b>		<b>(28,39,16,576)</b>	<b>(34,77,01,659)</b>
IX. Less: Prior Period Items [Refer Note 27(17)]		5,00,000	-
<b>X. Profit Before Tax</b>		<b>(28,44,16,576)</b>	<b>(34,77,01,659)</b>
XI. Tax Expenses:			
- Current Tax		-	-
- Deferred Tax		-	-
<b>XII. Tax For the Year</b>			
<b>XIII. Profit / (Loss) From Continuing Operations</b>		<b>(28,44,16,576)</b>	<b>(34,77,01,659)</b>
Profit / (Loss) From Discontinuing Operations		-	-
<b>TOTAL OPERATIONS</b>			
<b>Profit / (Loss) For The Year</b>		<b>(28,44,16,576)</b>	<b>(34,77,01,659)</b>
Earning Per Share Before Exceptional & Prior Period Items (Basic & Dilluted) computed on the basis of total profit for the year		(4.16)	(5.56)
Earning Per Share After Exceptional & Prior Period Items (Basic & Dilluted) computed on the basis of total profit for the year [Refer Note 27(20)]		(5.88)	(7.19)
Significant Accounting Policies	26		
The accompanying notes to accounts are an integral part of these financial statements	27		

As per our attached report of even date  
For SVK & ASSOCIATES  
Chartered Accountants

Shilpang V. Karia  
Partner  
M. No. - 102114  
Firm No. - 118564W

Place : Morbi  
Date : 30th May, 2015

For and on behalf of the Board  
For DECOLIGHT CERAMICS LTD.

Girishbhai M. Pethapara  
Managing Director  
DIN : 00380910

Vasantbhai A. Kaila  
Director  
DIN : 02680103

Place : Morbi  
Date : 30th May, 2015

Kantibhai M. Pethapara  
Joint Managing Director  
DIN : 00055108

Vijaybhai M. Vidja  
Director  
DIN : 02680111



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	For the year 31 March-15 Rs.	For the year 31 March-14 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITY :</b>		
Profit before tax and before exceptional items	(20,08,88,472)	(26,87,20,507)
Add: Non Cash and Operating Expenses		
Depreciation & Amortization Expenses	5,14,36,728	4,31,86,117
Interest & Financial Charges	5,64,56,197	4,98,37,471
<b>Operating profit before working capital changes</b>	<b>(9,29,95,548)</b>	<b>(17,56,96,920)</b>
Adjustment for:		
(Increase) / Decrease in Inventory	12,64,11,824	12,24,84,201
(Increase) / Decrease in Trade Receivables	5,56,73,991	14,45,58,924
(Increase) / Decrease in Loans and Advances	83,02,259	53,76,913
Increase / (Decrease) in Liabilities and Provisions	2,74,66,111	3,38,93,554
(Increase) / Decrease in Other Current & Other Non Current Assets (to the extent not written off)	(1,35,73,688)	9,12,674
<b>Cash Generated from Operation</b>	<b>11,12,84,950</b>	<b>13,15,29,347</b>
Taxes paid	80,842	-1,34,429
<b>Net Cash Flow from Operating Activity before Exceptional Items</b>	<b>11,13,65,792</b>	<b>13,13,94,918</b>
Less: Exceptional and Prior Year Revenue Expenses in Cash		
Exceptional Items	8,30,28,104	7,89,81,152
Prior Year Items	5,00,000	-
<b>Net Cash Flow from Operating Activity after Exceptional Items</b>	<b>2,78,37,688</b>	<b>5,24,13,763</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITY :</b>		
(Increase) / Decrease in Fixed Assets (net)	1,59,53,386	(4,16,44,928)
(Increase) / Decrease in Investments & Accrued Interest Thereon	-	1,11,52,300
<b>Net Cash Flow from Investing Activities</b>	<b>1,59,53,386</b>	<b>(3,04,92,628)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITY :</b>		
Proceeds from Issue of Equity Shares on Preferential Basis	-	-
Increase / (Decrease) in Secured Loans	87,26,639	2,16,44,999
Increase / (Decrease) in Unsecured Loans	4,96,000	75,21,000
Interest Expenses	(5,64,56,197)	(4,98,37,471)
<b>Net Cash Flow from Financing Activities</b>	<b>(4,72,33,558)</b>	<b>(2,06,71,471)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(34,42,482)</b>	<b>12,49,664</b>
Opening Balance of Cash and Cash Equivalents	84,97,352	72,47,688
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>50,54,870</b>	<b>84,97,352</b>
<b>Components of Cash and Cash Equivalents</b>		
<b>Cash on hand &amp; Equivalents</b>		
- Cash on hand	3,84,083	4,55,313
- Cheque on hand	-	-
Balances with Scheduled Banks		
- In Current Accounts	37,307	7,06,324
- In Fixed deposit	46,33,480	73,35,714
	<b>50,54,869</b>	<b>84,97,352</b>

**Note :** 1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on "Cash Flow Statement" issued by ICAI.  
2. Figures of Cash & Cash Equivalents have been taken from Note 15



NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	As at		As at	
	31-March-15 Number	31-March-15 Amount	31-March-14 Number	31-March-14 Amount
<b>NOTE - 1 - SHARE CAPITAL :</b>				
<b>a. AUTHORISED :</b>				
100,000,000 Equity Shares of Rs.10/- each (100000000)	10,00,00,000	1,00,00,00,000	10,00,00,000	1,00,00,00,000
<b>TOTAL</b>	<b>10,00,00,000</b>	<b>1,00,00,00,000</b>	<b>10,00,00,000</b>	<b>1,00,00,00,000</b>
<b>b. ISSUED, SUBSCRIBED &amp; PAID UP :</b>				
<b>EQUITY SHARE CAPITAL</b>				
48,335,444 Equity Shares of Rs.10/- each fully paid (48335444)	4,83,35,444	48,33,54,440	4,83,35,444	48,33,54,440
<b>TOTAL NOTE 1</b>	<b>4,83,35,444</b>	<b>48,33,54,440</b>	<b>4,83,35,444</b>	<b>48,33,54,440</b>

Reconciliation of Number Of Shares outstanding at the beginning and at the end of the reporting period :

Particulars	2014-2015		2013-2014	
	Number	Amount	Number	Amount
<b>Equity Shares</b>				
Shares outstanding at the beginning of the year	4,83,35,444	48,33,54,440	4,83,35,444	48,33,54,440
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,83,35,444	48,33,54,440	4,83,35,444	48,33,54,440

Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares in the company held by each shareholder holding more than 5 percent shares.

Sr. No.	Name of Shareholder	31-March-15		31-March-14	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Sparc Pesticides Pvt. Ltd.	86,77,753	17.95%	86,77,753	17.95%
2	Anuj Anand	69,50,000	14.38%	69,50,000	14.38%
3	H Nagamani Iyer	-	0.00%	91,50,000	18.93%
4	Sowmya Deshpande	-	0.00%	69,50,000	14.38%
5	Shriram Insight Share Brokers Ltd.	61,49,689	12.72%	-	0.00%



NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

**NOTE - 1 - SHARE CAPITAL : (CONTD....)**

Shares issued other than cash, bonus issue and shares bought back :

Particulars	Year (Aggregate No. of Shares)				
	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Equity Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	Nil	Nil	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil
<b>Preference Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	Nil	Nil	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil
<b>Unpaid Calls</b>	<b>2014-15</b>	<b>2013-14</b>			
By Directors	Nil	Nil			
By Officers	Nil	Nil			

Particulars	As at 31 March-15 Rs.	As at 31 March-14 Rs.
-------------	-----------------------------	-----------------------------

**NOTE - 2 - RESERVES & SURPLUS :**

**a. Securities Premium Account :**

**Equity Shares :**

Opening Balance 366,827,292 366,827,292

**Closing Balance Total a1 366,827,292 366,827,292**

**Equity Convertible Warrants**

Opening Balance 7,059,375 7,059,375

**Closing Balance Total a2 7,059,375 7,059,375**

**Closing Balance Total a1 + a2 373,886,667 373,886,667**

**b. Surplus :**

Balance As Per Last Financial Statements (322,267,465) 25,434,194

Add : Current Year Profits / (Loss) (284,416,576) (347,701,659)

Less : Amount Transferred to Reserves - -

**Closing Balance Total b (606,684,041) (322,267,465)**

**c. Retained Earnings**

(162,488,689) -

**(162,488,689) -**

**TOTAL NOTE 2 (a+b+c) (395,286,062) 51,619,202**

**NOTE - 3 - LONG-TERM BORROWINGS :** [Refer note 27(3)]

Secured :

**Term Loans**

From Banks - Vehicle Loans 135,480 329,050

**TOTAL NOTE 3 135,480 329,050**



NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	As at 31 March-15 Rs.	As at 31 March-14 Rs.
<b>NOTE - 4 - LONG-TERM PROVISIONS :</b> [Refer note 27(22)]		
<b>Provision for Employee Benefits</b>		
Gratuity (unfunded)	-	214,154
<b>TOTAL NOTE 4</b>	<b>-</b>	<b>214,154</b>
<b>NOTE - 5 - SHORT-TERM BORROWINGS :</b> [Refer note 27(3)]		
<b>A. Secured :</b>		
<b>Loans Repayable on Demand</b>		
From Banks - Working Capital Facilities	343,406,395	334,486,187
<b>TOTAL (A)</b>	<b>343,406,395</b>	<b>334,486,187</b>
<b>B. Unsecured :</b>		
a. Loans and advances from related parties	33,913,322	33,417,322
b. Inter Corporate Deposits	3,000,000	3,000,000
<b>TOTAL (B)</b>	<b>36,913,322</b>	<b>36,417,322</b>
<b>TOTAL NOTE 5 ( A + B )</b>	<b>380,319,717</b>	<b>370,903,509</b>
<b>NOTE - 6 - TRADE PAYABLES :</b>		
- Others	95,528,772	114,709,085
- Micro, Small & Medium Enterprises [Refer Note 27(26)]	-	-
<b>TOTAL NOTE 6</b>	<b>95,528,772</b>	<b>114,709,085</b>
<b>NOTE - 7 - OTHER CURRENT LIABILITIES :</b>		
a. Current Maturities of Long-term Debts	269,326	232,023
b. Interest Accrued but not due on borrowings	3,671	6,794
c. Interest Accrued and due on borrowings	79,154,249	20,264,850
d. Statutory Liabilities	12,168,372	9,975,541
e. Advances Received from Customers	-	16,297,250
f. Other Current Liabilities	11,410,274	447,210
<b>TOTAL NOTE 7</b>	<b>103,005,892</b>	<b>47,223,668</b>
<b>NOTE - 8 - SHORT-TERM PROVISIONS :</b>		
<b>a. Provision for Employee Benefits :</b>		
Salary & Reimbursements	62,500	-
Contribution to PF	376,836	282,957
<b>TOTAL (a)</b>	<b>439,336</b>	<b>282,957</b>
<b>b. Others :</b>		
Provision for Unpaid Expenses	-	6,614,871
For Excise Duty	-	2,463,154
For Income Tax	-	655,094
<b>TOTAL (b)</b>	<b>-</b>	<b>9,733,119</b>
<b>TOTAL NOTE 8 ( a + b )</b>	<b>439,336</b>	<b>10,016,076</b>





NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2015  
NOTE - 9 - FIXED ASSETS :

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION BLOCK				NET BLOCK	
	As on 1-04-2014	Additions during the year	Deductions during the year	As on 31-03-2015	As on 1-04-2014	Depreciation for the year	Deductions	As on 31-03-2015	As on 31-03-2015	As on 31-03-2014
a. Tangible Assets										
Land	1,390,920	-	-	1,390,920	-	-	-	-	1,390,920	1,390,920
Factory Buildings	159,387,193	-	-	159,387,193	37,602,556	5,690,764	-	43,293,320	116,093,873	121,784,637
Plant and Machinery										
- Coal Gas Plant	41,634,068	25,508,702	67,142,770	-	18,823,044	-	18,823,044	-	-	22,811,024
- Kiln	46,554,968	26,291,200	37,327,609	35,518,559	19,383,925	21,203,740	7,968,985	32,618,680	2,899,879	27,171,043
- Drayer	20,274,770	-	-	20,274,770	8,161,383	5,549,824	-	13,711,207	6,563,563	12,113,387
- Press	23,293,228	-	-	23,293,228	11,996,426	1,688,692	-	13,685,118	9,608,111	11,296,803
- Other Imported Machineries	210,095,172	-	205,307,010	4,788,162	105,147,941	-	105,147,941	-	4,788,162	104,947,231
- Indigenous Machineries	179,838,053	-	-	179,838,053	82,094,994	14,809,980	-	96,904,974	82,933,079	97,743,059
- Electric Installation	11,670,998	-	-	11,670,998	6,159,362	985,616	-	7,144,978	4,526,020	5,511,636
- Electric Fittings	6,294,542	-	-	6,294,542	3,633,625	469,236	-	4,102,861	2,191,681	2,660,917
- Laboratory Instruments	900,703	-	-	900,703	311,595	298,000	-	609,595	291,108	589,108
- Other Equipments	952,910	-	-	952,910	368,253	59,668	-	427,921	524,989	584,657
- Computer	1,217,628	-	-	1,217,628	1,217,628	-	-	1,217,628	-	-
- Mobile Instruments	358,095	-	-	358,095	130,055	35,024	-	165,079	193,016	228,040
Furniture and Fixtures										
- Office Furniture	1,194,496	-	-	1,194,496	422,986	177,948	-	600,934	593,562	771,510
- Office Appliances	940,931	-	893,884	47,047	289,233	-	289,233	-	47,047	651,698
Vehicles										
- Motor Car	3,404,087	-	-	3,404,087	1,865,775	360,804	-	2,226,579	1,177,508	1,538,312
- Staff Bus	-	-	-	-	-	-	-	-	-	-
- Tractor & Loader	999,875	-	-	999,875	93,011	107,432	-	200,443	799,432	906,864
b. Intangible Assets	710,402,638	51,799,902	310,671,273	451,531,266	297,701,789	51,436,728	132,229,203	216,909,314	234,621,942	412,700,842
c. Capital Work In Progress Indigenous Machineries										
- Coal Gas Plant	25,508,702	-	25,508,702	-	-	-	-	-	-	25,508,702
- Kiln	26,291,200	-	26,291,200	-	-	-	-	-	-	26,291,200
	51,799,902	-	51,799,902	-	-	-	-	-	-	51,799,902
d. Intangible Assets under Development	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	762,202,540	51,799,902	362,471,175	451,531,266	297,701,789	51,436,728	132,229,203	216,909,314	234,621,942	464,500,744
PREVIOUS YEAR TOTAL	724,032,011	42,672,387	4,501,858	762,202,540	257,990,071	43,186,117	3,474,399	297,701,788	464,500,744	466,041,932



NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	As at 31 March-15 Rs.	As at 31 March-14 Rs.
<b>NOTE - 10 - NON-CURRENT INVESTMENTS :</b>		
(Unsecured and considered good as certified by the management) [Refer Note 27(10)]		
<b>Other Investments</b>		
Inter Corporate Deposits	299,720,000	299,720,000
<b>Interest Accrued and Due</b>	<b>33,619,776</b>	<b>33,619,776</b>
<b>TOTAL NOTE 10</b>	<b>333,339,776</b>	<b>333,339,776</b>
<b>NOTE - 11 - LONG-TERM LOANS AND ADVANCES :</b>		
(Unsecured and considered good as certified by the management)		
Security Deposits	318,000	318,000
<b>TOTAL NOTE 11</b>	<b>318,000</b>	<b>318,000</b>
<b>NOTE - 12 - OTHER NON-CURRENT ASSETS :</b>		
<b>A. Insurance Claim Receivable</b> [Refer note 27(28)]	-	19,798,396
<b>B. Advance payment against taxes</b>	1,945,421	1,945,421
<b>C. Trade Receivables</b> [Refer note 27(15)]		
(Unsecured and considered good as certified by the management)		
<b>Others</b>	-	-
<b>Over six months</b>	<b>33,372,084</b>	-
<b>TOTAL NOTE 12</b>	<b>35,317,505</b>	<b>21,743,817</b>
<b>NOTE - 13 - INVENTORIES :</b>		
(As taken, valued and certified by the management)		
Raw Materials	-	16,112,337
Stores & Spares, Polishing Materials & Packing Materials	-	41,972,776
Semi Finished Goods	-	44,301,804
Finished Goods	-	22,069,699
Fuel Items	-	1,955,208
Merchanting Goods	-	-
<b>TOTAL NOTE 13</b>	<b>-</b>	<b>126,411,824</b>
<b>NOTE - 14 - TRADE RECEIVABLES :</b> [Refer note 27(15)]		
(As certified by the management)		
<b>Others :</b>		
- Unsecured and considered good	-	4,174,700
<b>Over six months :</b>		
- Unsecured and considered good	5,523,946	57,023,237
- Unsecured and considered doubtful	60,878,356	50,483,373
Less : Provision for doubtful debts	(60,878,356)	(50,483,373)
<b>TOTAL NOTE 14</b>	<b>5,523,946</b>	<b>61,197,937</b>
<b>NOTE - 15 - CASH &amp; CASH EQUIVALENTS :</b>		
Cash on hand	384,083	455,313
Balances with Scheduled Banks		
- In Current Accounts	37,307	706,324
- In Fixed deposit	4,633,480	7,335,714
<b>TOTAL NOTE 15</b>	<b>5,054,869</b>	<b>8,497,352</b>



NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	As at 31 March-15 Rs.	As at 31 March-14 Rs.
<b>NOTE - 16 - SHORT-TERM LOANS AND ADVANCES :</b>		
(Unsecured and considered good as certified by the management)		
<b>Others</b>		
Advances recoverable in cash or kind or for value to be recovered	47,448,760	55,971,609
Advance payment against taxes	5,872,778	6,388,124
<b>TOTAL NOTE 16</b>	<b>53,321,537</b>	<b>62,359,733</b>

**NOTE - 17 - OTHER CURRENT ASSETS :**

**Miscellaneous Expenditure :**

(a) Share Issue Expenses	-	665,684
Less : - Written off against profit and loss account	-	665,684
<b>Total (a)</b>	-	-
(b) Deferred Revenue Expenditure	-	4,024,216
Add : - Incurred During the Year	-	-
Less : - Written off During the Year	-	4,024,216
<b>Total (b)</b>	-	-
<b>TOTAL NOTE 17 ( a + b )</b>	-	-

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	For the Year 31-March-15 Rs.	For the Year 31-March.-14 Rs.
<b>NOTE - 18 - REVENUE FROM OPERATIONS :</b>		
Sale of Manufactured Goods	11,531,645	73,473,918
Sale of Merchanting & Other Goods	12,888,322	36,378,169
	24,419,967	109,852,087
Less : Excise Duty	907,752	8,158,502
<b>TOTAL NOTE 18</b>	<b>23,512,214</b>	<b>101,693,585</b>

**NOTE - 19 - OTHER INCOME :**

Interest on Investments	-	57,598
Interest on Deposits	757,942	1,264,186
Foreign Exchange Rate Difference	(753,461)	(2,280,223)
Other Miscellaneous Income	214,154	1,250,249
<b>TOTAL NOTE 19</b>	<b>218,635</b>	<b>291,811</b>

**NOTE - 20 - COST OF RAW MATERIALS & COMPONENTS CONSUMED :**

Opening Stock	16,112,337	8,336,730
Add: Purchases (net)	3,238,230	42,806,083
Less: Transfer to Merchanting Goods	10,423,488	12,957,519
Less: Closing Stock	-	16,112,337
<b>Raw Materials &amp; Components Consumed TOTAL NOTE 20</b>	<b>8,927,079</b>	<b>22,072,957</b>



NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	For the Year 31-March-15 Rs.	For the Year 31-March.-14 Rs.
<b>NOTE - 21 - PURCHASE OF STOCK-IN-TRADE :</b>		
Merchanting Goods	-	-
Transfer From Raw Materials	10,423,488	12,957,519
Transfer From Stores & Spares	30,749,523	18,298,441
<b>TOTAL NOTE 21</b>	<b>41,173,011</b>	<b>31,255,960</b>
<b>NOTE - 22 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE :</b>		
<b>a. Stock-In-Trade (at close)</b>		
Finished Goods	7,308,895	29,378,594
Stock-in-process	65,490,687	65,490,687
(Above amount stated at normal cost. Reduction in net realizable value over normal cost has been considered as a exceptional item. However, at year end, stock is NIL)		
	72,799,582	94,869,281
Merchanting Goods	-	-
<b>Total (a)</b>	<b>72,799,582</b>	<b>94,869,281</b>
<b>b. Stock-In-Trade (at commencement)</b>		
Finished Goods	29,378,594	40,281,096
Excise Duty	(2,463,154)	(2,304,516)
Stock-in-process	65,490,687	133,580,720
(Above amount stated at normal cost. Reduction in net realizable value over normal cost has been considered as a exceptional item)		
Merchanting Goods	-	121,087
<b>Total (b)</b>	<b>92,406,127</b>	<b>171,678,387</b>
<b>TOTAL NOTE 22 (b-a)</b>	<b>19,606,545</b>	<b>76,809,106</b>
<b>NOTE - 23 - EMPLOYEE BENEFIT EXPENSES :</b>		
Salary, Wages and Bonus (including directors remuneration)	1,712,575	2,820,326
Contribution to Provident Fund & Gratuity Fund Provision	49,890	135,025
Staff Welfare Expenses	-	-
<b>TOTAL NOTE 23</b>	<b>1,762,465</b>	<b>2,955,351</b>
<b>NOTE - 24 - FINANCE COSTS :</b>		
Interest on Term Loans	63,334	721,522
Interest on Cash Credit	54,935,895	47,555,893
Other Interest	451,436	217,017
Other Financial Charges	1,005,532	1,343,039
<b>TOTAL NOTE 24</b>	<b>56,456,197</b>	<b>49,837,471</b>



NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	As at 31 March-15 Rs.	As at 31 March-14 Rs.
<b>NOTE - 25 : OTHER EXPENSES :</b>		
<b>a. Manufacturing &amp; Operating Costs :</b>		
Consumption of Stores & Spares	5,103,032	6,324,105
Consumption of Packing Materials	6,223,253	3,890,089
Consumption of Electric, Power and Fuel	20,675,195	88,346,157
Machinery Repairs & Maintenance	-	2,213,653
Other Manufacturing & Operating Expenses	-	2,996,769
<b>TOTAL (a)</b>	<b>32,001,481</b>	<b>103,770,774</b>
<b>b. Sales &amp; Distribution Expenses :</b>		
Advertisement & Sales Promotion Expenses	232,260	1,026,148
Discount and Commission	10,850	3,104,683
Taxes	-	609,223
<b>TOTAL (b)</b>	<b>243,110</b>	<b>4,740,053</b>
<b>c. General &amp; Administration Expenses :</b>		
Rent	-	13,812
Legal and Professional Expenses	678,593	1,046,464
Insurance	311,378	491,306
Bad Debts Written Off	-	33,945,611
Loss on Disposal of Fixed Assets	11,857,566	381,405
General Administration Expenses	129,008	199,517
Other Miscellaneous Expenses	36,162	-
<b>TOTAL (c)</b>	<b>13,012,707</b>	<b>36,078,115</b>
<b>TOTAL NOTE 25 ( a + b + c )</b>	<b>45,257,298</b>	<b>144,588,942</b>

**NOTE - 26 - SIGNIFICANT ACCOUNTING POLICIES :**

**SIGNIFICANT ACCOUNTING POLICIES :**

**(i) Basis of preparation :**

These financial statements are prepared in accordance with Schedule III of the Companies Act, 2013 and under the historical cost convention, on accrual basis of accounting except in case of assets for which provision for impairment is made and revaluation is carried out to comply in all material aspects with the applicable accounting principles and applicable Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and read with general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013 and the relevant provisions of the Companies Act, 2013. The accounting policies have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP').

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year unless otherwise stated.

**(ii) Use of Estimates :**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgement, estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the end of reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amount of assets or liabilities in future periods. Changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, their effects are disclosed in the notes to the financial statements



**Change in Accounting Estimate :**

Pursuant to Companies Act, 2013 being effective from 1 April 2014, the Company has revised the depreciation rates on fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act.

**(iii) Revenue Recognition :**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

**Sales of Goods :**

Sales are recognised when significant risks and rewards of ownership of goods have been passed to the buyer.

**Interest :**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Other Income :**

Unspent liabilities & credit balances are recognized in the profit and loss account of the period in which it is identified as not payable. Any other receipt is recognised as income in the period in which right to receive the same is established.

**(iv) Insurance Claim :**

Insurance claim on loss of assets has been accounted to the credit of claim lodged / expenditure incurred for bringing the assets to the present working condition. However, insurance claim not granted / accepted by the insurance company not credited to the insurance claim / expenditure account due to reasonable uncertainty, such claim receivable account has been shown under 'Other Non-Current Assets' during FY 2013-14 and the same has been charged to statement of profit & loss in FY 214-15 looking to the remote possibility of the claim receipt.

**(v) Inventories :**

Inventories of Raw Materials, Packing Materials, Goods-in-Process, Finished Goods, and Merchanting Goods are stated at cost or net realisable value, whichever is lower. Stores and Spare Parts are stated 'at or below cost'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods. Cost formula used is 'Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company. However, the year end inventory of the company was NIL.

**(vi) Tangible Fixed Assets :**

Gross fixed assets are stated at cost of acquisition including incidental expenses relating to acquisition and installation. Fixed Assets are stated at cost net of modvat / cenvat / other credits and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All pre-operative costs, including specific financing cost till commencement of commercial production, net charges on foreign exchange contracts and adjustment arising from foreign exchange rate variations attributable to the fixed assets are capitalised. Long-term leasehold assets are capitalized under fixed assets.

The carrying amounts of the assets belonging to each cash generating unit ('CGU') are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying amounts exceed the recoverable amount of the asset's CGU, assets are written down to their recoverable amount. Recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognised in prior accounting periods is reversed if there has been a change in estimates of recoverable amount. The carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**(vii) Depreciation / Amortization on tangible fixed assets :**

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the company has changed depreciation on fixed assets on Straight Line Method (SLM) method on the basis of useful life / remaining useful life and in the manner as prescribed in, Part C, Schedule II of the Companies Act, 2013. As the change is only in regard to accounting estimate, it requires an adjustment of the carrying amount of tangible assets. In respect



of assets whose useful life is already exhausted as on 1st April, 2014, Rs. 1624.89/- Lacs the carrying amount as on 1st April, 2014 after retaining the Scrap Value, has been adjusted in retained earnings under the head 'Reserves & Surplus'. Depreciation on additions/ disposals during the year has been provided on pro-rata basis with reference to the nos. of days utilized.

**Details of useful life of an asset and its residual value estimated by the management :-**

<b>Type of Asset</b>	<b>Useful Life as per management's estimate from April 1, 2014</b>
Factory Building	30 Years
Coal Gas Plant, Kilan, Drayer, Laboratory Instruments, Office Furniture, Vehicles, Plant & Machinery (Imported)	10 Years
Press, Electric Installation, Electric Fittings, Other Equipments, Mobiles, Plant & Machinery (Indegenous)	15 Years 5 Years
Computer	3 Years

**Notes :**

- In none of the case, residual value of an asset is more than five per cent of original cost of the asset.
- For Coal Gas Plant, Kilan, Drayer and imported Plant & Machinery, based on internal assessment and independent technical evaluation carried out by chartered engineer, the useful life is estimated to be 10 Years from the date of its put to use, whereas the useful life for the said classes of asset as per Schedule II is 15 Years.
- For Vehicles, the useful life is estimated to be 10 Years whereas as per management's estimate whereas the useful life for the said class of asset as per Schedule II is 8 Years.

**(viii) Borrowing Cost :**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Costs incurred in raising funds are amortised equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

**(ix) Foreign Currency Transactions :**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the net gain or loss is recognized in the profit and loss account.

Foreign currency translation differences relating to liabilities incurred for purchasing of fixed assets from foreign countries are recognized in the profit and loss account. All other foreign currency gain or losses are also recognized in the profit and loss account.

**(x) Non-Current Investments :**

Pending the utilization of preferential issue of equity shares, fund raised for the purpose lying as inter corporate deposits / other inter corporate deposits has been shown under this group, in compliance with Schedule III of the Companies Act, 2013. Interest accrued and due over such investments has been shown separately under this group.

**(xi) Taxes on Income :**

Tax expenses comprise current tax and deferred tax charge or credit. Current tax is determined in accordance with the provisions of the Income-Tax Act, 1961.

Deferred tax assets and liability is recognized, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising mainly on account of brought forward losses, unabsorbed depreciation and minimum alternate tax under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realisation. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.



**(xii) Earnings / (Loss) per share :**

Basic earnings/(loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

**(xiii) Operating Lease :**

Operating leases: Assets acquired as leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals being income or expense are booked to the profit and loss account as incurred.

Initial direct cost in respect of the lease acquired are expensed out in the year in which such costs are incurred.

**(xiv) Retirement Benefits and other employee benefits :**

Defined contribution to provident fund is charged to the profit and loss account on accrual basis.

Provision for gratuity liability is provided based on actuarial valuation made at the end of the financial year for the year ended 31st March, 2014. However, no provision is made for the year ended on 31st March, 2015, as there does not arise in gratuity liability as per management and also no liability for payment arises since no such eligible staff at the year end. Hence, opening obligation amount has been written back in the Statement of Profit & Loss.

Leave encashment expenditure is charged to profit and loss account at the time of leave encashed and paid. Bonus expenditure is charged to profit and loss account on accrual basis. However, no such leave pay or bonus is being given for the year ended 31st March, 2015.

**(xv) Provisions, contingent liabilities and contingent assets :**

A provision is recognised when the company has a present obligation as a result of past events 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. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liabilities are disclosed by way of notes to the accounts.

Contingent assets are not recognized.

**(xvi) Cash and Cash Equivalents :**

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand, cheques on hand and short-term investments with an original maturity of three months or less.

**(xvii) Pre-operative Expenditure :**

Pre-operative Expenditure incurred for expansion project including specific financing cost till commencement of commercial production, attributable to the fixed assets are capitalised.

**(xviii) Deferred Revenue Expenditure :**

Deferred Revenue Expenditure includes those advertisement expenditure, market survey expenditure and sales promotion expenditure, which in the opinion of the management of the company has beneficial utility for longer period. Such expenditure is amortized over period of five years on straight line basis.

**(xix) Share Issue Expenses :**

Portion of share issue expenses being in nature of deferred revenue expenses incurred for raising the money through initial public offer for the expansion projects are amortized to profit and loss account over period of five years from the commencement of the relevant project. Additional share / warrant issue expenses incurred at the time of initial public offer has been written off against the share premium received for such shares / warrants.





**NOTE - 27 - NOTES ON ACCOUNTS :**

**NATURE OF OPERATIONS :**

- 1 Decolight Ceramics Ltd. (the company) having its manufacturing facilities at Morbi, is engaged in the business of Manufacturing of vitrified tiles, Trading of building materials, stores & spares, ceramic raw materials and ceramic semi-finished materials.
- 2 Previous year's figure have been reworked, regrouped, rearranged and reclassified wherever necessary. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

**3 Long Term and Short Term Borrowings :-**

**Secured :**

**Vehicle Loan From Banks & Financial Institutions :**

Amt O/s.

Rs.4,41,236/- Secured against hypothecation of vehicles.

**Cash Credit & Letter of Credit from Banks :**

Amt O/s.

Rs.34,34,06,395/- (Excluding uncharged interest on CC & LC Rs. 7,91,21,489/-) Secured by Equitable Mortgage of factory land & building, hypothecation of plant & machineries, hypothecation of stock & book-debts, Equitable Mortgage & Hypothecation of collaterals from associate concern & relatives of directors and guarantee of directors, their relatives and associates.

The rate of interest on the long term and short term borrowings ranges between 11% to 15% p.a. depending upon the prime lending rate / base rate of the banks applicable at different point of time during the year and the interest rate spread agreed with the banks.

Repayment period of long term borrowings is 1 year from the balance sheet date.

The company has made certain defaults in repayment of loans and interest. The short term borrowing accounts have been classified as NPA since 28th October, 2013 and The details of continuing defaults as at March 31, 2015 are as follows :

Particulars	Amount (in lacs)	Period of delay
Vehicle Loans	0.21	Less than 30 days
Vehicle Loans	0.41	30 to 90 days
Vehicle Loans	0.78	More than 90 days
Cash Credit & Letter of Credit (Excluding uncharged interest of Rs. 791.21 lacs)	3434.06	More than 90 days

**Unsecured :**

From Directors Rs. 296.48 lacs (Rs. 334.17 lacs) carries Nil (Nil) interest rate and is repayable on demand.

From Directors resigned during the year Rs. 42.64 lacs (Nil) carries Nil (Nil) interest rate and is repayable on demand.

Inter corporate deposits Rs. 30 lacs (Rs. 30 lacs) carries Nil (Nil) interest rate and is repayable on demand.

**4. Managerial Remuneration to Directors**

- a) Salaries, Perquisites & Allowances
- b) Sitting Fees

	2014-2015	2013-2014
a)	-	-
b)	95,000	90,000
	<b>95,000</b>	<b>90,000</b>

**5. Payment to Auditor**

- a) Statutory Audit Fees
- b) Tax Audit Fees

	2014-2015*	2013-2014*
a)	25,000	175,000
b)	5,000	50,000
	<b>30,000</b>	<b>225,000</b>

\* excluding service tax



6. C.I.F. Value of Import- Stores and spares	<b>2014-2015</b>		<b>2013-2014</b>	
	-	-	305,256	305,256

7. The consumption of	<b>2014-2015</b>		<b>2013-2014</b>	
	Rs.	%	Rs.	%
<b>a) Raw material</b>				
i) Imported	-	0.00%	-	0.00%
ii) Indigenous	8,927,079	100.00%	22,072,957	100.00%
	<b>8,927,079</b>	<b>100.00%</b>	<b>22,072,957</b>	<b>100.00%</b>
<b>b) Store, spares, polishing and packing materials</b>				
i) Imported	-	0.00%	336,295	3.29%
ii) Indigenous	11,326,285	100.00%	9,877,900	96.71%
	<b>11,326,285</b>	<b>100.00%</b>	<b>10,214,195</b>	<b>100.00%</b>

8. Raw Material Consumption Pattern	<b>2014 - 2015</b>			<b>2013 - 2014</b>		
	Qty. in M.T.	Rs.	%	Qty. in M.T.	Rs.	%
<b>Vitrified Tiles Unit</b>						
a) Feldspar Powder	451	1,434,815	16.07%	3,100	8,870,260	40.19%
b) Talc Powder	496	959,719	10.75%	437	819,120	3.71%
c) Binder (Sodium Lingo)	102	3,093,141	34.65%	203	6,035,324	27.34%
d) Ball Clay	456	1,729,682	19.38%	309	1,162,400	5.27%
e) Other Material	58	1,709,722	19.15%	941	5,185,853	23.49%
	<b>1,562</b>	<b>8,927,079</b>	<b>100.00%</b>	<b>4,991</b>	<b>22,072,957</b>	<b>0.00%</b>

9. Expenditure & Earnings in Foreign Exchange	<b>2014-2015</b>		<b>2013-2014</b>	
	-	-	-	-

10 The company has raised the fund of Rs. 3060/- lacs during the year 2010-2011 from issue of Equity Shares on Preferential basis and out of the same, balance as on 31st March, 2015 lying in interest bearing Inter-Corporate Deposits (ICD) was Rs. 2757.20/- lacs. It was due for receipt / renewal from respective parties during the year 2011-2012. Due to non-renewal, the company has not booked interest of Rs. 445.07/- lacs (Rs. 445.07/- lacs) on such amount during FY 14-15. If it would have been booked, loss would have been reduced by such amount.

In this context, the management represents that :- management is following up the matter with the respective parties and has filed civil suit / under the process of filing the civil suit for the recovery of the same amount along with the interest. The company is making its all efforts for renewal / receipt of the same.

- 11 Reasons pertaining to highly uncertainty about the Going Concern aspect of the Company:-
- With effect from 28th October, 2013, the short term borrowings availed from bank have been classified as Non Performing Asset (NPA) by the bank and the bank has issued demand notice for the recovery of the outstanding amount alongwith uncharged interest & other expenses. Due to company's failure to repay / settle the amount payable to the bank, the bank has taken symbolic possession of the factory unit.
  - During the year 13-14, the company has received various notices from Sales Tax Department for the years 06-07, 07-08, 08-09, 11-12 & 12-13 amounting to Rs. 3,14,66,931 plus applicable interest & penalty. For the recovery of the same, the Sales Tax Department has issued an order dated 20.07.2013 for creating charge on the factory land as per The Land Revenue Act. During the year 14-15, the company has received notice from Sales Tax Department for the year 10-11 amounting to Rs. 16,31,29,534 against which appeal is being preferred by the company.
  - Because of old technology based plant & machineries and also due to sale of certain machineries, the operational efficiency of the company's plant was badly affected and due to which the company could achieve production of 324 MT (5400 MT) only as against installed capacity of 84000 MT p.a. during FY 14-15. during the year, for most of the time, the company could not operate its plant continuously.



d It is explained by the management of the company that, the company could achieve total revenue of only Rs. 237.31/- lacs for FY 14-15, as against preceding years total revenue of Rs. 1019.85/- lacs for FY 13-14, Rs. 1711.31/- lacs for FY 12-13 and Rs. 6073.81/- lacs for FY 2011-2012, because of the reduced volume of sales operations owing partly to persistent recessionary conditions and partly to restricting the production in one kiln only. Moreover efficiency of the plant & machinery of the company is constantly reducing due to age / old technology factor. Henceforth, manufacturing, operational and financial expenses remained unabsorbed leading to posting a loss before tax, exceptional & Prioer Period items Rs. 2008.88/- lacs and after tax loss of Rs. 2844.17/- lacs as againts preceding years Rs. 3477.02/- lacs for FY 13-14, Rs. 1444.29/- lacs for FY 12-13 and Rs. 1065.55/- lacs for FY 11-12. It is also further explained that ever since the catastrophic incident occurred to the company in the year 2010-2011, the company's business operations affected badly. This has resulted, in addition to the deferring production in one of the kilns, increased cash flows problems coupled with production disruptions.

e Contingent Liabilities\*

Rs. In Lacs

	2014-2015	2013-2014
Counter guarantee given to the banks against guarantee issued by banks on behalf of company.	-	176.14
Excise matters under dispute and under adjudication. (However the company has paid Rs. 6.94 lacs under protest)	12.82	12.82
Excise search operations matter	980.26	980.26

(The company has paid under protest a sum of Rs.400 lacs as a part of bail condition of court of law at the time of search operations. The company / directors have further submitted solvency certificate for Rs. 325 Lacs to the lower court as per the order of Gujarat High Court. Presently matter pertaining to the show cause notice for duty of Rs. 490.13 Lacs and the amount shown hereinabove of Rs. 980.26 Lacs as contingent liability including alleged penalty, is pending for adjudication at Central Excise Department. )

	2014-2015	2013-2014
VAT matters under dispute and under adjudication.	1778.19	146.90
VAT notices for the years 06-07, 07-08, 08-09, 11-12 & 12-13 (Refer Point No. 11(b) above)	314.67	314.67

\* Contingent liability produced here in above on the bases of information compiled by the management of the company

f Apart from above points mentioned in notes no. 10 & 11(a to e), there is a highly uncertainty about the going concern aspect of the company looking to the various other reasons also such as i) Power connection of the factory unit disconnected by the State Electricity Board ii) Bank has filed complain / legal suits on the company for sales of machineries / stock hypothecated to bank without its consent and also for recovery of its entire dues along with the interest iii) Differences in physical verification of plant & machineries taken by bank and management of the company iv) Receivables/advances and Payables/liabilities of the company are subject to confirmation of the concerned parties v) ongoing various litigations by government as well as non-government parties.

In this context, the management represents that :- management is trying its best to resolve all the above issues in its best possible manner and restart the factory operations by involving new management for the company.Hence the financials are prepared on going concern basis.

g Owing to the highly uncertainty about the going concern status of the company in near future due to the reasons mentioned in note no. 11 a to f above, had the accounts for the year ended 31st March, 2015 would have been prepared on realization basis instead of accrual basis by the management of the company, a) the realizable value of plant & machinery as per the bank's latest valuation report comes to approx Rs. 1205.05 lacs at the place of written down value of plant & machinery as per the books of accounts shown as on 31st March, 2015 comes to Rs. 1138.02 lacs b) the realizable value of leasehold land & building as per Dec 12 valuation report comes to approx Rs. 2050 lacs at the place of written down value of Rs. 1174.85 lacs as per the books of accounts shown on 31st March, 2015 c) Trade Receivables& Non-current investments totalling to Rs. 3388.64 lacs stated in books of accounts as recoverable are doubtful for recovery d) Amount of current & non-current liabilities over other current / non-current assets



are Rs. 4854.17 lacs as per books of accounts, however final amount payable against it and final payable amount against various contingent liabilities are yet to be ascertained by the management of the company.

**12. Litigation \***

- a Company is having pending litigation against it with respect to company's failure to repay / settle the amount payable o/s. as on 31st March, 2015, Rs. 3434.06/- Lacs (Excluding uncharged interest on CC & LC Rs. 791.21/- Lacs) to the bank and bank has taken symbolic possession of the factory unit as mentioned in note 3 and 11(a).
- b Company is having pending litigation against it with respect to VAT matters under dispute and under adjudication as well as excise search operations of Rs. 2092.86 Lacs plus applicable interest and penalty as mentioned in note 11(e) above.
- c Company is having pending litigation against it with respect to Excise matters under dispute and under adjudication as well as excise search operations of Rs. 993.08 Lacs plus applicable interest and penalty as mentioned in note 11(e) above.
- d Company has filed civil suit / under the process of filing the civil suit for the recovery of the amount lying in ICD Rs. 2757.20/- Lacs plus applicable interest as mentioned in note 10 above.
- e In addition, the company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The management does not reasonable expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial position.

(\* Litigation details produced here in above on the basis of information compiled by the management of the company)

**13. No Provision made for material foreseeable losses**

- a in respect of amount lying in ICD to the tune of Rs. 2757.20/- Lacs plus applicable interest on account of non-renewal / non-receipt of the same.
- b in respect of current and non-current trade receivables of Rs. 388.96/- Lacs on account of pending confirmations.

**14.** Exceptional Items of Rs. 8,30,28,104/- (Rs. 7,89,81,152/-) debited to Profit & Loss A/c. is on account of provision made for doubtful debts of Rs. 1,03,94,983/- (Rs. 5,04,83,373/-) reduction in value of stock due to reduced net realizable value over the normal cost by Rs. 4,43,01,804/- (Rs. 2,84,97,778/-), Rs. 1,97,98,396/- (Nil) on account of insurance claim receivable from insurance company charged to statement of profit & loss looking at the remote possibility of the claim receipt and Rs. 85,32,921/- on account of advances written off since not recoverable in opinion of management of the company.

**15.** Net balances of trade receivables as on 31st March, 2015 of Rs. 55.24/- lacs (net of provision made for doubtful debts Rs. 608.78/- lacs) disclosed under 'trade receivables' and Rs. 333.72/- lacs disclosed under 'other non-current assets' are subject to confirmations of the parties concerned.

**16.** The company has booked total interest cost of Rs. 549.36/- lacs towards working capital facilities from bank under the head finance cost during the year, has not been paid by the company / charged by the bank due to recognition of non-performing asset by the bank since Oct 2013, as per the RBI prudential norms for income recognition.

**17.** Prior Period Items Rs. 5,00,000/- :

Payment made for marketing expenses in earlier years not debited to Statement of Profit & Loss in respective year, now debited as prior period items during FY 14-15.

**18.** Quantitative details and valuation of inventories during the year are being relied upon the physical stock verification statement / certificate given by the management of the company.

**19. Deferred Tax Liability Comprise of the following**

- a) Deferred tax liabilities
  - Related to Fixed Assets
  - Related to Deferred Revenue Expenditure

	2014-2015	2013-2014
2,635,011	53,974,557	
-	-	
<b>2,635,011</b>	<b>53,974,557</b>	



	2014-2015	2013-2014
b) Deferred tax assets		
Related to Unabsorbed Depreciation & Carry Forward Loss	170,236,213	135,352,068
Related to Provision for Gratuity	-	66,174
Related to Minimum Alternate Tax Credit	18,535,279	18,535,279
	<b>188,771,492</b>	<b>153,953,521</b>
Deferred Tax Liability / (Assets) {Net} (a-b)	<b>(186,136,481)</b>	<b>(99,978,964)</b>
However due to non existence of virtual certainty regarding future profitability, no (DTA) are created, henceforth opening DTL is reversed to the extent of NIL balance only.	NIL	NIL

20. Earning Per Share	2014-2015	2013-2014
<b>Total Operations</b>		
Net Profit after tax and after Exceptional items (Rs.)	(284,416,576)	(347,701,659)
Net Profit available to equity share holders (Rs.)	(284,416,576)	(347,701,659)
Add: Exceptional & Prior Period items and tax thereon (Rs.)	83,528,104	78,981,152
Net Profit after tax and before Exceptional & Prior Period items (Rs.)	(200,888,472)	(268,720,507)
Weighted Nos. of Equity Shares used as denominated for calculating the Basic EPS	48,335,444	48,335,444
Weighted average nos. of potential equity that could arise on conversion of equity warrants.	-	-
Dilutive Shares for the year	-	-
Weighted Nos. of Equity Shares used as denominated for calculating the Diluted EPS	48,335,444	48,335,444
Basic & Diluted EPS Before Exceptional Items (Rs.) *	(4.16)	(5.56)
Basic & Diluted EPS After Exceptional Items (Rs.) *	(5.88)	(7.19)

\* Annualized

21. Additional Information :

a) Capacity & Production	2014-2015		2013-2014	
<b>Product : Vitrified Tiles</b>				
Licensed Capacity - Not Applicable				
Installed Capacity (on continuous process basis)-In MT (As certified by the management of the company)	84000		84000	
Actual Production - In MT	324		5400	
<b>b) Turnover and Closing Stock of Manufactured Goods :</b>				
	<b>2014-2015</b>		<b>2013-2014</b>	
	Rs.	%	Rs.	%
<b>Vitrified Tiles Unit</b>	Qty. in M.T.	Rs.	Qty. in M.T.	Rs.
Turnover	2,185.20	11,531,645	5,700.78	73,168,835
Closing Stock	-	-	1,861.56	22,069,699
<b>Alluminium Composite Panel Unit</b>	in Sq. Mtr	Rs.	in Sq. Mtr	Rs.
Turnover	-	-	587.59	305,083
Closing Stock	-	-	-	-
<b>c) Consumption of Raw Material :</b>				
	<b>2014-2015</b>		<b>2013-2014</b>	
	Rs.	%	Rs.	%
<b>Vitrified Tiles Unit</b>	Qty. in M.T.	Rs.	Qty. in M.T.	Rs.
	1,562.42	8,927,079	4,991.36	22,072,957
<b>Alluminium Composite Panel Unit</b>	-	-	-	-



d)	Opening Stock, Purchase, Sales & Closing Stock of Merchanting Goods (Tiles, Raw Materials and Other Building Materials) :	2014-2015		2013-2014	
		Qty. in Box/ Sheets/MT	Rs.	Qty. in Box/ Sheets/MT	Rs.
	Opening	-	-	237	121,087
	Purchase / Transfer from Raw Materials	3,798	41,173,011	4,692	31,255,960
	Sales	3,798	12,888,322	4,929	36,378,169
	Transfer / other consumption	-	-	-	-
	Closing Stock	-	-	-	-

22. Disclosure under Accounting Standard - 15 (Revised) on 'Post Employment Benefits' :

**Gratuity Benefits :**

The Company has defined benefit gratuity plan. Every employee who has completed five years or more of services gets a gratuity on departure at 15 days salary (Last drawn salary) for each completed year of service. The following table summarizes the component of net benefit expenses recognized in Statement of Profit & Loss.

	Particulars	2014-2015	2013-2014
(I)	<b>Changes in the present value of the defined benefit gratuity plan are as follows :</b>		
	Opening defined benefit obligation	214,154	397,720
	Interest Cost	-	30,823
	Current Service Cost	-	42,911
	Benefit Paid	-	-
	Actuarial (Gain) / Losses on obligation	(214,154)	(257,300)
	Closed Defined benefit obligation	-	214,154
(II)	<b>Change in Fair Value of Asset :</b>	<b>2014-2015</b>	<b>2013-2014</b>
	Fair Value of Asset at beginning	-	-
	Expected Return	-	-
	Employer's Contribution	-	-
	Actuarial Gain/ (Loss)	-	-
	Fair Value of plan asset at end	-	-
(III)	<b>Details of defined benefit gratuity plan :</b>	<b>2014-2015</b>	<b>2013-2014</b>
	Defined benefit obligation (A)	-	214,154
	Fair Value of plan asset (B)	-	-
	Present value of Unfunded obligation (C=A-B)	-	214,154
	Less: Unrecognized past service Cost (D)	-	-
	Plan Asset/ (Liability) (E=C-D)	-	214,154
(IV)	<b>Net Employee Benefit expenses in Profit &amp; Loss Account :</b>	<b>2014-2015</b>	<b>2013-2014</b>
	Current Service Cost	-	42,911
	Interest Cost on benefit obligation	-	30,823
	Expected return on plan assets	-	-
	Net Actuarial (Gain)/Loss recognized in the year	(214,154)	(257,300)
	Past Service Cost	-	-
	Net Benefit Expense / (Income)	(214,154)	(183,566)
(V)	<b>Amounts for the current and previous periods are as follows :</b>	<b>2014-2015</b>	<b>2013-2014</b>
	Defined Benefit obligation	-	214,154
	Plan Assets	-	-
	Surplus / (Deficit)	-	214,154
	Experience adjustments on Plan Liabilities	-	(254,969)
	Experience adjustments on Plan Assets	-	-



(VI) The principal assumption used in determining the defined benefit gratuity plan obligations are shown below.	2014-2015	2013-2014
Retirement Age to be Assumed at	-	58
Rate of Discounting	-	8.69%
Future Salary rise	-	5.00%
Attrition Rate	-	50.00%
Mortality Rate	-	LIC (1994-96) Ultimate
Gratuity Limit	-	1,000,000

For the year ended 31st March, 2015, there does not arise in gratuity liability as per management and also no liability for payment arises, since there were no such eligible staff at the end of the year. Hence, opening obligation amount has been written back in the Statement of Profit & Loss. For provisions upto the year ended 31st March, 2014, the estimated future salary increases, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**23. Segment Information :**

In accordance with Accounting Standard-17 – “Segment Reporting” issued by the Institute of Chartered Accountants of India, the Company has identified its business segment as Manufacturing and Trading of Tiles & Other Building Materials; there are no other primary reportable segments. The major and material activities of the company are restricted to only one geographical segment i.e. India, hence the secondary segment disclosure are not applicable.

**24. Related Party Disclosures :**

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosure of the transactions with the related parties as defined in the Accounting Standard are given :

List of Related Parties along with relationship and Transactions :-

**Associates :**

Decogold Glazed Tiles Ltd.

Aristo Ceramics

**Key Management Personnel :**

Girishbhai M. Pethapara - Director

Kantilal M. Pethapara - Director

Jayantilal M . Pethapara (ceased to be director w.e.f. 15.12.2014)

Amount Rs. In Lacs

Figures in brackets shows previous year figures

Particulars	Associates	Key Management Personnel
<b>Transactions</b>		
Rent Paid	Nil (Nil)	Nil (0.14)
Loans / Deposits Taken	Nil (Nil)	4.96 (118.20)
Loans / Deposits Repaid	Nil (Nil)	Nil (42.99)
<b>Outstanding Balances</b>		
Loans / Deposits *	Nil (Nil)	339.13 (334.17)

\* Includes Rs. 42.64 Lacs outstanding from Jaynatilal M. Pethapara who ceased to be director w.e.f. 15.12.2014. There were no transactions of receipt or payment during the year from the said director.



25. The company has taken certain premises, factory building, godown & land under cancelable operating leases. The total rental expenses under cancelable operating lease during the year was Rs. Nil (Rs. 0.14 lacs).
26. The company has not received any information from the suppliers regarding their status under the 'Micro, Small and Medium Enterprise Development Act, 2006' and hence disclosures, if any relating to amounts unpaid as at year end together with interest paid / payable as required under the act have not been furnished.
27. Dues from other companies / parties under same management at year end is Rs. NIL
28. **Insurance Claim Receivable :**  
Insurance claim receivable of Rs. 197.98 lacs is on account of balance of claims lodged and sanctioned by the insurance company, resulting due to catastrophic incident occurred to the company during the year 2010-2011. The same expenditure was incurred by the company, however balance claim not sanctioned and under dispute is shown by the company as claim receivable under 'Non-Current Assets' in FY 13-14 and charged to statement of profit & loss in FY 14-15 looking to the remote possibility of the claim receipt.
29. As informed to us by management of the company, the board of directors of the company is constituted with proper balance of executive directors, non-executive directors and independent directors. However the appointment of women director as per section 149(1) of the Companies Act, 2013 is yet to be made.
30. During the audit period, the Company Secretary of the Company Mr. Suresh S. Dave has resigned on 15th December, 2014 and the Company is yet to appoint Company Secretary and Chief Financial Officer (CFO) in whole time employment as per section 203 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013, as a key managerial persons of the company.
31. In opinion of the Board of Directors of the company Net Current Assets are approximately of the same value as stated, in the normal course of business, and adequate provision has been made for all know liabilities.
32. Balances of Trade Payables, Unsecured Loans, Trade Receivables, Long-term and Short-term Loans & Advances and Non-Current Investments are subject to the confirmation of the parties concerned. Wherever confirmation of the parties for the amounts due to them / amounts due from them as per books of accounts are not received, necessary adjustments, if any, will be made when the accounts are reconciled / settled.
33. Wherever no vouchers and documentary evidences were made available for our verification, we have relied on the authentication given by management of the company.
34. Figures have been rounded off to nearest rupee and have been regrouped, rearranged and reclassified wherever necessary.

**Signature to Notes 1 to 27**

**As per our attached report of even date  
For SVK & ASSOCIATES  
Chartered Accountants**

**Shilpang V. Karia  
Partner  
M. No. - 102114  
Firm No. - 118564W**

**Place : Morbi  
Date : 30th May, 2015**

**For and on behalf of the Board  
For DECOLIGHT CERAMICS LTD.**

**Girishbhai M. Pethapara  
Managing Director  
DIN : 00380910**

**Vasantbhai A. Kaila  
Director  
DIN : 02680103**

**Place : Morbi  
Date : 30th May, 2015**

**Kantibhai M. Pethapara  
Joint Managing Director  
DIN : 00055108**

**Vijaybhai M. Vidja  
Director  
DIN : 02680111**



**Decolight Ceramics Limited**

CIN : L26914GJ2000PLC037494

Behind Romer Ceramics Ghuntu Road, Morbi, Gujarat- 363642.

Name of Sole/First : \_\_\_\_\_ Sr. No.: \_\_\_\_\_

Named member : \_\_\_\_\_

Address : \_\_\_\_\_

Joint Holder(s) Name : \_\_\_\_\_

Registered Folio No. : \_\_\_\_\_

DP ID No./ Client ID No. : \_\_\_\_\_

Number of Shares held : \_\_\_\_\_

Dear Member,

**Subject : Voting through Electronic means**

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended, and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to the members to cast their votes electronically as an alternative to participation at the 16th Annual General Meeting of the Members to be held on Monday, the 28th September, 2015 at 11:00 a.m. by electronic means (remote e-voting). The Company has engaged the service of National Securities Depository Limited ("NSDL") to provide e-voting facilities. The e-voting facility is available at the link <https://www.evoting.nsdl.com>.

<b>EVEN (E-Voting event number)</b>	<b>User ID</b>	<b>Password/ Pin</b>

The remote e-voting facility will be available during the following voting period:

<b>Commencement of e-voting</b>	<b>From 09:00 a.m. on September 25th, 2015</b>
<b>End of e-voting</b>	<b>Upto 05:00 p.m. September 27th, 2015</b>

The remote e-voting shall not be-allowed beyond 05:00 p.m. September, 27th, 2015. During the e-voting period, shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date may cast their votes electronically. The Cut-off date for the purpose of remote e-voting is September 28th, 2015.

Please read the instructions printed overleaf before exercising the vote.

These details and instructions from integral part of the Notice for the Annual General Meeting to be held on Monday, the 28th September, 2015.

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**Decolight Ceramics Limited**

CIN : L26914GJ2000PLC037494

Behind Romer Ceramics Ghuntu Road, Morbi, Gujarat- 363642.

**ATTENDANCE SLIP**

**Annual General Meeting**

Reg. Folio/DP & Client No.: \_\_\_\_\_ No .of Shares Held : \_\_\_\_\_

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company at the Register Office at Behind Romer Ceramics Ghuntu Road, Morbi, Gujarat ,363642 on Monday, the 28th September, 2015 at 11:00 a.m.:

Member's Name : \_\_\_\_\_

Proxy's Name : \_\_\_\_\_

Member's/ Proxy's Signature

- Note :**
1. Please fill this attendance slip and hand it over at the entrance of the Hall.
  2. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting .

**Form No. MGT-11**

**Decolight Ceramics Limited**

CIN : L26914GJ2000PLC037494

Behind Romer Ceramics Ghuntu Road, Morbi, Gujarat- 363642.

**PROXY FORM**

**(Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration Rules, 2014)**

Name of the member(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

E.Mail Id : \_\_\_\_\_ Folio No./Client Id : \_\_\_\_\_ DP ID : \_\_\_\_\_

I/We,being the member(s) holding .....shares of the above named Company, hereby appoint

1. Name : \_\_\_\_\_

Address : \_\_\_\_\_

Email ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him

2. Name : \_\_\_\_\_

Address : \_\_\_\_\_

Email ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him

3. Name : \_\_\_\_\_

Address : \_\_\_\_\_

Email ID : \_\_\_\_\_ Signature : \_\_\_\_\_ as my/our

proxy to attend and vote(on a poll) for me/us and on my/our behalf at Annual General Meeting of the Company at the Register Office at Shantanu, 104, Sardar Patel Nagar, Ellisbridge, Ahmedabad 380 006 at 10:30 AM on Tuesday, the 25th August, 2015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. 1: \_\_\_\_\_ 2: \_\_\_\_\_ 3: \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2015

Signature of shareholder : \_\_\_\_\_



Signature of Proxy holder(s) : \_\_\_\_\_

**Note :** This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of Attorney, if any under which the Proxy Form is signed , not less than 48 hours before the time for holding the meeting.

# VALUE RESEARCH PREMIUM

*If Undelivered please return to :*

**Decolight Ceramics Limited**  
Behind Romer Ceramics Ghuntu Road,  
Morbi, Gujarat- 363642..

