

DECOLIGHT CERAMICS LIMITED

Regd. Office : B/h. Romer Ceramics, Old Ghuntu Road, Morbi 363 642.

13th Annual Report 2011-2012



AN ISO 9001 : 2008 & 14001 : 2004



Corporate Information

BOARD OF DIRECTORS

| | |
|-----------------|----------------------------------|
| Mr GM Pethapara | - Chairman cum Managing Director |
| Mr KM Pethapara | - Jt. Managing Director |
| Mr JM Pethapara | - Whole-time Director |
| Mr VA Kaila | - Independent Director |
| Mr VM Vidja | - Independent Director |
| Mr AH Bopaliya | - Independent Director |

COMPANY SECRETARY

Mr Ramachandran Pillai

AUDIT COMMITTEE

Mr VM Vidja
Mr VA Kaila
Mr AH Bopalia

AUDITORS

SVK & ASSOCIATES
Chartered Accountants, Ahmedabad.

REGISTRAR AND TRANSFER AGENTS

BIGSHARE SERVICES PVT. LTD.
E-23, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E), Mumbai – 400 072
Tel: 91-22-28470652, Email: info@bigshareonline.com

BANKERS

Bank of India, Morbi
HDFC Bank Ltd., Morbi
Punjab National Bank, Morbi
State Bank of India, Morbi

REGD. OFFICE

B/h. Romer Ceramics, Old Ghuntu Road, Morbi - 363 642.

CORPORATE OFFICE

B/h. Romer Ceramics, Old Ghuntu Road, Morbi – 363 642.

FACTORY LOCATIONS

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

PHONE NO. : +91-2822-241156
+91-2822-241988

FAX NO. : +91-2822-241225
EMAIL : decolight2004@yahoo.com
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WEBSITE : www.decocovering.com

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Notice

TO THE MEMBERS

NOTICE is hereby given that the **THIRTEENTH ANNUAL GENERAL MEETING** of the Members of **DECOLIGHT CERAMICS LIMITED** will be held at the **Registered Office of the Company at Old Ghuntu Road, Behind Romer Ceramics, Morbi – 363 642, Dist: Rajkot, Gujarat, India, on Tuesday, the 31st July, 2012 at 12.00 p.m.** to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2012 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 Shri Kantibhai M Pethapara, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a director in place of Shri Jayantibhai M Pethapara, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint SVK & ASSOCIATES, Chartered Accountants, Firm No. 118564W, 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 SVK & Associates, Chartered Accountants, Firm No. 118564W, 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 next Annual General Meeting on such remuneration as may be determined by the Board of Directors in consultation with the Auditors."

Special Business

5. To consider and, if though fit, to pass, with or without modification(s) the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies act, 1956 or any statutory amendment, re-enactment or modification(s) thereto and subject to such further consent as may be necessary, the approval of the Company be and is hereby accorded to the reappointment of Mr. Girishbhai. M. Pethapara as the Chairman & Managing Director of the Company, not liable to retire by rotation, for a period of three years with effect from 1st October, 2012 upon the terms, conditions and remuneration as approved by Remuneration Committee and Board of Directors of the Company as contained in the draft agreement placed in this meeting"

"RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII of the Companies, 1956, the Board of Directors or Committee(s) thereof be and are hereby authorized to vary or increase / decrease the remuneration including basic salary, perquisites, allowances, benefits, etc. within such prescribed limits / ceiling and the aforesaid draft agreement between the Company and Mr Girishbhai M Pethaparda be suitably amended to give effect to such modification, relaxation or variations without any further reference to the Company in General Meeting"

"RESOLVED FURTHER THAT, in the event of any loss, absence or inadequacy of profits in any financial year of the Company during the tenure of Mr. Girishbhai M. Pethapara as Chairman & Managing Director, the remuneration payable to him shall be in accordance with limits prescribed in Part II Section II(1)(A) of Schedule XIII to the Companies Act, 1956 as amended from time to time subject to the compliance of provisions thereof but in any event shall not exceed the ceiling limit of Rupees Twenty-four lakhs per annum or Rs Two Lakh per month as per the provisions of Part II Section II(1)(A) of Schedule XIII to the Companies Act, 1956 as amended from time to time."

"FURTHER RESOLVED THAT the Board of Directors, be and is hereby authorized to do all such acts,



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deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution or otherwise considered by it be in the best interest of the Company."

6. To consider and, if though fit, to pass, with or without modification(s) the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies act, 1956 or any statutory amendment, re-enactment or modification(s) thereto and subject to such further consent as may be necessary, the approval of the Company be and is hereby accorded to the reappointment of Mr. Kantibhai M. Pethapara as the Joint Managing Director of the Company, for a period of three years with effect from 1st October, 2012 upon the terms, conditions and remuneration as approved by Remuneration Committee and Board of Directors of the Company as contained in the draft agreement placed in this meeting"

"RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII of the Companies, 1956, the Board of Directors or Committee(s) thereof be and are hereby authorized to vary or increase / decrease the remuneration including basic salary, perquisites, allowances, benefits, etc. within such prescribed limits / ceiling and the aforesaid draft agreement between the Company and Mr Kantibhai M Pethapara be suitably amended to give effect to such modification, relaxation or variations without any further reference to the Company in General Meeting"

"RESOLVED FURTHER THAT, in the event of any loss, absence or inadequacy of profits in any financial year of the Company during the tenure of Kantibhai M. Pethapara as Joint Managing Director, the remuneration payable to him shall be in accordance with limits prescribed in Part II Section II(1)(A) of Schedule XIII to the Companies Act, 1956 as amended from time to time subject to the compliance of provisions thereof but in any event shall not exceed the ceiling limit of Rupees Twenty-four lakhs per annum or Rs Two Lakh per month as

per the provisions of Part II Section II(1)(A) of Schedule XIII to the Companies Act, 1956 as amended from time to time."

"FURTHER RESOLVED THAT the Board of Directors, be and is hereby authorized to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution or otherwise considered by it be in the best interest of the Company."

7. To consider and, if though fit, to pass, with or without modification(s) the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies act, 1956 or any statutory amendment, re-enactment or modification(s) thereto and subject to such further consent as may be necessary, the approval of the Company be and is hereby accorded to the reappointment of Mr. Jayantibhai M. Pethapara as the Whole-Time Director of the Company, for a period of three years with effect from 1st October, 2012 upon the terms, conditions and remuneration as approved by Remuneration Committee and Board of Directors of the Company as contained in the draft agreement placed in this meeting"

"RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII of the Companies, 1956, the Board of Directors or Committee(s) thereof be and are hereby authorized to vary or increase / decrease the remuneration including basic salary, perquisites, allowances, benefits, etc. within such prescribed limits / ceiling and the aforesaid draft agreement between the Company and Mr Jayantibhai M Pethapara be suitably amended to give effect to such modification, relaxation or variations without any further reference to the Company in General Meeting"

"RESOLVED FURTHER THAT, in the event of any loss, absence or inadequacy of profits in any financial year of the Company during the tenure of Mr Jayantibhai M. Pethapara as Whole-Time Director, the remuneration payable to him shall be in



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accordance with limits prescribed in Part II Section II(1)(A) of Schedule XIII to the Companies Act, 1956 as amended from time to time subject to the compliance of provisions thereof but in any event shall not exceed the ceiling limit of Rupees Twenty-four lakhs per annum or Rs Two Lakh per month as per the provisions of Part II Section II(1)(A) of Schedule XIII to the Companies Act, 1956 as amended from time to time."

"FURTHER RESOLVED THAT the Board of Directors, be and is hereby authorized to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution or otherwise considered by it be in the best interest of the Company."

By order of the Board of Directors
Sd/-

Girishbhai M. Pethapara
Chairman and Managing Director

Place: Morbi

Date: 30th May, 2012

Registered Office :

B/h. Romer Ceramic,
Old Ghuntu Road,
Morbi – 363642.

Note:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote (on poll) instead of himself and a proxy need not be a member of the Company. The proxy forms duly completed should reach the Registered office of the company not less than 48 hours before the meeting. A blank proxy form is attached herewith.
2. Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
3. Members / Proxies should bring duly filled Attendance Slip sent herewith to attend the meeting.

4. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the AGM.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from 30th July, 2012 Monday to 31st July, Tuesday, 2012, both days inclusive.
6. Members holding shares in physical form are requested to notify immediately changes, if any, in their registered address to Company's Registrar & Share Transfer Agent, at the below-mentioned address quoting their Folio Numbers :-

Bigshare Services Pvt. Ltd.

E-23, Ansa Industrial Estate
Sakivihar Road
Saki Naka, Andheri (E)
Mumbai – 400 072
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 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."

7. 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.
8. 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.



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9. 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.

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

| Particulars | Mr. K. M. Pethapara | Mr. J. M. Pethapara |
|---|--|---|
| Date of Appointment | 07.03.2000(Last reappointed as Whole-Time Director w.e.f. 01.10.2009) | 07.03.2000(Last reappointed as Whole-Time Director w.e.f. 01.10.2009) |
| Date of birth | 21.06.1958 | 27.12.1963 |
| Qualification | BSc in Agriculture Science | BE in Civil Engineering from Saurashtra University |
| Expertise in functional area | He has been associated with the Company since inception and he possesses about 15 years of experience in the Ceramic Industry. He held the post of Assistant Seed Certification Officer with Gujarat State Seed Certification Agency for a period of sixteen years prior to joining the Company. | He has been associated with the Company since inception and he possesses about twelve years of experience in the Ceramic Industry. He held the post of Supervisor with Jamnagar Municipal Corporation Limited. for a period of thirteen years prior to joining the Company. |
| List of other Limited Companies in which Directorships held | Decogold Electronics Limited | Decogold Electronics Limited |
| Chairmanship/ Membership of other Board Committees | NIL | NIL |
| Share holding in Deco Light Ceramics Ltd. | 1271735 shares(2.63% w.r.t. the paid up share capital of the company) | 40545 shares(0.10% w.r.t. the paid up share capital of the company) |

By order of the Board of Directors
Sd/-

Girishbhai M. Pethapara
Chairman and Managing Director

Place: Morbi

Date: 30th May, 2012

Registered Office :

B/h. Romer Ceramic, Old Ghuntu Road,
Morbi – 363 642



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ANNEXURE TO NOTICE

Explanatory Statement:

As required by Section 173 of the Companies Act, 1956; the following Explanatory Statement sets out all material facts relating to the business mentioned under items 5 to 7 of the accompanying Notice dated May 30th, 2012:

Item No. 5

The tenure of Shri Girishbhai M Pethapara, as Chairman and Managing Director, will cease on 30th September, 2012. The Remuneration Committee, pursuant to reference given by the Board, had considered and approved on the appointment, terms, conditions and remuneration payable to Shri Girishbhai M Pethapara, as Chairman and Managing Director, and recommended to the Board for his appointment for a period of three years from October 1, 2012 as per the draft agreement approved by the committee. In terms of the provisions of Schedule XIII to the Companies Act, 1956, the Remuneration Committee also passed resolution for the payment of minimum remuneration to Shri Girishbhai M Pethapara, as Chairman and Managing Director, in the event of there being any loss or inadequacy of profit in any financial year. The Board approved the recommendation of the Remuneration Committee and decided to seek approval of the members in the ensuing annual general meeting on the same terms, conditions and remuneration as approved by the Board.

Brief Profile: Shri Girishbhai M Pethapara, 56 years, is an Electrical Engineer from Saurashtra University. He started his career in 1982 with the Gujarat Electricity Board as Junior Engineer and thereafter served as Deputy Engineer, for a total period of ten years in both the posts.

Expertise in functional areas: He is involved with the Company since its inception

and he has about 16 years of experience in the Ceramic Industry.

Directorship in other companies: Shri Girishbhai M Pethapara is also a Director of Deco Gold Electronics Limited, and he is not drawing any remuneration from this company.

Committee Membership: He is not a member in any of committees of the company.

Shareholding in the Company: He holds 456018 equity shares representing 0.94% shares in the equity share capital of the company.

The proposed remuneration will be within overall limit of Schedule XIII of the Companies Act, 1956. Briefly, the terms and conditions of the re-appointment and remuneration of Shri Girishbhai M Pethapara, are as follows:

I Tenure of Appointment : 3 (Three) year with effect from 1st October, 2012 to 30th September, 2015 .

II. Remuneration:

1 Basic Salary: ₹ 2,00,000/- (Rupees Two Lakhs only) per month.

2 Perquisites/Allowances: In addition to the basic salary as outlined above, the Chairman & Managing Director shall be entitled to perquisites/allowances as under:

(i) Housing : Free furnished residential accommodation or in case no accommodation is provided by the Company, reimbursement of actual expenditure incurred by the Managing Director on hiring accommodation shall be made by the Company subject to the

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ceiling of 60% of the salary as defined in para (1) above.

- (ii) In addition, the expenditure incurred for utilities such as gas, fuel, electricity, water, furnishings, repairs/upkeep and maintenance of accommodation and servants' salaries shall be reimbursed on actual basis.
- (iii) **Medical Benefits** : Payment or reimbursement of expenses incurred for self and family (including mediclaim/medical insurance premium) or medical allowance in accordance with the rules of the Company.
- (iv) **Leave Travel Allowance**: As per rules of the Company.
- (v) **Club Fees** : Payment of club fees for not more than two clubs in India, excluding admission and life membership fees.
- (vi) **Personal Accident Insurance**: As per rules of the Company.
- (vii) **contribution to Provident, Pension/Superannuation or Annuity Funds** : As per rules of the Company
- (viii) **Gratuity** : As per rules of the Company and applicable statutory provisions from time to time.
- (ix) **Leave Encashment**: Leave with full pay and allowances as per rules of the Company.
- (x) **Car/Communication facilities**: The following shall not be included in the computation of perquisites.

- a) Provision of Company's car(s) with driver for official use.
- b) Provisions of free telephone(s) or any other communication facilities or reimbursement of telephone/communication expenses at residence including payment of local calls and long distance official calls. However, total value of perquisites shall not exceed ₹20000/-p.m.or ₹ 240000/- p.a.

Copy of the draft agreement containing the terms, conditions and remuneration governing the appointment is available for inspection by members during business hours on any working day from 2 pm to 4 pm up to the date of annual general meeting.

Since Shri Girishbhai M Pethapara, Shri Kantibhai M Pethapara and Shri Jayantibhai M Pethapara are Directors and brothers inter se; all three directors are deemed to be concerned or interested in the resolution.

The above may be treated as an abstract of the draft agreement between the Company and Shri Girishbhai M Pethapara pursuant to Section 302 of the Companies, Act, 1956.

Item No.7

The tenure of Shri Kantibhai M Pethapara, as Joint Managing Director will cease on 30th September, 2012. The Remuneration Committee, pursuant to reference given by the Board, had considered and approved on the appointment, terms, conditions and remuneration payable to Shri Kantibhai M Pethapara, as Joint Managing Director, and recommended to the Board for his appointment



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for a period of three years from October 1, 2012 as per the draft agreement approved by the committee. In terms of the provisions of Schedule XIII to the Companies Act, 1956, the Remuneration Committee also passed resolution for the payment of minimum remuneration to Shri Kantibhai M Pethapara, as Joint Managing Director, in the event of there being any loss or inadequacy of profit in any financial year. The Board approved the recommendation of the Remuneration Committee and decided to seek approval of the members in the ensuing annual general meeting on the same terms, conditions and remuneration as approved by the Board.

Brief Profile: Shri Kantibhai M Pethapara, 54 years, is a Graduate in Agricultural Science and held the post of Assistant Seed Certification Officer with Gujarat State Seed Certification Agency for a period of sixteen years prior to joining the Company.

Expertise in specific areas: He has been associated with the Company since inception and he possesses about 15 years of experience in the Ceramic Industry.

Directorship in other companies: Shri Kantibhai M Pethapara is also a Director of Deco Gold Electronics Limited, and he is not drawing any remuneration from this company.

Committee Membership: He is not a member in any of the committees of the company.

Shareholding in the Company: He holds 1271735 equity shares representing 2.63% shares in the equity share capital of the company.

The proposed remuneration will be within overall limit of Schedule XIII of the Companies Act, 1956. Briefly, the terms and conditions of the re-appointment and remuneration of Shri Kantibhai M Pethapara, are as follows:

I Tenure of Appointment : 3 (Three) year with effect from 1st October, 2012 to 30th September, 2015 .

II. Remuneration:

1 Basic Salary: ₹ 2,00,000/- (Rupees Two Lakhs only) per month.

2 Perquisites/Allowances: In addition to the basic salary as outlined above, the Joint Managing Director shall be entitled to perquisites/allowances as under:

(i) Housing : Free furnished residential accommodation or in case no accommodation is provided by the Company, reimbursement of actual expenditure incurred by the Joint Managing Director on hiring accommodation shall be made by the Company subject to the ceiling of 60% of the salary as defined in para (1) above.

(ii) In addition, the expenditure incurred for utilities such as gas, fuel, electricity, water, furnishings, repairs/upkeep and maintenance of accommodation and servants' salaries shall be reimbursed on actual basis.

(iii) Medical Benefits : Payment or reimbursement of expenses incurred for self and family (including mediclaim/medical insurance premium) or medical allowance in accordance with the rules of the Company.

(iv) Leave Travel Allowance : As per rules of the Company.



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- (v) **Club Fees** : Payment of club fees for not more than two clubs in India, excluding admission and life membership fees.
- (vi) **Personal Accident Insurance** : As per rules of the Company.
- (vii) **contribution to Provident, Pension/Superannuation or Annuity Funds** : As per rules of the Company
- (viii) **Gratuity** : As per rules of the Company and applicable statutory provisions from time to time.
- (ix) **Leave Encashment** : Leave with full pay and allowances as per rules of the Company.
- (x) **Car/Communication facilities** : The following shall not be included in the computation of perquisites.
 - a). Provision of Company's car(s) with driver for official use.
 - b). Provisions of free telephone(s) or any other communication facilities or reimbursement of telephone/communication expenses at residence including payment of local calls and long distance official calls. However, total value of perquisites shall not exceed ₹20000/-p.m.or ₹ 240000/- p. a.

pm on any working day up to the date of annual general meeting.

Since Shri Kantibhai M Pethapara, Shri Girishbhai M Pethapara and Shri Jayantibhai M Pethapara are Directors and brothers inter se; all three directors are deemed to be concerned or interested in the resolution.

The above may be treated as an abstract of the draft agreement between the Company and Shri Kantibhai M Pethapara pursuant to Section 302 of the Companies, Act, 1956.

Item No. 8

The tenure of Shri Jayantibhai M Pethapara, as Whole-Time Director will cease on 30th September, 2012. The Remuneration Committee, pursuant to reference given by the Board, had considered and approved on the appointment, terms, conditions and remuneration payable to Shri Jayantibhai M Pethapara, as Whole-Time Director, and recommended to the Board for his appointment for a period of three years from October 1, 2012 as per the draft agreement approved by the committee. In terms of the provisions of Schedule XIII to the Companies Act, 1956, the Remuneration Committee also passed resolution for the payment of minimum remuneration to Shri Jayantibhai M Pethapara, as Whole-Time Director in the event of there being any loss or inadequacy of profit in any financial year. The Board approved the recommendation of the Remuneration Committee and decided to seek approval of the members in the ensuing annual general meeting on the same terms, conditions and remuneration as approved by the Board.

Brief Profile: Shri Jayantibhai M Pethapara, 47 years, is a Civil Engineer from Saurashtra University and held the post of Supervisor with Jamnagar Municipal Corporation Limited for a period of thirteen years prior to joining the Company.

Copy of the terms and conditions governing the appointment is available for inspection by members during business hours from 2 pm to 4