

DECOLIGHT CERAMICS LIMITED

(Manufacturers of Vitrified Tiles & Aluminium Composite Panels)

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

15th Annual Report 2013-2014



AN ISO 9001 : 2008 & 14001 : 2004



Corporate Information

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|--------------------------------------|---|
| CORPORATE IDENTITY NUMBER : | L26914GJ2000PLC037494 |
| 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 Suresh S. Dave |
| AUDIT COMMITTEE | Mr VA Kaila Mr VM Vidja Mr AH Bopaliya |
| 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: investor@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 | : decolight2012@yahoo.com |
| WEBSITE | : www.decolightceramic.com |

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DECOLIGHT CERAMICS LTD.

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Website: www.decolightceramic.com Email: decolight2012@yahoo.com;
CIN : L26914GJ2000PLC037494



Notice

TO THE MEMBERS

NOTICE is hereby given that the **FIFTEENTH 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 Monday, the 29th September, 2014 at 12.30 p.m.** to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2014 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, Director (DIN : 00055108) who retires by rotation and, being eligible, offers himself for reappointment.
3. 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:

Item No: 4

To appoint Shri Vasant A Kaila (DIN: 02680103) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an

Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49

of the Listing Agreement, Shri Vasant A Kaila (DIN: 02680103), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed 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."

Item No: 5

To appoint Shri Vijay M Vidja (DIN: 02680111) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an

Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Vijay M Vidja (DIN: 02680111), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed 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."

Item No: 6

To appoint Shri Ashwin H Bopaliya (DIN: 02894955) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an

Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Ashwin H Bopaliya



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(DIN: 02894955), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of 20th Annual General Meeting of the Company in the calendar year 2019."

Item No: 7

To consider and if thought fit, to pass the following resolution with or without modification(s), as a Special Resolution:

"RESOLVED that in supersession of all the earlier Resolutions that have been passed at the previous Annual General Meetings of the Company and pursuant to the provisions of Section 180 (1) (c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company, at any time to borrow money or from time to time for borrowing monies together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) upto an amount of ₹ 200 Crores (Rupees Two Hundred Crores Only) outstanding at any point of time in excess of the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

Item No: 8

To consider and if thought fit, to pass the following resolution with or without modification(s), as a Special Resolution :

"RESOLVED that pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions of the said Act, if any, and the Memorandum and Articles of Association of the Company, consent of the Members be and is hereby accorded to the creation by the Board of Directors of the Company from time to time of such mortgage, charges, liens, hypothecation, assignment, transfer and/ or other securities in addition to the mortgages, charges, liens, hypothecation, assignment, transfer and/or other securities already created by the Company, on terms and conditions as the Board in its sole discretion may deem fit, on Company's assets and properties,

both present and future, whether movable or immovable, including whole or substantially the whole of the Company's undertaking (s) in favor of Lenders as may be agreed to by the Board for the purpose of securing the repayment of any loans/ financial assistance/ other borrowings, subject to maximum of ₹ 200 Crores (Rupees Two Hundred Crores only)."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize the terms and conditions, agreements, deeds and documents for creating such mortgage, charge, lien, hypothecation, assignment, transfer and/ or other securities and to do all such acts, things and deeds as may be required to give effect to this resolution."

"RESOLVED FURTHER THAT the Managing Director of the Company or any other person authorized by him, be and is hereby authorized to do all the things and deeds required to give effect to the above resolution including but not limited to file necessary e-forms with the Registrar of Companies/ Ministry of Corporate Affairs and to comply with all statutory and other formalities in this regard."

Item No: 9

To consider and if thought fit, to pass the following resolution with or without modification(s), as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution of the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any other person authorized in this behalf be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

Girishbhai M. Pethapara

Chairman and Managing Director

Place: Morbi

(DIN : 00380910)

Date : 25th August, 2014

Registered Office :

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



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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 authorized 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 Members and Share Transfer Books of the Company shall remain closed from Friday, the 19th September, 2014 to Monday, the 29th September, 2014, both days inclusive.
5. 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."

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.

6. Pursuant to Circular No. 17/95/2011 CL-V, dated 21.04.2011, issued by the Ministry of Corporate Affairs, Government of India, as a part of green initiative in Corporate Governance, the Companies have been permitted to send notices / documents to the members through email. Accordingly, the Company proposes to send notices /documents like the annual report in electronic form to the members who would register their email address with the depositories, and Registrar and Transfer Agent of the Company. The Members are requested to register their email addresses by sending their details to the Registrar and Transfer Agent, 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
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.



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9. 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 Kantibhai M. Pethapara |
|---|--|
| Date of Appointment | 07.03.2000(Last reappointed as Jt Managing Director w.e.f. 01.10.2011) |
| 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 17 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 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 | NIL |
| 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

Girishbhai M. Pethapara

Chairman and Managing Director
(DIN : 00380910)

Place: Morbi

Date: 25th August, 2014

Registered Office :

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

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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 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 nine 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 reappoint M/s SVK & Associates, Chartered Accountants, Ahmedabad (Firm Registration No: 118564W) as the Statutory Auditor of the Company, for one more year i.e. from the conclusion of this AGM to the conclusion of the next AGM.

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

Item 4, 5 and 6

Shri Vasant A Kaila and Shri Vijay M Vidja are Independent Directors of the Company and have held the positions as such for more than 5 (five) years. Shri Ashwin H Bopaliya is Independent Director of the Company and he held the position as such for four years. The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Shri Vasant A Kaila and Shri Vijay M Vidja as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 3 (three) consecutive years for a term up to the conclusion of the 18th Annual General Meeting of the Company in the calendar year 2017 while Shri Ashwin H Bopaliya to

hold office for 5 (five) consecutive years for a term up to the conclusion of the 20th Annual General Meeting of the Company in the calendar year 2019.

Shri Vasant A Kaila, Shri Vijay M Vidja and Shri Ashwin H Bopaliya are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Shri Vasant A Kaaila, Shri Vijay M Vidja and Shri Ashwin H Bopaliya for the office of Directors of the Company.

The Company has also received declarations from Shri Vasant A Kaila, Shri Vijay M Vidja and Shri Ashwin H Bopaliya that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Shri Vasant A Kaila, Shri Vijay M Vidja and Shri Ashwin H Bopaliya, fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Shri Vasant A Kaila, Shri Vijay M Vidja and Shri Ashwin H Bopaliya are independent of the management.

Brief resume of Shri Vasant A Kaila, Shri Vijay M Vidja and Shri Ashwin H Bopaliya, and nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are as below:

a) Brief Profile:

Mr Vasant Avacharbhai Kaila, 34 years, is BE(Mechanical) from BVM Engineering College affiliated to SP University, VV Nagar.

Expertise in functional areas: He has thirteen years experience in Ceramic Industry in Marketing and Technical aspects of Ceramic Tiles.

Directorship in other companies: NIL

Committee Membership in other companies: NIL

Shareholding in the Company: NIL

b) Brief Profile:

Mr Vijaybhai Maganlal Vidja, 37 years, is B Sc(Chemistry) from MM Science College, Morbi affiliated to Saurashtra University.



Expertise in functional areas: He has ten years experience in the different facets of the ceramic segment including Vitrified Tiles Polishing Line technical aspects and Vitrified and Glazed Tiles Product Research and Development field.

Directorship in other companies: NIL

Committee Membership in other companies: NIL

Shareholding in the Company: NIL

c) Brief Profile:

Mr Ashwin H Bopaliya, 45 years, is SSC from Gujarat Board

Expertise in functional areas: He possesses eleven years experience in Transportation and Logistic business and seven years experience in ceramic industry in production

Directorship in other companies: NIL

Committee Membership in other companies: NIL

Shareholding in the Company: NIL

Copy of the draft letters for respective appointments of Shri Vasant A Kaila, Shri Vijay M Vidja and Shri Ashwin H Bopaliya, as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company on any working day excluding public holidays and Sundays, between 11.00 A.M. to 1.00 P.M. upto and including the date of Annual General Meeting.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Shri Vasant A Kaila, Shri Vijay M Vidja and Shri Ashwin H Bopaliya are interested in the resolutions set out respectively at Item Nos. 4, 5 and 6 of the Notice with regard to their respective appointments.

The relatives of Shri Vasant A Kaila, Shri Vijay M Vidja and Shri Ashwin H Bopaliya, may be deemed to be interested in the resolutions set out respectively at Item Nos. 4, 5 and 6 of the Notice so far as their appointment as Directors in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 4, 5 and 6 of the Notice for approval by the shareholders.

Item Nos. 7 & 8

The members of the Company have approved at earlier Annual General Meetings Ordinary Resolutions as required under erstwhile Section 293 (1) (a) and 293(1) (d) of the Companies Act, 1956. Under the Companies Act, 2013, Section 180(1) (a) & (c), which came into effect from 12th September, 2013, requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the prior fresh consent of the company by way of a special resolution passed at the General Meeting.

Further, the Ministry of Corporate Affairs vide its circular 04/2014 dated 25/03/2014 clarified that the resolution passed under erstwhile Section 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the Company shall be regarded as sufficient compliance of the requirements of Section 180 of the Companies Act, 2013. As per this Circular, the validity of earlier passed resolutions would expire on 12th September, 2014 and thereafter fresh approval would be required from the Shareholders in due compliance with the provisions of Section 180 of the Companies Act, 2013.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180 (1)(a) & (c) and other applicable provisions of the Companies Act, 2013, as set out at Item Nos. 7 & 8 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money at any time or from time to time for borrowing monies together with the monies already borrowed by the Company, if any, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business of ₹ 200 Crores (Rupees Two Hundred Crores Only) in excess of the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. The Company, should an occasion arise, may also need to charge properties for securing borrowings in favor of lenders and as per provisions of Section



180 (1) (a) of the Companies Act, 2013 creating charge on property of the Company in favor of lenders requires approval of shareholders in General Meeting.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are, in any way, concerned or interested, financial or otherwise, in the resolution set out at Item Nos. 7 & 8.

Item No. 9:

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act. With the coming into force of the Companies Act, 2013, several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

Accordingly, it is proposed to replace the existing articles to streamline and align it with the corresponding provisions of the Companies Act, 2013. Shareholder's attention is invited to certain salient provisions of the Companies Act, 2013 which are applicable to the existing AoA of the Company, viz:

- A member may exercise his/her vote by electronic means in accordance with section 108 and shall vote only once;
- Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;

- the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- existing articles to be streamlined and aligned with the Act and provisions of the existing AoA which are already the part of statute in the Act have not been reproduced as they would only lead to duplication.

The proposed new draft of AoA is available for inspection by the members at the Registered Office of the Company on any working day excluding public holidays and Sundays, between 11.00 A.M. to 1.00 P.M. upto and including the date of Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the Special Resolution set out at item no. 9 of the Notice.

The Board of Directors recommends the Special Resolution for your approval.

By order of the Board of Directors

Girishbhai M. Pethapara

Chairman and Managing Director

(DIN : 00380910)

Place: Morbi

Date : 25th August, 2014

Registered Office :

B/h. Romer Ceramic,
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Directors' Report

**To,
The Members of Decolight Ceramics Limited**

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, 2014:

Financial Performance:

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:-

(₹ In lacs)

| Particulars | 2013-14 | 2012-13 |
|--|----------|----------|
| Total Income from operations | 1019.85 | 1711.30 |
| Profit before considering Exceptional items, Prior Period Items, Interest, Depreciation and Taxation | -1756.97 | -534.46 |
| Less: Interest & Financial Charges | 498.37 | 549.28 |
| Less: Depreciation | 431.86 | 444.91 |
| Profit / (Loss) before considering Exceptional Items, prior period Item and Tax | -2687.20 | -1528.65 |
| Less: Exceptional Items | 789.81 | - |
| Profit / (Loss) after exceptional items and before prior period Item and tax | -3477.01 | -1528.65 |
| Less: Prior period items | - | 36.33 |
| Profit / (Loss) Before Tax | -3477.01 | -1564.98 |
| Provision for taxation | - | 120.69 |
| Profit / (Loss) after Tax | -3477.01 | -1444.29 |
| Add: Balance of Profit brought forward from previous year | 254.34 | 1698.64 |
| Profit available for appropriation | -3222.67 | 254.34 |
| Appropriation to: | — | — |
| Proposed Dividend on Equity Shares | — | — |
| Balance Carried over to the Balance Sheet | -3222.67 | 254.34 |

Dividend

Your directors do not recommend any dividend for the year 2013-14 due to the performance of

the company not meeting management expectation.

Business Performance:

The business performance of the company was seriously affected owing to the volume of operations remained very low level due to financial difficulties. The production was restricted to only one kiln during the year under review. Production facilities remained closed mostly due to working capital difficulties. Plant efficiency has been consistently decreasing due to old machineries and technologies. 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. The management's efforts are on to find solution to the problems of the company including willing potential investors.

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.

Share Capital

Presently the company's total issued, subscribed and paid up capital stands at ₹ 48,33,54,440. The company's shares have been listed in the Bombay Stock Exchange Ltd. and The National Stock Exchange Ltd.

Fixed deposits

Your Company has not invited/accepted any Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

Listing

The equity shares of the Company are listed with Bombay Stock Exchange (BSE), and National Stock Exchange (NSE). There are no arrears on account of payment of listing fees to the Stock Exchanges for year 2013-14. Listing