

Notes :

- 1 The Figures of the Previous Years have been regrouped / re-arranged / re-classified wherever considered necessary, to make them comparable.
- 2 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 30th June, 2014 lying in interest bearing Inter-Corporate Deposits 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. 112.18/- lacs for the quarter (Rs. 223.15/- lacs for the half year) on such amount. If it would have been booked, loss would have been reduced by such amount.
- 3 There is a substantial uncertainty about the going concern aspect of the company looking to the various reasons such as a) Symbolic possession of the factory unit by the bank consequent to the default in repayment of debt b) Pending various government dues c) Operational efficiency of the plant badly affected due to old technology based plant & machinery d) Reduction in volume of sales operation resulting into cash losses owing to the financial operational and machinery related issues.
- 4 Pursuant to the companies act 2013, becoming effective from 1st April, 2014, the company has computed the depreciation based on the useful life of assets as prescribed in the schedule II of the act or on the basis of its assessment made by the company as permitted by the said schedule. This has resulted in additional charge of depreciation Rs. 18.40 lacs for the half year ended 30th September, 2014. Further, as per transitional provisions of the act, the company has adjusted the written down value of Rs. 1624.89 lacs in respect of assets whose residual life is nil as 1st April, 2014 in the opening balance in the retained earnings.
- 5 Exceptional item debited of Rs. 753.13/- lacs in the profit and loss account of the quarter ended 30th June 2014 is on account of a) Rs. 112.38 lacs on account of provision for doubtful debts b) Rs. 442.77 lacs on account sales of semi finished goods at exceptionally lower price due to breakage consequent to the close of factory operations c) Rs. 197.98 lacs on account of insurance claim receivable from insurance company charged to profit & loss account looking to the remote possibility of the claim receipt.
- 6 Bank has taken symbolic possession of the factory unit & collateral securities of the promoters consequent to the default in repayment of the debt.
- 7 The company has booked total interest cost of Rs. 241.85 lacs towards working capital facilities from bank under the head finance cost during the quarter which has not been paid by the company / charged by the bank due to recognition of NPA by the bank since October 2013, as per the RBI prudential norms for the income recognition.
- 8 It is explained by the management of the company that, the company could achieve total revenue of only Rs. 169.01/- lacs for the half year ended 30th September, 2014, because of the symbolic possession of the factory takeover by the bank and 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 items Rs. 1304.33/- lacs and after exceptional & after tax loss of Rs. 2057.46/- lacs. 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.
- 9 Segment reporting as per AS-17 is not applicable as company operates only in one segment i.e. Tiles, Building Materials and Allied.
- 10 The figures of the previous years have been regrouped / re-arranged wherever considered necessary, to make them comparable.

For SVK & ASSOCIATES
Chartered Accountants

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



For DECOLIGHT CERAMICS LTD.

Grishmal M. Pethapara Managing Director
Kantibhai M. Pethapara Joint Managing Director