

Report



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For, DECO-MICA LTD.

Ujjay Kumar Agarwal

Director



DECO-MICA LIMITED

16th

Annual Report

2004-2005



DECO-MICA LIMITED

Board of Directors	: Shri Vijaykumar Agarwal	Chairman & Managing Director
	: Smt. Santoshdevi Agarwal	Director
	: Shri Manojkumar M. Agarwal	Director
	: Shri Vikash V. Agarwal	Director
	: Shri Vishal V. Agarwal	Director
	: Shri Udaibhan V. Tripathi	Director

Auditors : J. T. Shah & Co.
Chartered Accountants
Ahmedabad

Bankers : State Bank of India
Ahmedabad

Registered Office : 34, Omkar House, C. G. Road,
Navrangpura, Ahmedabad-380 009.

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Factory : Plot No. 1195, Rajpur,
Chhatral-Mehsana Highway,
Taluka-Kadi, Gujarat



SIXTEENTH ANNUAL REPORT 2004-05

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of DECO-MICA LIMITED will be held at 34, Omkar House, C.G. Road, Navrangpura, Ahmedabad-09 on Thursday 15th September, 2005 at 4.00 P.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive consider and adopt the Audited Balance Sheet as at 31st March, 2005 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 Smt. Santoshdevi Agarwal who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint Auditors of the company to hold office upto the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought, fit to pass following resolution, with or without modification(s) as an Ordinary Resolution

RESOLVED THAT Mr. Vikash Agarwal, who was appointed as a Director of the Company by the Board of Directors, under Section 260 of the Companies Act, 1956, to hold office until the Annual General Meeting and in respect of whom the Company has received notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the post of a Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.

5. To consider and if thought, fit to pass following resolution, with or without modification(s) as an Ordinary Resolution

RESOLVED THAT Mr. Vishal V. Agarwal, who was appointed as a Director of the Company by the Board of Directors, under Section 260 of the Companies Act, 1956, to hold office until the Annual General Meeting and in respect of whom the Company has received notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the post of a Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.

6. To consider and if thought, fit to pass following resolution, with or without modification(s) as an Ordinary Resolution

RESOLVED THAT Mr. Udaibhan Tripathi, who was appointed as a Director of the Company by the Board of Directors, under Section 260 of the Companies Act, 1956, to hold office until the Annual General Meeting and in respect of whom the Company has received notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the post of a Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.

On behalf of the Board

Place : Ahmedabad

Date : 30.07.2005

**Vijaykumar Agarwal
CHAIRMAN**

**NOTES :**

1. A member entitled to attend and vote at the meeting is also entitled to appoint proxy to attend and vote instead of himself and such proxy need not be a member of the company. The proxies in order to be effective must be lodged with the company not less than 48 hours before the meeting.
2. Members are requested to notify immediately any change in their address to the Company's Registered Office.
3. Members are requested to bring their copies of the Annual Report to the meeting.
4. The Members/Proxies should bring the Attendance Slip sent herewith duly filled for attending the meeting.
5. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of special business is annexed hereto.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 4**

Mr. Vikash V. Agarwal, 28, is commerce Graduate with experience of about 5 years in Management of purchase of Raw Material. He was co-opted as an additional Director of the Company pursuant to Section 260 of the Companies Act, 1956, with effect from 30th March 2005. Mr. Vikash Agarwal holds office of director up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with deposit of Rs. 500/- proposing the candidature of Mr. Vikash Agarwal for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

The Board recommends Resolution No. 4 for the approval of the members.

None of the Directors of the Company, except Mr. Vikash Agarwal, Mr. Vishal Agarwal, Smt. Santoshdevi Agarwal and Mr. Vijay Agarwal are concerned or interested in this resolution.

Item No. 5

Mr. Vishal V. Agarwal, 26, is commerce Graduate and in Management from U.K. with experience of about 4 years in Management of Marketing, Finance and Administration. He was co-opted as an additional Director of the Company pursuant to Section 260 of the Companies Act, 1956, with effect from 30th March 2005. Mr. Vishal Agarwal holds office of director upto the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with deposit of Rs. 500/- proposing the candidature of Mr. Vishal Agarwal for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

The Board recommends Resolution No. 5 for the approval of the members.

None of the Directors of the Company, except Mr. Vikash Agarwal, Mr. Vishal Agarwal, Smt. Santoshdevi Agarwal and Mr. Vijay Agarwal are concerned or interested in this resolution.

Item No. 6

Mr. Udaibhan V. Tripathi, 40, is Civil Engineer with experience of about 12 years in his field. He was co-opted as an additional Director of the Company pursuant to Section 260 of the Companies Act, 1956, with effect from 30th March 2005. Mr. Udaibhan Tripathi holds office of director upto the date of ensuing Annual General Meeting. The Company has received



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notice in writing from a member along with deposit of Rs. 500/- proposing the candidature of Mr. Udaibhan Tripathi for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

The Board recommends Resolution No. 6 for the approval of the members.

None of the Directors of the Company, except Mr. Udaibhan Tripathi is concerned or interested in this resolution.

On behalf of the Board

Place : Ahmedabad

Date : 30.07.2005

Vijaykumar Agarwal
CHAIRMAN





DIRECTORS REPORT

To
The Shareholder of
Deco-Mica Ltd.
Ahmedabad.

Your Directors have pleasure in presenting their SIXTEENTH Annual Report together with AUDITED ACCOUNTS for the year ended on 31st March 2005.

FINANCIAL RESULTS

	Current Year	(Rupees in lacs) Previous Year
Sales (net)	754.91	579.01
Other Income	63.90	119.21
Profit before Depreciation And Tax	39.13	45.15
Depreciation Charged	13.03	12.29
Profit before taxation	26.09	32.86
Less :		
a. Current Tax	2.72	1.50
b. Deferred Tax	14.77	(1.64)
Less : Income Tax	1.39	-
Less : Prior Period Adjustment	1.41	-
Add/Less : Balance brought from previous year	(78.11)	(111.10)
Balance carried to balance sheet	(72.31)	(78.11)

DIVIDEND

Due to carry forward loss your Directors do not propose any dividend for the financial year 2004-2005.

OPERATIONS

During the year under review, the Company's net sales & other income was Rs. 818.81 Lacs against Rs. 698.23 Lacs during the previous year. Higher turnover was possible on account of stringent efforts made by management at all the levels inspite of the continuous sluggish trend prevailing in the last couple of years. However, on account of change in Government policies there was huge reduction in export incentive Besides this, there has been steep increase in raw material prices without simultaneous rise in price of finished product. This has affected the profitability of the Company showing the reduction of profit in the Current year

FUTURE PLANS & DIVERSIONS

Your company is continuing to improve its performance because of its management's total focus on key strategic initiatives. Apart from this, the management has been aggressively examining the process by taking full advantage of technology to drive down costs across the organization to generate additional funds to fuel growth. The initiatives have been successfully implemented by outstanding work force of the company to which the Board acknowledges its appreciation and gratitude.



DEPOSITORY SYSTEM

Your Company has entered into an agreement with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). This enables you to hold your shares in a dematerialized form with either of these depositories.

Since this mode facilitates quick transfers and prevents forgery, those shareholders who have not opted for this facility are advised to dematerialize their shares in their own interest.

INSURANCE

All the assets of the Company have been adequately insured.

PERSONNEL

There was no employee drawing remuneration as mentioned under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

DIRECTORS

Smt. Santosh Devi V. Agarwal retires by rotation at this annual general meeting and being eligible offers herself for re-appointment.

Mr. Vikash V. Agarwal, Mr. Vishal V. Agarwal and Mr. Udaibhan Tripathi have been co-opted as additional Directors on the board of the Company with effect from March, 30 2005. In terms of the listing agreement. All the Directors are non executive directors. Notice under Section 257 of the Companies Act, 1956, has been received from a member of the Company for the appointment of aforesaid directors.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000 with respect to Directors Responsibility Statement, it is hereby confirmed;

- (i) that in the preparation of the accounts for the financial year ended 31st March 2005, the applicable accounting standards have been followed along with proper explanation relating to the material departures,
- (ii) that the Directors have 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 profit or loss of the Company for the year under review,
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- (iv) that the Directors have prepared the annual accounts on a 'going concern' basis.

LISTING AGREEMENT

Your Company is committed to good corporate governance practices. Under clause 49 of the listing agreement, your Directors are pleased to inform that your Company has implemented all the major stipulations prescribed under clause 49 of the listing agreement with the Stock Exchange(s). A certificate from the Statutory Auditors of the Company in line with clause 49

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is annexed to and forms part of the Annual Report.

FIXED DEPOSITS

The company has not accepted deposit from public.

AUDITORS

You are requested to appoint the auditors for the current year and to fix their remuneration. The retiring auditors J.T. Shah & Co., Chartered Accountants, are eligible and offer themselves for re-appointment. The Company has received a certificate from J.T. Shah & Co., to the effect that their re-appointment, if made, will be within the prescribed limits specified in Section 224(1-B) of the Companies Act, 1956.

AUDITORS REPORT

The observations of the Auditors are explained wherever necessary in the appropriate notes annexed to the accounts. The explanations contained in the notes may be treated as information/explanations submitted by the Board as contemplated U/s.217(3) of the Companies Act, 1956.

ACKNOWLEDGEMENT

Your Directors wish to thank all the Executives, Employees and consultants of the company for rendering impeccable service to ever constituent of the company's clientele, their hard work, dedication and commitment.

Date : 30.07.2005
Place : Ahmedabad

For and on behalf of the Board of Directors

Vijaykumar Agarwal
Chairman



ANNEXURE TO DIRECTOR'S REPORT

Statement pursuant to section 217 (i) (e) of the companies Act, 1956 and the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 Forming part of the Directors report for the year ended 31st March, 2005.

A CONSERVATION OF ENERGY

The Company endeavors to conserve wherever possible.

POWER AND FUEL CONSUMPTION

2004-05

1. COAL & LIGNITE

Purchased Units (Kgs)	11,00,990
Total Cost	Rs. 17,08,212
Rate per Unit	Rs. 1.5515
Consumption (in units) per unit of production.	1.5673

2. ELECTRICITY

Purchased Units (Units)	7,05592
Total Cost	Rs. 3429329
Rate per unit	Rs. 4.8602
Consumption (in unit) per unit of production	1.0045

B. TECHNOLOGY ABSORPTION :

The company doe not use any imported technology in its manufacturing operation.

NIL

C. FOREIGN EXCHANGE EARNING AND OUTGO :

i. Total Foreign Exchange Used	NIL
ii. Total Foreign Exchange Earned	NIL



CORPORATE GOVERNANCE

Your Company is committed to the highest standards of corporate governance in all its activities.

Company's Philosophy on code of governance :

The Company's Philosophy of corporate governance is aimed at assisting the top management of the company in the efficient conduct of its business and in meeting its obligation to stakeholders.

Board of Directors :

a) Composition

The Board of Directors of the Company consists of 6 Members comprising of.

- Four Promoter Directors. Mr. Vijay Agarwal is in the Whole time employment of the Company.
- Two Independent Directors and two directors who are relation of Managing/whole time director.

b) Other Directorship / Committee memberships held :

Name of Director	Category	Designation	Committee Director	No. of Directorships/ Memberships held in other companies Committee Member
Shri Vijaykumar Agarwal	Promoter	W.T.D	Nil	Nil
Smt. Santoshdevi Agarwal	Promoter	Director	Nil	Nil
Shri Manojkumar M. Agarwal	Independent	Director	Nil	Nil
*Shri Vishalkumar V. Agarwal	Promoter's Relative	Director	Nil	Nil
*Shri Vikaskumar V. Agarwal	Promoter's Relative	Director	Nil	Nil
*Shri Udaibhan V.Tripathi	Independent	Director	Nil	Nil

* Appointed as additional Director with effect from 30th March 2005.

Brief Resume of Directors being appointed at the ensuing general meeting, nature of their expertise in specific functional areas.

Mr. Vikas V Agarwal. Aged 28 years, is a commerce Graduate having experience of about Five years in purchasing of Raw Materials.