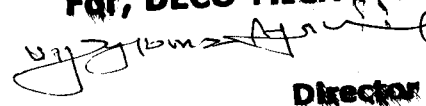




**For, DECO-MICA LTD.**

  
**Director**



**DECO-MICA LIMITED**

**17th**

**Annual Report**

**2005-2006**

**DECO-MICA LIMITED**

**Board of Directors** : Shri Vijaykumar Agarwal Chairman & Managing Director  
: Smt. Santoshdevi Agarwal Director  
: Shri Manojkumar M. Agarwal Director  
: Shri Udaybhan 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.

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



## SEVENTEENTH ANNUAL REPORT 2005-06

### NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of DECO-MICA LIMITED will be held at 34, Omkar House, C.G. Road, Navrangpura, Ahmedabad-09 on 30<sup>th</sup> September, 2006 at 4.00 P.M. to transact the following business:

#### **ORDINARY BUSINESS :**

1. To receive consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2006 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.

**On behalf of the Board**

**Place : Ahmedabad**

**Sd/-**

**Date : 24.08.2006**

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.



## DIRECTORS REPORT

To  
The Shareholder of  
Deco-Mica Ltd.  
Ahmedabad.

Your Directors have pleasure in presenting their SEVENTEENTH Annual Report together with AUDITED ACCOUNTS for the year ended on 31<sup>st</sup> March 2006.

### FINANCIAL RESULTS

	Current Year	(Rupees in lacs) Previous Year
Sales (net)	1032.50	759.36
Other Income	27.80	63.90
Variation in Stock	19.17	32.34
	1079.47	855.60
Profit before Depreciation and Tax	17.66	26.10
Depreciation Charged	13.66	13.03
Profit before Taxation	17.66	26.10
Less :		
a. Current Tax	8.50	02.72
b. Fringe Benefit Tax	1.00	-
c. Deferred Tax	(1.09)	14.77
Less : Income Tax	-	1.39
Less : Prior Period Adjustment	-	1.41
Add/Less : Balance brought from previous year	(72.31)	(78.11)
Balance carried to balance sheet	(64.59)	(72.31)

### DIVIDEND

Due to carry forward loss your Directors do not propose any dividend for the financial year 2005-2006.

### OPERATIONS

During the year under review, the Company's net sales & other income was Rs. 1079.47 Lacs against Rs. 855.60 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



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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 and Mr. Vishal V. Agarwal have due to preoccupation have resigned from the Board. The Board appreciates the services during their tenure.

### 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 31<sup>st</sup> March 2006, 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

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Exchange(s) A certificate from the Statutory Auditors of the Company in line with clause 49 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.

Report  junction.com

For and on behalf of the Board of Directors

Date : 24.08.2006

Place : Ahmedabad

Sd/-

Chairman



## 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 promoter 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

\* Resigned as Director with effect from 20<sup>th</sup> March 2006.

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

Mrs. Santoshdevi Agarwal Aged 51 years, is a Graduate having experience of about Twenty years in Administration of office.



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### c) Board Meeting held during the year:

S. No.	Date of Board Meeting
1.	30.04.2005
2.	30.06.2005
3.	30.07.2005
4.	30.09.2005
5.	31.10.2005
6.	27.12.2005
7.	28.01.2006
8.	20.03.2006

### d) Attendance of Directors at Board Meetings and Last Annual General Meeting:

Name of Director	Meetings Attended	Attendance at last AGM
Vijaykumar Agrawal	08	YES
Santoshdevi Agrawal	08	YES
Manojbhai Agrawal	08	YES
Udaybhan Tripathi	08	YES
Vishal Agarwal	07	YES
Vikash Agarwal	07	YES

The additional directors were appointed on 30<sup>th</sup> March 2005.

### Audit Committee

#### (a) Terms of Reference

The Audit Committee Provides the Board with additional Assurance as to the adequacy of the Company's internal control systems and financial disclosures. The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors, and the Board of Directors. The Broad terms of reference of the Audit Committee are to review with the Management and / or Internal Auditors and / or Statutory Auditors in the following areas.

Overview of Company's financial reporting process and financial information disclosures.

- Review with Management, external and internal audits, the adequacy of internal control systems.
- Review the adequacy and effectiveness of accounting and financial controls of the Company, compliance with the company's policies and applicable laws and regulations.
- Review with Management, the Annual financial statement before submission to the Board.
- Recommending the appointment / removal of external and internal auditors, fixation of Audit fees.

**NOTE :** No Independent Directors were available till previous year. During the current year on co-option of one additional independent Director the company has 1/3 rd of total independent Directors.





## SEVENTEENTH ANNUAL REPORT 2005-06

### (b) Composition, name of members and Chairman

The Audit Committee of the Company comprises two members. The names of the members of the Audit Committee are as follows.

1. Shri Manoj Agarwal.
2. Shri Vijay Agarwal.

The Chairman of Audit Committee.

### Meetings and Attendance During the Year

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Shri Manoj Agarwal	3	3
Shri Vijay Agarwal	3	3

### Remuneration policy

The Company does not have a Remuneration Committee. The Remuneration payable to whole-time Directors and Non-executive Directors are decided by the Board of Directors, subject to the approval of the Members.

Details of Remuneration to Directors paid / payable for the Financial year 2005-06 is as follows.

#### a) Executive Directors (Amount in Rupees)

Particulars	Designation	Amount in Rs.
Shri Vijay Agarwal	Whole Time Director.	259920.00

- b) Non-Executive Directors : Non-Executive Directors are not paid sitting fees for attending Board and Committee Meetings.

### Shareholders / Investors Grievance Committee

As a measure of Good corporate Governance and to focus on the shareholder's grievances and towards strengthening investor relations, an investor's Grievance Committee has been constituted as sub committee of the Board.

#### a) The functions of the Committee include :

To specifically look into redressing investor's grievances pertaining to;

1. Transfer of shares
2. Dividend
3. Dematerialization of Shares
4. Replacement of lost / stolen / mutilated Share certificates.
5. Non-receipt of rights / bonus / split share certificates
6. Any other related issues

#### b) Constitution and composition

The committee was constituted with three directors under the Chairmanship of Non executive Director as follow.



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## c) Others

Name and Designation of compliance officer:

Shri Vijay Agarwal.

Investor Complaints Received and resolved during the year 2005-2006

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**Nature of Complaints**

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**General Body Meetings**

**a) Particulars of last three Annual General Meetings:**

Venue	Date	Time	No. of Special Resolutions
34, Omkar House, C. G. Road, Navrangpura, Ahmedabad-09	30-9-2003	11-00 a.m.	NII
34, Omkar House, C. G. Road, Navrangpura, Ahmedabad-09	30-9-2004	11-00 a.m.	NII
34, Omkar House, C. G. Road, Navrangpura, Ahmedabad-09	30-9-2005	04-00 p.m.	NII

**b) Particulars of last three Extraordinary General Meetings**

Purpose	Venue	Date	Time
NO EXTRA ORDINARY GENERAL MEETING WAS HELD.			

**Disclosures**

- 1) The company has related party transactions in the ordinary course of business, which are not having any potential conflict with the interest of the company.
- 2) The company has complied with the requirements of regulatory authorities on capital markets and no penalties / strictures have been imposed against it in the last three years.

**Share Transfer System**

The Company has appointed share transfer system and has no Registrar and Transfer Agents. Valid Share transfer, complete in all respects were approved and registered within the stipulated period.

**Date, time and Venue of the 17<sup>th</sup> Annual General Meeting:**

30<sup>th</sup> September 2006 at 11.00 am. at the registered office of the company.

**Dividend Payment Date**

Not applicable