



# **DECO-MICA LIMITED**

**19th**

**Annual Report**

**2007-2008**



## DECO-MICA LIMITED

**Board of Directors** : Shri Vijaykumar Agarwal Chairman & Managing Director  
: Smt. Santoshdevi Agarwal Director  
: Shri Udaybhan V. Tripathi Director  
: Shri Harishbhai Joshi 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



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### NOTICE

NOTICE is hereby given that the Nineteenth 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 18<sup>th</sup> September, 2008 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, 2008 and Profit and Loss Account for the year ended on that date and the reports of the Directors and the Auditors thereon.
2. To appoint Auditors of the company to hold office up to the conclusion of the next Annual General Meeting and to fix their remuneration.
3. To appoint a Director in place of Shri Vijaykumar Agarwal who retires by rotation and being eligible to offer himself for re-appointment.
4. To appoint a Director in place of Smt. Santoshdevi Agarwal who retires by rotation and being eligible to offer herself for re- appointment.

**For and on behalf of the Board of Directors**

**Date : 31.07.2008**

**Place: Ahmedabad**

**Sd/-**

**Vijaykumar Agrawal  
Chairman & Managing Director**

#### **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. Share Transfer Book & Register of Members will remain Closed from 11.09.2008 to 18.09.2008 (Both Days inclusive)



## NINETEENTH ANNUAL REPORT 2007-08

### DIRECTORS REPORT

To

The Shareholders,

Your Directors have pleasure in presenting their Nineteenth Annual Report together with AUDITED ACCOUNTS for the year ended on 31<sup>st</sup> March 2008.

### FINANCIAL RESULTS

	(Rupees In lacs)	
	Current Year	Previous Year
Sales (net)	1570.79	1395.22
Profit before Tax	47.20	30.20
Add: Prior Period Adjustment	0.60	0.00
Add: Excess Provision of Income Tax	0.09	0.23
	<u>47.89</u>	<u>30.43</u>
Less:		
a. Current Tax	7.00	13.50
b. Fringe Benefit Tax	2.10	1.60
c. Deferred Tax	5.27	(2.10)
Add/Less: Balance brought from previous year	(47.16)	(64.59)
Balance carried to balance sheet	<u>(13.64)</u>	<u>(47.16)</u>

### DIVIDEND

Due to carry forward losses your Directors do not propose any dividend for the financial year 2007-2008.

### OPERATIONS

During the year under review, the Company's net sales increased to Rs. 1570.79 Lacs as compared to Rs. 1395.22 Lacs during the previous year showing the growth of over 12% compared to previous year. Despite the steep price increase by the suppliers of the vital raw materials on account of spiraling crude oil prices in the international market, the efficient management of resources and cost controls exercised by the management, your Company has performed exceedingly well during the year and hopes to continue the growth momentum in the current year also.

### PLANS AND PROSPECTS

Your Directors have a great sense of excitement at the unprecedented opportunities unfolding in the infrastructure sector and expect further boost to our industry as its future has been directly linked to the growth in the infrastructure and the related sectors.

On the whole, the business environment looks, encouraging, the demand for the Company's products continue to be robust in the home market. Your Company has plans, for debottlenecking of the existing facilities by carrying out modifications of the equipments as well as installation of additional machineries to improve the quality and control the costs of the products.



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Although your Directors are confident of maintaining the growth in the coming years, with new entrants and almost all manufactures enhancing their capacities, market will be fiercely competitive, thereby margins are expected to be under some pressure.

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

### DIRECTORS

Shri Vijaykumar Agarwal retires by rotation at this annual general meeting and being eligible offers himself for re-appointment.

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

### 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 2008, 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.



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### 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 is annexed to and forms part of the Annual Report.

The Company has complied with all the Clauses of the Listing Agreement and has paid the Listing fees for the Financial year 2008-09.

There is no trading of Shares in view of Suspension. The Company has approached the concerned Stock Exchanges for revocation of Suspension.

### FIXED DEPOSITS

The Company has not accepted deposits 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 Employees and the bankers of the company for their support in the operations of the Company.

For and on behalf of the Board of Directors

Date : 31.07.2008

Place: Ahmedabad

Sd/-

Vijaykumar Agrawal  
Chairman & Managing Director



## 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 4 Members comprising of.

I One Promoter Director who is in the Whole time employment of the Company and the other is Non- Executive Director.

I Two Independent Directors.

Other Directorship / Committee memberships held

Name of Director	Category	Designation	Memberships held in Other Companies Committee/Member
Shri Vijaykumar Agarwal	Promoter	W.T.D.	Nil
Smt. Santoshdevi Agarwal	Promoter	Director	Nil
Shri Udaybhan V.Tripathi.	Independent	Director	Nil
Shri Harish Joshi	Independent	Director	Nil

### DIRECTORS SEEKING RE- APPOINTMENT

Shri Vijaykumar Agarwal and Smt. Santoshdevi Agarwal retires as Directors by rotation and being eligible has offer themselves for re-appointment. The Board has at its meeting dated July 31, 2008, recommended their reappointment to the members.

Shri Vijaykumar Agarwal is a Commerce Graduate having business experience of more than 20 years.

Smt. Santoshdevi Agarwal is a matriculate having business experience of more than 18 years.

#### a) Board Meetings held during the year:

S. No.	Date of Board Meeting
1.	13.04.2007
2.	04.05.2007
3.	04.09.2007
4.	23.12.2007
5.	17.01.2008



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

Name of Director	Meetings Attended	Attendance at last AGM
Shri Vijaykumar Agarwal	5	Yes
Smt. Santoshdevi Agarwal	5	Yes
Shri Udaybhan V. Tripathi	5	Yes
Shri Harishbhai Joshi	5	Yes

### 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.

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

**NOTE:- At present the Company has formed the Audit Committee consisting of Mr. Udaybhan V. Tripathi, independent Director as Chairman and Mr. Vijaykumar Agarwal as a member of the Committee.**

(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 Udaybhan Tripathi
2. Shri Vijaykumar Agarwal

Mr. Udaybhan Tripathi, the Chairman of Audit Committee.

### Meetings and Attendance During the Year

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Shri Udaybhan V. Tripathi	4	4
Shri Vijaykumar Agarwal	4	4





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### 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 2007-08 is as follows.

a) Executive Directors		(Amount in Rupees)
Particulars	Designation	Amount in Rs.
Shri Vijaykumar Agarwal	Whole Time Director.	14,44,000

### 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. Dematerialisation 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 Two Directors under the Chairmanship of Independent Director as follow.

Shri Harishbhai Joshi  
Shri Vijaykumar Agarwal

### c) Others

Name and Designation of compliance officer:

Shri Vijaykumar Agarwal

### Investor Complaints Received and resolved during the year

Nature of Complaints	2007-2008
Nil	



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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, Navrangpura, Ahmedabad-09	15 <sup>th</sup> September, 2005	4.00P.M.	0
34, Omkar House, Navrangpura, Ahmedabad-09	30 <sup>th</sup> September, 2006	4.00P.M.	0
34, Omkar House, Navrangpura, Ahmedabad-09	29 <sup>th</sup> September, 2007	4.00 P.M.	0

#### 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 MCS Ltd. as Registrars and Transfer Agents. Valid Share transfer, complete in all respects were approved and registered within the stipulated period.

#### Date, time and Venue of the 19<sup>th</sup> Annual General Meeting:

Thursday, 18<sup>th</sup> September, 2008 at 04.00 P.M at 34, Omkar House, C.G. Road, Navrangpura, Ahmedabad-09.

#### Dividend Payment Date

Not applicable

#### Dematerialisation of Shares :

The company has not yet established connectivity with the depositories. However, in due course the Company will make necessary arrangement for getting its securities connectivity with the depositories.