

**DECO-MICA LIMITED**

<b>Board of Directors</b>	<b>:</b> Shri Vijay kumar Agarwal	Chairman & Managing Director
	Shri Vishal V. Agarwal	Director
	Shri Udaybhan V. Tripathi	Director
	Shri Harishbhai Joshi	Director
<b>Auditors</b>	<b>:</b> J.T.Shah & Co.	
	Chartered Accountants	
	Ahmedabad	
<b>Bankers</b>	<b>:</b> State Bank of India	
	Ahmedabad	
<b>Registered Office</b>	<b>:</b> 306, ISCON Mall, Star bazaar building, Jodhpur Char Rasta,	
	Ahmedabad-15	
<b>Factory</b>	<b>:</b> Plot No. 1195, Rajpur, Chhatral-Mehsana Highway, Taluka-Kadi,	
	Gujarat	

## **NOTICE**

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of DECO MICA LIMITED will be held at 408-10, MILESTONE BUILDING, NEAR DRIVE-IN THEATER, AHMEDABAD-380054 on Friday 28<sup>th</sup> September, 2012 at 9.00 A.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, 2012 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 Shri Vishal V. Agrawal who retires by rotation and being eligible to offer himself for re-appointment.
3. To appoint a Director Shri Udaybhan Tripathy who retires by rotation and being eligible to offer himself for re-appointment.
4. To appoint Auditors of the company to hold office up to the conclusion of the next Annual General Meeting and to fix their remuneration

### **SPECIAL BUSINESS:**

5. To Consider and if thought fit to pass with all without modification the following Resolution as an ordinary resolution:

**RESOLVED THAT** "Pursuant to section 383A as amended by the Companies (Amendment) Act, 2000, M/s D.N. Motwani & Co. Company Secretaries, be and are hereby appointed to certify the compliance of the provisions of the Company Act, 1956 and issue the Certificate in the format as prescribed under the Companies (Compliance Certificate) Rules, 2001 for the F.Y 2012-13 on such remuneration plus out of pocket Expenses incurred for issued of such Certificate as may be decided by the chairman in Consultation with the said Company Secretary."

6. To consider and if thought fit to pass with or /without modification the following resolution as a special resolution.

**RESOLVED THAT** "pursuant to section 293(1)e of the Companies Act, 1956 consent of the company be hereby accorded to the Board Of Directors to contribute to charitable and other funds not directly relating to the business of the company or welfare of its employees, such sum or sums in any financial year as the Board may think fit, notwithstanding that such contribution may be in excess of the limits laid down in the said section provided that the aggregate of all such contributions in any such financial year commencing on and after 1<sup>st</sup> April, 2012 shall not exceed Rs.50 lacs (Rupees fifty lacs only )."

**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF COMPANIES ACT, 1956.****ITEM NO. 6**

Section 293(1)(e) of the Companies Act, 1956 provides that the Board of Directors of a Public Company shall not without the consent of the Company in general Meeting, contribute to the charitable and other funds not directly related to the business of the Company or welfare of its employees, any amounts, the aggregate of which will in any financial year exceed Rs.50000 or 5% of the Company's average net profits as determined in accordance with the provisions of sections 349 & 350 of the Companies Act, 1956 during the three financial years immediately preceding, whichever is greater.

Members are aware that the Company in the past, has been making donations, contributions to the charitable and other funds not directly relating to the business of the company or the welfare of the employees. It is proposed to obtain the approval of the members to the resolution set out in the item no 6 of the Notice enabling the Board to make such donations/contributions subject however, to the limit not exceeding Rs.50 lacks (Rupees fifty lacks) in any Financial year commencing on and after 1<sup>st</sup>, April 2012, notwithstanding the amount so donated /contributed in such financial year is in excess of the limits prescribed under section 293 (1)(e) of the Companies Act, 1956.

The resolution set out in the item no 6 of the accompanying Notice has to be contributed accordingly and the Board recommends the same.

None of the Directors of the Company is concerned or interested in the resolution.

**On behalf of the Board**

**Place : Ahmedabad**

**Vijay kumar Agarwal**

**Date : 14.08.2012**

**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. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of special business is annexed hereto.
6. Share Transfer Book & Register of Members will remain Closed from 21.09.2012 to 28.09.2012 (Both Days inclusive)

7. The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing circulars allowing paperless compliances by Companies through electronic mode. The Shareholders can now receive various notices and documents through electronic mode by registering their e-mail addresses with the Company. Shareholders who have not registered their e-mail address with the Company can now register the same by submitting duly filled in E- Communication Registration Form' attached at the end of this report and with the registrars M/s MCS Limited of the Company. The members holding shares in electronic form are requested to register their e-mail addresses with their Depository Participants only.

**Certificate of Company with the Code of Conduct Policy**

A provided under clause 49 of the listing agreement with the Bombay Stock Exchange Limited the Board members and the senior management personnel have confirmed compliance with the code of conduct and ethics for the year ended on 31 March 2012.

**Date: 14.08.2012**

**For, Deco Mica Ltd.**

**Place: Ahmedabad**

**Vijay kumar Agarwal**

**Managing Director**

**DIRECTORS REPORT**

To

The Shareholder,

Your Directors have pleasure in presenting their 23rd Annual Report together with AUDITED ACCOUNTS for the year ended on 31<sup>st</sup> March 2012.

**FINANCIAL RESULTS**

PARTICULARS		Current Year (Rupees in Lacs) 2011-12	Previous Year (Rupees in Lacs) 2010-11
Sales(net)		2573.86	2501.59
Profit before Tax		158.28	161.99
Add/(Less)	a. Current Tax	(55.80)	(52.61)
	b. Deferred Tax	2.80	(0.42)
	c. Short Provision of Income Tax	(0.28)	(2.32)
Net Profit		105.00	106.64

**DIVIDEND**

To plough back the profit for the capital expansion your Directors do not propose any dividend for the financial year 2011-12.

**OPERATIONS**

During the year under review, the company's net sales increase to Rs.2573.36 Lacs as compared to Rs.2501.59 Lacs during the previous year showing the growth of over 2.8% compared to previous year.

During the year under review, the company has carried out debottlenecking of the existing facilities, by installation of additional machines and modification of the existing facilities wherever needed. This has helped the company in achieving the improvement of the quality of products and it has also enabled the company in achieving the desired growth in sales despite the recessionary conditions and competition leading to some pressure in the margins.

**DEPOSITORY SYSTEM**

Your Company has entered into an agreement with the National Securities Depository Limited (NSDL). This enables you to hold your shares in a dematerialized form with the depository.

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 Vishal V. Agarwal retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

Shri Udaybhan V. Tripathi 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 2011, 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 is annexed to and forms part of the Annual Report.

Your Directors are pleased to inform you that the Bombay Stock Exchange has revoked the suspension in trading of shares of the company w.e.f 17-4-2012 and consequently the shares of the company are freely tradable on the floor of the exchange.

The Company has complied with all the clauses of the listing agreement and has paid the listing fees for the financial year 2012-13.

**SECRETARIAL COMPLIANCE CERTIFICATE**

Pursuant to the amendment made by The Companies (Amendment) Act, 2000 in Section 383 A of The Companies Act, 1956, Our Company is required to obtain Secretarial Compliance Certificate from a Practicing Company Secretary for the F.Y. 2011-12. The Shareholders have appointed M/s.D.N. Motwani & Co., Company Secretaries to issue the said certificate for the financial year 2011-12. Accordingly, the Certificate issued by M/s.D.N. Motwani & Co., Company Secretaries, in the format prescribed under the Companies (Compliance Certificate) Rules, 2001 in respect of the Compliance of the Provisions of the Companies Act, 1956 for the F.Y. 2011-12 is attached.

The Board recommends appointing M/s D.N. Motwani & Co., Company Secretaries to certify the Compliance of the provisions of the Companies Act, 1956 for the F.Y. 2012-13.

**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: 14.08.2012**

**Place: Ahmedabad**

**Vijay kumar 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.

- Two Promoters Directors who is in the Whole time employment of the Company and the other is Non-Executive Director.

Two Independent Director.

#### b) Other Directorship / Committee memberships held.

Name of Director	Relationship with other Director	Category of	No. of Meetings held	No. of Meetings Attendance	Whether Attendance Last AGM	No. out side Directorship public Cos.	No. out side Directorship of PVT Cos.
Vishal Agarwal	SON	Director	9	9	YES	2	3
Vijay Kumar Agarwal	FATHER	Managing Director	9	9	YES	2	—
Harish Joshi	—	Director	9	9	YES	—	—
UdaybhanV. Tripathi	—	Director	9	9	YES	—	—

### DIRECTORS SEEKING RE-APPOINTEMENT

Mr. Vishal V. Agarwal retires as Director by rotation and being eligible has offers themselves for reappointment.

Mr. Udalbhan B. Tripathi retires as Director by rotation and being eligible has offers themselves for reappointment.

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

S. No.	Date of Board Meeting
1.	01/04/2011
2.	07.04.2011
3.	27.04.2011
4.	05.05.2011
5.	14.06.2011
6.	29.07.2011
7.	31.10.2011
8.	06.12.2011
9.	14.02.2012

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

<b>Name of Director</b>	<b>Meetings Attended</b>	<b>Attendance at last AGM</b>
Shri Vijay kumar Agarwal	9	Yes
Shri Vishal V. Agarwal	9	Yes
Shri Udaybhan V. Tripathi	9	Yes
Shri Harishbhai Joshi	9	Yes

**(a) 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. Udaibhan B. Tripathi, Independent Director as Chairman and Mr. Vijay Kumar 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 Udaibhan Tripathi
2. Shri Vijay Kumar Agarwal

Mr. Udaibhan Tripathi, the Chairman of Audit Committee.

**Meetings and Attendance During the Year**

<b>Name of the Director</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings Attended</b>
Shri Udaybhan V. Tripathi	4	4
Shri Vijay Kumar Agarwal	4	4

**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 2011-12 is as follows.

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

Particulars	Designation	Amount in Rs.
Shri Vijay Kumar Agarwal	Managing Director.	57,28,906

**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 Three Directors under the Chairmanship of Non Executive Director as follow.

Shri Harishbhai Joshi

Shri Vijay Kumar Agarwal

**Investor Complaints Received and resolved during the year**

Nature of Complaints 2011-2012

Nil