



DECO-MICA LIMITED

25th

Annual Report

2013-2014



DECO-MICA LIMITED

Board of Directors	:	Shri Vijay kumar Agarwal	Chairman & Managing Director
		Shri Vishal V. 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	:	306, ISCON Mall, Star bazaar building, Jodhpur Char Rasta, Ahmedabad-15	
Factory	:	Plot No. 1195, Rajpur, Chhatral-Mehsana Highway, Taluka-Kadi, Gujarat	

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of DECO MICA LIMITED will be held on Tuesday, the 30th September, 2014 at 9:00 A.M at 408-10, Milestone Building, Nr. Drive-In Cinema, Ahmedabad-54 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2014 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors.
2. To appoint a Director in place of Shri Vishal V Agarwal who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration thereto.

SPECIAL BUSINESS

- 4 To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

RESOLVED THAT pursuant to the proviso of Section 152(5) of the Companies Act, 2013 and having noted the statement given by the Board that in its opinion Shri Udaybhan V. Tripathi fulfils the conditions specified in the Companies Act, 2013 for such appointment, this meeting approves the appointment of Shri Udaybhan V. Tripathi as Independent Director for five years from 30th September, 2014.

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

RESOLVED THAT pursuant to the proviso of Section 152(5) of the Companies Act, 2013 and having noted the statement given by the Board that in its opinion Shri Harishbhai Joshi fulfils the conditions specified in the Companies Act, 2013 for such appointment, this Meeting approves the appointment of Shri Harishbhai Joshi as Independent Director for five years from 30th September, 2014.

6. To consider and if thought fit to pass with or without modification following resolution as Special Resolution:

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the General Meeting and pursuant to the Section 180(1) (c) of the Companies Act 2013, the Rules made there under and its related and applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof) and in terms of Articles of Association of the Company, the Company hereby accords its consent to the Board of Directors (hereinafter referred to as "the board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) of the Company for borrowing any sum or sums of money from time to time whether in Indian rupees or foreign currency (including External Commercial Borrowings in foreign denominated currencies from any foreign source/ countries as prescribed by guidelines, if any in this respect) from any one or more Company's Bankers and/or from any one or more persons, firms, Body Corporate, Financial Institutes, Bank or other acceptable sources whether by way of advances, deposits, loans, debentures, bonds or other securities whether convertible into equity/

preference shares and/or securities with or without detachable warrants with a right acceptable by the warrant holder(s) to convert or subscribe for equity or preference shares to, Bank(s), Financial or other Institution(s), Mutual fund(s), non-resident Indians, Foreign Institutional Investors or any other person(s), Body(ies) Corporate, etc., whether shareholder of the Company or not, whether unsecured or secured and on such terms and conditions as the Board may deem fit, any sum or sums of money which together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided such excess amount so borrowed by the Board shall not at any time exceed the limit of Rs. 100 crores (Rupees Hundred crores only)".

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient."

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved ratified and confirmed in all respects."

7. To consider and if thought fit to pass with or without modification following resolution as Special Resolution:

RESOLVED THAT in supersession of the Ordinary Resolution passed at the General Meeting and pursuant to the provisions of section 180(1)(a) of the Companies Act 2013, the Rules made there under and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the Board of Directors of the Company (hereinafter called " the Board", which term shall be deemed to include any other Committee of the Board, which the Board may have constituted or hereinafter constitute for the time being, to exercise its power conferred on the Board of Directors by this resolution, or any person(s) authorised by the Board or its Committee for such purpose) be and is hereby authorised to create such charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, or the whole, or substantially the whole, of the undertaking or undertakings of the Company, and with such ranking as to priority and for such time and on such terms and in such manner as the Board may think fit, in favor of lenders, agents, trustees and other agencies to secure the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or Indian rupee) and/or working capital facilities and/or Securities issued/to be issued by the Company, from time to time, up to an aggregate of paid-up capital of the Company, its free reserves and an additional amount of Rs.100 Crore, together with interests, compound/additional interest, commitment charges, costs expenses and all other monies payable by the Company to the concerned lenders.

RESOLVED FURTHER THAT THE Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any Director(s) or any other

Officer(s) of the Company to give effect to the above resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to above resolutions.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved ratified and confirmed in all respects.

Date: 14/08/2014
Place: Ahmedabad

For, Deco Mica Limited,
Vijaykumar Agrawal
(DIN: 01869337)
Chairman & Managing Director

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT IN RESPECT OF ITEM NO. 4 TO 7, PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 4 & 5

Shri Udaybhan V Tripathi and Shri Harishbhai Joshi are the Independent Directors both appointed on 30th September, 2014. In view of the provision of Section 149(4) of the Companies Act, 2013, the Company has to appoint an Independent Director for a term of 5 years. In view of the amendment in the Companies Act, these Directors are appointed in terms of the Section 149 of the Companies Act, 2013 for a period of 5 years, commencing from the date of Annual General Meeting i.e. 30th September, 2014. The office of these Directors shall not be determined for the purpose of calculating rotational Directors as well as the strength of the Board. Shri Harishkumar Dhanjibhai Joshi (DIN: 01871634) is in Medical Practice since about 20 years and is a Post Graduate in Medicine. Shri Udaibhan Bansdev Tripathi (DIN: 02571149) is a commerce graduate with experience of over 20 years in finance and industry. The Board is of the opinion that these Directors are person of integrity and possesses relevant expertise and experience. They have/had not any pecuniary relationship with Company and its associates except for getting sitting fees for attending Board and Committee meetings. The Board is of the view that their appointment will be in the interest of the Company.

Shri Vishal Vijaykumar Agarwal (DIN: 01763739) is commerce graduate with management degree and has vast experience of over 15 years in Industrial Finance.

During the last three years, Shri Udaibhan Bansdev Tripathi and Shri Harishkumar Dhanjibhai Joshi were not paid any remuneration for attending the Board and Committee meetings.

There is no pecuniary relationship of transactions of the non-executive Director's vis-à-vis the Company except as mentioned above. The Company has not granted any stock option to any of its Directors.

During 2013-14, the Company did not advance any loans to any of its Directors.

Sr. No.	Name of Directors	DIN	Directorship in other Companies
1.	Vishal Vijay Bhai Agarwal	01763739	Salasar laminates limited Heritage board limited Heritage ply board private limited Heritage industries private limited Salasar agropanel private limited
2.	Harishkumar Dhanjibhai Joshi	01871634	—
3.	Udaibhan Bansdev Tripathi	02571149	—

ITEM NO. 6 & 7

In order to meet the requirements of Section 180(1)(a) and 180(1)(c) of the Companies Act, 1956 the shareholders are proposed to pass Special Resolution in the ensuing Annual General Meeting for authorising the Company to borrow sums in excess of paid capital and free reserves of the Company subject to a ceiling of RS. 100 Crore (other than temporary borrowings).

Section 180 of the Companies Act, 2013 (notified on September 12, 2013) mandates that the aforementioned powers of the Board shall be exercised only through Special Resolution passed in the meeting of shareholders as compared to the requirement of ordinary resolution under the previous Act.

Consequently, the Board recommends to the shareholders to pass a special resolution under Section 180(1)(c) and Section 180 (1)(a) of the Companies Act, 2013, without altering the borrowing limits already approved by way of general resolution earlier.

The Company has sought for an increase of Working Capital from State Bank of India and its Consortium of Banks. The above Working Capital Limits are to be secured by a first charge by the Board of Directors by way of hypothecation and/ pledge of the borrower's current assets, namely stocks and spares not relating to plant and machinery (consumable stores & spares), Bills receivable & Book Debts and all other movables both present and future excluding such movables, and second charge on the immovable/ movable properties of the Company, present and future, as may be permitted by banks from time to time. Such creation of charge by way of hypothecation and pledge of the borrower's current assets, namely stocks and spares and spares not relating to plant and machinery (consumable stores & spares), Bills receivable & Book Debts and all other movables (not specifically offered/ charged to any other credit facility) both present and future excluding such movables and the immovable/ movable properties of the Company, as may be permitted by banks from time to time, to or in favor of State Bank of India and its Consortium of Banks may tantamount to disposal. Accordingly, the proposed resolution is placed before the shareholders for their approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution.

Directorship held in the other Companies by the aforesaid Directors are as follows:

Date: 14/08/2014

Place: Ahmedabad

For, Deco Mica Limited,

Vijaykumar Agrawal

(DIN: 01869337)

Chairman & Managing Director

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 2014.

Date: 14-08-2014
Place: Ahmedabad

For, Deco Mica Ltd.

Vijay Agrawal
Managing Director

E-COMMUNICATION REGISTRATION FORM

To,

MCS Limitrd
101, Sathadal Complex,
Opposite Bata Showroom
Ahmedabad
Pin Code- 380009

Green initiative in Corporate Governance

I/We hereby exercise my/our option to receive all Communications from the Company such as Notice of General Meeting, Explanatory Statement, Audited Financial Statements, Balance Sheet, Profit & Loss Account, Directors Report, Auditors Report etc. in electronic mode pursuant to the 'Green Initiative in Corporate Governance' taken by the Ministry of Corporate Affairs vide circular no. 17/2011 dated 21st April, 2011. Please register my e-mail ID as given below, in your records, for sending the communications:

Folio No. / DP ID & Client ID No. : _____
Name of the 1st Registered Holder: _____
Name of Joint Holder(s), if any: _____
Registered Address of the Sole /
1st Registered Holder: _____
No. of shares held: _____
E-Mail ID: _____

Date:

Signature:

Notes:

On registration, all communication will be sent to the e-mail ID registered.

The form is also available on the website of Deco Mica Limited in under section 'Shareholders information' Shareholders are requested to keep the Company's Registrar MCS Limitrd as and when there is any change in the e-mail address.

DIRECTORS REPORT

To
The Shareholder,

Your Directors have pleasure in presenting their 25th Annual Report together with AUDITED ACCOUNTS for the year ended on 31st March 2014.

FINANCIAL RESULTS

PARTICULARS		Current Year (Rupees in Lacs) 2013-14	Previous Year (Rupees in Lacs) 2012-13
Sales(net)		<u>4363.2</u>	<u>3457.32</u>
Profit before Tax		<u>176.99</u>	<u>167.69</u>
Less:	a. Current Tax	37.85	48.00
	b. Fringe Benefit Tax	—	—
	c. Deferred Tax	22.58	13.07
	d. Short provision of Income Tax	<u>1.00</u>	<u>0.60</u>
	Net Profit	<u>115.56</u>	<u>106.02</u>

DIVIDEND

To plough back the profit for the capital expansion your Directors do not propose any dividend for the financial year 2013-14

OPERATIONS

During the year under review, the Company's net sales increased to Rs. ~~4363.2~~ 4363.2 Lacs as compared to Rs. 3457.32Lacs during the previous year showing the growth of over ~~26.20~~ 26.20 compared to previous year. Despite the steep price increase by the suppliers of the vital raw material on account of spiraling crude oil prices in the international prices, the efficient management of resources and cost controls exercised by the international prices, 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.

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, there by margins are expected to be under some pressure.

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

Shri Harishkumar Dhanjibhai Joshi (DIN: 01871634) and Shri Udaibhan Bansdev Tripathi (DIN: 02571149) are the independent Directors appointed on 15/03/2007 and 30/03/2005 respectively. In view of the provision of Section 149(4) of the Companies Act, 2013, the Company has to appoint an independent Director for a term of 5 years. In view of the amendment in the Companies Act, these Directors are appointed in terms of the Section 149 of the Companies Act, 2013 for a period of 5 years, commencing from the date of Annual General Meeting i.e. 30/09/2014. The office of these Directors shall not be determined for the purpose of calculating rotational Directors as well as the strength of the Board.

The Board is of the opinion that these Directors are person of integrity and possesses relevant expertise and experience. They have/had not any pecuniary relationship with Company and its associates except for getting sitting fees for attending Board and Committee meetings. The Board is of the view that their appointment will be in the interest of the Company.

There is no pecuniary relationship of transactions of the non-executive Director's vis-à-vis the Company except as mentioned above. The Company has not granted any stock option to any of its Directors.

During 2013-14, the Company did not advance any loans to any of its Directors.

Directorship held in the other Companies by the aforesaid Directors are as follows:

Sr. No	Name of Directors	DIN	Directorship in other Companies
1.	Vishal VijayKumar Agarwal	01763739	Salasar laminates limited Heritage board limited Heritage ply board private limited Heritage industries private limited Salasar agropanel private limited
2.	Harishkumar Dhanjibhai Joshi	01871634	—
3.	Udaibhan Bansdev Tripathi	02571149	—

The Board therefore, recommends the appointment of Shri Harishkumar Dhanjibhai Joshi (DIN: 01871634) and Shri Udaibhan Bansdev Tripathi (DIN: 02571149) as an Independent Director in terms of Section 149 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA)/ 134(3)(5) of the Companies Act, 1956/2013 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 2014, 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.

The Company has complied with all the Clauses of the Listing Agreement and has paid the Listing fees for the financial year 2013-14.

SECRETARIAL COMPLIANCE CERTIFICATE

Pursuant to the amendment made by The Companies (Amendment) Act, 2008 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. 2013-14. The Shareholders have appointed M/s.D.N. Motwani & Co., Company Secretaries to issue the said certificate for the financial year 2013-14. 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. 2013-14 is attached.

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, 1956/2013.