



**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

**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)

**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
	47.89	30.43
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	(13.64)	(47.16)

**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 our modifications of the equipments as well as installation of additional machineries to improve the quality and control the costs of the products.

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.



**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

**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 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**

<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 Vijaykumar 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 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	

**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.

**Financial Calendar (tentative)**

Financial reporting for the quarter ending June 30th 2008	End of July, 2008
Financial reporting for the quarter/half year ending September 30, 2008	End of October, 2008
Financial reporting for the quarter ending December 31st 2008	End of January, 2009
Financial reporting for the quarter and ended March 31, 2009	End of June, 2009

**Means of Communication**

Quarterly/ Annual Results published in Western Times & Prabhat News Paper.

**Distribution of shareholding (as on 31 March, 2008 )**
**A) On the basis of Share held**

No of Shares	No. of Shareholders	% of Share holders	No. of Shares held	% of Total
Up to 500	876	76.51	229800	5.47
501-1000	107	9.34	91700	2.18
1001-2000	54	4.72	84400	2.01
2001-3000	18	1.57	47500	1.13
3001-4000	14	1.22	50800	1.21
4001-5000	18	1.57	79800	1.90
5001-10,000	16	1.40	113700	2.71
10,001& above	42	3.67	3502300	83.39
<b>Total</b>	<b>1145</b>	<b>100</b>	<b>4200000</b>	<b>100.00</b>

**A) On the basis of Category**

Category	No. of shares held	Voting strength (%)
Promoters, Relatives & Associate Companies	21,28,700	50.68
Public	856500	20.39
NRI/ FII's/ OCB's	1214800	28.93
Banks and Mutual Funds	-	-
Domestic Companies	-	-
Others	-	-
<b>Total</b>	<b>42,00,000</b>	<b>100</b>

**Listing on Stock Exchange at :**

The Ahmedabad Stock Exchange, Kamdhenu Complex, Panjarapole, Opp. Sahajanand College Ahmedabad. The Bombay Stock Exchange, Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai – 400 023.

Listing Fees for the year 2007-08 has been paid to the Stock Exchanges.

**Stock Code**

A.S.E. Code :- 13251

B.S.E. Code :- 531227

**Registered Office & Shareholders Correspondence address**

34, Omkar House, C.G. Road, Navrangpura, Ahmedabad – 380009.

**Factory:**

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

**For and on behalf of the Board**

**Place : Ahmedabad**

**Date : 31.07.2008**

**Vijaykumar Agarwal  
Chairman & Managing Director**

**DECLARATION**

I hereby declare that all the members of the Board and the senior management personnel of the Company have affirmed compliance with the Code of Conduct.

It is further, declared that the Board of Directors of the Company had at its meeting held on 17.07.2008 taken note of the CEO/ CFO Certificate.

**For and on behalf of the Board**

**Place : Ahmedabad**

**Date : 31.07.2008**

**Vijaykumar Agarwal  
Chairman & Managing Director**

**Compliance Certificate on Corporate Governance**

To

**The Members of  
DECO MICA LIMITED  
AHMEDABAD.**

We have examined the Compliance of Corporate Governance by Deco Mica Limited for the year ended 31st March 2008 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchange.

The Compliance of Conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement except the formation of Audit Committee which consists of Promoter Directors.

We state that generally no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR, J.T. SHAH & CO.  
CHARTERED ACCOUNTANTS**

**Place : AHMEDABAD  
Date : 31.07.2008**

**Sd/  
(J.T.SHAH)  
Proprietor**

**AUDITORS' REPORT**

Auditors' Report  
The Members of  
DECO-MICA LIMITED  
Ahmedabad

1. We have audited the attached Balance Sheet of **DECO-MICA LIMITED** as at 31st March 2008, Profit & Loss Account and Cash Flow Statement of the company for the year ended on that date (together referred to as 'financial statements'). These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records as we considered necessary and appropriate and according to the information and explanation given to us during the course of the audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred in para 3 above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except the following:
    - a. Non Provision for Liability in respect of Gratuity as stated at para 5(l) of Schedule "18", which is not in accordance with Accounting Standards 15 "Accounting for Retirement Benefits in the Financial Statement of Employers", the amount of which is not ascertainable in the absence of actuarial valuation, and to that extent profit is overstated.
  - (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2008 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956.
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2008;
    - (b) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
    - (c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

**FOR, J. T. SHAH & COMPANY  
CHARTERED ACCOUNTANTS**

**PLACE : AHMEDABAD  
DATE : 31.07.2008**

**Sd/  
(J. T. SHAH)  
PARTNER  
(M.No. 3983)**

**ANNEXURE TO THE REPORT OF AUDITORS TO THE MEMEBRS OF  
DECO-MICA LIMITED  
REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF  
EVEN DATE FOR THE YEAR ENDED 31ST MARCH, 2008**

1. In respect of Fixed Assets:
  - a. The present register of Fixed Assets requires completion in certain respects & we have been informed that the work is in progress.
  - b. All the fixed assets of the Company have not been physically verified by the management during the year but there is a regular phased programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification.
  - c. During the year, the Company has not disposed off any major/substantial part of the fixed assets.
2. In respect of its Inventories:
  - a. As explained to us, physical verification of the inventory was carried out at reasonable intervals by the management.
  - b. In our opinion, and according to the information and explanation given to us, the procedure of physical verification of inventory followed by the management, are reasonable and adequate in relation to the size of the Company and nature of its business.
  - c. In our opinion, and according to the information and explanation given to us, the Company has maintained proper records of its inventory, and the discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - a. The Company has not granted any loans, secured or unsecured, to the companies, firms or other parties covered in the register, maintained under section 301 of the Companies Act, 1956, and therefore the paragraphs 4(iii)(b), (c) and (d) of The Companies (Auditor's Report) Order, 2003 are not applicable.
  - b. The Company has taken loan from Companies and parties covered in the register maintained under section 301 of the Companies Act, 1956. There are seven parties covered in the register maintained under section 301 of the Companies Act, 1956 from whom the company has taken loans. The maximum amount involved during the year was Rs. 333.17 lacs and the year end balance of loans taken from such parties was Rs. 316.26 lacs.
  - c. In our opinion and according to the information and explanation given to us, in case of loans taken during the year, the rates of interest, wherever applicable and other terms and conditions are prima facie not prejudicial to the interest of the Company.
  - d. There are no stipulated terms of repayment of loans taken by the company from the companies/ firms/parties listed in the register maintained under section 301 of the Companies Act, 1956. Hence we are not able to give comment on para 4(iii) (g) of the Companies (Auditor's Report) Order, 2003.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In respect of contracts or arrangements covered under Section 301 of the Companies Act, 1956:
  - a. Based on the audit procedures applied by us and according to the information and explanations provided by management, we are of the opinion that the contracts or arrangements that need to be entered into the register maintained under section 301 have been so entered.
  - b. In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 in respect of any parties during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.



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6. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under are applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. As informed to us, the maintenance of cost records have not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, for the year under review.
9. In respect of Statutory Dues:
  - a. According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Custom Duty, Excise-Duty, Cess and other statutory dues applicable to it except there were delays in few cases of TDS, G.S.T. and Provident Fund.
  - b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty And Excise Duty were outstanding, as at 31<sup>st</sup> March, 2008 for a period of more than six months from the date they became payable.
  - c. According to the records of the Company, there are no dues of sales tax, income tax, Wealth-tax, Service tax, custom duty, excise duty, cess which have not been deposited on account of disputes.
10. In our opinion, the accumulated losses of the Company are not more than fifty percent of its net worth. The Company has not incurred any cash losses in the immediately preceding financial year.
11. The company has not taken Term loan from Banks during the year so the question of repayments of the loan & interest does not arise.
12. Based on our examination of documents and records and information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual benefit Fund / Societies are not applicable to the Company.
14. The Company is not dealing or trading in Shares, Securities, debentures and other investments and hence clause 4(xiv) of Companies (Auditors Report) Order, 2003 is not applicable to the Company.
15. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The Company has not accepted term loan during the year so question of utilization of the fund does not arise.
17. On the basis of an overall examination of the Balance Sheet and Cash Flow Statement of the Company, in our opinion and according to the information and explanations given to us, no funds raised on a short term basis have been used for long-term purposes.
18. In our opinion, and according to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any Debentures and therefore the question of creating the securities in respect thereof does not arise.
20. During the year, the Company has not raised any money by way of Public issue.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**FOR, J T SHAH & COMPANY  
CHARTERED ACCOUNTANTS**

**PLACE: AHMEDABAD  
DATE : 31.07.2008**

**S/d  
( J. T. SHAH )  
PARTNER  
(M. No. 3983)**



**NINETEENTH ANNUAL REPORT 2007-08****BALANCE SHEET AS AT 31ST MARCH, 2008**

Particulars	Sche No.	As At		
		31.3.2008 Rs.	31.3.2007 Rs.	
<b>SOURCES OF FUNDS :</b>				
<b>1 Shareholder's Funds :</b>				
(a) Share Capital	1	42000000	42000000	
(b) Reserves and Surplus	2	<u>1099082</u>	<u>NIL</u>	
		43099082	42000000	
<b>2 Loan Funds :</b>				
(a) Secured Loans	3	11568831	4335588	
(b) Unsecured Loans	4	<u>31626202</u>	<u>22603010</u>	
		43195033	26938598	
<b>3 Deferred Tax Liability (Net)</b>		<u>3082816</u>	<u>2556097</u>	
<b>Total</b>		<u><u>89376931</u></u>	<u><u>71494695</u></u>	
<b>APPLICATION OF FUNDS :</b>				
<b>1 Fixed Assets :</b>	<b>5</b>			
(a) Gross Block		30657422	24649752	
(b) Less : Depreciation		<u>13366547</u>	<u>13897714</u>	
(c) Net Block		17290875	10752038	
<b>2 Investments</b>	<b>6</b>			
		6625	6625	
<b>3 Currents Assets, Loans &amp; Advances :</b>				
(a) Inventories	7	40847827	31288296	
(b) Sundry Debtors	8	76137945	64873205	
(c) Cash & Bank Balances	9	1172284	<u>1104253</u>	
(d) Loans & Advances	10	<u>6034728</u>	<u>5090539</u>	
		124192784	102356293	
<b>4 Less : Current Liabilities &amp; Provision :</b>				
(a) Current Liabilities	11	48743353	41413386	
(b) Provisions		<u>3370000</u>	<u>2460000</u>	
		52113353	43873386	
<b>Net Current Assets</b>		<u>72079431</u>	<u>58482907</u>	
<b>5 Miscellaneous Expenditure</b>	<b>12</b>			
( To the extent not W/off )		<u>Nil</u>	<u>2253125</u>	
<b>Total</b>		<u><u>89376931</u></u>	<u><u>71494695</u></u>	
<b>Notes on Accounts</b>	<b>18</b>			

As per our report of  
even date attached herewith.

**FOR, J T SHAH & COMPANY**  
**CHARTERED ACCOUNTANTS**

S/d  
(J T SHAH)  
PARTNER  
PLACE : AHMEDABAD  
DATED : 31-07-2008

For, DECO MICA LTD.

1. SHRI VIJAYKUMAR AGRAWAL Sd/-  
2. SMT. SANTOSHDEVI AGARWAL Sd/-  
3. SHRI UDAYBHAN TRIPATHI Sd/-  
4. SHRI HARISHBHAI JOSHI Sd/-

**NINETEENTH ANNUAL REPORT 2007-08****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

Particulars	Sche No.	For the	For the
		year ended 31.3.2008 Rs.	year ended 31.3.2007 Rs.
<b>INCOME :</b>			
1 Sales		182980552	161675310
Less : Excise Duty		25901371	22153770
Net Sales		157079181	139521540
2 Other Income	13	6435785	1833282
3 Variation in Stock	14	4539817	(978304)
<b>TOTAL</b>		<b>168054783</b>	<b>140376518</b>
<b>EXPENDITURE :</b>			
1 Raw Materials Consumed	15	130404539	112299189
2 Purchase of Finished Goods		2840533	912300
3 Manufacturing & Administrative Exps.	16	25315494	20911559
4 Depreciation	5	1534239	1284335
5 Interest	17	3239864	1949444
<b>TOTAL</b>		<b>163334669</b>	<b>137356828</b>
<b>Profit before tax</b>		<b>4720114</b>	<b>3019690</b>
Add : Prior Period Income		60232	Nil
		<b>4780346</b>	<b>3019690</b>
Less : Provision for taxation			
- Current Tax		700000	1350000
- Fringe benefit Tax		210000	160000
- Deferred Tax		526719	(209950)
		<b>3343627</b>	<b>1719640</b>
Add : Excess Provision of Income Tax		8580	23458
		<b>3352207</b>	<b>1743098</b>
Add/Less : Balance brought from previous year		(4716316)	(6459414)
Balance Carried to Balance Sheet		(1364109)	(4716316)
Basic and Diluted Earning per Shares		0.80	0.42
<b>Notes on Accounts</b>	<b>18</b>		

As per our report of  
even date attached herewith.

**FOR, J T SHAH & COMPANY**  
**CHARTERED ACCOUNTANTS**

S/d

(J T SHAH)  
PARTNER

PLACE : AHMEDABAD  
DATED : 31-07-2008

For, DECO MICA LTD.

1. SHRI VIJAYKUMAR AGRAWAL Sd/-
2. SMT. SANTOSHDEVI AGARWAL Sd/-
3. SHRI UDAYBHAN TRIPATHI Sd/-
4. SHRI HARISHBHAI JOSHI Sd/-

**SCHEDULES " 1 TO 18 " FORMING THE PART OF BALANCE SHEET AND  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-3-2008**

Particulars	Rs.	As at 31-3-2008 Rs.	As at 31-3-2007 Rs.
<b>SCHEDULE - 1</b>			
<b>SHARE CAPITAL</b>			
1	<b>Authorised Capital</b>		
	50,00,000 Equity Shares of Rs.10/- each	<u>50000000</u>	<u>50000000</u>
2	<b>Issued, Subscribed &amp; Paid-up Capital</b>		
	42,00,000 Equity Shares of Rs.10/- each fully paid-up.	<u>42000000</u>	<u>42000000</u>
	<b>Total</b>	<u><b>42000000</b></u>	<u><b>42000000</b></u>
<b>Out of the above :</b>			
	3,50,000 Equity Shares have been issued as Bonus Shares by Capitalisation of General Reserve.		
	6,50,000 Equity Shares have been issued as Bonus Shares by Capitalisation of Revaluation Reserve.		
<b>SCHEDULE - 2</b>			
<b>RESERVES AND SURPLUS</b>			
1	<b>General Reserves</b>		
	Balance as per last year	2463191	2463191
	Less : Adjusted against Debit Balance of Profit and Loss Account	<u>1364109</u>	<u>2463191</u>
	<b>Total</b>	<u><b>1099082</b></u>	<u><b>NIL</b></u>
		<u><b>1099082</b></u>	<u><b>NIL</b></u>
<b>SCHEDULE - 3</b>			
<b>SECURED LOANS</b>			
1	From State Bank of India, Gandhigram Branch, A'bad (Secured against hypothecation of Raw materials, Work-in-Process, Finished Goods and Receivables & Guaranteed by the Directors of the Company)	10234262	4044745
2	From Bank Secured against hire purchase of Motor car	<u>1334568</u>	<u>290843</u>
	<b>Total</b>	<u><b>11568831</b></u>	<u><b>4335588</b></u>
<b>SCHEDULE - 4</b>			
<b>UNSECURED LOANS</b>			
1	From Directors & Shareholders	31626202	22603010
2	From Others	<u>NIL</u>	<u>NIL</u>
	<b>Total</b>	<u><b>31626202</b></u>	<u><b>22603010</b></u>

**SCHEDULE - 5  
FIXED ASSETS**

Sr. No	Assets	Gross Block				Depreciation				Net Block	
		Balance as at 1-4-07 Rs.	Additions during the year Rs.	Deduction during the year Rs.	Balance as on 31-03-08 Rs.	Upto 31-03-07 Rs.	Provided during the year Rs.	Deduction during the year Rs.	Upto 31-3-08 Rs.	Balance as on 31-3-08 Rs.	Balance as on 31-3-07 Rs.
1	Land	203370	0	0	203370	0	0	0	0	203370	203370
2	Factory Building	5897770	1815177	0	7712947	2006421	230870	0	2237291	5475656	3891349
3	Plant & Machinery	15688142	4213856	1608645	18293353	9988318	908837	1495876	9401279	8892074	5699824
4	Computer	268571	122896	0	391467	217121	52257	0	269378	122089	51450
5	Furniture	343870	58235	0	402105	308000	24652	0	332652	69453	35870
6	Office Equipment	332771	11800	0	344571	107045	16226	0	123271	221300	225726
7	Vehicles	1915259	2152735	758385	3309609	1270809	301397	569530	1002676	2306933	644450
	<b>Total</b>	<b>24649752</b>	<b>8374699</b>	<b>2367030</b>	<b>30657422</b>	<b>13897714</b>	<b>1534239</b>	<b>2065406</b>	<b>13366547</b>	<b>17290875</b>	<b>10752038</b>
	<b>Previous Year</b>	<b>24387624</b>	<b>1631893</b>	<b>1369765</b>	<b>24649752</b>	<b>13140960</b>	<b>1284335</b>	<b>527580</b>	<b>13897714</b>	<b>10752038</b>	<b>11246664</b>

Particulars	As at 31-3-2008 Rs.	As at 31-3-2007 Rs.
<b>SCHEDULE - 6</b>		
<b>INVESTMENTS</b>		
1 26,500 Equity Shares of Welcome Coir Industries Ltd. of Rs.10.00 each fully paid up	160325	160325
Market Value Rs. 6625 (Prev. Year Rs. 6625)		
Less: Provision for Dimunition in value of Investments	<u>153700</u>	<u>153700</u>
	6625	6625
<b>Total</b>	<u>6625</u>	<u>6625</u>
<b>SCHEDULE - 7</b>		
<b>INVENTORIES</b>		
(As per Inventory Taken, Valued and Certified by Director)		
1 Raw Materials	24356685	20980934
2 Work-in-Process	411203	286803
3 Finished Goods	13629329	9213912
4 Goods in Transit	2427937	710184
5 Power & Fuel	<u>22673</u>	<u>96463</u>
<b>Total</b>	<u>40847827</u>	<u>31288296</u>
<b>SCHEDULE - 8</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured Considered Good, Unless Otherwise Stated)		
1 <b>Outstanding for a period exceeding Six Months</b>		
Good	15653950	11024783
Doubtful	<u>NIL</u>	<u>NIL</u>
	15653950	11024783
2 <b>Others</b>		
Good	60483995	53848422
Doubtful	<u>NIL</u>	<u>NIL</u>
	<u>60483995</u>	<u>53848422</u>
<b>Total</b>	<u>76137945</u>	<u>64873205</u>
<b>SCHEDULE - 9</b>		
<b>CASH AND BANK BALANCES</b>		
1 Cash on hand	252091	151159
2 Balance with Scheduled Banks - In Current A/c.	920193	953094
<b>Total</b>	<u>1172284</u>	<u>1104253</u>
<b>SCHEDULE - 10</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured Considered Good, Unless Otherwise Stated)		
1 Advances Recoverable in Cash or Kind	1306798	2183018
2 Deposits	1560705	1260097
3 Income Tax Advance Payments & TDS	2704461	1394585
4 Fringe Benefit Tax	436299	229474
5 Excise Duty PLA	<u>26465</u>	<u>23365</u>
<b>Total</b>	<u>6034728</u>	<u>5090539</u>

**NINETEENTH ANNUAL REPORT 2007-08**

Particulars	As at 31-3-2008 Rs.	As at 31-3-2007 Rs.
<b>SCHEDULE - 11</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
1 Sundry Creditors for Goods, Expenses and Others	48743353	41413386
2 Provision for Taxation	2900000	2200000
3 Provision for F B T	470000	260000
<b>Total</b>	<b>52113353</b>	<b>43873386</b>
<b>SCHEDULE - 12</b>		
<b>MISCELLANEOUS EXPENDITURE</b> (To the extent not w/off or adjusted)		
1 Profit & Loss A/c.	1364109	4716316
Less : Adjusted against General Reserve	1364109	2463191
<b>Total</b>	<b>NIL</b>	<b>2253125</b>
<b>SCHEDULE - 13</b>		
<b>OTHER INCOME</b>		
1 Misc. Sales	1626200	1181576
2 Export Incentive	100926	113909
3 Interest Income (T.D.S. Rs. 9527/-) (P.Y. Rs.7066)	46288	39433
4 Other Income	1589435	498364
5 Profit on Sale of Fixed Assets	3072936	NIL
<b>Total</b>	<b>6435785</b>	<b>1833282</b>
<b>SCHEDULE - 14</b>		
<b>INCREASE/DECREASE IN STOCK</b>		
<b>Closing Stock</b>		
1 Finished Goods	13629329	9213912
2 Work-in-Process	411203	286803
	14040532	9500715
<b>Opening Stock</b>		
1 Finished Goods	9213912	9519829
2 Work-in-Process	286803	959190
	9500715	10479019
<b>Total</b>	<b>4539817</b>	<b>(978304)</b>
<b>SCHEDULE - 15</b>		
<b>RAW MATERIALS CONSUMED</b>		
Opening Stock	20980934	17049036
Less: VAT on Opening Stock	Nil	(43434)
Add : Purchases (Net)	139660868	118560601
	160641802	135566203
Less : Closing Stock	24356685	20980934
Less : Sales of Raw Materials	5880578	2286080
<b>Total</b>	<b>130404539</b>	<b>112299189</b>

Particulars	As at 31-3-2008 Rs.	As at 31-3-2007 Rs.
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**SCHEDULE - 16**
**MANUFACTURING & ADMINISTRATIVE EXPENSES**

<b>1</b>	<b>Payments to and Provisions made for Employees :</b>		
	(a) Wages, Salaries, Bonus and Labour Charges	5405480	4239389
	(b) Directors Remuneration	1444000	688400
	(c) Contribution to Provident & Other Funds	<u>384581</u>	<u>320434</u>
		7234061	5248223
<b>2</b>	<b>Operating and other Expenses :</b>		
	(a) Power and Fuel Consumed	6475684	5563454
	(b) Stores and Spares	747324	762420
	(c) Freight, Cartage, Octroi & Packing Expenses	4821828	4057850
	(d) Repairs and Maintenance		
	- Building	6314	7140
	- Plant & Machinery	136230	158085
	- Others	<u>36126</u>	<u>54299</u>
		178670	219524
	(e) Stationery & Printing	60629	53705
	(f) Advertisement & Selling Exps.	2664200	2896250
	(g) Postage, Telephone and Telegrams Exps.	584907	576737
	(h) Insurance	272183	231883
	(i) Travelling and Vehicle Exps. (Including Directors Travelling Exps.Rs. NIL Previous year Rs.NIL )	85033	84111
	(j) Rent, Rates & Taxes	371786	88824
	(k) Legal & Professional Fees	81309	71400
	(l) General Expenses	1196175	635576
	(m) Auditors remuneration :		
	- Audit Fees	45000	45000
	- Tax Audit & other services	27084	27000
	(n) Security Service Charges	377086	308315
	(o) Loss on sale of Assets	Nil	73327
	(p) Excise Duty on Increase/Decrease of Finished Goods	<u>92535</u>	<u>(32040)</u>
		18081433	15663336
	<b>Total</b>	<u>25315494</u>	<u>20911559</u>

**SCHEDULE - 17**
**INTEREST PAID TO**

<b>1</b>	Bank	489416	428262
<b>2</b>	Others	2750448	1521182
	<b>Total</b>	<u>3239864</u>	<u>1949444</u>

**SCHEDULE - 18****NOTES ATTACHED TO AND FORMING THE PART OF ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2008.**

1. Balances are subject to confirmation.
2. Paise are rounded up to the nearest rupee.
3. In the Opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business.
4. Figures of the previous year have been regrouped and/or rearranged wherever found necessary to make them comparable with those of the current year.
5. **Significant Accounting Policies:**
  - a) **Basis of Accounting :**

The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956.
  - b) **Fixed Assets :**

Fixed Assets are stated at cost of acquisition including any attributable cost for bringing the assets to its working condition less Depreciation.
  - c) **Depreciation :**

The Company has provided depreciation on "Straight Line Method" on all Fixed Assets on Pro-rata basis as per Rates specified in schedule XIV of the Companies Act, 1956.
  - d) **Taxation:**
    - i) Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per applicable provision of Income Tax Act, 1961.
    - ii) Deferred Tax resulting from timing difference between book and tax profit is accounted for under the liability method, at the current rate of tax, to the extent that the timing difference are expected to crystallize.
  - e) **Sales:**

Sales are accounted for on dispatch of goods to the customers and are inclusive of Excise Duty and Sales Tax but net of sales returns and trade discounts.
  - f) **Borrowing cost:**

Borrowing costs, which are attributable to acquisition or construction of qualifying assets, are capitalized as part of cost of such assets till such assets are ready for its intended use. A qualifying asset is one, which necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
  - g) **Inventories:**

Raw Materials are valued at cost, however appropriate provisions are made for anticipated losses, if any. Other inventories are valued at the Lower of cost or net realizable value. Net realizable value is the estimated selling price in the



ordinary course of business less the estimated cost of completion and estimated cost necessary to make sale. Cost in respect of Raw Materials is computed on FIFO basis. Cost in respect of process and finished goods are computed on weighted average basis method. Finished goods and process stock includes cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition.

**h) Investments:**

Long Term Investments are stated at cost. Provision is only made to recognize a decline other than temporary, in the value of investments. However, where quotation as on 31st March, 2008 was not available, last available quotation was considered

**i) Employee's Benefits:**

- a. The Employee and Company make monthly fixed Contribution to Government of India Employee's Provident Fund equal to a specified percentage of the Covered employee's salary. Provision for the same is made in the year in which services are rendered by the employee.
- b. The Company is following the Cash Method of accounting in respect of Gratuity and Leave encashment and in absence of actuarial valuation, the amount is not ascertainable.

**j) Provision, Contingent Liabilities and Contingent Assets :**

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**k) Related Party Disclosures :**

List of Related Parties with whom transactions have taken place during the year:

**A) Key Management Personnel**

Shri Vijaykumar D. Agarwal

**B) Relatives of Key Management Personnels**

<b>Name of Party</b>	<b>Related party Relationship</b>
Smt. Santoshdevi V. Agarwal	Wife of Key Management Personnel
Mrs. Ruchira V. Agarwal	Daughter in law of Key Management Personnel
Vanita V Agarwal	Daughter of Key Management Personnel
Mr. Vijay Kumar D. Agarwal (HUF)	Key Management personnel is Karta
Mr. Vikas V Agarwal	Son of Key Management Personnel
Mr. Vishal V Agarwal	Son of Key Management Personnel
V.K.A. Finance & Investment Co.	Key Management personnel is Partner
V.K. International	Sons of Key Management Personnel are partners
Par Exports	Key Management Personnel & Relatives are partner
Multi Shaper Pvt. Ltd.	Relatives are Directors

Millennium Laminates Pvt. Ltd.	Son of Key Management Personnel is Director
Heritage Woodlam	Relative is Proprietor
Heritage Board Pvt. Ltd.	Sons of Key Management Personnel are Director

**Details of Transactions are as follows:**

(Amount in Rs.)

Sr. No.	Nature of Transactions	Key Management Personnels	Relatives of Key Management Personnels	Total
<b>1</b>	<b>Expenses</b>			
	Remuneration	14,44,000 (6,88,400)	Nil (Nil)	14,44,000 (6,88,400)
	Interest Paid	Nil (Nil)	25,86,540 (14,62,197)	25,86,540 (14,62,197)
	Import License purchased	Nil (Nil)	Nil (8,38,879)	Nil (8,38,879)
	Job work charge	Nil (Nil)	3,30,690 (1,39,945)	3,30,690 (1,39,945)
	Electricity and Other Charges	Nil (Nil)	43,318 (Nil)	43,318 (Nil)
	Purchases		1,63,30,003 (60,37,347)	1,63,30,003 (60,37,347)
<b>2</b>	<b>Unsecured Loan</b>			
	Loan taken by company during the year	1000 (2,00,000)	1,15,93,485 (70,62,197)	1,15,94,485 (72,62,197)
	Loan Repaid by the company during the year	46,193 (1000)	25,25,100 (11,39,404)	25,71,293 (11,40,404)
	Balance out standing at 31/03/2008	8,11,433 (17,06,796)	3,09,14,769 (2,08,96,214)	3,16,26,202 (2,26,03,010)
<b>3</b>	<b>Sales</b>	Nil (Nil)	79,86,917 (88,63,822)	79,86,917 (88,63,822)

**l) Segment Information:**

Based on the principles for determination of segments given in Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, the company is mainly engaged in the business of Decorative Laminated Sheets and all other activity surrounded with main business of the company hence there is no reportable segment.

**m) Accounting of Modvat Credit :**

Modvat benefit is accounted on accrual basis on purchase of materials and capital goods are appropriated against payment of excise duty on clearance of the finished goods.

n) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

6. As per Accounting Standard (AS-22) on Accounting for the Taxes on Income issued by the Institute of Chartered Accountants of India, (ICAI) the Deferred Tax Liability as at 31st March, 2008 comprises of the following.

(Amount in Rs.)

Particulars	31.03.2008	31-03-2007
<b>Deferred Tax Liability arising out of timing difference relating to:</b>		
- Difference of Depreciation as per Tax provisions and Company Law	32,71,927	25,29,098
- Disallowed in earlier year now allowed u/s 40 a(ia)	Nil	78,734
<b>Total Deferred Tax Liabilities - (A)</b>	<b>32,71,927</b>	<b>26,07,832</b>
<b>Deferred Tax Asset on account of Provision for Diminution in value of Investment</b>	<b>47,493</b>	<b>51,735</b>
Disallowance u/s 40 a(ia)	1,41,618	Nil
<b>Total Deferred Tax Assets (B)</b>	<b>1,89,111</b>	<b>51,735</b>
<b>Net Deferred Tax Liability (A-B)</b>	<b>30,82,816</b>	<b>25,56,097</b>

**7. Earning per Shares**

Particular	Unit	31-03-08	31-03-07
Numerator used for calculating Basic and Diluted Earning per Share (Profit after Tax)	Rs.	33,52,207	17,43,098
Weighted average No. of shares used as denominator for calculating Basic and Diluted	No. of Share	42,00,000	42,00,000
Nominal Value of Share	Rs.	10	10
<b>Basic and Diluted Earning per Share</b>	<b>Rs.</b>	<b>0.80</b>	<b>0.42</b>

**8. Payments made to the Auditors of the Company.**

Sr. No.	Particulars	2007-2008(Rs.)	2006-2007(Rs.)
1.	Audit fees	45,000	38,570
2.	Tax Audit & Other Services	27,084	21,300
	<b>Total....</b>	<b>72,084</b>	<b>59,870</b>

**9. Remuneration to directors :**

Sr. No.	Particulars	2007-2008(Rs.)	2006-2007(Rs.)
1.	Salary & Bonus	13,00,000	6,20,000
2.	Contribution to Provident Fund	1,44,000	68,400
	<b>Total</b>	<b>14,44,000</b>	<b>6,88,400</b>

**10. Information pursuant to provision of paragraphs 3 and 4 of part II of Schedule VI of the Companies Act, 1956. (As certified by Director):**
**(A) Licensed & Installed Capacity:**

Product Name	Licence Capacity per annum (In Pcs)		Installed Capacity per annum (In Pcs)	
	31-03-08	31-03-07	31-03-08	31-03-07
Decorative Laminated Sheets	N.A.	N.A.	10.20 Lacs Sheets	10.20 Lacs Sheets

**(B) Details of Opening Stock, Production/Purchase, Turnover and Closing Stock of Finished Goods. :**

Particulars	Decorative Laminated Sheets		Cut-pieces & scraps		Industrial Insulator	
	Quantity	Value	Quantity	Value	Quantity	Value
Opening Stock	35,441 (67,629)	85,05,770 (94,54,001)	430 (1,340)	3,005 (12,318)	2,439 (2,706)	7,05,137 (53,510)
Purchase of	8,704	28,40,533	Nil	Nil	Nil	Nil
Finished Goods	(1,900)	(9,12,300)				
Production	7,88,911 (7,61,152)	— —	4,760 (14680)	— —	5,979 (6498)	— —
Turnover	7,85,794 (7,95,240)	15,42,36,388 (13,73,76,762)	5,190 (15,590)	11,060 (1,98,560)	8,318 (6,765)	28,31,733 (19,46,218)
Closing Stock	47,262 (35,441)	1,36,21,663 (85,05,770)	NIL (430)	NIL (3,005)	100 (2,439)	7,666 (7,05,137)

**C) Raw Materials Consumption:**

Sr.No.	Items	Unit	Quantity	Value (Rs.)
1	Design Paper	Kgs.	207676 (198935)	9262125 (12248490)
2	Kraft Paper	Kgs.	2217935 (1845090)	37974209 (34199102)
3	Formaldehyde	Kgs.	221707 (418243)	2308439 (6507503)
4	Melamine	Kgs.	185675 (161850)	13205352 (10527988)
5	Methanol*	Kgs.	1069525 (861360)	19666782 (21378162)
6	Phenol	Kgs.	626469 (540921)	52682625 (40481433)
7	M.G.Poster		151762 (114461)	3123968 (1898184)
8	Others			14149697 (3924322)
	Less: Modvate Credit Availed			21968658 (18865995)
<b>Total</b>				<b>130404539</b> <b>(112299189)</b>

Consumption of Methanol includes 567430 (P.Y. 358005 Kgs.)  
sent for conversion into Formaldehyde.

**D) Value of Imported & Indigenous Raw Materials Consumed and Percentage thereof to the Total Consumption:**

	Indigenous	Imported	Total
<b>Value</b>	<b>12,13,59,754</b> (9,93,76,125)	<b>90,44,785</b> (1,29,23,064)	<b>13,04,04,539</b> (11,22,99,189)
<b>Percentage</b>	93.06 % (88.49) %	6.94 % (11.51) %	100 % (100) %

**E) C.I.F. Value of Imports :**

Sr.No.	Particulars	Amounts (Rs.)
1	Raw Materials	87,72,408 (1,10,00,344)
2	Components & Spare Parts	Nil (Nil)
3	Capital Goods	23,06,530 (Nil)



<b>F)</b>	<b>Expenditure in Foreign Exchange:</b>	<b>Rs. Nil</b> <b>(Nil)</b>
<b>G)</b>	<b>Earning in Foreign Exchange:</b>	<b>Rs. 11,75,324</b> <b>(12,26,238)</b>
<b>H)</b>	<b>F O B Value of Export:</b>	<b>Rs. 11,35,546</b> <b>(10,16,893)</b>

11. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at year end together with interest paid / payable under this Act has not been given.

**Notes : Previous years figures have been shown in brackets.**

**Signature to Schedule "1" to "18"**

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As per our report of even date attached herewith.

**FOR, J T SHAH & COMPANY**  
**CHARTERED ACCOUNTANTS**

**S/d**  
**(J T SHAH)**  
**PARTNER**  
**PLACE : AHMEDABAD**  
**DATED : 31-07-2008**

**For, DECO MICA LTD.**

- 1. SHRI VIJAYKUMAR AGRAWAL Sd/-**
- 2. SMT. SANTOSHDEVI AGARWAL Sd/-**
- 3. SHRI UDAYBHAN TRIPATHI Sd/-**
- 4. SHRI HARISHBHAI JOSHI Sd/-**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFIT**

## 1. Registration Details

Registration No.

							1	0	8	0	7
--	--	--	--	--	--	--	---	---	---	---	---

State Code

0	5
---	---

Balance Sheet Date

3	1
---	---

Date

0	3
---	---

Month

0	8
---	---

Year

## 2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

							N	I	L
--	--	--	--	--	--	--	---	---	---

Right Issue

							N	I	L
--	--	--	--	--	--	--	---	---	---

Bonus Issue

							N	I	L
--	--	--	--	--	--	--	---	---	---

Private Issue

							N	I	L
--	--	--	--	--	--	--	---	---	---

## 3. Position of Mobilisation and Deployment of Funds (Amount Rs. Thousands)

Total Liabilities

						8	9	3	7	7
--	--	--	--	--	--	---	---	---	---	---

Total Assets

						8	9	3	7	7
--	--	--	--	--	--	---	---	---	---	---

## Sources of Funds

Paid up Capital

						4	2	0	0	0
--	--	--	--	--	--	---	---	---	---	---

Reserves &amp; Surplus

						1	0	9	9
--	--	--	--	--	--	---	---	---	---

Secured Loans

						1	1	5	6	9
--	--	--	--	--	--	---	---	---	---	---

Unsecured Loans

						3	1	6	2	6
--	--	--	--	--	--	---	---	---	---	---

Deferred Tax Liability (Net)

						3	0	8	3
--	--	--	--	--	--	---	---	---	---

## Applications of Funds

Net Fixed Assets

						1	7	2	9	1
--	--	--	--	--	--	---	---	---	---	---

Investment

									0	7
--	--	--	--	--	--	--	--	--	---	---

Net Current Assets

						7	2	0	7	9
--	--	--	--	--	--	---	---	---	---	---

Misc. Expenditures

						-	-	-
--	--	--	--	--	--	---	---	---

Accumulated Losses

--	--	--	--	--	--	--	--	--	--	--

## 4. Performance of Company (Amount in Rs. Thousands)

Turnover (Gross Revenue)

						1	6	8	0	5	5
--	--	--	--	--	--	---	---	---	---	---	---

Total Expenditure

						1	6	3	3	3	5
--	--	--	--	--	--	---	---	---	---	---	---

+- Profit/Loss Before Tax

						4	7	2	0
--	--	--	--	--	--	---	---	---	---

+- Profit Loss After Tax

						3	3	5	2
--	--	--	--	--	--	---	---	---	---

(Please tick appropriate box + for profit-for loss) Earning Per Share in Rs. Dividend Rate %

						+	0	.	8	0
--	--	--	--	--	--	---	---	---	---	---

N	I	L
---	---	---

## 5. Generic Names of Three Principal Products/Service of Company (as per monetary terms)

I.T.C. Code

						4	8	2	3	.	9	0
--	--	--	--	--	--	---	---	---	---	---	---	---

Products Description

L	A	M	I	N	A	T	E	D		S	H	E	E	T	S
---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	---

12. The figures of previous year have been regrouped and reclassified wherever necessary so as to make them comparable with those of the current year.

For Deco-Mica Limited

Shri Vijaykumar Agarwal  
Chairman & Mg. DirectorMrs. Santoshdevi Agarwal  
DirectorShri Udaybhan Tripathi  
DirectorShri Harishbhai Joshi  
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008**

Particulars	31-Mar-08 Amt.Rs.	31-Mar-07 Amt.Rs.
<b>A. Cash Flow From Operating Activities</b>		
Net Profit after tax & extraordinary items	3,352,207	1,743,098
Adjustment for :		
— Depreciation	1,534,239	1,284,335
— Short / Excess Provision of Income Tax	(8,580)	(23,458)
— Deferred Tax	526,719	(209,950)
— Current Tax	700,000	1,350,000
— F.B.T.	210,000	160,000
— Preliminary & Public Issue Exps.W/off	-	-
— Interest (Net)	3,239,864	1,949,444
— Loss on sale of Assets	Nil	-
— Profit on sale of Fixed Assets	(3,072,936)	73,327
	<u>3,129,306</u>	<u>4,583,698</u>
Operating Profit before Working Capital changes	6,481,513	6,326,796
Adjustment for :		
— Trade Receivable	(10,692,229)	(21,580,582)
— Inventory	(9,559,531)	(2,319,450)
— Trade Payable	7,329,967	13,797,055
	<u>(12,921,792)</u>	<u>(10,102,977)</u>
Cash Generated From operation	(6,440,280)	(3,776,181)
— Interest & Finance Charges Paid	(3,239,864)	(1,949,444)
— Income Tax Paid	(1,301,296)	(1,089,188)
— FBT Paid	(206,825)	(144,474)
<b>Net Cash From Operating Activities      A</b>	<u>(11,188,264)</u>	<u>(6,959,287)</u>
<b>B Cash Flow from Investing Activities</b>		
— Purchase of Fixed Assets	(8,374,699)	(963,037)
— Sales of Fixed Assets	3,374,560	100,000
<b>Net Cash used in Investing Activities      B</b>	<u>(5,000,139)</u>	<u>(863,037)</u>
<b>C Cash Flow from Financing Activities</b>		
— Proceeds from Long Term Borrowings	7,233,243	(278,644)
— Proceeds from Short Term Borrowings	9,023,192	7,484,817
<b>Net Cash used in Financing Activities      C</b>	<u>16,256,434</u>	<u>7,206,173</u>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>68,031</b>	<b>(616,151)</b>
Cash & Cash Equivalents at beginning of the year	1,104,253	1,720,404
Cash & Cash Equivalents at the end of the year	1,172,284	1,104,253

**Notes :**

- (1) The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard - 3 issued by the Institute of Chartered Accountants of India.



As per our report of  
even date attached herewith

**FOR, J T SHAH & COMPANY  
CHARTERED ACCOUNTANTS**

S/d

**(J T SHAH)  
PARTNER**

PLACE : AHMEDABAD

DATED : 31/07/2008

**For, DECO-MICA LIMITED**

1. SHRI VIJAYKUMAR AGRAWAL S/d

2. SMT. SANTOSHDEVI V. AGARWAL S/d

3. SHRI UDAYBHAN TRIPATHI S/d

4. SHRI HARISHBHAI JOSHI S/d

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**AUDITOR'S CERTIFICATE**

We have examined the attached Cash Flow Statement of Deco-Mica Ltd. : for the year ended 31st March, 2008. The statement has been prepared by the company in accordance with the requirements of Listing agreement clause 32 with Stock Exchanges and is based

**For, J. T. SHAH & CO.  
CHARTERED ACCOUNTANTS**

**Place : Ahmedabad**

**Date : 31.07.2008**

**(J. T. SHAH)  
PARTNER  
M. No. 3983**

Book-Post

If undelivered please return to :  
**DECO-MICA LIMITED**  
Office : 34, Omkar House, C.G. Road,  
Navrangpura, Ahmedabad-380 009. INDIA