



## DECO-MICA LIMITED

<b>Board of Directors</b>	: Shri Vijaykumar Agarwal	Chairman & Managing Director
	Shri Vishal V. Agarwal	Director
	Shri Udaybhan V. Tripathi	Director
	Shri Harishbhai Joshi	Director
<b>Auditors</b>	: J.T.Shah & Co.	
	Chartered Accountants	
	Ahmedabad	
<b>Bankers</b>	: State Bank of India	
	Ahmedabad	
<b>Registered Office</b>	: 34, Omkar House, Near Swastik Char Rasta, Navrangpur,	
	Ahmedabad.	
<b>Factory</b>	: 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 at 34, Omkar House, C.G. Road, Navrangpura, Ahmedabad-09 on Thursday 30<sup>th</sup> September, 2010 at 4.00 PM. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 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 Udaibhan B.Tripathi who retires by rotation and being eligible to offer himself for re-appointment.
3. To appoint a Director Shri Vishal V. Agarwal 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 resolutions:

**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 FY 2010-11 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

**On behalf of the Board**

**Place : Ahmedabad**

**31.08.2010**

**Vijaykumar Agarwal**

**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 29.09.2010 to 30.09.2010 (Both Days inclusive)

**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF COMPANIES ACT, 1956.**

**ITEM NO. 5**

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 practicing Company Secretary for the FY. 2009- 10. Accordingly The Company has appointed D. N. Motwani and Co., Company Secretaries to issue the said certificate for the FY. 2009 – 10 and the same is attached to the Report.

Board of Directors recommends the resolution for approval of Company Secretary for the Financial Year 2010 – 11.

None of the Directors are interested in the said resolution.

**On behalf of the Board**

**Place : Ahmedabad**

**Date: 31.08.2010**

**Vijay Kumar Agarwal**

**Chairman & Managing Director**



DIRECTORS REPORT

To

The Shareholder,

Your Directors have pleasure in presenting their Annual Report together with AUDITED ACCOUNTS for the year ended on 31<sup>st</sup> March 2010.

FINANCIAL RESULTS

PARTICULARS	Current Year (Rupees in Lacs)	Previous Year (Rupees in Lacs)
Sales(net)	2294.06	1872.27
Profit before Tax	139.54	69.34
Add: Prior Period Adjustment	(1.69)	1.26
Add: Excess Provision of Income Tax	<b>137.84</b>	<b>70.60</b>
Less: a. Current Tax	(46.00)	(20.50)
b. Fringe Benefit Tax	--	(2.20)
c. Deferred Tax	(10.86)	0.55
Add/Less: Balance brought from previous year	25.60	(13.64)
Balance carried to balance sheet	<b>106.59</b>	<b>25.60</b>

DIVIDEND

To plough back the profit for the capital expansion your Directors do not propose any dividend for the financial year 2009-10.

OPERATIONS

During the year under review, the Company's net sales increased to Rs. 2294.06 Lacs as compared to Rs. 1872.27 Lacs during the previous year showing the growth of over 22.53% 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. 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, 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 Udaibhan B. Tripathi retires by rotation at this annual general meeting and being eligible offers himself for re-appointment.

Shri Vishal V. 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 2010, 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 2009-10.

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

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**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. 2009-10. The Shareholders have appointed M/s.D.N. Motwani & Co., Company Secretaries to issue the said certificate for the financial year 2010-11. 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. 2009-10 is attached.

The Board recommends to appoint M/s D.N. Motwani & Co., Company Secretaries to certify the Compliance of the provisions of the Companies Act, 1956 for the F.Y. 2010-11.

**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 : 31.08.2010

Place: Ahmedabad

Vijaykumar Agrawal  
Chairman & Managing Director

**CORPORATE GOVERNANCE  
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 Promoter Director who is in the Whole time employment of the Company and the other is Non- Executive Director.
- \* Two Independent Directors.

**b) Other Directorship / Committee memberships held**

<b>Name of Director</b>	<b>Category</b>	<b>Designation</b>	<b>Memberships held in other companies Committee Member</b>
Shri Vijaykumar Agarwal	Promoter	M.D	Nil
Shri Vishal Agarwal	Promoter	Director	Nil
Shri Udaibhan V. Tripathi	Independent	Director	Nil
Shri Harishbhai Joshi	Independent	Director	Nil

**DIRECTORS SEEKING RE- APPOINTMENT**

Shri Vishal V. Agarwal and Shri Udaibhan B.Tripathi retires as Directors by rotation and being eligible has offers themselves for re-appointment.

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

Shri Udaibhan B.Tripathi is a matriculate having business experience of more than 18 years.

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

<b>S. No.</b>	<b>Date of Board Meeting</b>
1.	30.06.2009
2.	30.07.2009
3.	31.10.2009
4.	19.11.2009
5.	31.12.2009
6.	28.01.2010
7.	31.01.2010
8.	31.03.2010

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	8	Yes
Shri Vishal V. Agarwal	8	Yes
Shri Udaibhan V. Tripathi	8	Yes
Shri Harishbhai Joshi	8	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. Vijay 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 Vijay 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>
<b>Shri Udaybhan V. Tripathi</b>	4	4
<b>Shri Vijay Agarwal</b>	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 2009-10 is as follows.

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

Particulars	Designation	Amount in Rs.
Shri Vijay Agarwal	Managing Director.	4460361

**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 Vijay Agarwal

Name and Designation of compliance officer:

Shri Vijay Agarwal

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

Nature of Complaints 2009-2010

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	29 <sup>th</sup> September, 2007	4.00P.M.	0
34, Omkar House, Navrangpura, Ahmedabad-09	18 <sup>th</sup> September, 2008	4.00P.M.	0
34, Omkar House, Navrangpura, Ahmedabad-09	31 <sup>st</sup> December, 2009	4.00P.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 an in-house share transfer system and has no Registrar and Transfer Agents. Valid Share transfer, complete in all respects were approved and registered within the stipulated period.

**Date, time and Venue of the 21<sup>st</sup> Annual General Meeting:**

Thursday, 30<sup>th</sup> September, 2010 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 30, 2010 14<sup>th</sup> August, 2010

Financial reporting for the quarter/half year ending September 30, 2010 15<sup>th</sup> November 2010

Financial reporting for the quarter ending December 31, 2010 15<sup>th</sup> February, 2010

Financial reporting for the quarter and ended March 31, 2010 15<sup>th</sup> July, 2010

### Means of Communication

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

### Distribution of shareholding (as on 31 March, 2010)

#### 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	873	76.51	229800	4.70
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
10,001-50000	22	1.92	618800	14.73
50001-100000	9	0.79	657900	15.66
100001 & above	10	0.96	2258500	53.77
<b>Total</b>	<b>1141</b>	<b>100</b>	<b>4200000</b>	<b>100.00</b>

#### On the basis of Category

Category	No. of shares held	Voting strength (%)
Promoters, Relatives & Associate	2931600	69.79
Companies		
Public	1268400	30.2
NRI/ FII's/ OCB's	-	-
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 2009-10 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 : 31.08.2010

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 31.08.2010 taken note of the CEO/CFO Certificate.

**For and on behalf of the Board**

Place : Ahmedabad

Date : 31.08.2010

Vijaykumar Agarwal  
Chairman & Managing Director

**Certificate on Corporate Governance**

To

**The Members of  
DECO MICA LIMITED  
AHMEDABAD**

We have examined the compliance of conditions of Corporate Governance by Deco Mica Limited, for the year ended on March 31, 2010 as stipulated clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

As per the records of the Company and certificate issued by registrar, no investor grievances are pending for a period exceeding one month against the Company.

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

**For, J.T. SHAH & CO.**  
CHARTERED ACCOUNTANTS  
(FRN No. 109616W)

(J.T. SHAH)

Partner

(M No. 3983)

Date: 31.08.2010

Place: Ahmedabad

## 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 2010**, Profit & Loss Account and Cash Flow Statement of the company for the year ended on that date (together referred to as 'financial statement'). 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 and Leave Encashment as stated at para 5(I) of Schedule "17", which is not in accordance with Accounting Standards 15 "Employees Benefit", 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 2010 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 2010 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, 2010;
    - (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 & CO.**  
**CHARTERED ACCOUNTANTS**  
**(FIRM REGD. NO. 109616W)**

**PLACE : AHMEDABAD**

**DATE : 31.08.2010**

**(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, 2010**

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 taken loan from Companies and parties covered in the register maintained under section 301 of the Companies Act, 1956. There are fourteen 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. 342.16 Lacs and the year end balance of loans taken from such parties was Rs. 222.62 lacs.
  - b. 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 prime facie not prejudicial to the interest of the Company.
  - c. 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.
  - d. 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)(e), (f) and (g) of The Companies (Auditor's Report) Order, 2003 are not applicable.
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.
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 delay in few cases of TDS, VAT, CST , Professional Tax and there is short fall in payment of Advance Tax.
    - 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, 2010 for a period of more than six months from the date they became payable except Advance Income Tax of Rs. 11 Lacs.
    - 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 during the year under audit and in the immediately preceding financial year.
  11. The company has taken Term loan from Banks during the year. There were delay up to 18 days amounting to Rs. 5.33 Lacs in repayment of loan & interest thereon.
  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 utilized the term loan for the purpose for which it obtains.
  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  
(FIRM REGD. NO. 109616W)**

**PLACE: AHMEDABAD  
DATE: 31.08.2010**

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



**TWENTY FIRST ANNUAL REPORT 2009-10****BALANCE SHEET AS AT 31ST MARCH, 2010**

Particulars	Sche No.	As At	
		31.3.2010	31.3.2009
		Rs.	Rs.
<b>SOURCES OF FUNDS :</b>			
1 <b>Shareholder's Funds :</b>			
(a) Share Capital	1	42,000,000	2,000,000
(b) Reserves and Surplus	2	<u>13,121,756</u>	<u>5,023,002</u>
		55,121,756	47,023,002
2 <b>Loan Funds :</b>			
(a) Secured Loans	3	18,486,172	13,915,410
(b) Unsecured Loans	4	<u>22,261,647</u>	<u>31,424,281</u>
		40,747,819	45,339,691
3 <b>Deferred Tax Liability (Net)</b>		<u>4,223,701</u>	<u>3,137,775</u>
	Total	<b><u>100,093,276</u></b>	<b><u>95,500,468</u></b>
<b>APPLICATION OF FUNDS :</b>			
1 <b>Fixed Assets :</b>	5		
(a) Gorss Block		42,592,150	35,007,792
(b) Less : Depreciation		<u>17,061,285</u>	<u>14,995,915</u>
<b>(c) Net Block</b>		<b><u>25,530,865</u></b>	<b>20,011,877</b>
2 <b>Investments</b>	6	6,625	6,625
3 <b>Currents Assets, Loans &amp; Advances :</b>			
(a) Inventories	7	32,612,387	32,335,031
(b) Sundry Debtors	8	108,004,006	91,616,381
(c) Cash & Bank Balances	9	1,332,740	1,801,810
(d) Loans & Advances	10	<u>4,190,831</u>	<u>2,600,875</u>
		146,139,965	128,354,097
4 <b>Less : Current Liabilities &amp; Provision :</b>			
(a) Current Liabilities	11	68,610,967	52,551,179
(b) Provisions		<u>2,973,212</u>	<u>320,951</u>
		<u>71,584,179</u>	<u>52,872,130</u>
<b>Net Current Assets</b>		74,555,785	75,481,967
5 <b>Miscellaneous Expenditure</b> ( To the extent not W/off )		Nil	Nil
	Total	<b><u>100,093,276</u></b>	<b><u>95,500,468</u></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 : 31-8-2010

**For, DECO MICA LTD.**

1. SHRI VIJAYKUMAR AGRAWAL Sd/-
2. SHRI VISHALKUMAR AGRAWAL Sd/-
3. SHRI UDAYBHAN TRIPATHI Sd/-
4. SHRI HARISHBHAI JOSHI Sd/-



## TWENTY FIRST ANNUAL REPORT 2009-10

## PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Sche No.	Rs.	For the year ended 31.3.2010 Rs.	For the year ended 31.3.2009 Rs.
<b>INCOME :</b>				
1 Sales			249,679,899	211,537,875
Less : Excise Duty			20,273,855	24,310,574
Net Sales			229,406,044	187,227,301
2 Other Income	12		1,538,461	889,586
3 Variation in Stock	13		1,525,493	(1,089,525)
	TOTAL		<u>232,469,998</u>	<u>187,027,362</u>
<b>EXPENDITURE :</b>				
1 Raw Materials Consumed	14	1	55,384,646	137,512,051
2 Purchase of Finished Goods		-	1,076,753	
3 Manufacturing & Administrative Exps.	15		55,071,031	36,057,144
4 Depreciation	5		2,065,370	1,641,977
5 Interest	16		5,994,736	3,804,994
	TOTAL		<u>218,515,782</u>	<u>180,092,919</u>
<b>Profit before tax</b>			13,954,216	6,934,443
Add : Prior Period Income / (Expense)			(169,536)	125,920
			13,784,680	7,060,363
Less : Provision for Bad & doubtful Debts			-	(811,484)
			13,784,680	6,248,879
Less : Provision for taxation				
- Current Tax			(4,600,000)	(2,050,000)
- Fringe benefit Tax			-	(220,000)
- Deferred Tax Liability			(1,085,926)	(54,959)
			8,098,754	3,923,920
Add/Less :Balance brought from previous year			2,559,811	(1,364,109)
<b>Balance Carried to Balance Sheet</b>			<u>10,658,565</u>	<u>2,559,811</u>
<b>Basic and Diluted Earning per Shares</b>			<b>1.93</b>	<b>0.93</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 : 31-8-2010

For, DECO MICA LTD.

1. SHRI VIJAYKUMAR AGRAWAL Sd/-
2. SHRI VISHALKUMAR AGRAWAL Sd/-
3. SHRI UDAYBHAN TRIPATHI Sd/-
4. SHRI HARISHBHAI JOSHI Sd/-



## TWENTY FIRST ANNUAL REPORT 2009-10

### SCHEDULES " 1 TO 17 " FORMING THE PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-3-2010

Particulars	Rs.	As at 31-3-2010 Rs.	As at 31-3-2009 Rs.
<b>SCHEDULE - 1</b>			
<b>SHARE CAPITAL</b>			
1 <b>Authorised Capital</b>			
50,00,000 (PY. 50,00,000) Equity Shares of Rs.10/- each		<u>50,000,000</u>	<u>50,000,000</u>
2 <b>Issued, Subscribed &amp; Paid-up Capital</b>			
42,00,000 (PY. 42,00,000) Equity Shares of Rs.10/- each fully paid-up.		<u>42,000,000</u>	<u>42,000,000</u>
	<b>Total</b>	<u>42,000,000</u>	<u>42,000,000</u>
<b>Note of the above :</b>			
3,50,000 (PY. 3,50,000) Equity Shares have been issued as Bonus Shares by Capitalisation of General Reserve.			
6,50,000 (PY. 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 Reserve</b>			
Balance as per last year		2,463,191	2,463,191
2 Profit and Loss Accounts		<u>10,658,565</u>	<u>2,559,811</u>
	<b>Total</b>	<u>13,121,756</u>	<u>5,023,002</u>
<b>SCHEDULE - 3</b>			
<b>SECURED LOANS</b>			
1 From State Bank of India, Gandhigram Branch,A'bad (Secured against hyphothecation of Raw materials, Work-in-Process, Finished Goods and Receivables & Guaranteed by some of the Directors of the Company)		15,088,677	12,256,565
2 From HDFC Bank (Secured against Hypothication of Motor Car)		3,097,535	1,378,203
3 From ICICI Bank (Secured against Hypothication of Motor Car)		299,960	280,642
	<b>Total</b>	<u>18,486,172</u>	<u>13,915,410</u>
Note: Amount Repayable Within One Year Rs. 14.80 Lacs(Previous Year Rs. 8.78 Lacs)			
<b>SCHEDULE - 4</b>			
<b>UNSECURED LOANS</b>			
1 From Directors & Shareholders		22,261,647	31,424,281
2 From Others		<u>NIL</u>	<u>NIL</u>
	<b>Total</b>	<u>22,261,647</u>	<u>31,424,281</u>

**SCHEDULE - 5  
FIXED ASSETS**

Sr. No.	Assets	Gross Block			Depreciation				Net Block		
		Balance as at 1-4-09 Rs.	Additions during the year Rs.	Deduction during the year Rs.	Balance as on 31-03-10 Rs.	Upto 31-03-09 Rs.	Provided during the year Rs.	Deduction during the year Rs.	Upto 31-3-10 Rs.	Balance as on 31-3-10 Rs.	Balance as on 31-3-09 Rs.
1	Land	203370	0	0	203370	0	0	0	0	203370	203370
2	Factory Building	7712947	1070245	0	8783192	2494903	279452	0	2774355	6008837	5218044
3	Plant & Machinery	21452515	3578484	0	25030999	10380741	1228092	0	11608833	13422166	11071774
4	Computer	387367	0	0	387367	324856	62511	0	387367	0	62511
5	Furniture	343870	5030	0	348900	343870	101	0	343971	4929	0
6	Office Equipment	343206	0	0	343206	138869	16302	0	155171	188035	204337
7	Vehicles	4564517	2930599	0	7495116	1312676	478911	0	1791587	5703529	3251841
	<b>Total</b>	<b>35007792</b>	<b>7584358</b>	<b>0</b>	<b>42592150</b>	<b>14995915</b>	<b>2065370</b>	<b>0</b>	<b>17061285</b>	<b>25530865</b>	<b>20011877</b>
8	W I P	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>35007792</b>	<b>7584358</b>	<b>0</b>	<b>42592150</b>	<b>14995915</b>	<b>2065370</b>	<b>0</b>	<b>17061285</b>	<b>25530866</b>	<b>20011877</b>
	Previous Year...	30657422	4446405	96035	35007792	13366547	1641977	12609	14995915	20011877	17290875

Particulars	Rs.	As at 31-3-2010 Rs.	As at 31-3-2009 Rs.
<b>SCHEDULE - 6</b>			
<b>INVESTMENTS</b>			
1 26,500 Equity Shares of Welcome Coir Industries Ltd. of Rs.10.00 each fully paidup (Prev. Year Rs. 6625)	160,325		160,325
Less: Provision for Dimunition in value of Investments	<u>153,700</u>		<u>153,700</u>
		<u>6,625</u>	<u>6,625</u>
	<b>Total</b>	<u>6,625</u>	<u>6,625</u>
<b>SCHEDULE - 7</b>			
<b>INVENTORIES</b>			
(As per Inventory Taken, Valued and Certified by Director)			
1 Raw Materials		17,299,037	18,383,592
2 Work-in-Process		203,511	225,588
3 Finished Goods		13,735,045	12,187,475
4 Finished Goods - Trading		537,944	537,944
5 Goods in Transit		783,873	945,667
6 Power & Fuel		<u>52,977</u>	<u>54,765</u>
	<b>Total</b>	<u>32,612,387</u>	<u>32,335,031</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	24,151,663		13,982,622
Doubtful	<u>NIL</u>		<u>NIL</u>
		24,151,663	13,982,622
2 <b>Others</b>			
Good	<u>84,079,831</u>	78,445,243	
Doubtful	NIL		NIL
		<u>84,079,831</u>	<u>78,445,243</u>
		108,231,494	92,427,865
Less: Provision for Bad and Doubtful Debts		(227,488)	(811,484)
	<b>Total</b>	<u>108,004,006</u>	<u>91,616,381</u>
<b>SCHEDULE - 9</b>			
<b>CASH AND BANK BALANCES</b>			
1 Cash on hand		246,893	1,016,350
2 Balance with Scheduled Banks - In Current A/c.		<u>1,085,847</u>	<u>785,460</u>
	<b>Total</b>	<u>1,332,740</u>	<u>1,801,810</u>
<b>SCHEDULE - 10</b>			
<b>LOANS AND ADVANCES</b>			
(Unsecured Considered Good, Unless Otherwise Stated)			
1 Advances Recoverable in Cash or Kind		1,236,103	881,089
2 Deposits		2,928,263	1,693,321
3 Excise Duty PLA		<u>26,465</u>	<u>26,465</u>
	<b>Total</b>	<u>4,190,831</u>	<u>2,600,875</u>

**TWENTY FIRST ANNUAL REPORT 2009-10**

Particulars	Rs.	As at 31-3-2010 Rs.	As at 31-3-2009 Rs.
<b>SCHEDULE - 11</b>			
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
1 Sundry Creditors for Goods, Expenses and Others		68,610,967	52,551,179
2 Provision for Taxation & FBT	10,240,000		5,640,000
Less : Advance Tax and TDS	(7,266,788)		(5,319,049)
		2,973,212	320,951
	<b>Total</b>	<u>71,584,179</u>	<u>52,872,130</u>
<b>SCHEDULE - 12</b>			
<b>OTHER INCOME</b>			
1 Misc. Sales		940,955	729,625
2 Export Incentive		Nil	22,680
3 Interest Income (T.D.S. Rs. 10770/- ) (PY. Rs.10959/- )		72,242	107,580
4 Balance W/off		485,298	Nil
5 Other Income		39,966	29,701
	<b>Total</b>	<u>1,538,461</u>	<u>889,586</u>
<b>SCHEDULE - 13</b>			
<b>INCREASE/DECREASE IN STOCK</b>			
<b>Closing Stock</b>			
1 Finished Goods	14,272,989		12,725,419
2 Work-in-Process	<u>203,511</u>		<u>225,588</u>
		14,476,500	12,951,007
<b>Opening Stock</b>			
1 Finished Goods	12,725,419		13,629,329
2 Work-in-Process	<u>225,588</u>		<u>411,203</u>
		12,951,007	14,040,532
	<b>Total</b>	<u>1,525,493</u>	<u>(1,089,525)</u>
<b>SCHEDULE - 14</b>			
<b>RAW MATERIALS CONSUMED</b>			
Opening Stock		18,383,592	24,356,685
Add : Purchases (Net)		171,115,565	146,660,588
		189,499,157	171,017,273
Less : Closing Stock		17,299,037	18,383,592
Less : Sales of Raw Materials		16,815,474	15,121,630
	<b>Total</b>	<u>155,384,646</u>	<u>137,512,051</u>

Particulars	Rs.	As at 31-3-2010 Rs.	As at 31-3-2009 Rs.
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**SCHEDULE - 15**
**MANUFACTURING & ADMINISTRATIVE EXPENSES**
**1 Payments to and Provisions made for Employees :**

(a) Wages, Salaries, Bonus and Labour Charges	8,846,407		6,971,425
(b) Directors Remuneration	4,460,361		2,970,512
(c) Contribution to Provident & Other Funds	514,809		405,987
	<u>13,821,577</u>	10,347,924	

**2 Operating and other Expenses :**

(a) Power and Fuel Consumed	12,915,768		10,321,623
(b) Stores and Spares	3,293,014		1,404,837
(c) Freight, Cartage, Octroi & Packing Expenses	3,926,062		3,579,424
(d) Repairs and Maintenance			
- Building	191,385		16,763
- Plant & Machinery	1,436,605		1,009,326
- Others	350,884		114,296
	<u>1,978,874</u>		<u>1,140,385</u>
(e) Stationery & Printing	617,056		346,130
(f) Advertisement & Selling Exps.	12,465,679		3,981,389
(g) Postage, Telephone and Telegrams Exps.	568,840		589,347
(h) Insurance	311,756		279,065
(i) Travelling and Vehicle Exps. (Including Directors Travelling Exps.Rs. 33174/- Previous year Rs.24644/- )	540,741		220,546
(j) Rent, Rates & Taxes	80,068		221,150
(k) Legal & Professional Fees	1,358,900		1,523,678
(l) Bad Debts W/off	476,645		Nil
(m) General Expenses	1,815,045		2,064,077
(n) Auditors remuneration :			
- Audit Fees	100,000		75,000
- Tax Audit & other services	64,000		40,500
(o) Security Service Charges	382,200		390,424
(p) Excise Duty on Increase/Decrease of Finished Goods	354,805		(468,355)

	<u>41,249,454</u>	<u>25,709,220</u>
<b>Total</b>	<u>55,071,031</u>	<u>36,057,144</u>

**SCHEDULE - 16**
**INTEREST & FINANCIAL CHARGES**

1 On Term Loans	155,473	121,662
2 Other Loan and Financial Charges	5,839,263	3,683,332

<b>Total</b>	<u>5,994,736</u>	<u>3,804,994</u>
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**SCHEDULE - 17****NOTES ATTACHED TO AND FORMING THE PART OF ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010.**

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 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, 2010 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. Intangible Assets:**

Direct cost incurred for acquisition of Intangible Assets is capitalised. Intangible Assets are amortised over period of five years.

**l. Impairment**

The management periodically assesses, using external and internal sources whether there is an indication that an asset may be impaired. If an asset is impaired, the company recognises an impairment loss as the excess of the carrying amount of the asset over the recoverable amount.

**m. Earning per Share**

Basic earning per share is calculated by dividing net profit after tax for the year attributable to Equity Shareholders of the company by the weighted average number of Equity Shares issued during the year. Diluted earning per share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

**n. 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.

**o. 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.

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

**q. 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
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. Vikashkumar V. Agarwal (HUF)	Son of Key Management Personnel is Karta
Mr. Vishal V Agarwal	Son of Key Management Personnel
Mrs Shraddha V. Agarwal	Daughter in law of Key Management Personnel
Minor Aarya V. Agarwal	Grandson of Key Management Personnel
Minor Khwaish V. Agarwal	Granddaughter of Key Management Personnel
V.K.A. Finance & Investment Co.	Key Management personnel is Partner
V K Traders	Family Member of Key Management Personnel are Partners
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
Salasar Laminates Pvt. Ltd. (Formerly known as Millennium Laminates Pvt. Ltd.)	Key Management Personnel is Director
Heritage Board Pvt. Ltd.	Directors are Director in the Company Tanish Industries Pvt. Ltd. Relatives are Directors (Formely known as Tanish Aluminium Pvt. Ltd.)

**6. 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 & Perquisites	44,60,361 (Nil)	(29,70,512) 44,60,361	Nil (29,70,512)	
	Interest Expenses	29,949 (29,49,906)	(Nil) 45,32,850	45,02,901 (29,49,906)	
	Import License purchased	Nil (1,17,545)	(Nil) Nil	Nil (1,17,545)	
	Job work charge	Nil (2,82,538)	(Nil) 8,05,371	8,05,371 (2,82,538)	
	Municipal Tax and Other Charges	Nil (37,360)	(Nil) 30,136	30,136 (37,360)	
	Purchases		1,87,75,527 1,87,75,527	(2,10,13,233) (2,10,13,233)	
	Commission		Nil Nil	(4,52,744) (4,52,744)	
	Legal & Professional Charges		11,44,800 11,44,800	(9,54,000) (9,54,000)	
	Royalty		30,05,800 30,05,800	(3,51,000) (3,51,000)	
	<b>2</b>	<b>Unsecured Loan</b>			
		Loan taken by company during the year	4,66,850 (1,92,62,721)	(11,89,507) 29,16,850	24,50,000 (2,04,52,228)
		Loan Repaid by the company during the year	4,04,845 (1,88,38,209)	(18,15,940) 1,64,93,817	1,60,88,972 (2,06,54,149)
		Balance out standing at 31/03/2010	2,76,954 (3,12,39,281)	(1,85,000) 2,18,89,546	2,16,12,592 (3,14,24,280)
<b>3</b>	<b>Sales &amp; Other Income</b>				
		Nil (2,11,37,737)	(Nil) 2,25,84,446	2,25,84,446 (2,11,37,737)	

List of Transaction, out of the transaction reported in the above table, where the transaction entered in to with single party exceeds 10 % of the total related party transactions of similar nature are as under:

Remuneration includes payments made to Shri Vijaykumar Agrawal of Rs. 4460361/- (PY. Rs. 2970512/-).

Interest includes payments made to Vijaykumar Dindayal Agarwal –HUF of Rs. 478793/- (PY. Rs. Nil), to V K A Finance and Investment Co. of Rs. 2480678/- (PY. Rs. 2746894/-)

Import License includes purchase from M/s Salasar Laminates Pvt. Ltd. of Rs. Nil (PY. Rs. 117545/-),

Job Work includes payments made to M/s Multishaper Pvt. Ltd. of Rs. 805371/- (PY. Rs. 282538/-)

Municipal Tax and other charges included payments made to M/s Par Export of Rs. 30136/- (PY. Rs. 37360/-)

Purchase includes from M/s Salasar Laminates Pvt. Ltd. of Rs. 16988174/- (PY. Rs. 19354734/-), from M/s Heritage Board Pvt. Ltd. of Rs. 1255898/- (PY. Rs. 1658499/-), from M/s Tanish Industries Ltd. of Rs. 531455/- (PY. Nil).

Commission includes payment to M/s V K Traders of Rs. Nil (FY. Rs. 452744/-)

Legal & Professional Fees includes payment made to Smt. Santoshdevi Vijaykumar Agarwal of Rs.568800/- (FY. Rs. 474000/-), to Mrs. Shraddha Vishalkumar Agarwal of Rs. 576000/- (FY. Rs. 480000/-)

Royalty includes payments made to M/s Salasar Laminates Pvt. Ltd. of Rs. 3005800/- (FY. Rs. 351000/-),

Unsecured loan includes received from Shri Vijaykumar Dindayal Agarwal of Rs. 466850/- (FY. Rs. 1189507/-), from Mrs. Ruchira Vikashkumar Agarwal of Rs. 400000/- (FY. Rs.1000000/-), from Vijaykumar Dindayal Agarwal HUF of Rs. 300000/- (FY. Rs.2920000/-), from Shri Vikashkumar Vijaykumar Agarwal –HUF of Rs. 650000/- (FY. Rs. 2375000/-), from Shri Vikashkumar Vijaykumar Agarwal of Rs. 450000/-, (FY Rs. 669238/-), from Shri Vishalkumar Vijaykumar Agarwal of Rs. 550000/- (FY Rs. 40000/-), from Kum. Aarya Vikashkumar Agarwal of Rs. Nil (FY. Rs. 2745000/- ), from Kum. Khwaish Vishalkumar Agarwal of Rs. Nil (FY. Rs. 1900000/-), from Smt. Santoshdevi V Agrawal of Rs. 100000/- (FY. Rs. 1940000/-)

Unsecured loans repayment includes payments to M/s V K A Finance and Investment Co. of Rs. 12248068/- (FY. Rs.11996223/)

Sales and Other income includes made to M/s Salasar Laminates Pvt. Ltd. of Rs. 21682431/- (FY. Rs. 20846540 /-), to M/s Heritage Board Pvt. Ltd. of Rs. 902015/- (FY. Rs. 261197/-),

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, 2010 comprises of the following.

(Amount in Rs.)

Particulars	31.03.2010	31-03-2009
<b>Deferred Tax Liability arising out of timing difference relating to:</b>		
- Difference of Depreciation as per Tax provisions and Company Law	4353267	3386545
- Disallowed in earlier year now allowed u/s 40 a(ia)	Nil	133847
<b>Total Deferred Tax Liabilities (A)</b>	<b>4353267</b>	<b>3417487</b>
Deferred Tax Asset on account of Provision for Diminution in value of Investment	52243	47493
Disallowance u/s 40 a(ia)	Nil	84375
Provision for Bad & doubtful Debts	77323	250749
<b>Total Deferred Tax Assets (B)</b>	<b>129566</b>	<b>382616</b>
<b>Net Deferred Tax Liability (A-B)</b>	<b>4223701</b>	<b>3137775</b>

**7. Earning per Shares**

Particular	Unit	31-03-10	31-03-09
Numerator used for calculating Basic and Diluted Earning per Share (Profit after Tax)	Rs.	80,98,754	39,23,920
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>1.93</b>	<b>0.93</b>

8. During the year, the company has impaired the assets to the tune of Rs. Nil (Previous year Rs. Nil).

**9. Prior Period (Expenses)/Income Includes**

Sr. No.	Particulars	2009-2010(Rs.)	2008-2009(Rs.)
1.	Legal & Professional Fees	Nil	(31530)
2.	Misc. Income	Nil	146468
3.	VAT and CST	(158386)	Nil
4.	Legal & Professional Exp.	(8950)	Nil
5.	Repairs & Maintenance	(2200)	Nil
	<b>Total....</b>	<b>(169536)</b>	<b>125920</b>

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

Sr. No.	Particulars	2009-2010(Rs.)	2008-2009(Rs.)
1.	Audit fees	1,00,000	75,000
2.	Tax Audit & Other Services	64,000	40,500
	<b>Total....</b>	<b>1,64,000</b>	<b>115,500</b>

**11. Remuneration to directors :**

Sr. No.	Particulars	2009-2010(Rs.)	2008-2009(Rs.)
1.	Salary & Bonus	26,00,000	18,00,000
2.	Contribution to Provident Fund	2,88,000	1,44,000
3.	Ex-gratia Payment	7,20,000	3,60,000
4.	Leave Travel Concession	7,20,000	4,20,000
5.	Reimbursement of Electricity	1,32,361	1,86,512
	<b>Total</b>	<b>44,60,361</b>	<b>29,70,512</b>

**12. 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)	
	31-03-10	31-03-09	31-03-10	31-03-09
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	39,170	1,27,00,400	Nil	Nil	345	25,019
	(47,262)	(1,36,21,663)	(Nil)	(Nil)	(100)	(7,666)
Purchase of Finished Goods	Nil	Nil	Nil	Nil	Nil	Nil
	(7,949)	(10,76,753)	(Nil)	(Nil)	(Nil)	(Nil)
Production	7,44,086	—	750	Nil	Nil	Nil
	(7,05,113)	—	(7,440)	—	(905)	—
Turnover	7,39,037	22,93,79,324	750	2,250	345	24470
	(7,21,154)	(18,71,64,381)	(7,440)	(17,630)	(660)	(45,290)
Closing Stock	44,219	1,42,72,989	NIL	NIL	Nil	Nil
	(39,170)	(1,27,00,400)	NIL	NIL	(345)	(25,019)

**C) Raw Materials Consumption:**

Sr.No.	Items	Unit	Quantity	Value (Rs.)
1	Design Paper	Kgs.	328321 (226270)	41187570 (22504029)
2	Kraft Paper	Kgs.	1870858 (1720483)	36501851 (36403682)
3	Formaldehyde	Kgs.	37880 (159878)	306369 (2212283)
4	Melamine	Kgs.	197725 (166550)	14687446 (14729590)
5	Methanol*	Kgs.	974000 (966800)	14031880 (17332017)
6	Phenol	Kgs.	661920 (595183)	38224967 (44684137)
7	M.G.Poster	Kgs.	127002 (148228)	2602793 (2643367)
8	Others	.	21245144 (14147852)	
	Less: Modvat Credit Aailed		13403373	(17144906)
	<b>Total</b>		<b>155384647</b>	<b>(137512051)</b>

- Consumption of Methanol includes 494765 Kgs. (PY.528582 Kgs.) Sent for conversion into formaldehyde
- Consumption includes sale of Raw Material

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

	Indigenous	Imported	Total
<b>Value</b> (12,80,97,172)	<b>12,08,24,517</b> (94,14,879)	<b>3,45,60,130</b> (13,75,12,051)	<b>15,53,84,647</b>
<b>Percentage</b> (93.15) %	77.76% (6.85) %	22.24% (100 ) %	100 %

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

Sr.No.	Particulars	Amounts (Rs.)
1	Raw Materials	3,76,58,525 (1,14,77,484)
2	Components & Spare Parts	Nil (Nil)
3	Capital Goods	10,22,320 (Nil)



F)	Expenditure in Foreign Exchange:	Rs. Nil (Nil)
G)	Earning in Foreign Exchange:	Rs. Nil (3,37,156)
H)	F O B Value of Export:	Rs. Nil (2,98,900)

1. The Company is Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and medium Sized Company.
2. 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 "17"**

As per our report of even date attached herewith.

**For, DECO MICA LTD.**

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

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

S/d  
(J T SHAH)  
PARTNER  
PLACE : AHMEDABAD  
DATED : 31-8-2010



## TWENTY FIRST ANNUAL REPORT 2009-10

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

## 1. Registration Details

Registration No. 

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

 State Code 

0	4
---	---

Balance Sheet Date 

3	1
---	---

0	3
---	---

2	0	1	0
---	---	---	---

  
Date Month 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 

				1	0	0	1	9	3
--	--	--	--	---	---	---	---	---	---

 Total Assets 

				1	0	0	1	9	3
--	--	--	--	---	---	---	---	---	---

## Sources of Funds

Paid up Capital 

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

 Reserves & Surplus 

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

  
Secured Loans 

				1	8	4	8	6
--	--	--	--	---	---	---	---	---

 Unsecured Loans 

				2	2	2	6	2
--	--	--	--	---	---	---	---	---

  
Deferred Tax Liability (Net) 

				4	2	2	3
--	--	--	--	---	---	---	---

## Applications of Funds

Net Fixed Assets 

				2	5	5	3	1
--	--	--	--	---	---	---	---	---

 Investment 

								0	6
--	--	--	--	--	--	--	--	---	---

  
Net Current Assets 

				7	4	5	5	6
--	--	--	--	---	---	---	---	---

 Misc. Expenditures 

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

  
Accumulated Losses 

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

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

Turnover (Gross Revenue) 

				2	3	2	4	7	0
--	--	--	--	---	---	---	---	---	---

 Total Expenditure 

				2	1	8	5	1	6
--	--	--	--	---	---	---	---	---	---

  
+ - Profit/Loss Before Tax 

				1	3	9	5	4
--	--	--	--	---	---	---	---	---

 + - Profit Loss After Tax 

				8	0	9	9
--	--	--	--	---	---	---	---

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

					+	1	.	9	3
--	--	--	--	--	---	---	---	---	---

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. DirectorMr. Vishal Agarwal  
DirectorShri Udaybhan Tripathi  
DirectorShri Harishbhai Joshi  
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	31-Mar-10 Amt.Rs.	31-Mar-09 Amt.Rs.
<b>A. Cash Flow From Operating Activities</b>		
Net Profit after tax & extraordinary items	#REF!	3,923,920
Adjustment for :		
— Depreciation	2,065,370	1,641,977
— Short / Excess Provision of Income Tax	-	-
— Deferred Tax	(1,085,926)	(54,959)
— Current Tax	(4,600,000)	(2,050,000)
— F.B.T.	-	(220,000)
— Preliminary & Public Issue Exps.W/off	-	-
— Interest (Net)	5,994,736	3,804,994
— Loss on sale of Assets	-	-
— Profit on sale of Fixed Assets	-	-
	<b>2,374,179</b>	<b>3,122,012</b>
Operating Profit before Working Capital changes#REF!	<b>7,045,932</b>	
Adjustment for :		
— Trade Receivable	(16,742,639)	(14,041,586)
— Inventory	(299,433)	8,512,796
— Trade Payable	16,956,283	3,807,826
	<b>(85,789)</b>	<b>(1,720,964)</b>
Cash Generated From operation	#REF!	5,324,968
— Interest & Finance Charges Paid	(5,994,736)	(3,804,994)
— Income Tax Paid	#REF!	(2,178,289)
— FBT Paid	-	-
<b>Net Cash From Operating Activities</b>	<b>#REF!</b>	<b>(658,315)</b>
<b>B Cash Flow from Investing Activities</b>		
— Purchase of Fixed Assets	(7,584,358)	(4,446,405)
— Sales of Fixed Assets	-	3,374,560
<b>Net Cash used in Investing Activities</b>	<b>(7,584,358)</b>	<b>(1,071,845)</b>
<b>C Cash Flow from Financing Activities</b>		
— Proceeds from Long Term Borrowings	(9,162,634)	(201,921)
— Proceeds from Short Term Borrowings	4,570,762	2,346,579
<b>Net Cash used in Financing Activities</b>	<b>(4,591,873)</b>	<b>2,144,658</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>#REF!</b>	<b>414,498</b>
Cash & Cash Equivalents at beginning of the year	1,801,810	1,172,284
Cash & Cash Equivalents at the end of the year	1,332,740	1,801,810
As per our report of even date attached.	#REF!	(215,028)

**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.



**AUDITOR'S CERTIFICATE**

We have examined the attached Cash Flow Statement of Deco-Mica Ltd. : for the year ended 31st March, 2010. The statement has been prepared by the company in accordance with the requirements of Listing agreement clause 32 with Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company Covered by our report dated 31-08-2010 to the members of the Company.

**For, J.T. SHAH & CO.**  
CHARTERED ACCOUNTANTS  
(FRN No. 109616W)

Date: 31-08-2010  
Place: Ahmedabad

(J.T. SHAH)  
Partner  
(M No. 3983)



DECO-MICA LIMITED

34, Omkar House, Near Swastik Char Rasta, Navrangpur, Ahmedabad.

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id Master Folio No.

Client Id\*

NAME AND ADDRESS OF THE SHAREHOLDER :

NO. OF SHARES (S) HELD :

I/WE hereby record my/our presence at the 21st ANNUAL GENERAL MEETING of the Company held on Thursday, 30th September, 2010 at Company's Registered Office at 4 p.m.

SIGNATURE OF THE SHAREHOLDER OR PROXY

Applicable for investors holding shares in electronic form.

DECO-MICA LIMITED

Registered Office: 34, Omkar House, Near Swastik Char Rasta, Navrangpur, Ahmedabad.

PROXY FORM

DP Id Master Folio No.

Client Id\*

I/WE \_\_\_\_\_ of \_\_\_\_\_ being a member/members of Deco Mica Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ of or falling him/her \_\_\_\_\_ of \_\_\_\_\_ of or falling him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the 21st Annual General Meeting to be held on Thursday, 30th September 2010 at 4.00 PM. at Company's registered Office.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20
I Applicable for investors holding shares in electronic form.



NOTE:

- 1. The proxy in or to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
2. Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.



**DECO-MICA LIMITED**

**21st**

**Annual Report**

**2009-2010**

Book-Post

If undelivered please return to :

**DECO-MICA LIMITED**

Office : 34, Omkar House, C.G. Road,  
Navrangpura, Ahmedabad-380 009. INDIA

IMAGE : 9825007085