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ALFA ICA (INDIA) LTD.

ALFA ICA (INDIA) LTD.

ANNUAL REPORT 2002-2003

BOARD OF DIRECTORS

J. S. VARSHNEYA : Chairman
RAJENDRA TIKMANI : Managing Director
KRISHNADAS AGRAWAL : Director
SHYAM SUNDER TIKMANI : Director

AUDITORS

O. P. Bhandari & Co.
Chartered Accountants
Ahmedabad

BANKERS

State Bank of India
Specialised Commercial Branch, Ahmedabad

REGD. OFFICE

1-4, Uma Industrial Estate,
Village Vasana - Iawa, Tal. Sanand,
Dist. Ahmedabad

CORPORATE OFFICE

4th Floor, Goyal House, Opp. Lal Bungalow,
C. G. Road, Ahmedabad

CONTENTS

Notice	2
Directors' Report	3
Corporate Governance Report	6
Auditors' Report	11
Balance Sheet	13
Profit & Loss Account	14
Schedules forming part of the Accounts	15
Notes forming part of the Accounts	20

ANNUAL REPORT 2002-2003

NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of ALFA ICA (INDIA) LTD will be held at 1-4 Uma Industrial Estate, Village : Vasana-lawa, Tal : Sanand, Dist : Ahmedabad on Wednesday the 30th July ,2003 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Profit & Loss Account for the year ended on 31st March, 2003 and the Balance-Sheet as on that date;
2. To appoint a Director in place of Mr. S.S. Tikmani who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By the order of the Board of Directors

Ahmedabad
June 30, 2003

Shri Rajendra Tikmani
Managing Director

Registered Office:

1-4 Uma Industrial Estate
Village : Vasana-lawa
Tal : Sanand, Dist : Ahmedabad

Note :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY . The Instrument appointing a proxy or the power of Attorney , if any , under which it is signed should be deposited at the Registered Office of the company not less than 48 hours before the time of holding aforesaid at meeting
2. The members are requested to notify immediately the change of address if any to the Company.
3. The Register of Members and Transfer Books of the Company shall remain closed from 26-07-2003 to 30-07-2003 (both days inclusive). During this period the transfer of shares shall remain suspended.

DIRECTORS' REPORT**The Shareholders**

Your Directors have pleasure in presenting the Twelfth Annual Report together with the Audited Accounts for the year ended 31st March, 2003.

FINANCIAL RESULTS

The financial results of your company for the year 2002-2003 are summarised below :

	31.03.03	(Rs. in lakhs) 31.03.02
Sales & Other Income	2983.10	2371.85
Profit before Interest & Depreciation	277.84	246.78
Interest & Depreciation	221.83	184.67
Profit/(Loss) before taxes	56.00	62.11
Income tax Paid	10.70	1.75
Deferred Tax Liability	21.28	0.00
Profit/(Loss) after taxes	24.02	60.37
Profit /(Loss) brought forward from Previous Year	181.19	120.82
Profit/(Loss) carried to Balance Sheet	205.21	181.19

EXPANSION PROJECT

Your Directors are pleased to inform that the new product of post forming laminated sheet has been very well received in the export market and it is expected that the capacity utilisation levels shall increase further during the current year.

YEAR IN PROSPECT

Past year was marked by disturbance in international trade on account of War in Iraq and SARS scare in the Far Eastern world. The Iraq war also resulted in volatility in International crude prices which in turn affected the local industry. The vagaries of international commerce also resulted in the Indian Rupee gaining against the greenback on one hand, while depreciating against Euro on the other hand. The silvelining for the country was its burgeoning Forex reserves, which reflected the inherent strength of Indian economy.

The Expansion plan undertaken by the Company has been successfully completed during the year with the commercial commissioning of the 4th production line for manufacturing high pressure decorative laminates in size of 8ft. x 4ft. The entire expansion has been funded from internal accruals and raising of unsecured loans from promoters. No institutional debt has been raised, thus reducing the financial cost.

Your Company has made major inroads into European market, through a network of dealers in Italy, England and Russia and stockists spread all over Europe. While this has resulted in improvement in price realizations, it has also reduced dependence on the volatile South East Asia market.

DIRECTORS' RESPONSIBILITIES STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed :

- I. That in the preparation of the annual accounts for the financial year ended 31st March, 2003 the applicable accounting standards had been followed along with proper explanation relating to material departures.
- II. That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were 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 had 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 had prepared the accounts for the financial year ended 31st March, 2003 on a 'going concern' basis.

ANNUAL REPORT 2002-2003

INSURANCE

Company's assets have been adequately insured against all perceived perils.

FIXED DEPOSITS

Company has not accepted any Deposits from the Public during the year under review.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Shri S.S. Tikmani retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS

M/s. O. P. Bhandari & Co., Chartered Accountants, Ahmedabad, your Company's Auditors hold office until the conclusion of the ensuing Annual General Meeting and being eligible, are recommended for re-appointment. Their re-appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

AUDIT COMMITTEE

The Audit Committee consists of three directors, all of whom are independent directors. It provides direction to audit functions, reviews the financial accounts, interacts with statutory auditors and reviews matters of special interest.

The Committee meets regularly to carry out its functions. The quorum for a meeting of audit committee is any three directors personally present at the meeting. Members of the Audit Committee are Shri Krishnadas Agrawal, Chairman, Shri J. S. Varshney, Committee Member, Shri Shyam Sunder Tikmani, Committee Member, and Presence of Shri Krishnadas Agrawal, Director being mandatory. The meetings are generally chaired by Shri Krishnadas Agrawal who is an independent, non-executive Director on the Board who is having knowledge of Accounts.

In terms of the requirements under corporate governance practices, arrangements for presence of Shri Krishnadas Agrawal at the forthcoming AGM in July, 2003 are being made.

LISTING

The Company's Equity Shares are listed on Ahmedabad & Mumbai Stock Exchange and Listing Fees for the year 2002-03 has been paid.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 217(1) © of the Companies Act, 1956 relating to the disclosure of particulars of energy conservation, technology, absorption and foreign exchange earnings and outgo pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure forming part of this report.

PARTICULARS OF EMPLOYEES

Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees), Rules, 1975 is not applicable to your Company as none of the employee was in receipt of remuneration of more than Rs. 1,00,000/-p.m. or Rs. 12,00,000/- p.a. during the period under review.

Employee relations during the period under review were cordial and harmonious.

COMPLIANCE CERTIFICATE

A Certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreements is attached to this report.

ACKNOWLEDGMENTS

Your Directors would like to place on record their sincere appreciation and thanks to all the Government Authorities and Financial Institutions, Banks, Employees, and Shareholders for their valuable assistance, support and co-operation and look forward to the same in the years to come.

For and on behalf of the Board

Ahmedabad
June 30, 2003

(Rajendra Tikmani)
Managing Director

ANNEXURE TO DIRECTORS' REPORT

Particulars required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules , 1988

A. Conservation of Energy:

It is always endeavour of the company to maintain the consumption of electric power and its own generators at the lowest possible level and optimise the use of energy through improved operational methods

FORM -A

Form for the Disclosure of Particulars with respect of Conservation of Energy

1. Power and Fuel Consumption**a. Electricity**

1. Purchased Units	1312476
2. Total Amounts (Rs.)	6449122
3. Average Rate/Unit (Rs.)	4.91

b. Own Generation

1. Through Diesel Generators /Units	Nil
2. Unit per ltr of Diesel Oil	
3. Average Rate/ Unit (Rs.)	

c. Others

1. HSD (Qty - KL)	41800 LTRS
2. Total Amounts (Rs.)	1070014
3. Average Rate/ Unit (Rs.)	25.59
1. Fire Wood (Kg)	1506920
2. Total Amount (RS.)	1114590
3. Average Rate	0.74
1. Coal (QTY -MT)	3867.71
2. Total Amounts (Rs.)	5223016
3. Average Rate/ Unit (Rs.)	1350.41

B. (1) Research and Development:

Company has developed new sections and efforts are made for quality improvement. In house research and development work is carried out by the company . No significant expenditure is incurred.

(2) Technology absorption :

There is no change in technology

C. Foreign Exchange Earning and Outgo :

	Current Year	(Rs. In Lakhs) Previous Year
a) Total Foreign Exchange earned	1523.54	1096.22
b) Total Foreign Exchange used	634.25	360.29
c) Expenditure in Foreign currency	3.81	6.50

For and on behalf of the Board

Ahmedabad
June 30, 2003

(Rajendra Tikmani)
Managing Director

ANNUAL REPORT 2002-2003**CORPORATE GOVERNANCE REPORT**

In line with the requirement for providing a "Report on Corporate Governance" As per clause 49 of the revised Listing Agreement of the Stock Exchange applicable for the financial Year 2002-03, but not beyond 31st March 2005. given below is a report on the Company's corporate Governance norms.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance envisages attainment of transparency, accountability and propriety in the total functioning of the Company and in the conduct of its business internally and externally, including its interactions with employees, shareholders, deposit holders, creditors, consumers and institutional and other lenders.

The Company believes that its systems and actions must be dovetailed for enhancing the performance and shareholder value in the long term.

The Company has adopted certain practices to achieve good corporate governance; the salient ones being fairness and transparency in dealings, accountability for performance, effective management control by the Board, constitution of board Committees as a part of internal control system, fair representation of professional, qualified, non-executive and independent Directors on Board, adequate and timely disclosure of financial and other information and prompt discharge of statutory obligations and duties.

2. BOARD OF DIRECTORS

The company has a reasonable size Board. As on 31st March, 2003, the Board comprised of four Directors. The composition of the Board is as under:-

Sr. No.	Name of Director	Category of Director	No. of Board Meetings Held	No. of Board Meetings attended	No. of Other Director Ships	Committee Member Ships	Committee Chairman Ships	Last AGM attended
01	J. S. Varshney	Non-Executive Director	5	4	15	1	—	Yes
02	Rajendra Tikmani	Mg. Director	5	5	4	2	—	Yes
03	Shyam Sunder Tikmani	Non-Executive Director	5	5	2	2	—	Yes
04	Krishnadas Agarwal	Non-Executive Director	5	4	6	1	—	Yes

Change in Directorship : There is no change in the Directorship during the year.

3. BOARD MEETINGS AND ATTENDANCE

The Corporate Governance policy requires the Board to meet atleast 4 times in a year with a maximum gap of 4 months between any two meetings. The details of Board Meetings held during the year are as under :-

Sr. No.	Date of Board Meeting	Total No. of Director	Director Attended
01	15.05.2002	4	4
02	23.05.2002	4	3
03	30.05.2002	4	4
04	30.07.2002	4	3
05	16.08.2002	4	4
06	30.09.2002	4	3
07	30.10.2002	4	4
08	21.12.2002	4	4
09	11.01.2003	4	3
10	30.01.2003	4	3

4. AUDIT COMMITTEE

The matters provided in the clause 49 of the listing agreement the committee reviews the observation of auditors and other related matters and also reviews the accounting policies followed by the company. The minutes of the meeting is placed before the Board and confirmed. During the year under review, four Audit Committee meetings were held and the attendance of the meetings are as under :-

Name of Director	No. of Meeting Held	Meetings Attended
Mr. J. S. Varshney	4	2
Mr. Shyam Sunder Tikmani	4	4
Mr. Krishnadas Agarwal	4	4

5. REMUNERATION COMMITTEE

Company has not formed Remuneration Committee.

6. RMUNERATION TO DIRECTORS

No Remuneration is paid to Directors

7. DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS.

Year	Location	Date	Day	Time
2000	14,Uma Industrial Estate, Sanand Dist. Ahmedabad.	29/07/00	Saturday	4:00 P.M.
2001	14,Uma Industrial Estate, Sanand Dist. Ahmedabad.	01/09/01	Saturday	4.00 P.M.
2002	14,Uma Industrial Estate, Sanand Dist. Ahmedabad.	30/09/02	Monday	4:00 P.M.

Whether Special Resolution were put : NO
through postal ballot, Last year ?

Are votes proposed to be conducted : NO
through postal ballot, this year ?

8. DISCLOSURES

a. There were no incidents of any non-compliance penalties/strictures imposed on the Company by Stock Exchange(s) or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years, except :-

1. Suspension of trading in securities for non-compliance of provisions of clause 15/16 of listing agreement during last year.

b. The Company has disclosed related party transactions in the notes forming part of accounts. Except this there is no materially significant related party transactions which may have potential conflict with the interests of the company at large. Company has given Certificate to Auditors regarding all related party transactions.

9. SHAREHOLDERS INFORMATION**I (a) ANNUAL GENERAL MEETING BOOK CLOSURE**

Date : 30.07.2003

Time : 4.00 P.M.

Venue : 14, Uma Industrial Estate, Sanand, Dist. Ahmedabad.

(b) Book Closure Date : 26.07.03 to 30.07.03
(Both the days inclusive)