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2003-2004

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**ALFA ICA (INDIA) LTD.**

# ALFA ICA (INDIA) LTD.

## ANNUAL REPORT 2003-2004

### BOARD OF DIRECTORS

J. S. VARSHNEYA	: Chairman
RAJENDRA TIKMANI	: Managing Director
KRISHNADAS AGRAWAL	: Director
SHYAM SUNDER TIKMANI	: Director
C. L. AGRAWAL	: Director (w.e.f. 26-07-2004)
SANJEEV SHARMA	: Director (w.e.f. 26-07-2004)

### AUDITORS

O. P. Bhandari & Co.

Chartered Accountants

30, Omkar House, C.G. Road, Navrangpura, Ahmedabad-380 009.

### BANKERS

State Bank of India

Specialised Commercial Branch, Ahmedabad

### REGD. OFFICE

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

### WORKS

#### Unit-I

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

#### Unit-II

204-205, Uma Industrial Estate,  
Village Vasana - Iawa, Tal. Sanand, Dist. Ahmedabad

### CORPORATE OFFICE

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

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**ANNUAL REPORT 2003-2004****NOTICE**

Notice is hereby given that the Thirteenth 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 Tuesday the 31st August, 2004 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, 2004 and the Balance-Sheet as on that date :
2. To appoint a Director in place of Mr. Krishnadas Agrawal 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.

**SPECIAL BUSINESS**

4. To consider and if thought fit , to pass with or without modifications, the following resolution as a ordinary resolution  
Resolved that pursuant to the provisions of Section 260 and other applicable provisions of the Companies Act 1956. Mr. C. L. Agrawal who was appointed as additional Director on 26-07-2004 and whose terms comes to an end upto the ensuing Annual General Meeting and notice under Section 257 of Companies Act, 1956 has been received from members alongwith deposit money proposing his candidature.
5. To consider and if thought fit , to pass with or without modifications, the following resolution as a ordinary resolution  
Resolved that pursuant to the provisions of Section 260 and other applicable provisions of the Companies Act 1956. Mr. Sanjeev Sharma who was appointed as additional Director on 26-07-2004 and whose terms comes to an end upto the ensuing Annual General Meeting and notice under Section 257 of Companies Act, 1956 has been received from members alongwith deposit money proposing his candidature.

By the order of the Board of Directors

Ahmedabad  
August 2, 2004

**Registered Office:**

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

**Shri Rajendra Tikmani**  
Managing Director

**Note :**

1. The relative explanatory statement pursuant to section 173(2) of the Companies Act 1956 is annexed.
2. 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.
3. The members are requested to notify immediately the change of address if any to the Company.
4. The Registered of Members and Transfer Books of the Company shall remain closed from 27.08.2004 To 31.08.2004 (both days inclusive). During this period the transfer of shares shall remain suspended.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956****ITEM NO. 4 & 5**

Mr. C. L. Agrawal and Mr. Sanjeev Sharma were appointed as additional directors of the company on 26.07.2004 . Pursuant to the provisions of Section 260 of the Companies Act 1956 and Article of Association of the company , the terms of the office of Mr. C. L. Agrawal and Mr. Sanjeev Sharma will be upto the ensuing Annual General Meeting of the Company.

Mr. C. L. Agrawal aged 52 years is an industrialist with business experience of more than 30 years. His interests are in real estate development, construction & entertainment industry (Multiplexes). His business contacts will benefit the Company.

Mr. Sanjeev Sharma aged 46 years is an ex-banker with experience of 10 years in banking consultancy services. Earlier working with State Bank of India. His services shall be useful to the Company in the financial matters.

**DIRECTORS' REPORT****The Shareholders**

Your Directors have pleasure in presenting the Thirteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2004.

**FINANCIAL RESULTS**

The financial results of your company for the year 2003-2004 are summarised below :

	31.03.2004	(Rs. In Lacs) 31.03.2003
Sales & Other Income	3361.93	2983.10
Profit before Interest & Depreciation	261.05	277.84
Interest & Depreciation	158.96	221.83
Profit / (Loss) before taxes	102.09	56.00
Income tax paid	8.29	10.70
Deferred Tax Liability	36.73	21.28
Profit/(Loss) after taxes	57.03	24.02
Profit/(Loss) brought forward from Previous year	205.21	181.19
Profit/(Loss) carried to Balance Sheet	262.24	205.21

**EXPANSION PROJECT**

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

**YEAR IN PROSPECT**

Past year was a year of turmoil in the international arena. With the fall of Saddam Hussain in Iraq, the world heaved a sigh of relief, as continuous tension in the area was detrimental to the growth of international commerce. However, this also induced great volatility in the crude prices affecting Indian economy. Despite this the country achieved forex reserves of US Dollars 100.00 Billion, which is creditable. The year also showed revival in the Housing Industry, added by cheap loans, which has fuelled the growth of all aspects of economy.

The Company's performance improved during the year with the help of production from the Fourth Line. European Market has been consolidated. The Company now looks forward to enter in to the American Market during the current year, with concentration of exports in developed European and American Markets, which offer better price realisation, the Bottom line of the company is expected to improve further.

**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 :

- That in the preparation of the annual accounts for the financial year ended 31st March, 2004 the applicable accounting standards had been followed along with proper explanation relating to material departures.
- 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.
- 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.
- That the directors had prepared the accounts for the financial year ended 31st March, 2004 on a 'going concern' basis.

## ANNUAL REPORT 2003-2004

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### 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 Krishnadas Agrawal retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

### 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, Chairma, 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 Shyam Sunder Tikmani at the forthcoming AGM in August, 2004 are being made.

### LISTING

The Company's Equity Shares are listed on Ahmedabad & Mumbai Stock Exchange and Listing Fees for the year 2003-2004 has been paid.

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

Information in accordance with the provisions of Section 217(1) (C) 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.

Employees 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.

### ACKNOWLEDGEMENTS

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  
August 2nd, 2004

(J. S. VARSHNEYA)  
Chairman

**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	1634769
2. Total Amounts (Rs.)	7830740
3. Average Rate/Unit (Rs.)	4.79

**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)	36080
2. Total Amounts (Rs.)	860006
3. Average Rate/ Unit (Rs.)	23.84
1. Fire Wood ( Kg)	557753
2. Total Amount ( RS.)	490143
3. Average Rate	0.87
1. Coal (QTY -MT)	6925.51
2. Total Amounts (Rs.)	9884946
3. Average Rate/ Unit (Rs.)	1427.32

**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	2231.34	1523.54
b) Total Foreign Exchange used	769.54	634.25
c) Expenditure in Foreign currency	13.61	3.81

For and on behalf of the Board

Ahmedabad  
August 2nd, 2004

(J. S. VARSHNEYA)  
Chairman

**ANNUAL REPORT 2003-2004****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 2003-04, 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, 2004, the Board comprised of four Directors. The composition of the Board is as under ;

Sr. No.	Name of Director	Category of Director
01	J. S. Varshney	Non-Executive Director
02	Rajendra Tikmani	Mg. Director
03	Shyam Sunder Tikmani	Non-Executive Director
04	Krishnadas Agarwal	Non-Executive Director

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

**3. BOARD MEETINGS AND ATTENDANCE**

The Board met 6 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.	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	6	4	15	1	—	Yes
02	Rajendra Tikmani	Mg. Director	6	5	4	2	—	Yes
03	Shyam Sunder Tikmani	Non-Executive Director	6	5	2	2	—	Yes
04	Krishnadas Agarwal	Non-Executive Director	6	4	6	1	—	Yes

**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 :

Sr. No.	Name of Director	No. of Meeting Held	Meetings Attended
1.	Mr. J. S. Varshney	4	2
2.	Mr. Shyam Sunder Tikmani	4	4
3.	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
2001	1-4,Uma Industrial Estate, Sanand Dist. Ahmedabad.	01/09/01	Saturday	4.00 P.M.
2002	1-4,Uma Industrial Estate, Sanand Dist. Ahmedabad.	30/09/02	Monday	4:00 P.M.
2003	1-4,Uma Industrial Estate, Sanand Dist. Ahmedabad.	30/07/03	Wednesday	4:00 P.M.

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

**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 transaction 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 : 31.08.2004

Time : 4.00 P.M.

Venue : 1-4, Uma Industrial Estate, Sanand,Dist. Ahmedabad.

- (b) Book Closure Date : 27.08.04 to 31.08.04  
(Both the days inclusive)