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**2004-2005**

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**ALFA ICA (INDIA) LTD.**

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# ALFA ICA (INDIA) LTD.

## ANNUAL REPORT 2004-2005

### BOARD OF DIRECTORS

<b>C. L. AGRAWAL</b>	: Chairman
<b>RAJENDRA TIKMANI</b>	: Managing Director
<b>SHYAM SUNDER TIKMANI</b>	: Director
<b>SANJEEV SHARMA</b>	: Director
<b>J. S. VARHNEYA</b>	: Director (Resigned : 06.12.2004)
<b>KRISHNADAS AGARWAL</b>	: Director (Resigned : 06.12.2004)

### 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 2004-2005

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### NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of ALFA ICA (INDIA) LTD. will be held at 1-4 Uma Industrial Estate, Village : Vasana-lawar, Tal.: Sanand, Dist. Ahmedabad on Wednesday the 31st August, 2005 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, 2005 and the Balance-Sheet as on that date :
2. To appoint a Director in place of Mr. Shyam Sunder 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

August 2, 2005

**Registered Office:**

1-4 Uma Industrial Estate

Village : Vasana-lawar

Tal : Sanand, Dist : Ahmedabad

**Shri Rajendra Tikmani**

Managing Director

#### 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 27.08.2005 To 31.08.2005 (both days inclusive). During this period the transfer of shares shall remain suspended.

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

Your Directors have pleasure in presenting the Fourteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2005.

**FINANCIAL RESULTS**

The financial results of your company for the year 2004-2005 are summarised below :

	<b>31.03.2005</b>	(Rs. In Lacs) <b>31.03.2004</b>
Sales & Other Income	<b>3377.90</b>	3644.72
Profit before Interest & Depreciation	<b>221.40</b>	283.84
Interest & Depreciation	<b>169.48</b>	181.73
Profit / (Loss) before taxes	<b>51.92</b>	102.10
Income tax paid	<b>5.24</b>	8.33
Deferred Tax Liability	<b>10.79</b>	36.73
Profit/(Loss) after taxes	<b>35.88</b>	57.03
Profit/(Loss) brought forward from Previous year	<b>262.24</b>	205.21
Profit/(Loss) carried to Balance Sheet	<b>298.13</b>	262.24

**YEAR IN PROSPECT**

The past year was marked by a steep rise in crude prices which has affected all sectors of economy. The rise in petroleum prices has had a cascading effect. But the steady inflows from Foreign Funds maintained the buoyancy in the economy, as well as the stock markets. This shows the global confidence in the fundamentals of Indian economy. But to keep up this tempo, the Government may have to revive the investment interest in the infrastructure sector. A healthy growth in road network, Airports, Sea Ports, Power, Telecommunication and Water resources shall be crucial for pushing the economy towards the desired growth rate of 8%.

Your Company withstood the sharp increase in prices of raw materials and consumables and could maintain the sales pattern of last year. One important development was the entry of your Company's products in the American markets, where they have been very well received. Overall economic stability in South East Asian Countries and Europe is expected to harbingers better growth prospects for the exports of your company's products during the current year.

**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, 2005 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, 2005 on a 'going concern basis.

**DIRECTORS**

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

## ANNUAL REPORT 2004-2005

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appointment. During the year Shri Krishnadas Agrawal and Shri J. S. Varshneya resigned due to preoccupation. The Board appreciates the services rendered by them to the Company during the past few years.

### FIXED DEPOSITS

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

### DIVIDEND

To conserve resources and to maintain liquidity, the Board recommended not to declare any dividend for the year under review.

### INSURANCE

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

### 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 two directors personally present at the meeting. Members of the Audit Committee are Shri C. L. Agarwal, Chairman, Shri Sanjeev Sharma, Committee Member, Shri Shyam Sunder Tikmani, Committee Member and Presence of Shri C. L. Agarwal, Director being mandatory. The meetings are generally chaired by Shri C. L. Agarwal who is an independent, non-executive chairman 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, 2005 are being made.

### LISTING

The Company's Equity Shares are listed on Ahmedabad & Mumbai Stock Exchange and Listing Fees for the year 2004-2005 have 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.

### 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.

### AUDITOR REMARKS

The efforts are being made to employ a qualified company secretary and also to create a trust for payment of gratuity to the employees as required by the law.

### 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 2, 2005

(C. L. Agarwal)  
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	1408320
2. Total Amounts (Rs.)	6896679
3. Average Rate/Unit (Rs.)	4.89

**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)	34431
2. Total Amounts (Rs.)	930943
3. Average Rate/ Unit (Rs.)	27.03

1. Fire Wood ( Kg)	0
2. Total Amount ( RS.)	0
3. Average Rate	0

1. Coal (QTY -MT)	5653.73
2. Total Amounts (Rs.)	8897897
3. Average Rate/ Unit (Rs.)	1573.80

**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	2063.10	2231.34
b) Total Foreign Exchange used	1021.07	769.54
c) Expenditure in Foreign currency	3.96	13.61

For and on behalf of the Board

Ahmedabad  
August 2, 2005

(C. L. Agarwal)  
Chairman

**ANNUAL REPORT 2004-2005****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 2004-05, 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 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 devoted 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, 2005, the Board comprised of four Directors. The composition of the Board is as under ;

Sr. No.	Name of Director	Category of Director
1	C. L. Agarwal	Non-Executive Director
2.	Rajendra Tikmani	Mg. Director
3.	Shyam Sunder Tikmani	Non-Executive Director
4	Sanjeev Sharma	Non-Executive Director

Change in Directorship : During the year two directors viz., Shri J. S. Varshneya & Shri Krishnadas Agrawal had resigned w.e.f. 06-12-2004 and Shri C. L. Agarwal and Shri Sanjeev Sharma were appointed w.e.f. 26-07-2004.

**3. BOARD MEETING AND ATTENDANCE**

The Corporate Governance policy requires the Board to meet 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
1	Sanjeev Sharma	Non-Executive Director	6	4	2	1	—	Yes
2.	Rajendra Tikmani	Mg. Director	6	5	4	2	—	Yes
3.	Shyam Sunder Tikmani	Non-Executive Director	6	5	2	2	—	Yes
4	C. L. Agarwal	Non-Executive Director	6	4	2	1	—	Yes

**ALFA ICA (INDIA) LTD.****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. C. L. Agarwal	4	4
2	Mr. Shyam Sunder Tikmani	4	4
3.	Mr. Sanjeev Sharma	4	4

**5. REMUNERATION COMMITTEE**

Company has not formed Remuneration Committee.

**6. REMUNERATION TO DIRECTORS**

No Remuneration is paid to Directors

**7. DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS.**

Year	Location	Date	Day	Time
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.
2004	1-4, Uma Industrial Estate Sanand, Dist. Ahmedabad	31.08.04	Tuesday	4.00 p.m.

Whether Special Resolution were put Through postal ballot, Last Year ? : No

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.
- 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****1. a. ANNUAL GENERAL MEETING BOOK CLOSURE**

Date : 31.08.2005

Time : 4.00 P.m.

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

- b. Book Closure Date : 27.08.2005 To 31.08.2005  
(Both the days inclusive)