

**FIFTEENTH
A N N U A L
R E P O R T**

2005-2006

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ALFA ICA (INDIA) LTD.

ALFA ICA (INDIA) LTD.

ANNUAL REPORT 2005-2006

BOARD OF DIRECTORS

C. L. AGRAWAL	: Chairman
RAJENDRA TIKMANI	: Managing Director
SANJEEV SHARMA	: Director
SHYAM SUNDER TIKMANI	: Director (Up to 13-8-2006)
RISHI TIKMANI	: Director (w.e.f. 14-8-2006)

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

Alfa Pallazzo, Near Shivranjani Crossing,

Satellite Road, Ahmedabad - 380 015.

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ANNUAL REPORT 2005-2006**NOTICE**

Notice is hereby given that the Fifteenth 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 Saturday the 30TH Sept, 2006 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, 2006 and the Balance-Sheet as on that date.
2. To appoint a Director in place of Shri C. L. 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 pass with or without modification the following resolution :-

"Resolved that Shri Rishi Tikmani who was appointed as Additional Director of the Company with effect from 14-8-2006. Pursuant to section 260 of the Companies Act, 1956, Shri Rishi Tikmani holds office of Director upto the date of this Annual General Meeting and is eligible for reappointment."

A notice in writing under section 257 of the Companies Act, 1956 has been received from a member proposing the candidature of Shri Rishi Tikmani for the office of Director.

By the order of the Board of Directors

Shri Rajendra Tikmani
Managing Director

Ahmedabad

August 23, 2006

Registered Office:

1-4 Uma Industrial Estate

Village : Vasana-lawar

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 26.09.2006 to 30.09.2006 (both days inclusive). During this period the transfer of shares shall remain suspended.
4. The explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of item no. 4 of Special Business is annexed hereto.

Explanatory Statement Under Section 173(2) of the Companies Act, 1956.

Note: Information given here is also in terms of clause 49 of the Listing Agreement entered into with the Stock Exchanges.

Item No. 4

Pursuant to Article of Association of the Company, the Board of Directors co-opted Shri Rishi Tikmani as an Additional Director of the Company with effect from 14th August, 2006. Shri Rishi Tikmani is BBA from Gujarat University and MBA from University of West Minister (U.K.).

He has floor level experience of about 3 years in our company in production and administration both. Being an Additional Director of the Company, he holds office upto the date of this Annual General Meeting. As required by Section 257 of the Companies Act, 1956, the Company has received a notice from a member proposing the candidature of Shri Rishi Tikmani for the office of Director of the Company.

None of the Directors of the Company other than Shri Rajendra Tikmani being the relative of Shri Rishi Tikmani is concerned or interested in the above item.

By the order of the Board of Directors

Shri Rajendra Tikmani
Managing Director

Ahmedabad

August 23, 2006

Registered Office:

1-4 Uma Industrial Estate

Village : Vasana-lawar

Tal : Sanand, Dist : Ahmedabad

DIRECTORS' REPORT**The Shareholders**

Your Directors have pleasure in presenting the Fifteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2006.

FINANCIAL RESULTS

The financial results of your company for the year 2005-2006 are summarised below :

	31.03.2006	(Rs. In Lacs) 31.03.2005
Sales & Other Income	3491.84	3377.90
Profit before Interest & Depreciation	247.03	221.40
Interest & Depreciation	172.27	169.48
Profit / (Loss) before taxes	74.76	51.92
Income tax paid	6.74	5.24
Deferred Tax Liability	17.04	10.79
Profit/(Loss) after taxes	50.98	35.88
Profit/(Loss) brought forward from Previous year	298.13	262.24
Profit/(Loss) carried to Balance Sheet	349.11	298.13

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 has improved the sales over last year. 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, 2006 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, 2006 on a 'going concern basis'.

DIRECTORS

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

Shri Shyam Sunder Tikmani resigned due to personal reasons from the Directorship of the Company on and from 13-8-2006. The Board records a note of appreciation for the valuable services rendered by him.

ANNUAL REPORT 2005-2006

Shri Rishi Tikmani was appointed as an Additional Director of the Company with effect from 14-8-2006. Company has received a notice under section 257 from a member proposing his candidature for the office of Director of the Company. He is a MBA from University of West Minister(U.K) and has 3 years' experience in production and administration. This appointment would be beneficial to the Company, therefore the Board recommends his appointment.

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 C. L. Agrawal at the forthcoming AGM on 30th September, 2006 are being made.

LISTING

The Company's Equity Shares are listed on Ahmedabad & Mumbai Stock Exchange and Listing Fees for the year 2005-2006 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. 2,00,000/- p.m. or Rs. 24,00,000/- 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 Agreement forms part of this report.

AUDITORS' 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 23, 2006

(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 endeavor 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**Electricity**

1. Purchase Units	1424729
2. Total Amount (Rs.)	6709912
3. Average Rate/ Unit (Rs.)	4.71

Own Generation

1. Through Diesel Generation / Units	NIL
2. Unit per Ltr. Of Diesel Oil	
3. Average Rate / Unit (Rs.)	

Others

1. HSD (Qty - KL)	14152
2. Total Amount (Rs.)	531574
3. Average Rate / Unit (Rs.)	37.56

1. Fire Wood (Kg)	27795
2. Total Amount (Rs.)	52832
3. Average Rate	1.90

1. Coal (QTY- MT)	5701.51
2. Total Amount (Rs.)	9665917
3. Average Rate / Unit (Rs.)	1695.33

B. (1) Research and Development ;

Continuous 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

A. Foreign Exchange Earning and Outgo :

	(Rs. In Lakhs)	
	Current Year	Previous Year
a. Total Foreign Exchange earned	2238.49	2063.10
b. Total Foreign Exchange used	681.42	1021.07
c. Expenditure in Foreign Currency	NIL	3.96

For and on behalf of the Board

Ahmedabad
August 23, 2006

(C. L. Agarwal)
Chairman

ANNUAL REPORT 2005-2006**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 2005-06, but not beyond 31st March, 2006, 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, 2006, 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: Shri Shyam Sunder Tikmani had resigned and Shri Rishi Tikmani was appointed as Director of the Company w.e.f. 14-8-2006.

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 atten- ded
1	Sanjeev Sharma	Non-Executive Director	6	4	2	1	—	Yes
2.	Rajendra Tikmani	Mg. Director	6	6	4	2	—	Yes
3.	Shyam Sunder Tikmani	Non-Executive Director	6	6	2	2	—	Yes
4	C. L. Agarwal	Non-Executive Director	6	4	2	1	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. C. L. Agarwal	4	4
2	Mr. Shyam Sunder Tikmani	4	4
3.	Mr. Sanjeev Sharma	4	3

5. REMUNERATION COMMITTEE

Company has not formed Remuneration Committee.

6. REMUNERATION TO DIRECTORS

No Remuneration is paid to Directors

8. DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS.

Year	Location	Date	Day	Time
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.
2005	1-4, Uma Industrial Estate Sanand, Dist. Ahmedabad	31.08.05	Wednesday	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

- 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.
- 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 : 30.09.2006

Time : 4.00 P.m.

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

- Book Closure Date : 26.09.2006 To 30.09.2006
(Both the days inclusive)