

SEVENTEENTH
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ALFA ICA (INDIA) LTD.

ALFA ICA (INDIA) LTD.**ANNUAL REPORT
2007-2008****BOARD OF DIRECTORS**

SHRI SHYAM SUNDER TIBREWAL	: Chairman (from 31.07.2008)
SHRI C. L. AGRAWAL	: Chairman (upto 31.07.2008)
SHRI RAJENDRA TIKMANI	: Managing Director
SHRI SANJEEV SHARMA	: Director
SHRI RISHI TIKMANI	: Director

AUDITORS

O. P. Bhandari & Co.
Chartered Accountants

BANKERS

State Bank of India
Specialised Commercial Branch, Ahmedabad

REGD. OFFICE

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

WORKS**Unit-I**

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

Unit-II

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

CORPORATE OFFICE

Alfa Pallazzo, Near Shivrangani Cross Roads,
Satellite Road, Ahmedabad - 380 015.

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NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of ALFA ICA (INDIA) LTD. will be held at 1-4 Uma Industrial Estate, Village : Vasana-Iyawa, Tal.: Sanand, Dist. Ahmedabad on Monday the 22nd September, 2008 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, 2008 and the Balance-Sheet as on that date.
2. To appoint a Director in place of Shri Rishi 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.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:

RESOLVED AS A SPECIAL RESOLUTION THAT all the equity shares of the company be delisted from the Ahmedabad Stock Exchange, Ahmedabad. Subject to such approvals, permissions and sanctions-as may be necessary and in compliance with such condition and modifications as may be prescribed for this purpose".

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred by the Board) be and is hereby authorized to seek voluntary delisting to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may in its absolute discretion, difficulty, doubt that may arise in regard to delisting of the equity shares and to execute all such deeds, documents, writings as may be necessary, desirable of expedient as may be deemed fit and for this purpose to delegate the authority duly vested in it by virtue hereof to the managing director or any other person to whom the board may consider suitable to do the various acts, deeds and things as required to be done in this behalf.

5. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:

"RESOLVED THAT subject to the approval of the Central Government under Section 268 of the Companies Act, 1956, if any, and subject to the provisions of sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), the Company does hereby approve the revision and amendment of the terms and conditions of appointment of Mr. Rajendra Tikmani, Managing Director of the Company for the remaining period including remuneration and perquisites as under :

1. Salary : Rs. 40,000/- per month w.e.f. 01-09-2008 for the remaining tenure till further resolved.
2. Perquisites : Contribution to the P.F. as per the scheme introduced by the Company and Encashment of Leave at the end of tenure.

"RESOLVED FURTHER THAT other terms and condition will remain continued as set out in earlier resolution passed by the Shareholders in their meeting as on 11th December, 1991 at the Annual General Meeting of the Company."

"RESOLVED FURTHER THAT in case of inadequacy or absence of profits in any financial year of the Company during the terms of office of Mr. Rajendra Tikmani, Managing Director, the remuneration and perquisites shall not exceed the ceiling provided in the applicable slab of Schedule XIII to the Companies Act, 1956 as amended from time to time."

"RESOLVED FURTHER THAT Shri Rajendra Tikmani, Managing Director of the Company is hereby authorized to file the necessary forms in this regard with the Registrar of Companies, Gujarat, and to do all the acts, things, deed which may be necessary in this regard.

6. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:

"RESOLVED THAT subject to the approval of the Central Government under Section 268 of the Companies Act, 1956, if any, and subject to the provisions of sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the

ALFA ICA (INDIA) LTD.

time being in force), the Company does hereby approve the revision and amendment of the terms and conditions of appointment of Mr. Rishi Tikmani, Director of the Company for the remaining period including remuneration and perquisites as under :

1. Salary : Rs. 35,000/- per month w.e.f. 01-09-2008 for the remaining tenure till further resolved.
2. Perquisites : Contribution to the P.F. as per the scheme introduced by the Company and Encashment of Leave at the end of tenure.

"RESOLVED FURTHER THAT other terms and condition will remain continued as set out in earlier resolution passed by the Shareholders in their meeting as on 14th August, 2006 at the Annual General Meeting of the Company."

"RESOLVED FURTHER THAT in case of inadequacy or absence of profits in any financial year of the Company during the terms of office of Mr. Rishi Tikmani, Director, the remuneration and perquisites shall not exceed the ceiling provided in the applicable slab of Schedule XIII to the Companies Act, 1956 as amended from time to time."

"RESOLVED FURTHER THAT Shri Rajendra Tikmani, Director of the Company is hereby authorized to file the necessary forms in this regard with the Registrar of Companies, Gujarat, and to do all the acts, things, deed which may be necessary in this regard.

7. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:

"RESOLVED THAT the resignation of Shri C. L. Agarwal as a director from the Company be and is hereby approved and accepted with effect from 31-07-2008."

"FURTHER RESOLVED THAT pursuant to the provisions of section 260 of the Companies Act, 1956 Shri Shyam Sunder Tibrewal be and is hereby appointed as additional Director of the Company and who shall hold office till the date of next Annual General Meeting of the Company."

By the order of the Board of Directors

Ahmedabad
August 11, 2008
Registered Office:
1-4 Uma Industrial Estate
Village : Vasana-Iyawa
Tal : Sanand, Dist : Ahmedabad

Rajendra Tikmani
Managing Director

Notes:

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. 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 Register of Members and Transfer Books of the Company shall remain closed from 18.09.2008 to 22.09.2008 (both days inclusive). During this period the transfer of shares shall remain suspended.
3. A member desirous of getting any information on the account or operations of the company is required to forward his/her queries to the Company at least 7 days prior to the meeting so that the required information can be made available at the meeting.
4. Members are requested to immediately notify any change in their address with pin code and to quote their folio nos. in all correspondence with the Company.

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Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956.

Item No. 4

Presently, the company's securities are listed on the following two stock exchanges in India:-

1. The Stock Exchange Ahmedabad
2. The Stock Exchange Mumbai

The trading of the Company's shares at Ahmedabad stock exchanges is nil. With the extensive networking of the Stock Exchange, Mumbai (BSE) the extension of the terminals to other cities as well, investors have access to online dealing in the Company's securities across the country.

The Company's equity shares are being traded only in dematerialised form. In view of the nil trading volumes the benefits accruing to the investors by keeping the shares of the company listed on stock exchange at Ahmedabad is not commensurate with costs incurred by the company for continued listing on this stock exchange.

The securities and exchanges Board of India (SEBI) has issued the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003. Under these Guidelines, Voluntarily Delisting of Shares from one or more stock exchange have been permitted without obtaining buy-back to the shareholders provided the securities of the company have been listed for a minimum period of three years on any stock exchange and a public announcement in prescribed manner shall be published in news paper.

The members' approval is being sought by way of a special resolution for delisting of company's equity shares from Ahmedabad.

All the directors of the Company are interested in the aforesaid resolution.

Item No. 5:

Shri Rajendra Tikmani is working as the Managing Director since inception of the company. Shri Rajendra Tikmani is looking after the overall operations and day to day administration over a period of one decade as first director of the Company from its incorporation.

Therefore the Board of Directors in its meeting dated 31.07.2008 recommended payment of remuneration of Rs. 40,000/- per month plus perquisites as above.

Except Mr. Rajendra Tikmani and Mr. Rishi Tikmani none of the directors are interested in passing of the said special resolution.

Item No. 6

Shri Rishi Tikmani is working as the Director since 14th August, 2006. Shri Rishi Tikmani is looking after production and assisting in marketing.

Therefore the Board of Directors in its meeting dated 31.07.2008 recommended payment of remuneration of Rs. 35,000/- per month plus perquisites as above.

Except Mr. Rajendra Tikmani and Mr. Rishi Tikmani none of the directors are interested in passing of the said special resolution.

Item No. 7

Pursuant to Articles of Association of the company, the Board of Directors co-opted Shri Shyam Sunder Tibrewal as an additional director of the Company with effect from 31st July, 2008.

Being an additional director of the Company, he holds office up to 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 Shyam Sunder Tibrewal for the office of director of the Company.

None of the directors of the Company are interested in the aforesaid resolution.

DIRECTORS' REPORT

The Shareholders

Your Directors have pleasure in presenting the Seventeenth Annual Report together with the Audited Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

The financial results of your company for the year 2007-2008 are summarised below:

Particulars	31.03.2008	(Rs. In Lacs)
		31.03.2007
Sales & Other Income	4787.53	4279.24
Profit before Interest & Depreciation	349.91	322.83
Interest & Depreciation	243.64	226.31
Profit / (Loss) before taxes	106.27	96.52
Provision for Income Tax/Fringe Benefit Tax	45.10	29.36
Deferred Tax Liability	(2.33)	(0.97)
Profit/(Loss) after taxes	63.50	68.13
Profit/(Loss) brought forward from Previous year	325.59	257.46
Profit/(Loss) carried to Balance Sheet	389.09	325.59

DIVIDEND

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

YEAR IN PROSPECT

When I presented the Company's results to you last year, I had commented upon the high crude prices and their debilitating effect on the economy as a whole. At that time, nobody had visualised that the situation will become grimmer with the crude prices breaching the level of USD 140 per barrel. The impacts of the rising crude prices on the country's economy combined with shortages on the commodity front have created double digit inflationary pressures. To combat this, Reserve Bank of India has tried to reduce the money supply in the system by progressively hiking the Cash Reserve Ratio and the Repo rates (rates at which RBI lends to Banks). These measures have resulted in a steep hike in interest rates over the last 6 months. It has to be seen, to what extent the high interest rate regime, impacts corporate bottom lines. The economic growth has been predicted to slow down to 7 % - 8 %, which is not a very good sign, if the goal of total poverty alleviation is to be achieved by the year 2020.

Your company has maintained sustained growth on the export front. The correction in Indian – US Dollar parity in the last 2-3 months, shall help in stabilising the bottom line of the Company. The Company has strived for better working capital management through a tight inventory control over the last three years. The Directors expect this to have a significant impact on your Company's bottom line, in the long run.

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, the applicable accounting standards have 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 are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2008 and of the profit or loss of the Company for the year ended on that date.
- 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.
- That the directors have prepared the Annual Accounts on a going concern basis.

DIRECTORS

Pursuant to provision of Section 256 the Companies Act, 1956, Shri Rishi Tikmani retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment.

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Shri C.L. Agarwal resigned due to personal reasons from the directorship & chairmanship of the Company on and from 31.07.2008. The Board records a note of appreciation for the valuable services rendered by him.

Shri Shyam Sunder Tibrewal was appointed as an Additional Director of the Company with effect from 31.07.2008. Company has received a notice under Section 257 from a member proposing his candidature for the office of Director of the Company. The appointment would be beneficial to the Company, therefore the Board recommends his appointment.

PUBLIC DEPOSITS

During the year under review, Company has not accepted any Deposits under the Provisions of Section 58A of the Companies Act, 1956.

INSURANCE

All the existing Properties of the Company have been adequately insured.

LISTING AGREEMENT

The Company's Equity Shares are listed at Ahmedabad Stock Exchange (ASE) & Bombay Stock Exchange (BSE) and Listing Fees for the year 2008-2009 have been paid. Adequate care is being taken to comply with almost all the norms and guidelines as per the applicable provisions of the Listing Agreement with the Company.

The Company's Equity Shares are under 'Compulsory Demat'. The ISIN allotted to the Company is INE042C01010. As required by the SEBI's Circular, the Company has appointed M/s MCS Limited as its Registrar & Share Transfer Agent also to undertake transfer of physical share certificates besides acting as Electronic Registrars.

CORPORATE GOVERNANCE

The Company has implemented the adequate procedure and adopted practices in conformity with the code of Corporate Governance as enunciated in Clause 49 of the Listing agreement with the Stock Exchange.

The Management Discussion & Analysis and Corporate Governance Report are made part of the Annual Report.

A certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance is attached and forming part of the Director's Report.

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.

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.

STATUTORY AUDITORS:

M/s. O.P.Bhandari & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and is eligible for re-appointment. The Company has received a certificate from them that their appointment if approved by the shareholders would be within the ceiling prescribed under section 224(1B) of the Companies Act, 1956. The members are requested to appoint auditors to hold office until the conclusion of the next Annual General Meeting of the Company.

AUDITORS' REPORT

The Auditors' Report for the year ended 31st March, 2008 and the notes forming part of accounts referred to in the Auditors' Report are self explanatory and give complete information.

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.

MATERIAL CHANGES

No material changes have taken place since the closure of the financial accounts up to the date of the report, which may substantially affect the financial performance or the statement of the Company.

ACKNOWLEDGEMENTS

The directors sincerely express their gratitude to the Company's shareholders, government authorities, financial institutions, banks, and employees at all levels for their valuable assistance, support and co-operation and look forward to the same in the year to come.

For and on behalf of the Board

Ahmedabad
August 11, 2008

(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 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

	2007-2008	2006-2007
Electricity		
1. Purchase Units	1623886	1603855
2. Total Amount (Rs.)	7984739	7831769
3. Average Rate/ Unit (Rs.)	4.92	4.88
Own Generation		
1. Through Diesel Generation / Units	35411	NIL
2. No. of Unit per Ltr. Of Diesel Oil	2.20	
3. Average Rate / Unit (Rs.)	16.29	
Others		
1. Diesel / Qty - KL	16101	17686
2. Total Amount (Rs.)	576835	644885
3. Average Rate / Unit (Rs.)	35.83	36.46
1. Fire Wood (Kg)	985180	121515
2. Total Amount (Rs.)	1703269	206557
3. Average Rate	1.73	1.70
1. Coal (QTY- MT)	7245.28	8711.38
2. Total Amount (Rs.)	8296623	8107603
3. Average Rate / Unit (Rs.)	1145.11	930.69

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	3609.83	2905.24
b. Total Foreign Exchange used	1135.82	720.27
c. Expenditure in Foreign Currency	NIL	NIL

For and on behalf of the Board

Ahmedabad
August 11, 2008

(Rajendra Tikmani)
Managing Director

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MANAGEMENT DISCUSSION & ANALYSIS

As per the requirement of the listing Agreement as part of the Director's report or in addition thereto, a Management Discussion and Analysis report forming part of the Annual report to the members is given below, discussing the key issues—

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian laminate industry is marked by low capacities by international standards. If local companies have to make any impact in the international arena, there shall be a gradual build-up of capacities with improvement in quality of end-products.

OPPORTUNITIES AND THREATS

The burgeoning real estate sector and rapid urbanisation offers great scope for growth of the industry domestically. The international market also offers lot of growth opportunities. But since the international quality standards are very stringent, Indian manufactures shall have to guard against quality related issues, so as to establish a firm presence in the global markets.

OUTLOOK

Under the Company's long term marketing strategy of concentrating on the high margin international markets with less priority to low margin domestic markets, the industrial outlook seems good.

RISKS AND CONCERNS

The higher raw material costs and transportation costs due to increase in fuel prices, may be a dampener for any growth plans. Some other potential risks are earthquakes, flood, staff attrition, terrorism attack, riots etc.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper independent and adequate system of internal controls to ensure that all the assets are protected against loss from unauthorized use of disposition and those transactions are properly authorized, recorded and reported correctly. The internal control systems are designed in such a way to ensure that the financial and other records are reliable for reporting financial statements and other data and for maintaining accountability of assets. The Company is also considering better means of effective control having purview of the adequate cost control and resultant higher profitability.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company has registered an aggregate turnover of Rs. 47.87 crores in 2007-08, showing a growth of 11.88% over the previous year's figures. During the same period, exports have also shown a growth of 23.30%. Growth in top line and bottom lines would have been even better, had not the Rupee appreciated against US Dollar.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company maintained cordial industrial relations during the year.