

NINETEENTH
ANNUAL
REPORT

2009-2010



ALFA ICA (INDIA) LTD.

ALFA ICA (INDIA) LTD.

ANNUAL REPORT 2009-2010

BOARD OF DIRECTORS

SHRI SHYAM SUNDER TIBREWAL	:	Chairman
SHRI RAJENDRA TIKMANI	:	Managing Director
SHRI SANJEEV SHARMA	:	Director
SHRI RISHI TIKMANI	:	Executive Director

AUDITORS

O. P. Bhandari & Co.
Chartered Accountants

BANKERS

State Bank of India
Overseas 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 Shivranjani Cross Roads,
Satellite Road, Ahmedabad - 380 015.

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NOTICE

Notice is hereby given that the Nineteenth 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 Wednesday the 22nd September, 2010 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, 2010 and the Balance-Sheet as on that date.
2. To appoint a Director in place of Shri Shyam Sunder Tibrewal 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

For and on behalf of the board

(Rajendra Tikmani)
Managing Director

23rd August, 2010.
Registered Office :
1-4, Uma Industrial Estate
Village Vasana-Iyawa, Tal. Sanand
Dist. Ahmedabad

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 17.09.2010 to 22.09.2010 (both days inclusive). During this period the transfer of shares shall remain suspended.
3. Members are requested to immediately notify any change in their address with pin code and to quote their folio no.s in all the correspondence with the Company.
4. As per the requirement of clause 49 of the listing agreement on Corporate Governance for appointment of the Directors /re-appointment of retiring Directors, a statement containing details of the concerned Directors is given below:

Name of Director	Mr. Shyam Sunder Tibrewal
Date of Birth	01.07.1952
Date of Appointment	31.07.2008
Expertise in specific functional areas	Mr. Syam Sunder Tibrewal is related with field of textiles for over three decades. He has experience of about eleven years in the field of dyes and chemicals and about twenty five years in the field of woven technical textiles.
Qualifications	B.Com
List of outside Directorship held	Mayur Wovens Private Limited
Chairman/member of the committee of the Board of Directors of the Company*	Chairman- Shareholders/Investors Grievance Committee Chairman-Audit Committee
Chairman/member of the committee of the Board of Directors of other Companies in which he is a Director*	Nil
Shareholding in the company	Nil

* Only Audit Committee & Shareholders/Investors Grievance Committee has been considered.

5. The Register of Directors' shareholding maintained under section 307 of the Companies Act, 1956 will be available for inspection by the members at the AGM.
6. Members / proxies attending the meeting should bring their copy of the Annual Report for reference at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

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DIRECTORS' REPORT

The Shareholders

Your Directors have pleasure in presenting the Nineteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

The financial results of your company for the year 2009-2010 are summarised below:

Particulars	31.03.2010	(Rs. In Lacs)
		31.03.2009
Sales & Other Income	3636.11	4754.61
Profit before Interest & Depreciation	257.37	343.01
Interest & Depreciation	175.51	232.53
Profit / (Loss) before taxes	81.86	110.48
Provision for Taxation	8.06	45.02
Profit/(Loss) after taxes	73.80	65.46
Profit/(Loss) brought forward from Previous year	454.55	389.09
Profit/(Loss) carried to Balance Sheet	528.35	454.55

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

The world economy showed signs of recovery, during the year under review as compared to the previous year. The recovery signs were weak but clear in the United States and some parts of Europe. But during the latter part of the year, the state of Government finances in Greece and some other European nations were a cause of concern and put a big question mark on the future of Euro itself and thus threatened to be a destabilizing factor. After a very successful Olympics, the perils of over-heating of the economy were evident in China. Financial restructuring in Dubai may affect investments in the booming middle-east, which may impact the inflow of NRI remittances from this region.

As far as India is concerned, continuing double-digit inflation and an abnormal increase in food prices has been at the centre of a tight monetary policy being pursued by the regulator. But a good domestic demand scenario has kept the wheels of economy moving. The faith of international community in the India growth story was reflected in multifold increase in FII inflows. With China beating Japan as the second largest economy of the World and China and India continuing to be the two fastest growing economies in the world, the next decade definitely looks like an Asian decade.

Buoyed by a surge in demand from European countries viz. England, Denmark, Germany, Russia etc. your company expects to do better this year as compared to the year under prospect.

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, 2009 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 Shyam Sunder Tibrewal retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment.

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The brief resume/detail relating to the Director who is to be re-appointed is furnished in the Notes to the Notice of the Annual General Meeting. Members are requested to consider his re-appointment as Director of the Company.

PUBLIC DEPOSITS

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

REDEMPTION OF PREFERENCE SHARES

65,000 Redeemable Preference Shares issued by the Company have been redeemed in accordance with Provisions of Section 80 / 80A of the Companies' Act, 1956 during the year.

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 2010-2011 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 and 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, 2010 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
23rd August, 2010.

(Shyam Sunder Tibrewal)
Chairman

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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:

Particulars	2009-2010	2008-2009
Electricity		
1. Purchase Units		1504261
2. Total Amount (Rs.)		8699281
3. Average Rate/ Unit (Rs.)		5.78
Own Generation		
1. Through Diesel Generation / Units		20896
2. No. of Unit per Ltr. Of Diesel Oil		1.45
3. Average Rate / Unit (Rs.)		27.01
Others		
1. Diesel / Qty - KL		14369
2. Total Amount (Rs.)		564507
3. Average Rate / Unit (Rs.)		39.29
1. Fire Wood (Kg)		1106527
2. Total Amount (Rs.)		2766251
3. Average Rate		2.50
1. Coal (QTY- MT)		6661.24
2. Total Amount (Rs.)		12285858
3. Average Rate / Unit (Rs.)		1844.38

(2) 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

(3) Foreign Exchange Earning and Outgo:

(Rs. In Lacs)		
Particulars	2009-2010	2008-2009
a. Total Foreign Exchange earned		4,067.75
b. Total Foreign Exchange used		1435.75
c. Expenditure in Foreign Currency		1.85

For and on behalf of the Board

Ahmedabad
25th August, 2010

(Rajendra Tikmani)
Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

Industry Structure and Development

The Indian Decorative Laminate industry is dominated by unorganized sector with a few players in the organized sector. The organized sector has been able to capture a majority share in the export market driven by sustained quality consciousness. Current market trends show a slow but steady recovery in European and American economies which are the main overseas markets for the Company's products.

Opportunities and Threats

Sustained demand in the Indian economy shall help the domestic sector come out of recession, but if the overseas markets do not recover in the near future it shall be a big challenge for the industry.

Segment-wise and Product-wise Performance

The Company is engaged primarily in manufacturing of Laminate Sheets and

there are no separate reportable segments as per the Accounting Standard 17.

Outlook

Exports shall remain the core growth area and a lot depends on overseas economic recovery. In the domestic sector, the outlook seems to be stable in long term, with the economy expected to perform better in the years to come. Though inflation is a worry which may dampen real spends in the economy, but an emphasis on infrastructure and housing shall push the demand for company's products.

Risk and Concerns

At the core of the company's risk-mitigating initiatives, there is a comprehensive and integrated risk management approach, which comprises stringent norms and regulations along with a prudent control mechanism. The risk management approach conforms to the company's strategic direction, which is in line with a desire to enhance value for all the stakeholders with a balanced risk appetite.

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 controls systems are designed in such a way to ensure that financial and other records are reliable for reporting financial statements and other data and for maintaining accountability of assets. Discussion on Financial Performance with respect to Operational Performance. The global economic meltdown has affected your Company also, with recession in Europe inducing a decline in exports, which contribute to a major share in revenue. But stringent cost controls have helped in maintaining profitability of operations. The management feels that the worst is over with better inquiries from the overseas markets during the current financial year.

Material Developments in Human Resources/Industrial Relations front, including number of people employed

The company maintained cordial industrial relations during the year.

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CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

In Order to ensure sustainable returns to all shareholders of the business, it is imperative, especially for large organizations, to follow certain policies, procedures and processes, which together constitute a "Code of Corporate Governance."

Some of these measures included:

- Composition of the Board of Directors
- Constitute of various Board Committees for oversight and guidance concerning key decisions and soundness of decision making processes connected with functioning of the Company.
- Timely dissemination of information to shareholders.
- Code of Conduct.

2. BOARD OF DIRECTORS

A) COMPOSITION OF BOARD OF DIRECTORS

The Board of Directors comprises of Four Directors. The Composition of Board of Directors, the number of other directorship or board committees of which is a member / chairman are as under:

Name	Category/ Designation	No. of outside Directorship and Committee membership /Chairmanship				Inter se relationship between Directors
		Directorship		Committee membership/ Chairmanship		
		Public Company	Private Company	Member ship	Chairman ship	
Shyam Sunder Tibrewal	Non Executive Independent Director, Chairman	Nil	1	Nil	Nil	Nil
Rajendra Tikmani	Promoter Director, Managing Director	1	1	Nil	Nil	Father of Rishi Tikmani
Sanjeev Sharma	Non Executive IndependentDirector	1	1	Nil	Nil	Nil
Rishi Tikmani	Promoter Executive Director	1	1	Nil	Nil	Son of Rajendra Tikmani

B) BOARD MEETING AND ATTENDANCE

The Board of Directors met 5 times during the year on the following dates: 30.04.09, 31.07.09, 22.08.09, 30.10.09, 30.01.10 The Company placed before the Board various information including those specified under Annexure IA of the Listing Agreement, as applicable from time to time.

The attendance of the Directors of the company at the Board Meetings is as follows:

Name of Directors	Category of Director	No. of Board meetings held	No. of Board Meetings Attended	Last AGM Attended
Shyam Sunder Tibrewal	Chairman	5	5	Yes
Rajendra Tikmani	Managing Director	5	5	Yes
Sanjeev Sharma	Member	5	5	Yes
Rishi Tikmani	Member	5	5	Yes