

TWENTIETH
ANNUAL
REPORT

2010 - 2011



ALFA ICA (INDIA) LTD.

ALFA ICA (INDIA) LTD.

ANNUAL REPORT 2010-2011

BOARD OF DIRECTORS

SHRI SHYAM SUNDER TIBREWAL	:	Chairman
SHRI RAJENDRA TIKMANI	:	Managing Director
SHRI SANJEEV SHARMA	:	Director (up to 20/06/2011)
SHRI INDER CHAND NAHTA	:	Director (from 20/06/2011)
SHRI RISHI TIKMANI	:	Executive Director

AUDITORS

O. P. Bhandari & Co.
Chartered Accountants

BANKERS

State Bank of India
Overseas Branch, Ahmedabad

REGD. OFFICE

249/A, Uma Industrial Estate
Village Vasana - Iyawa, Tal. Sanand, Dist. Ahmedabad

WORKS

Unit-I

249/A, 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.

CONTENTS

Notice	1
Directors' Report	3
Management Discussion & Analysis Report	7
Corporate Governance Report	8
Auditors' Report	14
Balance Sheet	16
Profit & Loss Account	17
Schedules forming part of the Balance Sheet and Profit & Loss Account	18
Significant Accounting Policies and Notes on Accounts	23
Balance Sheet Abstract	27
Cash Flow Statement	28

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of ALFA ICA (INDIA) LTD. will be held at 249/A, Uma Industrial Estate, Village : Vasana-Iyawa, Tal.: Sanand, Dist. Ahmedabad on Thursday the 29th September, 2011 at 4:00 p.m. to transact the following business :

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report, Auditor's Report and Audited Profit & Loss Account for the year ended on 31st March, 2011 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:

ORDINARY RESOLUTION:

4. To consider and if thought fit, to pass, with or without modifications, the following resolutions as an Ordinary Resolution:

"RESOLVED THAT Mr. INDER CHAND NAHTA who was appointed as an Additional Director w.e.f. 20/06/2011 of the Company pursuant to Sec. 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of director, be and is hereby appointed as a director of the Company subject to retirement by rotation under the Articles of Association of the Company."

For and on behalf of the board

(Rajendra Tikmani)
Managing Director

18th August, 2011.

Registered Office :
249/A, 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 23.09.2011 to 29.09.2011 (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 numbers in all the correspondence with the Company.

ANNUAL REPORT 2010-2011

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. Rishi Tikmani
Date of Birth	09.08.1981
Date of Appointment	14.08.2006
Expertise in specific functional areas	Production & Marketing
Qualifications	MBA (International Business & Policy)
List of outside Directorship held	Nil
Chairman/member of the committee of the Board of Directors of the Company*	Nil
Chairman/member of the committee of the Board of Directors of other Companies in which he is a Director*	Nil
Shareholding in the company	208800

* 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 SEC. 173(2) OF THE COMPANIES ACT, 1956

Item No: 4

The Board has inducted Mr. INDER CHAND NAHTA as an additional director with effect from 20/06/2011 according to provisions of Section 260 of the Companies Act, 1956, and he holds office till the conclusion of this Annual General Meeting. As required by section 257 of the Act, a notice has been received from a member signifying his intention to propose his appointment as a Director along with a deposit of rupees five hundred. The Board recommends his appointment. None of the directors, except Mr. INDER CHAND NAHTA, is interested in above resolution:

The Details as required under clause 49 (IV) (G) is as under:

Name of Director	INDER CHAND NAHTA
Date of Birth	08.12.1952
Date of Appointment	20.06.2011
Expertise in specific functional areas	Accounts, Audit, Taxation, Finance
Qualifications	B.Com, C.A
List of outside Directorship held	Nil
Chairman/member of the committee of the Board of Directors of the Company*	Nil
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

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

DIRECTORS' REPORT

To, The Members,
ALFA ICA (INDIA) LTD.

Your Directors have pleasure in presenting the Twentieth Annual Report together with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

The financial results of your company for the year 2010-2011 are summarised below:

Particulars	31.03.2011	(Rs. In Lacs)
		31.03.2010
Sales & Other Income	4420.57	3651.85
Profit before Interest & Depreciation	290.38	257.37
Interest & Depreciation	259.20	175.51
Profit / (Loss) before taxes	31.17	81.86
Provision for Taxation	10.30	8.06
Profit/(Loss) after taxes	20.87	73.80
Profit/(Loss) brought forward from Previous year	378.35	369.55
Profit/(Loss) carried to Balance Sheet	359.22	378.35

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**World Economy**

The economic recovery witnessed in FY 2010-11, remains fragile, uneven and fraught with significant downside risks arising on account of tensions in the European Union and Middle-East areas, natural calamities and lack of progress in formulating medium term fiscal consolidation plans. The downside has been accentuated by the recent downgrade of US by S&P, though the re-categorization may be more of technical in nature. While growth in emerging economies remains strong, the advanced countries are growing slowly and facing uncertainty with large fiscal deficit and unemployment levels. Global financial stability, sovereign credit risks and rising food and energy prices, are some other major areas of concern.

Indian Economy

Indian economy was on a recovery trajectory during the year under perspective. As per the provisional estimates made by the Central Statistical Organization, India's Gross Domestic Product (GDP) at 2004-05 prices was expected to record a growth of 8.6% during 2010-11 compared to the growth of 8.0% recorded during FY 2009-10. The index of Industrial Production (IIP) recorded a lower growth of 7.8% during FY 2010-11, compared to a growth of 10.5% in the previous financial year. Growth of core infrastructure industries has improved to 5.9% during the year 2010-11, as against 5.5% during the previous year.

There has been a good recovery in international trade during 2010-11. India's exports increased by 37.5% in US dollar terms during the period April-March 2010-11, while imports registered a growth of 21.6% during the same period. Encouraged by global recovery and emerging India's economic potential. FIIs invested a net amount of US\$ 32.2 billion in Indian equity and Debt markets during the past financial year. This, together with foreign direct investment inflows, has resulted in India's foreign exchange reserves rising by US\$ 25.7 billion to reach a level of US\$ 304.7 billion at the end of March, 2011.

During 2010-11, inflation remained at high levels particularly on account of high food prices, and this continues to be a cause for concern even during the current financial year.

ANNUAL REPORT 2010-2011

On the tax reforms front, the Union Budget 2011-12 has maintained the standard rate of central excise duty at 10% with reduction in exemptions as a prelude to implementation of the Uniform Goods and Service Tax.

Looking at the World Economy & Indian Economy in the past year, one could say that it was a year of cautious growth & stabilizing the business interests would be the prime concern for every industry. With uncertainties & risks looming large over all, your company still managed to increase its revenues, and it expects to do even 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:

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the directors had selected such accounting policies and applied them consistently and made judgments 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, 2011 and of the profit or loss of the Company for the year ended on that date.
- iii. 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.
- iv. 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.

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.

During the year, Shri Inder Chand Nahta was appointed as additional director and Shri Sanjeev Sharma had resigned due to his professional exigencies.

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

40,000 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 2011-2012 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.

ALFA ICA (INDIA) LTD.

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 and Companies (Particulars of Employees) Amendment Rules, 2011 is not applicable to your Company as none of the employee was in receipt of remuneration of more than Rs. 5,00,000/- p.m. or Rs. 60,00,000/- 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, 2011 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
18th August, 2011.

(Shyam Sunder Tibrewal)
Chairman

ANNUAL REPORT 2010-2011

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	2010-2011	2009-2010
a. Electricity		
1. Purchased Units	14,28,603	13,36,664
2. Total Amount (Rs.)	79,89,203	76,59,850
3. Average Rate/ Unit (Rs.)	5.59	5.73
b. Own Generation		
1. Through Diesel Generation (Units)	20,477	14,820.70
2. No. of Unit per Ltr. Of Diesel Oil	1.47	1.08
3. Average Rate / Unit (Rs.)	29.65	35.01
c. Others		
1. Diesel/Qty – KL	13,962	13,715.74
2. Total Amount (Rs.)	6,07,127	5,18,900
3. Average Rate / Unit (Rs.)	43.83	37.83
1. Fire Wood (Kg)	9,20,710	11,48,761
2. Total Amount (Rs.)	22,81,764	27,87,442
3. Average Rate	2.48	2.42'
1. Coal (QTY- MT)	7144.2	7535.44
2. Total Amount (Rs.)	1,10,93,527	10734158
3. Average Rate / Unit (Rs.)	1552.8	1424.49

(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.

(3) Technology absorption:

There is no change in technology

(4) Foreign Exchange Earning and Outgo:

(Rs. In Lacs)		
Particulars	2010-2011	2009-2010
a. Total Foreign Exchange earned	3234.82	2710.43
b. Total Foreign Exchange used	1335.20	1133.88
c. Expenditure in Foreign Currency	4.37	3.18

For and on behalf of the Board

Ahmedabad
18th August, 2011

(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. The number of employees in the company are 24.