

**TWENTYFIRST
A N N U A L
R E P O R T**
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ALFA ICA (INDIA) LTD.

ANNUAL REPORT 2011-2012

BOARD OF DIRECTORS

SHRI SHYAM SUNDER TIBREWAL	:	Chairman
SHRI RAJENDRA TIKMANI	:	Managing Director
SHRI INDER CHAND NAHTA	:	Director
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.

REGISTRAR AND SHARE TRANSFER AGENT

MCS Limited
1st Floor, Shatdal Complex, Opp. Bata Show Room,
Ashram Road, Ahmedabad – 380009

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NOTICE

Notice is hereby given that the Twenty First 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 Friday the 28th September, 2012 at 4:00 p.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet as at 31st March, 2012, the statement of profit & loss for the year ended on that date together with the notes forming part of final accounts, and the Report of the Auditor and Directors' thereon.
2. To appoint a Director in place of Mr. Inder Chand Nahta who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint auditors to hold office from the conclusion of this Annual General Meeting (AGM) 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 modifications, the following resolution as a **SPECIAL RESOLUTION**.

"RESOLVED THAT in partial modification of the earlier resolution passed and in accordance with the provisions of sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or reenactments thereof, for the time being in force) and subject to the limits specified in Schedule XIII to the said Act, the consent of the Company be and is hereby accorded to the payment of enhanced remuneration to Mr. Rajendra Tikmani, Managing Director of the Company with effect from 1st April, 2012 for the period of 5 years on the terms and conditions including remuneration as set out in the explanatory statement with liberty to the Board of Directors to alter and vary the terms and conditions including the remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof for the time being in force or any amendments or modifications that may hereafter be made thereto by the Central Government or as may be agreed to between the Board of Directors and Mr. Rajendra Tikmani

"RESOLVED FURTHER THAT Mr. Rajendra Tikmani shall not be liable to retire by rotation"

"RESOLVED FURTHER THAT where in any financial year closing on and after April 1, 2012 the Company has no profits or its profits are inadequate, the Company may continue to pay the enhanced remuneration with the approval of Central Government or otherwise the Company shall pay to Mr. Rajendra Tikmani remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit as specified under Section II of Part II of Schedule XIII to the Companies Act, 1956, as amended for the time being in force."

"RESOLVED FURTHER THAT in the event of any statutory amendment(s) or modification(s) or relaxation(s) by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit of ceiling in order to give effect to such modification(s), relaxation(s) or variation(s) without any further reference to the Company in General Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

5. To consider, and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION**.

"RESOLVED THAT in partial modification of the earlier resolution passed and in accordance with the provisions of sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or reenactments thereof, for the time being in force) and subject to the limits specified in Schedule XIII to the said Act, the consent of the Company be and is hereby accorded to the payment of enhanced remuneration to Mr. Rishi Tikmani, Executive Director of the Company with effect from 1st April, 2012 for the period of 5 years on the terms and conditions including remuneration as set out in the explanatory statement with liberty to the Board of Directors to alter and vary the terms and conditions including the remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof for the time being in force or any amendments or modifications that may hereafter be made thereto by the Central Government or as may be agreed to between the Board of Directors and Mr. Rishi Tikmani

"RESOLVED FURTHER THAT where in any financial year closing on and after April 1, 2012 the Company has no profits or its profits are inadequate, the Company may continue to pay the enhanced remuneration with the approval of Central Government or otherwise the Company shall pay to Mr. Rishi Tikmani remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit as specified under Section II of Part II of Schedule XIII to the Companies Act, 1956, as amended for the time being in force."

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"RESOLVED FURTHER THAT in the event of any statutory amendment(s) or modification(s) or relaxation(s) by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit of ceiling in order to give effect to such modification(s), relaxation(s) or variation(s) without any further reference to the Company in General Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

For and on behalf of the board

(Rajendra Tikmani)
Managing Director

13th August, 2012.

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 21.09.2012 to 28.09.2012 (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.
4. Members desiring any information as regards account are requested to write to the company at least 7 days before the meeting to enable the management to keep the information ready.
5. 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. 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

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

6. 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.
7. Members / proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting, as no extra copies will be distributed at the meeting hall as a measure of environment and economy.

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

Item No.4

Keeping in view the steep rise in the cost of living, general erosion in the value of rupee, increase in the responsibilities shouldered and the rich and diversified experience in the industry of Mr. Rajendra Tikmani, it is deemed appropriate to increase their remuneration as set out herein below.

Sr. No.	Details	Mr. Rajendra Tikmani
1	Salary	₹1,00,000/- p.m.
2	House Accommodation	House Maintenance including allowance for utilities
3	Medical Benefits	Reimbursement of medical/ accident insurance
4	Leave Travel Concession for himself and family	As per rules of the Company
5	Club Fees	Maximum 2 clubs
6	Contribution to P.F.	As per rules of the Company
7	Car	Business purpose and reimbursement on actual basis if no car provided.
8	Gratuity	Maximum ceiling as per payment of Gratuity Act.
9	Telephone	Free use for residence and mobile phones
10	Leave Encashment	Entitled to leave.
11	I. GENERAL INFORMATION	
	a. Nature of Industry	Manufacturing of Laminated sheets
	b. Date or expected date of commencement of commercial production	N.A.
	II. INFORMATION ABOUT THE APPOINTEE	
	a. Background Details	He is looking after the company's affairs since 1991
	b. Past Remuneration	₹ 40,000/- p.m.
	c. Recognition or Awards	N.A.
	d. Job Profile and his suitability	Day to day all operations of the company for last more than 20 years. He is an engineer.
	e. Expected increase in productivity and profit in measurable terms	Normal annual growth in the business as presently the economy is down.
	III. OTHER INFORMATION	
	a. Reason for Loss and inadequate profits	Shrinking market demand and reduced margins.
	IV. DISCLOSURE	
	As mentioned above the appointment & remuneration payable to the appointee needs to be approved by the members in general meeting and accordingly the resolution is placed before the members.	

None of the Directors except Mr. Rajendra Tikmani, is in any way concerned or interested in passing of the Resolution.

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Item No.5

Keeping in view the steep rise in the cost of living, general erosion in the value of rupee, increase in the responsibilities shouldered and the rich and diversified experience in the industry of Mr. Rishi Tikmani, it is deemed appropriate to increase their remuneration as set out herein below.

Sr. No.	Details	Mr. Rishi Tikmani
1	Salary	₹1,00,000/- p.m.
2	House Accommodation	House Maintenance including allowance for utilities
3	Medical Benefits	Reimbursement of medical/ accident insurance
4	Leave Travel Concession for himself and family	As per rules of the Company
5	Club Fees	Maximum 2 clubs
6	Contribution to P.F.	As per rules of the Company
7	Car	Business purpose and reimbursement on actual basis if no car provided.
8	Gratuity	Maximum ceiling as per payment of Gratuity Act.
9	Telephone	Free use for residence and mobile phones
10	Leave Encashment	Entitled to leave.
11	I. GENERAL INFORMATION	
	a. Nature of Industry	Manufacturing of Laminated sheets
	b. Date or expected date of commencement of commercial production	N.A.
	II. INFORMATION ABOUT THE APPOINTEE	
	a. Background Details	He is looking after production for the past 6 years.
	b. Past Remuneration	₹ 35,000/- p.m.
	c. Recognition or Awards	N.A.
	d. Job Profile and his suitability	Day to day manufacturing operations of the company for the past 6 years.
	e. Expected increase in productivity and profit in measurable terms	Normal year to year growth.
	III. OTHER INFORMATION	
	a. Reason for Loss and inadequate profits	Shrinking market demand and reduced margins.
	IV. DISCLOSURE	As mentioned above the appointment & remuneration payable to the appointee needs to be approved by the members in general meeting and accordingly he resolution is placed before the members.

None of the Directors except Mr. Rishi Tikmani, is in any way concerned or interested in passing of the Resolution.

The members are requested to treat this as an extract of the agreement within the meaning of Section 302 of the Companies Act, 1956.

DIRECTORS' REPORT

To,

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

Your Directors have pleasure in presenting the Twenty First Annual Report together with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

The financial results of your company for the year 2011-2012 are summarised below:

Particulars	(In ₹)	
	Year ended 31.03.2012	Year ended 31.03.2011
Sales & Other Income	45,13,46,405	42,46,80,960
Profit before Interest & Depreciation	3,13,82,219	2,75,36,350
Interest & Depreciation	2,81,15,514	2,44,25,264
Profit / (Loss) before taxes	32,66,705	31,11,086
Provision for Taxation	13,01,167	10,24,477
Profit/(Loss) after taxes	19,65,538	20,86,609
Profit/(Loss) brought forward from Previous year	3,59,21,867	3,78,35,258
Profit/(Loss) carried to Balance Sheet	3,78,87,405	3,59,21,867

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**

Year 2011-12 has been a year of turbulence. Negative developments in Eurozone caused by the sovereign debt crisis and its resultant impact, was the major area of concern, in the year gone by. Large scale liquidity injection by the European Central Bank since December 2011, could stabilize the downside. A positive political signal in favour of ECB bailout package in the recent Greek elections has also helped in stabilizing the eurozone. But there are still concerns about the economic health of countries like Greece, Italy and Spain and future of Eurozone as an economic unit.

In the United states, the economy has been on the mend although recovery has been much weaker than projected. Unemployment is ruling beyond expected levels. The Presidential election this year, may mark a turning point. There has been a slowdown in other major economies like China, Japan , Korea etc. , with exception of Australia.

Overall the global economy is expected to remain under pressure.

Indian Economy

Indian economic scenario has been marked by consistent high rates of inflation, absence of Government action on the reform front which has come to be known as Policy Paralysis , and a ballooning of fiscal deficit . Provision of high subsidy in Government finances, for Government welfare schemes and in support of regulated petro products pricing, have contributed to the widening fiscal deficit. The Reserve Bank has followed a very tight monetary policy, hiking key rates thirteen times since March 2010 in its bid to check rising inflation and .refusing to bring down bench mark interest rates, unless there is an improvement in Government finances.

The Government tried to move in the direction of long term economic reforms when the Union Budget 2012-13 maintained the standard rate of central excise duty at 12% with reduction in exemptions as a prelude to implementation of the

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Uniform Goods and Service Tax, but lack of political consensus has led to an indefinite delay in implementation of any focused approach to economic reforms.

India's exports increased by 21% in US dollar terms during April-March 2011-12, while imports registered a growth of 32%. FII's invested a net amount of US\$ 18.26 billion in Indian equity and Debt markets during April-March 2011-12 compared to an inflow of US\$ 32.20 billion in the same period of previous year. This, together with reduction in foreign direct investment inflow, has resulted in India's foreign exchange reserves decreasing to US\$ 294.40 billion as at the end of March 2012. The adverse forex trade has led to weakening of the Indian currency against the US dollar further aggravating pressures in economy. All this has led to a downgrading of country's risk rating and GDP growth forecasts by almost all the leading global rating agencies.

Despite un-certainties in the overall economic scenario, your company has not only been able to retain its export markets but in fact has been able to improve performance. It expects to do even better this year as compared to the year in 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, 2012 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 Inder Chand Nahta 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.

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 2012-2013 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) (e) 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 ₹ 5,00,000/- p.m. or ₹ 60,00,000/- p.a. during the period under review.

STATUTORY AUDITORS:

M/s. O.P.Bhandari & Co., Chartered Accountants, retires 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, 2012 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
13th August, 2012

(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 the 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	Year ended 31st March, 2012	Year ended 31st March 2011
a. Electricity		
1. Purchased Units	13,34,026	14,28,603
2. Total Amount (₹)	80,97,570	79,89,203
3. Average Rate/ Unit (₹)	6.07	5.59
b. Own Generation		
1. Through Diesel Generation (Units)	21,515	20,477
2. No. of Unit per Ltr. Of Diesel Oil	1.53	1.47
3. Average Rate / Unit (₹)	32.86	29.65
c. Others		
1. Diesel/Qty – KL)	14,034	13,962
2. Total Amount (₹)	7,06,937	6,07,127
3. Average Rate / Unit (₹)	50.37	43.83
1. Fire Wood (Kg)	8,24,770	9,20,710
2. Total Amount (₹)	25,23,794	22,81,764
3. Average Rate	3.06	2.48
1. Coal (QTY- MT)	8,852	7144.19
2. Total Amount (₹)	1,62,12,210	1,10,93,527
3. Average Rate / Unit (₹)	1831.47	1552.84

(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:

Particulars	Year ended 31st March, 2012	Year ended 31st March 2011
a. Total Foreign Exchange earned	49,06,51,000	32,34,82,000
b. Total Foreign Exchange used	15,90,41,363	13,39,57,000
c. Expenditure in Foreign Currency	14,614	4,37,000

For and on behalf of the Board

Ahmedabad
13th August, 2012

(Rajendra Tikmani)
Managing Director