

**TWENTYSECOND  
ANNUAL  
REPORT  
2012 - 2013**



**ALFA ICA (INDIA) LTD.**

# ALFA ICA (INDIA) LTD.

## ANNUAL REPORT 2012-2013

### 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 Shivrangani Cross Roads,  
Satellite Road, Ahmedabad - 380 015.

### REGISTRAR AND SHARE TRANSFER AGENT

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

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**NOTICE**

Notice is hereby given that the Twenty Second 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 Monday the 2<sup>nd</sup> September, 2013 at 4:00 p.m. to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited balance sheet as at 31<sup>st</sup> March, 2013, 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. Rishi Tikmani 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 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 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 Board) be and is here by authorized to seek voluntary delisting to take all necessary steps in this regard and to do all such acts, deed, 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 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."

For and on behalf of the board

**(Rajendra Tikmani)**  
*Managing Director*

**28th May, 2013.**

**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 meeting.
2. The Register of Members and Transfer Books of the Company shall remain closed from 30.08.2013 to 02.09.2013 (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. 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.

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6. 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:

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

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

### 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 exchange in India :-

1. Ahmedabad Stock Exchange
2. Bombay Stock Exchange, Mumbai

The trading of the Company's share at Ahmedabad stock exchange is nil as The Ahmedabad Stock Exchange is closed. 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 dematerialized form. In view of the nil trading volumes the benefits accruing to 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 buy-back from the shareholders provided the securities of the company have been listed for the minimum period of three years on any stock exchange and a public announcement in prescribed manner shall be published in newspaper.

The member's approval is being sought by way of the special resolution for delisting of the company's equity shares from Ahmedabad Stock Exchange.

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

**DIRECTORS' REPORT**

To,  
**The Members,**

Your Directors have pleasure in presenting the Twenty Second Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2013.

**FINANCIAL RESULTS**

The financial results of your company for the year 2012-2013 are summarised below:

<b>Particulars</b>	<b>(In ₹)</b>	
	<b>Year ended 31.03.2013</b>	<b>Year ended 31.03.2012</b>
Sales & Other Income	<b>57,08,43,771</b>	45,13,46,405
Profit before Interest & Depreciation	<b>3,43,70,406</b>	3,13,82,219
Interest & Depreciation	<b>2,56,28,860</b>	2,81,15,514
Profit / (Loss) before taxes	<b>87,41,546</b>	32,66,705
Provision for Taxation (including deferred tax)	<b>37,24,335</b>	13,01,167
Profit/(Loss) after taxes	<b>50,17,211</b>	19,65,538
Profit/(Loss) brought forward from Previous year	<b>3,78,87,405</b>	3,59,21,867
Profit/(Loss) carried to Balance Sheet	<b>3,69,04,616</b>	3,78,87,405

**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**

Global economic scenario continued to be weak in FY 2012-13, though downside risks have reduced, with a mild recovery in US economy, as well as avoidance of a full blown Euro crisis. The US Fed Reserve's aggressive stance of pumping in trillions of dollars, through purchase of bonds, which has come to be known as Quantitative Easing, helped in maintaining liquidity in global markets. Though the US economy gained traction in the year gone by, but the same could not be said about the Eurozone, where a further crisis was averted through a resolve of the stakeholders to strengthen an integrated Eurozone. The cooling down of Chinese economy, added to global concerns. Growth in emerging market economies like India was low, but the relative softening in commodity prices, eased the impact. Short-term risks emanating from the Euro zone crisis and a slowdown in Chinese and other emerging market economies have diminished, but not disappeared.

With the continued pressure on global economy, enhanced international policy coordination is needed to mitigate negative policy spillovers and foster robust and balanced growth.

**INDIAN ECONOMY**

Indian economy grew by 5 % during the year 2012-13 making it one of the worst years in the last decade. The manufacturing sector put up a dismal show with 1 % growth compared to 2.7 % in the previous year. There was a slowdown in Agricultural sector also, with scanty rainfall affecting the Rabi sowing season, though Kharif crop was benefitted by a late revival in monsoon. This resulted in an overall decline in food grain production to 255.4 million tons from 259.3 million tons in the previous year.

Though headline inflation was under control and decelerated to 4.9 % in April 2013, but the ballooning of Current account deficit to 6.7 % of GDP in the third quarter of FY 13, restricted the headroom available to Reserve Bank of India, for any significant reduction in policy rates. Heavy imports of Gold and slippages in exports contributed to the widening of Current Account deficit. The Government has endeavored to control the situation through a cut in crude oil subsidy, by freeing

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diesel prices, and the RBI placing restrictions on Gold imports. but the impact of these measures may be negligible, in the absence of long term economic reforms which can attract long term Foreign investment in infrastructure projects. But even with these weak macro factors, India continued to one of the fastest growing economies of the world, holding significant interest for the Global investors. This can be gauged from the fact that during FY 13, Portfolio capital inflows increased to US D 27.5 billion compared to USD 16.6 billion in FY 12 and correspondingly, Net FDI inflows increased to USD 22.9 billion as compared to USD 21.8 billion in the previous year.

Although RBI have eased the monetary policy somewhat with small relaxations in Statutory Liquidity Ratio (SLR) and Cash Reserve Requirement (CRR) to be maintained by Banks, but this has not resulted in any significant reduction in interest rates and there is a continuous clamour from the business community for relief in this area.

Despite un-certainties and weakness in the overall economic scenario, your company has performed very well in the year gone by with sales turnover going up by 32% in FY 13 compared to the previous year, and a corresponding increase of 37 % in exports during this period. This has been possible due to sustained efforts of the management in holding on to the existing markets and penetrating new markets in Australia and the European continent.

## 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 at the end of the financial year and of the profit or loss of the Company for that period.
- 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, Mr. 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.

## 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 of SHARES

The Company's Equity Shares are listed at Ahmedabad Stock Exchange (ASE) & Bombay Stock Exchange (BSE) and Listing Fees for the year 2013-2014 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, Ahmedabad, Auditors of the Company retires at the forthcoming Annual General Meeting and being eligible offer themselves 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 31<sup>st</sup> March, 2013 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.

Ahmedabad  
28th May, 2013

For and on behalf of the Board

**(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, 2013	Year ended 31st March 2012
a. Electricity		
1. Purchased Units	15,93,826	13,34,026
2. Total Amount (₹)	1,04,12,378	80,97,570
3. Average Rate/ Unit (₹)	6.53	6.07
b. Own Generation		
1. Through Diesel Generation (Units)	14,673	21,515
2. No. of Unit per Ltr. Of Diesel Oil	1.17	1.53
3. Average Rate / Unit (₹)	44.75	32.86
c. Others		
1. Diesel/Qty – KL)	12,535	14,034
2. Total Amount (₹)	6,56,677	7,06,937
3. Average Rate / Unit (₹)	52.39	50.37
1. Fire Wood (Kg)	2,56,805	8,24,770
2. Total Amount (₹)	8,23,219	25,23,794
3. Average Rate	3.21	3.06
1. Coal (QTY- MT)	9,150	8,852
2. Total Amount (₹)	2,37,84,667	1,62,12,210
3. Average Rate / Unit (₹)	2,599.50	1,831.47

#### (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, 2013	Year ended 31st March 2012
a. Total Foreign Exchange earned	47,76,53,261	27,07,99,372
b. Total Foreign Exchange used	13,79,43,039	6,15,29,363
c. Expenditure in Foreign Currency	26,57,693	14,614

For and on behalf of the Board

Ahmedabad  
28th May, 2013

(Shyam Sunder Tibrewal)  
Chairman

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**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.

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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:

Sr. No.	Name of Director	Position	No. of Directorships in other Public Company	Committee Memberships/ Chairmanships of other Companies
1	Shyam Sundar Tibrewal	Non-Executive Independent Director, Chairman	Nil	Nil
2	Rajendra Tikmani	Promoter Managing Director	Nil	Nil
3	Rishi Tikmani	Promoter Executive Director	Nil	Nil
4	Inder Chand Nahta	Non-Executive Independent Director	Nil	Nil

#### B) Details of the Board Meeting held during the year 2012-13

The Board of Directors met 5 times during the year on the following dates: 15.05.2012, 25.07.2012, 13.08.2012, 30.10.2012 & 08.02.2013. The Company placed before the Board varied 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 Sundar Tibrewal	Non-Executive Independent Director, Chairman	5	4	Yes
Rajendra Tikmani	Promoter Managing Director	5	5	Yes
Rishi Tikmani	Promoter Executive Director	5	5	Yes
Inder Chand Nahta	Non-Executive Independent Director	5	3	Yes