

DIRECTORS' REPORT

We have pleasure in presenting the 27th Annual Report of the Company along with the audited statement of accounts for the year ended March 31, 2018. The financial results for the year are shown below. The working and operational parameters of all the plants of the Company were quite satisfactory during the year.

FINANCIAL HIGHLIGHTS**(Amount in INR)**

Particulars	Current Year 31.03.18	Previous Year 31.03.17
Total Turnover and other Receipts	583,217,609	528,016,555
Gross Profit/Loss (Before deducting any of the following)	35,154,886	33,114,457
A. Interest and Financial charges	12,354,275	12,045,922
B. Depreciation	6,843,287	6,529,692
C. Tax Liability		
I. Current Tax	5,048,675	4,337,220
II. Deferred Tax	(870,191)	550,703
Net Profit available for appropriation	11,778,840	9,650,920
Provision for Investment Allowance Reserve	Nil	Nil
Net Profit		
A. Add: Brought forward from last year's balance	61,729,570	52,078,650
B. Less: Transferred to General Reserve	Nil	Nil
Transitional adjustment on account of depreciation	-	-
Dividend	NIL	NIL
Balance Carried forward	73,508,410	61,729,570

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2018 is ₹ 40,400,000. During the year under review, the Company has not issued any shares.

RESULT OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

During the year under review, total revenue of the Company is ₹ 583,217,609 as against to ₹ 528,016,555 in the previous year. Profit for the year 2017-18 is ₹ 11,778,840 as against ₹ 9,650,920 in the previous year.

TRANSFER TO RESERVES

Company has not proposed any amount to be carried to any reserves.

EXPORT

The total exports of the Company amounted to ₹ 454,608,223 (Previous year ₹ 397,058,258) representing about 82.62 percent of the sales. The Company is trying to locate new export markets for its products and see good potential for growth in the export business.

DIVIDEND

The Directors have recommended payment of dividend of ₹ 1/- per equity share of ₹ 10 each i.e. 10% of paid up capital for the Financial Year 2017-18. The dividend, if declared at the

Annual General Meeting, will be paid on October 06, 2018 to those Shareholders whose name appears in the Register of Shareholders/Beneficial Owner as on August 10, 2018. As per the Income Tax Act, 1961, the tax on dividend will be borne by the Company.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposit within the meaning of Section 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

SUBSIDIARY COMPANIES

Your Company does not have any subsidiary company during the year; hence consolidation of financial data of the subsidiary company is also not applicable to the Company for the financial year 2017-18.

EVALUATION OF THE PERFORMANCE OF THE BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 read with Rules framed thereunder and in compliance with the requirements of SEBI (LODR) Regulations, 2015, the Board has carried out the annual evaluation of its own performance, performance of the Directors individually as well as the performance of the working

of its Audit, Nomination & Remuneration and other Committees of the Board. At the meeting of the Board, all the relevant factors that are material for evaluating the performance of individual Directors, the Board and its various Committees, were discussed in detail. A structured questionnaire each, for evaluation of the Board, its various Committees and individual Directors, was prepared and recommended to the Board by the Nomination & Remuneration Committee, for doing the required evaluation, after taking into consideration the input received from the Directors, covering various aspects of the Board's functioning, such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance, etc.

A separate exercise was carried out to evaluate the performance of individual Directors, including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority Shareholders, etc. The performance evaluation of the independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and non independent Directors was also carried out by the Independent Directors at their separate meeting. The Directors expressed their satisfaction with the evaluation process.

BOARD MEETINGS

During the year, five Board Meetings were held. Five Audit committee's meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Regulations.

AUDIT COMMITTEE COMPOSITION

The Audit Committee comprises of Mr. Shyam Sunder Tibrewal, Independent Director as Chairman, Mr. Inder Chand Nahta, Independent Director and Mr. Rishi Tikmani, Whole-time Director as Members.

Further, as per section 177(8) of the Companies Act, 2013 there was not any case during the period under review that any recommendation is made by the Audit Committee and the Board has not accepted it.

BUSINESS ACTIVITY

The Company is presently engaged in the process of manufacturing High Pressure Laminate (H.P.L) Sheets & Compacts which are available in several Colours, Designs and Textures. Alfa range consists of more than 400 design decors and more than 50 textures. With more decors and more finishes, our innovation brings you beautiful, high quality environmental friendly decorative solutions. These High Pressure Laminates are recognized and appreciated by architects, interiors and fitters. The Laminate sheets are used for various applications in many areas such as:

- Furniture Covering
- Wall Paneling
- Partitions
- Door Covering

- Shower Panels
- Interior Wall Paneling
- Exterior Wall Cladding
- Green Chalk Board
- White Marker Board
- Kitchen Top and Backsplash
- Table Top and many other areas.

MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

The annexed Management Discussion and Analysis forms a part of this report and covers, amongst other matters, the performance of the Company during the Financial Year 2017-18 as well as the future outlook.

DECLARATION OF INDEPENDENCE

All Independent Directors have given declarations as required under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and qualify to act as Independent Director of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Pooja Tikmani (DIN: 06944249), Director will retire by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible offers herself for re-appointment. The Board recommends her re-appointment. An appropriate resolution for her re-appointment is being placed for your approval at the ensuing AGM. The brief resume of the Directors and other related information has been detailed in the Notice convening the 27th AGM of your Company.

The Independent Directors of your Company hold office upto March 31, 2019 and are not liable to retire by rotation.

There was no other appointment or cessation of key managerial personnel during the financial year.

Mr. Rishi Tikmani, Whole-time Director, Shri Hansraj Sekhani, CFO & Ms. Sejal Kanabi, Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

In accordance with Section 178 and other applicable provisions if any, of the Companies Act, 2013 read with the Rules framed thereunder and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Board of Directors formulated the Remuneration Policy of your Company on the recommendations of the Nomination and Remuneration Committee. The salient aspects covered in the Remuneration Policy, covering the policy on appointment and remuneration of Directors, key managerial personnel and employees.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (3) (c) of the Companies Act, 2013 your Directors confirm that:

- a) in the preparation of the financial statements for the financial year ended March 31, 2018, as far as possible and to the extent, if any, accounting standards mentioned by the auditors in their report are complied with, all other applicable accounting standards have been followed along with proper explanation relating to material departure;
- b) such accounting policies have been selected and applied them consistently and judgments and estimates made 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 profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis; and
- e) proper internal financial controls are in place and that such internal financial controls are adequate and were operating effectively.
- f) the Directors have devised proper systems to ensure compliances with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE GOVERNANCE REPORT

The Company is exempted from providing report on Corporate Governance in accordance with regulation 34(3) and schedule V(C) to the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to your Company.

STATUTORY AUDITORS

At the 26th Annual General Meeting of the Company held in the year 2017, the shareholders had approved the appointment of M/s Doogar & Associates (Firm Registration Number: 000561N), Chartered Accountants, as the Statutory Auditors of the Company to hold office for 5 (five) consecutive years, subject to ratification by Shareholders in every Annual General Meeting.

Proviso (1) of sub-section (1) of Section 139 of the Act which mandates that the Company shall place matter relating to such appointment for ratification by Shareholders at every Annual General Meeting has been omitted by the Companies (Amendment) Act, 2017 effective May 07, 2018. Therefore, for

the Financial Year 2018-19 and thereafter, ratification of Auditors appointment every year at the Annual General Meeting is no longer required.

SECRETARIAL AUDITOR

In terms of Section 204 of the Companies Act, 2013, the Board of Directors of your Company at its meeting held on May 26, 2018 has appointed M/s. Kamlesh M Shah & Co., Practicing Company Secretary (Certificate of Practice No. 2072), as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2018-19.

Your company has received consent from M/s. Kamlesh M Shah & Co. to act as the Secretarial auditor for conducting audit of the Secretarial records for the financial year ending on March 31, 2019.

The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith as "ANNEXURE A" to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

RISK MANAGEMENT

Your Company has a robust Risk Management policy. The Company through Board and Audit Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. Risk Management forms an integral part of the Company's planning process. There are no risks, which in the opinion of the Board threaten the existence of your Company.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has in place robust internal control procedures commensurate with its size and operations. Company has the internal controls Department headed by Internal Auditor of the company. The Board of Directors is also responsible for the internal control system, sets the guidelines, verifying its adequacy, effectiveness and application. The Company's internal control system is designed to ensure management efficiency, measurability and verifiability, reliability of accounting and management information, compliance with all applicable laws and regulations, and the protection of the Company's assets so that the company's main risks (operational, compliance-related, economic and financial) are properly identified and managed over time.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

In terms of Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Code of Conduct prohibiting, regulating and monitoring the dealings in the securities of the Company by Directors, Designated Employees and Connected Persons while in possession of unpublished price sensitive information in relation to the securities of the Company. The code of conduct is available at the Company's website at www.alfaica.com under investor segment.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

In accordance with the Section 177(9)& (10) of the Companies Act, 2013 and rules framed thereunder read with Regulation 22 of

the Listing Regulations, the Company has a Whistleblower Policy in place for its Directors and Employees to report concerns about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for protected disclosures that can be a whistle blower through e-mail or letter or to the Chairperson of the Audit Committee. Whistle Blower Policy is disclosed on the website of the Company.

During the year ended on March 31, 2018, the Company did not receive any information under the scheme.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an anti sexual harassment policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. There is no such instance reported during the year under review.

EXTRACT OF ANNUAL REPORT

The details forming part of the extract of the Annual Return as on March 31, 2018 in form MGT -9 in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 is annexed herewith as "ANNEXURE B" to this report.

PARTICULARS OF THE EMPLOYEES

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/employees of your Company is set out in "Annexure – C" of this report. The statement containing the information of the top ten employees in terms of remuneration drawn as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided to any Member on a written request to the Company Secretary. In terms of Section 136 of the Act, the Reports and Accounts are being sent to the Members and others entitled thereto, excluding the aforesaid information of top ten employees which is available for inspection by the members at the Registered office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. There was no employee who was in receipt of remuneration in excess of ₹ 8.5 Lacs per month during the year or ₹ 1.2 Crore per annum in the aggregate if employed part of the year.

STATUTORY DISCLOSURES REQUIRED UNDER RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014:

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with

Rule 8 (3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure to Directors Report and is attached to this report. [Annexure –D]

LOAN, GUARANTEES OR INVESTMENTS

During the year, the Company has not made any investment nor given any loan or guarantees under Section 186 of Companies Act, 2013.

RELATED PARTIES TRANSACTIONS

During the financial year 2018-19, there was no materially significant related party transaction undertaken by the Company under Section 188 of the Companies Act, 2013 read with rules framed thereunder and Regulation 23 of SEBI (LODR) Regulations, 2015 that may have potential conflict with the interest of the Company. Disclosure on related party transactions is set out in financial statements.

MATERIAL CHANGES / INFORMATION

The company has adopted Ind-As for the first time during the year. Other than that no material changes have taken place after the closure of the financial year up to the date of this report which may have substantial effect on the business and financial of the Company.

DETAILS OF SIGNIFICANT AND MATERIAL OR DERSPASSED BY THE REGULATORS / COURTS / TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE

No significant and material orders have been passed by any of the regulators or courts or tribunals impacting the going concern status and companies operations in future.

GENERAL DISCLOSURE

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134(3) of the Act and Rule 8 of the Companies (Accounts) Rules,2014 to the extent the transactions took place on those items during the year.

APPRECIATION

Your Directors take this opportunity to express their sincere appreciation to the shareholders, customers, bankers, suppliers, employees and other business associates for the excellent support and co-operation extended by them.

On behalf of the Board of Directors

Shyam Sunder Tibrewal
Chairman
(DIN: 00500621)

Place : Ahmedabad
Date : 26/05/2018