

Twentyfirst Annual Report 2006 - 2007

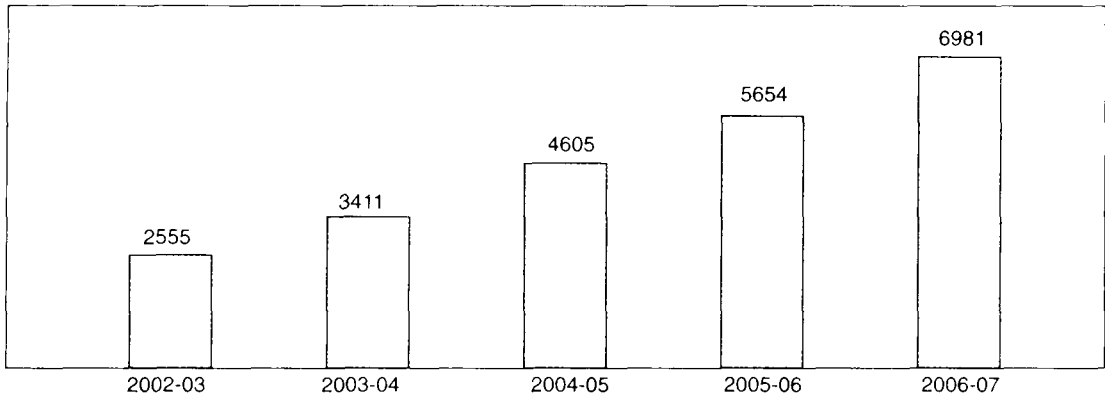


ncl alltek & seccolor ltd.

Formerly Known As Alltek Coating Products Limited

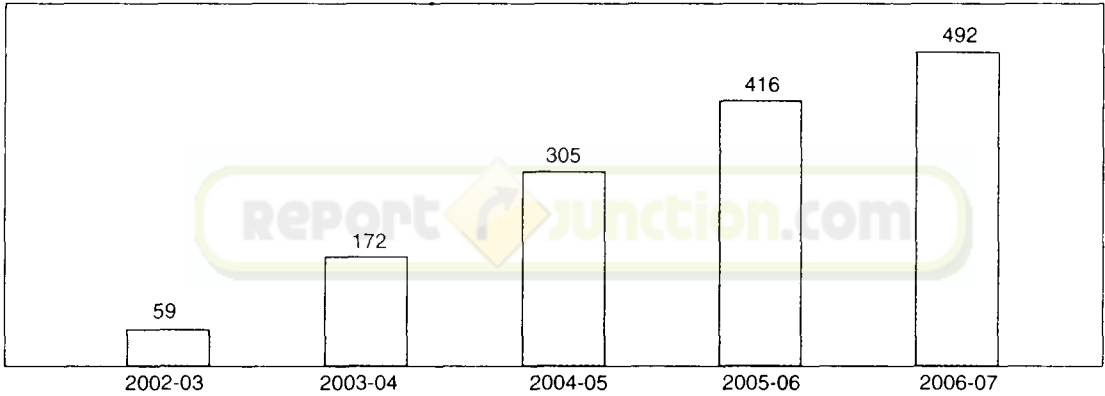
TURNOVER

(Rs. in Lakhs)



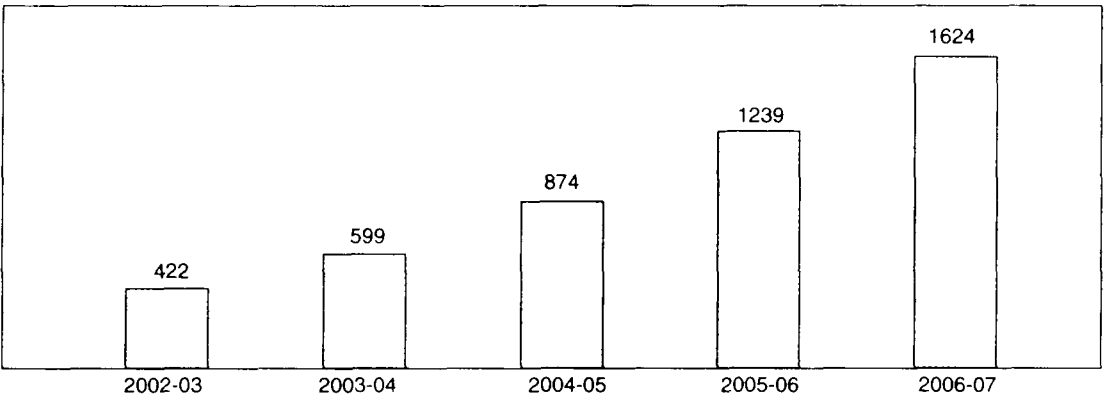
PROFITABILITY

(Rs. in Lakhs)



CONTRIBUTION TO EXCHEQUER

(Taxes & Duties Paid in Lakhs)



NCL ALLTEK & SECCOLOR LIMITED

BOARD OF DIRECTORS

K. Jayabharath Reddy, I.A.S. (Retd.)

V. Sundaresan, I.A.S. (Retd.)

K.S. Narayana Rao

K. Ravi

G.D.L.S.N. Raju

K.A. Reddy

Bimal V Goradia

K. Madhu

Chairman

Director

Director

Director

Director

Executive Director

Executive Director

Managing Director

Company Secretary

K.V. Sastry

AUDITORS

K.R. Bapuji & Co.,

Chartered Accountants,

204, Vijayasri Apartments,

Nagarjuna Nagar, Ameerpet,

Hyderabad – 500 073.

BANKERS

STATE BANK OF HYDERABAD

Industrial Finance Branch, Punjagutta, Hyderabad

CANARA BANK

Industrial Finance Branch, Hyderabad.

A.P. STATE FINANCIAL CORP.

Nalgonda Branch, Nalgonda, Andhra Pradesh

REGISTERED OFFICE

7th Floor, Raghava Rama Towers,

Chirag Ali Lane, Abids,

Hyderabad – 500 001.

UNITS :

1. Simhapuri
Mattapalli Village
Mattampalli Mandal
Nalgonda District.,
Andhra Pradesh
2. Ratnapuri
Turkalakhanapur Village
Hatnoora Mandal
Medak District,
Andhra Pradesh
3. Plot No. 61,
Sipcot Indl. Area, Phase 1,
Mookandapalli Village,
Hosur Taluq.
Tamilnadu
4. 13, Indira Indl. Complex,
Neharpar,
Tigoan Road,
Faridabad,
Haryana
5. F 141-142, Industrial Area,
Chopanki,
Bhiwadi,
Alwar Dist.
Rajasthan

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NOTICE**NCL ALLTEK & SECCOLOR LIMITED**

Notice is hereby given that the 21st Annual General Meeting of the members of NCL Alltek & Seccolor Ltd., will be held on Wednesday 26th September, 2007 at 12.30 P.M at Bharatiya Vidya Bhavan, "Kulapati Munshi Sadan", 5-9-1105, Basheerbagh, King Koti Road, Hyderabad – 500 029 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss account for the year ended 31st March 2007 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors Report thereon.
2. To declare Final Dividend for the year ended 31st March 2007.
3. To appoint a Director in place of Sri V.Sundaresan, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sri K.Ravi, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint the Auditors and fix their remuneration.

M/s. K.R.Bapuji & Co., Chartered Accountants, Hyderabad, retire at the conclusion of this meeting and are eligible for Re-appointment.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 198, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby given to increase the remuneration payable to Sri. K. Madhu, Managing Director of the Company with effect from 1st February, 2007 on the following terms and conditions.

1. Salary : Increase in Salary from Rs. 44,000/- to Rs.75,000/- per month
(subject to annual increment of 10% on salary i.e.,Rs.7,500/-).
2. a) Housing :
 - i) The expenditure by the company on hiring furnished accommodation subject to 50% of the salary, over and above 10% of the salary shall be payable by the Managing Director.
 - ii) In case the accommodation is owned by the company, 10% of the salary shall be deducted by the company.
 - iii) In case no accommodation is provided by the company, House rent allowance of 50% of the salary shall be paid.

3. Commission : 2% on the net profits of the company, subject to a ceiling of 5% of total remuneration on the net profits (no change).

All other following perquisites remain unaltered.:

- (a) **Medical Reimbursement:** For self and family subject to a ceiling of one month's salary per year or three months salary in a period of three years.
- (b) **Leave Travel concession:** For self and family subject to a ceiling of one month's salary in each year.
- (c) **Gratuity:** Equal to half month's salary for each completed year of service and shall not be included in ceiling on remuneration.
- (d) **Contribution to Provident fund/Superannuation:** Contribution to provident fund/super- annuation fund as per the rules to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 and shall not be included in the computation of ceiling on remuneration.
- (e) **Earned/Privilege leave:** As per the rules of the company and encashment of unavailed leaves with full pay and allowances at the end of the tenure which shall not be included in ceiling on remuneration.
- (f) **Personal Accident Insurance:** For an amount, the annual premium of which does not exceed Rs.4000/-
- (g) **Provision of Car and Telephone/Cell phone:** The company shall provide car for official business and telephone at residence as well as cell phone. However, personal long distance calls on telephone/cell phone and use of car for private purposes shall be billed by the company.
7. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 198, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby given to increase the remuneration payable to Sri Bimal V Goradia, Executive Director of the Company with effect from 1st February, 2007 on the following terms and conditions.

1. Salary : Increase in salary from Rs.27,500/- to Rs.33,000/- per month (subject to annual increment of 10% on salary i.e., Rs.3,300/-).
- Perquisites :
- a) **Housing:**
 - i) The expenditure by the company on hiring furnished accommodation subject to 50% of the salary, over and above 10% of the salary shall be payable by the Executive Director.

NCL ALLTEK & SECCOLOR LIMITED

ii) In case the accommodation is owned by the company, 10% of the salary shall be deducted by the company.

iii) In case no accommodation is provided by the company, House rent allowance of 50% of the salary shall be paid.

All other following perquisites remain unaltered

b) **Medical Reimbursement:** For self and family subject to a ceiling of one month's salary per year or three months salary in a period of three years.

c) Leave Travel concession: For self and family subject to a ceiling of one month's salary in each year.

d) Gratuity: Equal to half month's salary for each completed year of service and shall not be included in ceiling on remuneration.

e) Contribution to Provident Fund/Super annuation. Contribution to Provident Fund/Super annuation fund as per the rules of the company.

f) Conveyance: Free use of company's car with driver for Company Business.

g) Telephone / Cell Phone: Free except for long distance calls which shall be billed by the company.

h) Earned/Privilege Leave: As per the rules of the Company."

8. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of the Sections 198, 269, 309, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded for the re-appointment of Sri K.A. Reddy as Executive Director of the Company for a period of 5 years with effect from 30th January, 2007, on the following terms and conditions.

1. Salary : Rs. 45,000/- Per month.
Subject to annual increment of 10% on Basic

Perquisites:

a) Housing :

i) The expenditure by the company on hiring furnished accommodation subject to 50% of the salary, over and above 10% of the salary shall be payable by the Executive Director.

ii) In case the accommodation is owned by the company, 10% of the salary shall be deducted by the company.

iii) In case no accommodation is provided by the company, House rent allowance of 50% of the salary shall be paid.

b) Medical Reimbursement: For self and family subject to a ceiling of one month's salary per year or three months salary in a period of three years.

c) Leave Travel concession: For self and family subject to a ceiling of one month's salary in each year.

d) Gratuity: Equal to half month's salary for each completed year of service and shall not be included in ceiling on remuneration.

e) Contribution to Provident fund/Super annuation. Contribution to provident fund/super annuation fund as per the rules of the Company.

f) Conveyance : Free use of company's car with driver for Company Business.

g) Telephone and Cell Phone: The Company will pay Long Distance Calls made for the purpose of Company and all Local Calls.

h) Earned/Privilege leave: As per the rules of the company.

NOTES:

1. A member entitled to vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

2. The instrument appointing proxy must be lodged at the Registered Office of the company at least 48 hours before the commencement of the Meeting.

3. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 is annexed herewith and forms part of the notice.

4. The Register of Members will remain closed from 19-09-2007 to 26-09-2007 (both days inclusive).

The Final Dividend of 10% for the year ended 31st March, 2007, as recommended by the Board, if sanctioned at the Annual General Meeting will be payable to those members whose names appear in the Company's Register of Members on 19.09.2007.

By Order of the Board
For NCL Alltek & Seccolor Ltd.,

Place : Hyderabad

Date : 01.08.2007

K. Madhu

Managing Director

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No.6:

The Board of Directors at the meeting held on 01-02-2007 revised the terms of appointment of Sri K.Madhu, Managing Director w.e.f .01-02-2007, in view of the improved performance of the Company in line with the present industry standards, as contained in the resolution.

This may be treated as Memorandum and Abstract of the terms and conditions of the contract pursuant to Section 302 of the Companies Act, 1956.

The Board recommends the resolution for approval of the Shareholders.

Except Sri K.Madhu and Sri K.Ravi, none of the Directors is interested in the resolution.

Item No.7:

The Board of Directors at the meeting held on 01-02-2007 revised the terms of appointment of Sri Bimal V Goradia, Executive Director w.e.f. 01-02-2007, in view of the improved performance of the Company, as contained in the resolution.

The Board recommends the resolution for approval of the Shareholders.

Except Sri Bimal V Goradia none of the Directors is interested in the resolution.

Item No.8:

The Board of Directors at the meeting held on 30-01-2007, reappointed Sri K.A.Reddy as Executive Director w.e.f. 30th January, 2007 for a period of 5 years. The Board having considered the performance of Sri K.A.Reddy and improved profitability of the Company revised the terms of appointment as contained in the resolution.

The Board recommends the resolution for approval of the Shareholders.

Except Sri K.A.Reddy, none of the Directors is interested in the resolution.

By Order of the Board
For NCL Alltek & Seccolor Ltd.,

Place : Hyderabad
Date : 01.08.2007

K. Madhu
Managing Director

DIRECTORS' REPORT**NCL ALLTEK & SECCOLOR LIMITED**

To

The Members

Your Directors have pleasure in presenting the Twenty First Annual Report together with the audited accounts for the year ended 31st March, 2007.

FINANCIAL RESULTS

(Rs. in lakhs)

	<u>Year ended</u>	<u>Year ended</u>
	31.03.07	31.03.06
Sales and Other Income	7010.48	5677.84
Profit before Interest & Depreciation	923.16	827.30
Profit before tax	699.62	636.00
Profit after Tax	492.14	416.31
Proposed Dividend	87.07	74.63
Transfer to General Reserve	395.00	330.00

OPERATIONS

During the year the turnover of the Company has increased by 23 % and Net profit by 18%.

Alltek Division: Alltek Division has sold 27,925 Tons of Spray Plasters as against 21,230 tons in the previous year. (Growth of 32%). 2,035 K.Ltrs. of Paints were sold as against 1,494 K.Ltrs. in the previous year. (Growth of 36%).

Seccolor Division: Seccolor Division has sold 2,032 Tons of Profiles as against 1,770 Tons in the previous year (Growth of 15%).

DIVIDEND

Your Directors have pleasure in recommending a Final Dividend of 10% for the Financial Year ended 31.03.2007. The Company has already paid an Interim Dividend of 25% during February, 2007. With this, the total Dividend pay out for the year ended 31st March, 2007 works out to 35% as against 30% in the previous year.

EXPANSIONS**Chopanki, Rajasthan:**

The manufacturing operations of Spray Plasters & Paints has commenced in March 2007.

Mattapally, Nalgonda, Andhra Pradesh:

Facilities for Manufacture of Marble Powder a main input for Spray Plaster and Cement based Plasters are being set up. Commercial Production is expected from October, 2007. Spray Plaster capacity is also being increased before the end of December, 07.

Ratnapuri & Hosur:

UPVC Windows fabrication plant at Ratnapuri, Medak District in Andhra Pradesh has come into operations from February, 2007. The Unit in Hosur, Tamil Nadu is likely to commence operations from October, 2007.

RIGHTS ISSUE

The Company has allotted 14,85,407 shares of Rs.10/- each during the year with a Premium of Rs.40/- per share.

FUTURE OUTLOOK

With the present boom in Construction and Infrastructure Industry and the added manufacturing facilities at various places, it is expected that the Company will improve its turnover by about 25%.

FIXED DEPOSITS

During this year, your Company has invited Deposits from the Public, Shareholders and others. The amount of Deposits outstanding as on 31st March, 2007 was Rs.89.60 lakhs. Since this is the first year of Acceptance of Deposits, no Deposit has fallen due for repayment during this year.

ENVIRONMENT

Your Company is conscious of its continuing responsibility towards creating, maintaining and ensuring a safe and Clean environment.

DIRECTORS' REPORT**NCL ALLTEK & SECCOLOR LIMITED****PARTICULARS OF EMPLOYEES**

There are no employees drawing remuneration as provided in Section 217 (2A) of the Companies Act, 1956, as amended upto date, whose particulars forming part of this report is to be annexed.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE.

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the annexure forming part of this report.

DIRECTORS

Sri V.Sundaresan and Sri K.Ravi, who retire by rotation and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Board in pursuance of Section 217 (2AA) of the Companies Act, 1956 in respect of Directors' Responsibility Statement hereby confirms.

- i) That in the preparation of the accounts for the financial year ended 31st March 2007 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 the year under review.

- 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 accounts for the financial year ended 31st March 2007 on a going concern basis.

AUDITORS

M/s. K.R.Bapuji & Co. Chartered Accountants, Hyderabad, the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGEMENTS

Your Directors would like to express their grateful appreciation for the co- operation and assistance received from State Bank of Hyderabad, Industrial Finance Branch, Punjagutta, Canara Bank, Andhra Pradesh State Financial Corporation and Government Authorities during the year. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the employees at all levels.

For and on behalf of the Board

Place : Hyderabad

K.Jayabharath Reddy

Date : 01.08.2007

Chairman

ANNEXURE TO DIRECTORS' REPORT

Information pursuant to the section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY:

The Industry is not energy intensive. However, efforts are made to conserve energy at every possible area.

B. TECHNOLOGY ABSORPTION:

FORM-B

(See Rule 2)

Form for disclosure of particulars with respect to absorption.

Research and Development (R&D)

- | | | |
|---|---|--|
| 1. Specific areas in which R&D carried out by the company | : | a) Work was done to improve the quality and range of emulsion paints and exterior Spray Plasters.
b) Improving the quality of window accessories and range of sections for windows and doors. |
| 2. Benefits derived as a result of the above R&D | : | Wider Range of Superior Quality Products. |
| 3. Future plan of action | : | Constant improvement in quality, reduction of production cost. |
| 4. Expenditure on R&D | : | |
| Capital | : | Nil. |
| Recurring | : | Rs.7.58 Lakhs. |
| Total | : | Rs.7.58 Lakhs. |
- Total R&D expenditure as a percentage of total turnover: 0.11%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.

- | | | |
|---|---|---|
| 1. Efforts in brief made towards technology absorption, adaptation and innovation. | : | The Technology supplied by M/s. International Coating Products, Sweden for Alltek Division and by M/s. Industry Secco Spa, Italy for the Seccolor Division has been fully absorbed. |
| 2. Benefits derived as result of the above efforts, e.g. product improvement, cost reduction, development import substitution etc. | : | Increased range of Surface Coating and Plastering materials have been made available to the Market. |
| 3. In case of imported Technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished: | | |
| a) Technology imported | : | No Technology has been imported during the last 5 years. |
| b) Year of Import | : | Not Applicable. |
| c) Has technology been fully absorbed | : | Not Applicable |
| d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action | : | Not Applicable. |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- | | | |
|--|---|-----------------|
| 1. Activities relating to Exports, initiatives taken to increase export market for products and services and export plans. | : | Nil. |
| 2. Total Foreign Exchange Earnings | : | Nil |
| Outgo | : | Rs. 37,41,000/- |

Place : Hyderabad
Date : 01.08.2007

For and on behalf of the Board
K.Jayabharath Reddy
Chairman

SECTION 212

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Holding Company's interest in the subsidiary companies:

S. No		United Commercial & Hotel Enterprises Private Ltd.,	Spantile Manufacturing Company (P). Ltd.
1.	Financial year of the subsidiary company ended on:	31.03.2007	31.03.2007
2.	(a) Number of shares held by NCL Alltek & Seccolor Ltd., at the end of the above date.	137 equity shares of Rs.1000/- each.	20460 Equity Shares of Rs. 100/- each
	(b) Extent of interest on above date	100%	100%
3.	Net aggregate amount of the Subsidiary Company Profit/ (Loss) so far it concerns members of the Holding Company and		
(a)	is not dealt in the Company's account		
	1. for the financial year ended 31 st March, 2007.(Rs.)	39273	2091
	2. for the previous financial year, since it became Subsidiary	433	1640
(b)	is dealt in the Company's account		
	1. for the financial year ended 31 st March, 2007.	Nil	Nil
	2. for the previous financial year, since it became Subsidiary	Nil	Nil

For and on behalf of the Board

K.JAYABHARATH REDDY
Chairman

K.MADHU
Managing Director

Place : Hyderabad
Date : 01-08-2007

K.V.SASTRY
Company Secretary