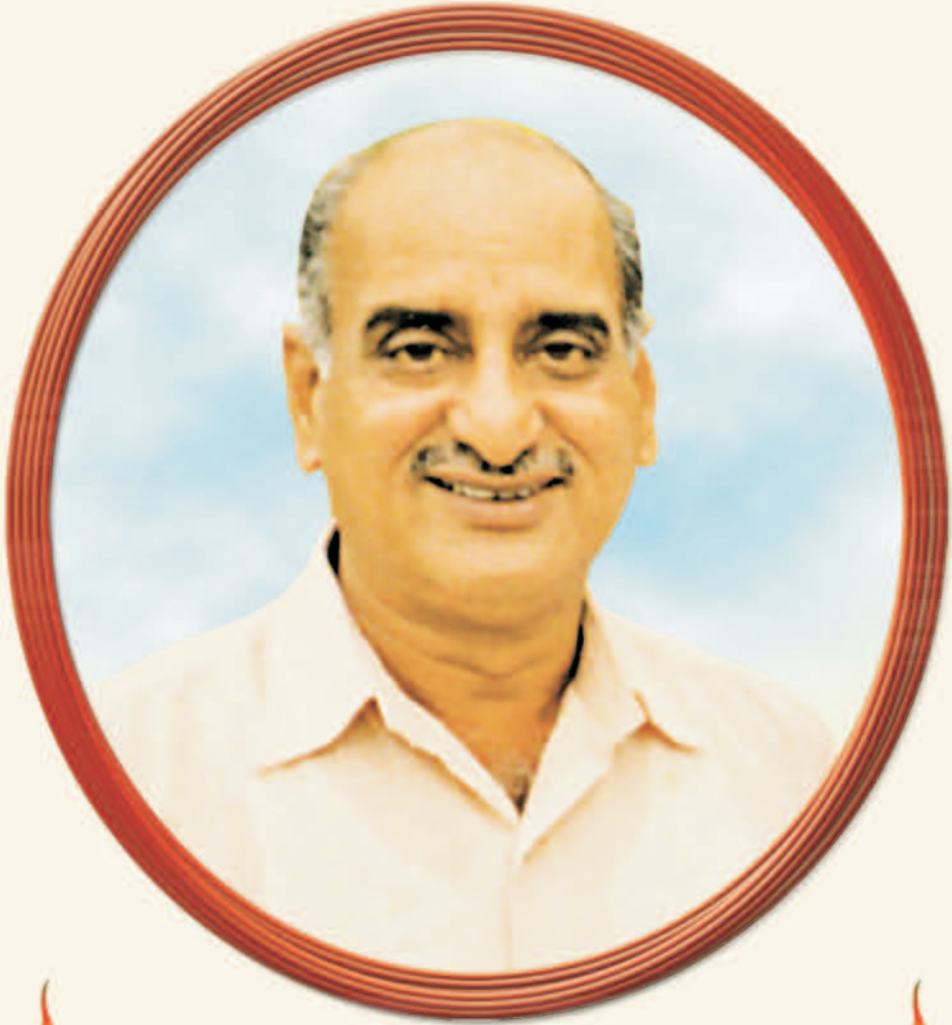


Twenty Eighth
Annual Report
2013 - 2014



ncl alltek & seccolor ltd.

Respectful Homage to our Founder



Late Sri K. Ramachandra Raju
(22.07.1934 - 28.06.2008)

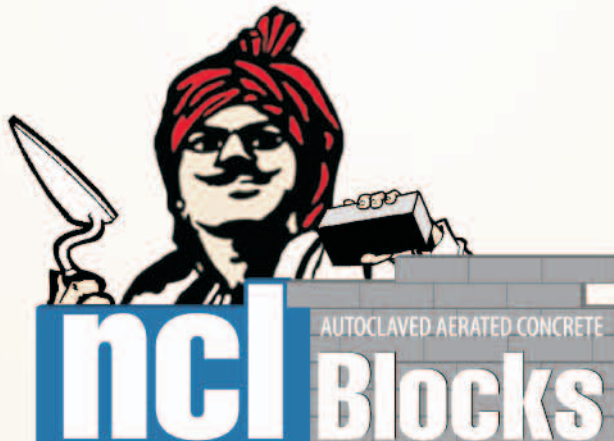
Presence Across Nation



Note: Map not to scale. The above illustration is a graphical representation of approximate locations, for plants, offices & distributors.



LAUNCHING SOON



Light Weight, Strong & Good Insulation

Another futuristic product from **alltek** DIVISION

NCL ALLTEK & SECCOLOR LIMITED

BOARD OF DIRECTORS

Mr. K. Jayabharath Reddy, I.A.S. (Retd.)
Mr. V. Sundaresan, I.A.S. (Retd.)
Mr. M. Kanna Reddy
Mr. Sudheer Kanumilli
Mr. Ashven Datla
Mrs. Shilpa Datla
Mr. G. Tarun Sandeep
Mr. S.S. Raju
Mr. K.A. Reddy
Mr. Bimal V Goradia
Dr. S. Soma Raju
Mr. K. Madhu

Chairman
Director
Director
Director
Director
Director
Director
Executive Director
Executive Director
Executive Director
Managing Director

COMPANY SECRETARY

Mrs. M. Divya Bharathi

AUDITORS

M/s K.R. Bapuji & Co.,
Chartered Accountants,
204, Vijayasri Apartments,
Nagarjuna Nagar, Ameerpet,
Hyderabad - 500 073.

AUDIT COMMITTEE

Mr. K. Jayabharath Reddy - Chairman
Mr. M. Kanna Reddy - Member
Mr. Ashven Datla - Member

BANKERS

STATE BANK OF HYDERABAD

Industrial Finance Branch, Punjagutta, Hyderabad

REGISTERED OFFICE

Regd. Office : 4th Floor, Plot No.1,
Ganga Enclave, Opp : Byraju Foundation,
Kompalli Road, Petbasheerabad, Hyderabad - 500067.
Phone : 040 - 49693333, 27165186, Fax : 040-49693328
Email : contactus@alltekcoating.com
companysecretary@nclseccolor.com

Website : www.nclalltek.com
www.nclseccolor.com

CIN : U72200TG1986PLC006601

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UNITS :

1. Simhapuri, Mattapalli Village, Mattampalli Mandal
Nalgonda District, Telangana State.
2. Ratnapuri, Turkalakhanapur Village, Hatnoora Mandal
Medak District, Telangana State.
3. Plot No. 61, Sipcot Indl. Area, Phase 1, Mookandapalli
Village, Hosur Taluq, Tamilnadu.
4. F 141-142, Industrial Area, Chopanki, Bhiwadi,
Alwar Dist. Rajasthan
5. Plot No. D/11, Rasulgarh Industrial Estate
Rasulgarh, Khurda, Odisha.
6. Plot No. C-23, Sector B-3, Tronica City,
Ghaziabad, Uttar Pradesh.
7. Plot No.13, Gate No.1251/1252, Sanaswadi
Village, Shirur Taluka, Pune, Maharashtra.

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of NCL Alltek & Seccolor Ltd will be held on Monday, 29th September, 2014 at 09.00 a.m at K.L.N Prasad Auditorium, Federation House, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), H.No. 11-6-841, Red Hills, Hyderabad-500004 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March 2014 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Ashven Data who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. G. Tarun Sandeep who retires by rotation and is eligible for reappointment.
5. To re-appoint M/s. K.R. Bapuji & Co. Chartered Accountants, Hyderabad, having Firm registration No.000395S, as the Statutory Auditors of the Company to hold such office from the conclusion of this Annual General Meeting, until the conclusion of sixth Annual General Meeting to be held after this meeting, subject to ratification at every Annual General meeting and to fix their remuneration for the financial year ending 31st March, 2015.

SPECIAL BUSINESS:

6. Appointment of Mr. JAYABHARAT REDDY KOTI as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149,150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. JAYABHARAT REDDY KOTI (DIN : 00038342), a non-executive Director of the Company, who has

submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as Independent Director of the Company, to hold office for a term upto five consecutive years commencing from the date of passing of this Resolution.”

7. Appointment of Mr. KANNA REDDY MANDADI as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149,150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. KANNA REDDY MANDADI (DIN : 00040440), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as Independent Director of the Company, to hold office for a term upto five consecutive years commencing from the date of passing of this Resolution.”

8. Appointment of Mr. SUNDARESAN VEMBU as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149,150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. SUNDARESAN VEMBU (DIN : 01150110), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as Independent Director of the Company, to hold office for a term upto five consecutive years commencing from the date of passing of this Resolution.”

9. Acceptance of deposits from Members under New Rules under Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Ordinary Resolution:

“RESOLVED THAT pursuant to Section 73(2) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder the Company hereby accords its consent to the Board of Directors for Acceptance of Deposits from its Shareholders upto the maximum permissible under the Companies Act 2013 and Rules made thereunder from time to time”.

10. Alteration of Articles of Association

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED that pursuant to Section 14 read with Section 5 (9) of the Companies Act 2013, the Articles of Association of the Company be and are hereby altered by adopting the Regulations contained in Table F of Schedule I to the Companies Act, 2013, which shall henceforth be applicable to the Company.”

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

Place: Hyderabad.

M. Divya Bharathi

Date: 23.08.2014

Company Secretary

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll on his behalf. A proxy need not be a member of the company a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member.
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. The Register of Members will remain closed from 21/09/2014 to 29/09/2014 (both days inclusive).
4. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
5. The Dividend of 50% for the year ended 31st March, 2014, as recommended by the Board, if approved at the meeting will be paid to those members whose names appear in the Company’s Register of Members as on 29/09/2014.
6. Members can register their email ids and contact nos. with the Company for paperless communication by filling the GO GREEN Form in the Annual Report at page no. 51 and submit the same to the company.
7. Shareholders holding share certificates in the name of “**NCL Seccolor Limited**” or “**Alltek Coating Products Ltd.**” are requested to surrender the original share certificates to the Company at its registered office address in exchange of which the Company will issue new share certificates of “NCL Alltek & Seccolor Ltd”.
8. The Company has disposed the fractional shares entitlement held by Trustee to the eligible shareholders through Warrants. Shareholder may contact the Company secretary office for non receipt of the same.
9. The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to the Registered office address or e-mail their grievances/queries to the Company Secretary at the following e-mail address: companysecretary@nclseccolor.com
10. The shareholders are requested to consolidate the folios in case of any multiple folios existing in their name.
11. The Shareholders are requested to access the Annual Report of the Company on its website www.nclalltek.com.

Special Attention to Shareholders

Members may register their mail ID & contact detail for paperless communication by filling Go Green Form in Annual Report at Page No. 51 and submit the same to the company.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 6, 7 and 8 :**

Pursuant to the rules prescribed under Section 149 (4) of the Companies Act, 2013 (“the Act”), all companies having a turnover exceeding Rs. 100 crores or outstanding loans etc. exceeding Rs. 50 crores should have at least two Independent Directors.

Even before the above provisions came into the Statute Book, the company has three Directors namely Mr. K Jayabharat Reddy, Chairman, Mr. M Kanna Reddy, and Mr. V Sundaresan, who satisfy all the criteria prescribed for independent directors.

As per the new provisions of the Act, the Independent Directors are not liable to retire by rotation, and can hold office for a maximum of two tenures of upto 5 years each. The Directorship during the period prior to the commencement of the Act shall not be counted in reckoning this tenure.

As required by Section 152 of the Act, Mr. K Jayabharat Reddy, Chairman, Mr. M Kanna Reddy, and Mr. V Sundaresan have furnished their consent and also declarations that they satisfy the criteria of independence.

The Resolutions are being placed before the Shareholders formally proposing the appointment of the above Directors as Independent Directors for a tenure of 5 years each from the date of the Annual General Meeting.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointments, are concerned or interested, financially or otherwise, in these Resolutions.

Your Directors recommend that the Resolutions be passed.

ITEM NO. 09

Your Company used to accept deposits voluntarily offered by members or others, without inviting them, as permitted under the Statute. After the enactment of Companies Act, 2013 which replaced the Companies Act 1956, your company is not eligible to accept deposits from public. However, it is permitted to accept deposits from its shareholders, upto the ceilings prescribed under that section, subject to acceptance of such deposits being consented by the Shareholders.

The proposed Resolution is set out to seek the consent of the Shareholders as envisaged by the Statute, to enable the Company to accept deposits from its shareholders.

All your directors may be deemed to be interested in the proposed Resolution to the extent of their respective shareholdings.

ITEM NO 10:

As per Section 5 of the Companies Act 2013, which replaced the Companies Act, 1956, the model Articles contained in Schedule I to the Act automatically become applicable to all companies registered after the enactment of the new Act, unless specifically excluded or modified. The same Section also provides that in case of articles registered under the previous law, the old articles may continue, unless specifically amended.

In order to bring the Articles of Association in line with the new Act, it is proposed to adopt the model Regulations contained in Table F of Schedule I to the Companies Act, 2013 as the Articles of Association of the Company.

All your directors may be deemed to be interested in the proposed resolution to the extent of their respective shareholdings.

Your Directors recommend that the Resolution be passed.

Your Directors have pleasure in presenting their report for the financial year ended 31st March, 2014.

FINANCIAL RESULTS

The Audited Balance sheet of your Company as at 31st March, 2014, the Statement of Profit & Loss for the year ended on that date and the report of the Auditors thereon are being circulated with this report. The salient features of the financial results are as follows:

	<u>Year ended</u> 31.03.2014 <u>Rs. in lakhs</u>	<u>Year ended</u> 31.03.2013 <u>Rs. in lakhs</u>
Gross Sales and Other Income	15959	14652
Profit before Interest & Depreciation	1996	1855
Profit before tax	1368	1201
Profit after Tax	893	812
Proposed Dividend	289	260
Transfer to General Reserve	625	550

OPERATIONS

The turnover of the company increased by about 9% with increase of 10% in the profitability of the company. However efforts would continue to improve the efficiencies and reduction of costs.

Your Directors are contemplating several measures to improve the profitability, including enhancement in the capacities of the UPVC windows in Seccolor Division and cement based low weight bricks (AAC Blocks) in the Alltek Division, which are showing more growth prospects.

DIVIDEND

Keeping in view the level of profitability, your Directors recommend for your consideration a dividend of Rs 5.00 per equity share for the year ended 31.03.2014, as against Rs 4.50 per equity share in the previous year aggregating to an amount of Rs 338.40 lakhs including Dividend Distribution Tax.

FIXED DEPOSITS

The Ministry of Corporate Affairs has notified Companies (Acceptance of Deposits Rules) 2014 which came into force w.e.f 01/04/2014.

As per the Rules, new norms in terms of capital and turnover have been prescribed for eligibility to accept deposits from public. Your company falls outside these norms, and hence is not eligible to accept deposits from the Public. However, the company is eligible to accept deposits only from members in terms of the new provisions. Appropriate procedural formalities are being completed in this regard. Henceforth, deposits shall be accepted within the permissible ceilings only from members.

As on 31st March, 2014, Rs 270.78 lakhs of Deposits of Public/Shareholders are outstanding. The Company repaid

all the matured deposits, which have been claimed during the year. There are no unclaimed deposits and no default is made by the Company in the Payment of Interest and any principal amounts.

AUDITORS

M/s. K.R. Bapuji & Co. Chartered Accountants, Hyderabad, the Auditors of the Company retire at the conclusion of this Annual General Meeting and are eligible for re-appointment. Your Directors propose that M/s. K.R. Bapuji & Co. Chartered Accountants be reappointed as auditors of the Company to hold such office from the conclusion of this Annual General Meeting, until the conclusion of sixth Annual General Meeting to be held after this meeting, subject to ratification at every Annual General meeting.

DIRECTORS

Mr. K Jayabharat Reddy, Chairman, Mr. M Kanna Reddy and Mr. V Sundaresan, Directors are Independent Directors, already in the Board of Directors. Resolutions are being proposed to formally designate them as Independent Directors under Section 149 of the Companies Act, 2013, and fix a tenure of five years from the date of the ensuing Annual General Meeting.

Mr. K S Narayana Rao has resigned as a Director with effect from 23 August 2014. Mr. Sudheer Kanumilli has been appointed as a Director on the same day to fill the Casual Vacancy caused by the resignation of Mr. K S Narayana Rao.

Mr. Ashven Datla and Mr. Tarun Sandeep retire by rotation and are eligible 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 2014 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 judgments 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 2014 on a going concern basis.

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.

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, Corporation Bank and Government Authorities during the year. Your Directors wish to place on record their sincere appreciation for the devoted services of the employees at all levels.

For and on behalf of the Board
For **NCL Alltek & Seccolor Ltd.**

Place: Hyderabad
Date: 23.08.2014

K. Jayabharath Reddy
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 : 5.58 lakhs

Total : 5.58 lakhs

Total R&D expenditure as a percentage of total turnovers: 0.035%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.

Know how for production of cement renders and other related products were provided by Mr. Eje Sidmor of Sweden. The technology has been absorbed resulting in development of wide range of products.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities relating to Exports, initiatives taken to increase export market for products and services and export plans:
Nothing to report.

2. Total Foreign Exchange

Earnings : Nil

Outgo : 1.38 lakhs

For and on behalf of the Board
For **NCL Alltek & Seccolor Ltd.**

Place: Hyderabad
Date: 23.08.2014

K. Jayabharath Reddy
Chairman