

NITIN ALLOYS GLOBAL LIMITED
(Formerly Aditya Leasing Limited)
23rd ANNUAL REPORT
2005-06



BOARD OF DIRECTOR

1. MR. NIRMAL B. KEDIA
2. MR. S.L. AGARWAL
3. MR. ARVIND JALAN

BANKER

DENA BANK

AUDITORS

JAJODIA & COMPANY
Chartered Accountants

REGISTERED OFFICE

84, MITTAL TOWER 'A' WING
NARIMAN POINT,
MUMBAI - 400 021

WORKS

PLOT NO. 183/1, SURANGI ROAD,
SURANGI, SILVASSA,
DADRA & NAGAR HAVELI - 396 230

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Company will be held at its Corporate Office at Prestige Precinct, 3rd Floor, Panch pakhadi, Eastern Express Highway, Thane 400 601 on Saturday the 30th September 2006 at 11.30 a.m., 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, 2006 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Arvind Jalan who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditor to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT the pursuant to Section 293 (1) (a) and 293 (1) (d) of the Companies Act, 1956, the borrowings limits of the company is hereby raised to the extent of Rs.50.00 crores”.

By Order of the Board of Directors

Mumbai
Date: September 6, 2006

Sd/-
Director

Notes :

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be the member of the company. Proxies, in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, partnership firms etc., must be backed by appropriate resolution / authority as applicable, issued on behalf of the nominating organization.
2. An explanatory statement as required under section 173 (2) of the Companies Act, 1956 in respect of the items of business specified under item no. 4 and the relevant details in respect of item no. 4 are annexed hereto.
3. The Company's Register of Members and share transfer books will remain closed from 24th September 2006 to 30th September 2006 both days inclusive.

EXPLANATORY STATEMENT

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

Item No. 4

In order to give greater flexibility to the Board of Directors to decide upon for raising the funds from the Financial Institutions and / or Banks and / or any other Government / Semi-Government Organisations and / or any other Body Corporate incorporated in India or abroad on such terms and conditions as they think fit and proper in the interest of the company to the extent of Rs. 50.00 crores. Hence, your Directors recommend the borrowing powers of the company to be raised to the extent of 50.00 crores as required under section 293 (1) (a) & U/S 293 (1) (d) of the Companies Act, 1956.

Your Directors recommend acceptance of the resolution by the shareholders. None of the Directors of the Company are interested in the above said resolution.

By Order of the Board of Directors

Mumbai
Date: September 6, 2006

Sd/-
Director

Report  junction.com

DIRECTORS' REPORT

To,
The Members,
Your Directors have pleasure in submitting the 23rd Annual Report on the business and operation of the Company along with the Audited Accounts for the financial year ended 31st March, 2006.

FINANCIAL RESULT:

The performance of the Company for the financial year ended 31st March, 2006 is summarized below:

Financial Results	(Rupees in Lacs)	
	2005-06	2004-05
a. Total Income	2,407.85	1,813.43
b. Total Expenditure	2,240.62	1,685.98
c. Profit before depreciation	167.23	127.44
d. Profit before Taxes	140.49	102.38
e. Profit after Taxes	127.49	89.85
f. Add : Balance brought forward from previous year	227.65	137.80
j. Balance carried to Balance Sheet.	355.14	227.65

DIVIDEND:

In order to strike a balance between the need to sustain strategic investment for a secure future and expansion, your directors have not recommended any payment of dividend in spite of profit made during the financial year ending 31st March, 2006.

OPERATING RESULT & PROFIT:

Strong economic growth, low interest rate and continued focus on several measure undertaken by the Company like improvement in quality standard, adoption of improved technology, cost cutting, aggressive marketing efforts, have all enable the Company to achieve remarkable performance and improve its standing in the globally competitive environment.

The Company registers a turnover of Rs. 2,407.85 lacs as against Rs. 1,813.43 lacs in previous year representing an increase of 32.78%. Profit before taxes increased by 37.22% from Rs. 102.38 lacs to Rs. 140.49 lacs and profit after taxes are Rs 127.49 lacs as compared to Rs. 89.85 lacs in the previous year registering a growth of 41.89%.

CHANGE IN THE NAME OF THE COMPANY:

The name of the Company has been changed with effect from 6th June, 2006 to reflect correct picture of Company's operations and its scope of activities. The Company has already informed all the shareholders about the surrender of shares to obtain new share Certificates in lieu of old share certificates issued in the new name of Company i.e. "NITIN ALLOYS GLOBAL LIMITED".

LISTING OF SHARES AND DEMATERIALISATION:

The Company is in process of getting its share traded at Bombay Stock Exchange, which will provide proper valuation to them. The Company is also in the process of applying for dematerialisation of shares.

FUTURE OUTLOOK:

The Company is optimistic in sustaining the growth in the foreseeable due to the continued buoyancy in Company's products and overall market situation. The Company is planning to expand its activities hence various proposals for expansion are under preliminary study.

FIXED DEPOSIT:

During the year under review, the Company did not raised funds by way of fixed deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

ENVIRONMENT PROTECTION AND POLLUTION CONTROL:

Your Company has taken the following steps towards environment and Ecological balance in manufacturing of Castings.

- Continuous plantation activities in and around the Factory has helped in keeping the environment pollution free.

INDUSTRIAL RELATION:

Cordial industrial relation and improvement in production were maintained at the Company's plant. The management appreciates the support of employees at all level and looks forward to their full co-operation and involvement in years to come.

DIRECTORS:

In pursuant to the provisions of the Company's Act, 1956 and the Articles of Associations of the Company, Mr. Arvind Jalan retires by rotation and being eligible, offer himself for re-appointment.

INTERNAL AUDIT SYSTEM:

The Company's internal Auditors had conducted periodic audit to provide reasonable assurance that the Company's established policies and procedure have been followed.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

The Company has a proper and adequate internal control system for all its activities including safeguarding and protecting its assets against any loss from its unauthorized use of disposition. All transaction are properly documented, authorized, recorded and reported correctly. The Company has well defined Management Reports on key performance indicators. The systems are reviewed continuously and its improvement and effectiveness is enhanced based on the reports from various fields. Normal foreseeable risks to the company's assets are adequately covered by comprehensive insurance.

PARICULARS OF EMPLOYEES:

As there were no employees of the Company drawing monthly remuneration of Rs. 2,00,000/- or more, particulars of employees as required under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 has not been given.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

The company has taken all possible measures for the conservation of energy by undertaking melting operations in consolidated and economical lot sizes for optimum utilizations of furnace. Company's in-house Research and Development Department is engaged in continuous up-gradation to take up the changing market demand and this has been well appreciated by the user industries.

AUDITORS' REPORT:

The auditors' report is self explanatory. However a note about revenue recognition by auditor does not involve material effect on the financial statement of the Company.

CODE OF CONDUCT:

In terms of requirement of Clause 49 of the listing Agreement, the Company has received certificate from all its senior management personnel and members of the Board about the compliance of code of conduct as laid down by the Board.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors, subscribe to the Directors Responsibility statement and Confirm as under:

- (i) That in presentation of the Annual Accounts, applicable accounting standards has been followed.
- (ii) That the accounting policies have been consistently applied and reasonable, prudent judgment and estimates are made so as to give and fair view of the state of affairs of your Company as at 31st March 2006.
- (iii) That the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of your company and for preventing and detecting frauds and other irregularities.
- (iv) That the annual accounts of your company have been prepared on going concern basis.

AUDITORS:

M/s. Jajodia and Company, Chartered Accountants, Auditor of the Company, holds office until the conclusion of the ensuing Annual General Meeting and is recommended for re-appointment and fixes their remuneration. Certificate from the Auditors has been received to the effect that their re-appointment, if made, would within the limits prescribed under section 224(1B) of the Companies Act, 1956.

ACKNOWLEDGEMENTS:

The Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution to Company's record performance.

The Directors would also like to thank shareholders, customers, dealers, suppliers, bankers, financial institutions, Government authorities and all other business associates for the continued support given by them to the company and their confidence in management.

By Order of the Board of Directors

Mumbai
Date: September 6, 2006

Sd/-
Director

