

24th ANNUAL REPORT 2006-2007



NITIN ALLOYS GLOBAL LIMITED

CERTIFIED TRUE COPY
A handwritten signature in black ink, appearing to be "M. M. M.", written over the text "CERTIFIED TRUE COPY".

BOARD OF DIRECTORS

MR. NIRMAL B. KEDIA - Chairman
MR. S.L. AGARWAL - Director
MR. ARVIND JALAN - Director

BANKERS

STATE BANK OF INDIA
INDIAN OVERSEAS BANK

AUDITORS

JAJODIA & COMPANY
Chartered Accountants

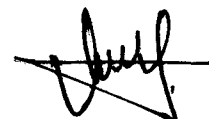
LEGAL ADVISORS

NARAYANAN & NARAYANAN

REGISTERED OFFICE

PRESTIGE PRECINCT, 3RD FLOOR,
ALMEIDA ROAD, THANE (WEST),
THANE – 400 601

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WORKS

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

REGISTRARS & SHARE TRANSFER AGENT

SHAREX DYNAMIC (INDIA) PVT. LTD.
UNIT NO. 1, LUTHRA IND. PREMISES,
ANDHERI-KURLA ROAD, SAFED POOL,
ANDHERI (EAST), MUMBAI – 400 072

NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Company will be held at Hotel SHARRANAM, Eastern Express Highway, Service Road, Near New R.T.O. Opp. Ramkrishna Nagar, Thane (W), Thane – 400 604 on Saturday the 14th July 2007 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, 2007 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. S.L. Agarwal who retires by rotation and being eligible, offers him self 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

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4) To Increase Authorised share Capital of the Company

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

“RESOLVED THAT in accordance with the provisions of Section 94 of Companies Act 1956 and other applicable provisions, if any, the Authorised Share Capital of the Company i.e. Rs 2,00,00,000/- divided into 20,00,000 Equity Shares of Rs 10/- each be and is hereby increased to Rs 5,00,00,000/- divided into 50,00,000 Equity Shares of Rs 10/- each by creation of 30,00,000 Equity Shares of Rs 10/- each and consequently the Memorandum & Articles of Association of the Company stands altered.”

5) To Issue Convertible Warrants and Equity Shares on Preferential Basis

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

“RESOLVED THAT pursuant to section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), and in accordance with the provisions of Articles of Association of the Company, the provisions of the Listing Agreement entered into between the Company and the Stock Exchanges, Mumbai, the guidelines and regulations issued by the Securities and Exchange Board of India (the “SEBI”), such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed in granting such approvals, permissions and sanctions which may be agreed by 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 the Board) the consent of the Company be and is hereby accorded to the Board to offer, issue and allot 11,00,000

CONVERTIBLE WARRANTS to Promoters and Promoters group namely , and to issue and allot **11,50,000 EQUITY SHARES** to other Investors having a face value of Rs. 10/- each at a price of Rs. 25/- (Rupees Twenty five only) per convertible warrants / equity shares on preferential allotment basis for cash on following terms and conditions as per below chart :

- (i) the issued warrants and equity shares shall be subject to Memorandum and Articles of Association of the Company;
- (ii) the issued convertible warrants upon conversion into equity shares shall rank *pari passu* in all respects with the existing equity shares of the Company,
- (iii) the "Relevant Date" for the preferential issue, as per the SEBI (Disclosure & Investor Protection) Guidelines, 2000, as amended up to date, for the determination of the applicable price for the issue of the above mentioned equity shares is Thursday, 14th June, 2007 being the date **30 days prior** to the date of passing of this Resolution.
- (iv) An application will be made to list such new Equity Shares on the Stock Exchange, Mumbai (subject to any approvals if required from the Central Listing Authority, if any) where the present Equity Shares of the Company are listed."

Allotment of Convertible Warrants on Preferential basis to Promoters Group

Sr.	Name of the Person	No. of Warrants
01	Shalini Nirmal Kedia	206,250
02	Nirmal Kumar Varun Kumar (HUF)	206,250
03	Bhagirathprasad Purushottamdas (HUF)	137,500
04	Shantikumar Nitinkumar (HUF)	50,000
05	Nitin Kumar Nipun Kumar (HUF)	137,500
06	Suman Nitin Kedia	137,500
07	Saroj Shantikumar Kedia	50,000
08	Vedanshu Nitin Kedia	80,000
09	Nipun Nitin Kedia	95,000
	Total	1,100,000

Allotment of Equity Shares on Preferential basis to Other Investors

Sr.	Name of the Person	No. of Shares
01	Sanjay Anchaliya	145,000
02	Vanita Anchaliya	145,000
03	Punit Makharia	25,000
04	Gautam Makharia	25,000
05	Sanjay Anchaliya (HUF)	110,000
06	Shashi Bukalsaria	50,000
07	Rajkumari Gupta	50,000
08	Kamlesh Kanungo	300,000
09	Dimple Kanungo	200,000
10	Manoj Purohit	100,000
	Total	1,150,000

"RESOLVED FURTHER THAT the board be and is hereby authorized to decide and approve the other terms and conditions of the issue of the Warrants and shares and to vary, modify or alter any of the terms and conditions, including the size, as it may deem expedient."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board is hereby authorised to agree to make and accept such conditions, modifications and alterations as may be stipulated by the relevant authorities and to take such actions as may be necessary, desirable or expedient to effect such modifications and alterations and to resolve and settle all questions and difficulties that may arise in the proposed issue and allotment of Warrants / Equity shares and to do all acts, deeds, matters and things as it may at its discretions consider necessary or desirable without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board of Directors

Mumbai
Date: 20th June, 2007



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 nō. 4 & 5 and the relevant details in respect of the same are annexed hereto.
3. The Company's Register of Members and share transfer books will remain closed from 7th July, 2007 to 14th July, 2007 both days inclusive.

By Order of the Board of Directors

Mumbai
Date: 20th June, 2007



Director

**Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956
in respect of the Special Business set out in the Notice**

Item No. 1: Increase in Authorised Share Capital of the Company

Present authorized share capital of Rs. 2,00,00,000 is to be increased in order to allot shares on preferential basis to promoters of the company as well as other strategic investors to the tune of Rs. 2,25,00,000. The present paid up capital of the company is Rs. 74,40,000 and therefore the present authorized capital falls short in order to issue and allot new shares. It is therefore proposed to increase the authorized capital to Rs. 5,00,00,000.

Item No. 2: The details of proposed preferential issue of equity shares are as follows:

i) Object of the issue through preferential offer

Nitin Alloys Global Ltd. has formulated expansion plans in terms of enhancing its capacities and has also decided to retire short term high cost debt which will complement its future growth plans. Accordingly, the Company proposes to issue further Convertible warrants and Equity Shares on preferential allotment basis as per the existing guidelines issued by SEBI to raise the required funds.

ii) Intention of the prospective investor to subscribe to the offer

As mentioned above, the Company proposes to make a preferential allotment of 11,00,000 warrants and 11,50,000 Equity Shares of Rs. 10/- each at a price of Rs.25.00 per share for cash (including premium of Rs.15.00) to the proposed allottees who have shown interest in the business and growth opportunities of the Company and hence, have indicated their willingness to subscribe to the offer.

The proposed resolution is an enabling resolution authorizing the Board to issue convertible warrants and Equity shares on preferential basis to proposed allottees.

iii) The intention of the promoters to subscribe to the offer:

The promoters do intend to subscribe to the offer for subscription of 11,00,000 warrants on preferential basis and they have conveyed their intention to the Board.

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iv) *Shareholding Pattern before and after the offer*

The shareholding pattern before and after the above offer is given below :

Category	Shareholding Pattern prior to Allotment as on 20.06.2007		Shareholding Pattern post Allotment (inclusive of convertible warrants)	
	No. of Shares	%	No. of Shares	%
Promoter Group- Indian Promoters	540700	72.67	1640700	54.80
Persons acting in Concert				
Mutual Funds and UTI	NIL	-	NIL	-
Banks, Financial Institutions, Insurance Companies (Central / State Government Institutions / Non-Government Institutions)				
Foreign Institutional Investors	NIL	-	NIL	-
Private Corporate Bodies				
NRI / OCBs				
Indian Public	203300	27.33	1353300	45.20
Foreign Banks	NIL	-	NIL	-
In Transit				
Total :	744000	100.00	2994000	100.00

The aforesaid shareholding pattern may change from time to time depending upon the transfer by the existing shareholders and further issue of capital, if any, by the Company during the said period

There will not be any change in the management control or Constitution of the Board of Directors subsequent to the allotment of Equity Shares on preferential basis.

v) **Proposed time for allotment of Equity Shares**

Allotment of Convertible warrants and Equity Shares is proposed to be made within 15 days of date of passing of this resolution for the allotment by the Company, subject to obtaining in-principle approval for listing of new shares from the Stock Exchanges Mumbai where the shares of the company are listed, in terms of listing agreement.

vi) **Lock-in period**

The Equity Shares proposed to be issued on preferential basis shall be subject to lock-in period as per the SEBI guidelines from the date of its allotment.

vii) Identity and percentage of post Preferential Issued Capital that may be held by proposed allottees

A: Promoters and Promoters Group

Identities of the Proposed Allottees	No. of Warrants to be allotted	Post conversion share holding and percentage assuming no further increase in share capital in-between and allotment of equity shares against all warrants	
		No. of shares	% of total capital
Shalini Nirmal Kedia	206,250.00	270,050.00	9.02%
Nirmal Kumar Varun Kumar (HUF)	206,250.00	266,250.00	8.89%
Bhagirathprasad Purushottamdas (HUF)	137,500.00	177,800.00	5.94%
Shantikumar Nitinkumar (HUF)	50,000.00	116,000.00	3.87%
Nitin Kumar Nipun Kumar (HUF)	137,500.00	197,500.00	6.60%
Suman Nitin Kedia	137,500.00	197,500.00	6.60%
Saroj Shantikumar Kedia	50,000.00	88,600.00	2.96%
Vedanshu Nitin Kedia	80,000.00	110,750.00	3.70%
Nipun Nitin Kedia	95,000.00	110,000.00	3.67%
Total	1,100,000.00	1,534,450.00	51.25%

B: Other strategic Investors

Identities of the Proposed Allottees	No. of shares to be allotted	Post allotment share holding and percentage	
		No. of shares	%
Sanjay Anchaliya	145,000.00	145,000.00	4.84%
Vanita Anchaliya	145,000.00	145,000.00	4.84%
Punit Makharia	25,000.00	25,000.00	0.83%
Gautam Makharia	25,000.00	25,000.00	0.83%
Sanjay Anchaliya (HUF)	110,000.00	110,000.00	3.67%
Shashi Bukalsaria	50,000.00	50,000.00	1.67%
Rajkumari Gupta	50,000.00	50,000.00	1.67%
Kamlesh Kanungo	300,000.00	300,000.00	10.02%
Dimple Kanungo	200,000.00	200,000.00	6.68%
Manoj Purohit	100,000.00	103,100.00	3.44%
Total	1,150,000.00	1,153,100.00	38.51%

viii) Pricing

The issue price of Rs. 25.00 (Rupees Twenty Five only) per Equity Share has been calculated as per the SEBI Guidelines.

The Equity Shares of the company are listed at Bombay Stock Exchange [BSE]. The trading volume in respect of the Equity Shares of the Company during the preceding six months prior to the relevant date is recorded on BSE.

Considering the relevant date (14th June, 2007) for this proposed resolution in terms of the SEBI (DIP) Guidelines, 2000, the price works out to Rs.25.00 per Equity Share determined as follows:

- a. Average of the weekly high and low of the closing prices of the Equity Shares of the company quoted on the BSE during 20th April 2007 till relevant date is :
Rs. 20.20 per share

OR

- b. The average of the weekly high and low of the closing prices of the related shares quoted on the BSE during the two weeks preceding the relevant date :
Rs. 23.90 per share

The Company is proposing to make a preferential allotment at Rs.25.00 per share which is higher than that mentioned at (a) and (b) above. Certificate confirming that the proposed issue of shares on preferential basis is as per the SEBI Guidelines for Preferential Issue is obtained from the Statutory Auditors of the Company.

Conversion Period for Warrants

Within 18 months from the date of issue of the Warrants

Terms of Payment



Atleast 10% of the total consideration shall be paid prior to allotment of the warrants and balance shall be paid by the warrant holders as and when they exercise the option of conversion of warrants into the equity shares but not later than 18 months from the date of allotment of the warrants. In case of allotment of the equity shares entire amount become payable in cash at the time of allotment of the shares to respective allottees.

General

The aforesaid proposed allotment does not result into any change in the management control of the Company.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956, Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2002, and in terms of the provisions of the Listing Agreement to issue and allot Warrants / Equity Shares as stated in the Special Resolution.

Copies of Memorandum and Articles of Association of the Company shall be available for inspection on all working days between 11 a.m. to 2:00 p.m. at the registered office of the Company.



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1. A copy of the Auditors' Certificate certifying that the issue of Preferential Shares/convertible warrants is being made in accordance with the requirements contained in the Guidelines for Preferential Allotment under Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2002 mentioned aforesaid.

(This will also be laid before the General Meeting).

2. Letters dated 15th June, 2007 from identified persons appearing under the head "NAMES OF THE PROPOSED ALLOTTEES" that they have not sold any of their existing shareholdings, if any, during the period of 6 months prior to the Relevant Date and that their entire shareholding is in the dematerialized form.

This requires members' approval by way of special resolution. The directors recommend the passing of the special resolution and seek the approval of shareholders.

None of the Directors in the Company are concerned or interested in the resolution.

By Order of the Board of Directors



Director

Thane

Date: 20th June, 2007

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