

Nitin Alloys Global Limited

25th Annual Report

2007-2008



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
Advocate & Solicitor

Office

Prestige Precinct, 3rd Floor,
Almeida Road, Thane (West),
Thane – 400 601

Works

Plot No. 183/1, Surangi Road,
Surangi, Silvassa,
Dadra & Nagar Haveli – 396 230

Registrar & Share Transfer Agent

Sharex Dynamic (India) Pvt. Ltd.
Unit No. 1, Luthra Indl. Premises,
Andheri-Kurla Road, Safed Pool,
Andheri (East), Mumbai – 400 072

Notice

Notice is hereby given that the Twenty Fifth Annual General Meeting of the **Nitin Alloys Global Limited**, the Company will be held at Hotel SHARRANAM , Eastern Express Highway, Service Road, Near New R.T.O. Opp. Ramkrishna Nagar, Thane (W) – 400 604 on Tuesday the 12th August 2008 at 10.30 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, 2008 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 Directors in place of Mr. Nirmal B Kedia 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.

By Order of the Board of Directors

Place : Thane
Date : 28th June, 2008

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. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
3. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their folio number in attendance slip in attending the Meeting.
4. Incase of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Company's Register of Members and share transfer books will remain closed from 5th August, 2008 to 12th August, 2008 both days inclusive.

By Order of the Board of Directors

Place : Thane
Date : 28th June, 2008

Sd/-
Director

Directors' Report

To,
The Members,
Your Directors have pleasure in submitting the 25th Annual Report on the business and operation of the Company along with the Audited Accounts for the financial year ended 31st March, 2008.

Financial Result :

The performance of the Company for the financial year ended 31st March, 2008 is summarized below :

Financial Results	(Rupees in Lacs)	
	Current	Previous
a. Total Income	4,834.10	2,547.66
b. Total Expenditure	4,516.69	2,318.94
c. Profit before depreciation	317.41	228.72
d. Profit before Taxes	259.40	199.44
e. Profit after Taxes	173.36	153.00
f. Add : Balance brought forward from previous year	508.14	355.14
g. Balance carried to Balance Sheet.	681.51	508.14

Operating Result & Profit :

During the year, the company has scaled new heights and set new benchmarks in terms of Sales, Profits, Net Worth and Assets. This was land mark year for the company as it delivered record financial and operating performance amidst challenging and volatile market conditions.

During the year under review, your Company has registered a turnover of Rs. 4,834.10 Lacs as against Rs. 2,547.66 Lacs in previous year representing an increase of 89.75%. Profit before taxes increased by 30.06% from Rs. 199.44 Lacs to Rs. 259.40 Lacs and profit after taxes are Rs 173.36 Lacs as compared to Rs. 153.00 Lacs in the previous year registering a growth of 13.31%.

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 inspite of profit made during the financial year ending 31st March, 2008. Your Directors feels that plough back of profit into the business will reward share holders positively in future.

Listing of Shares and Dematerialisation :

The Company's shares are listed and traded at Bombay Stock Exchange (BSE) and its scrip code is 508875 and ISIN No. INE861H01012

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.

Expansion :

The Company has successfully completed the expansion process of its increase in production capacity. The Company has increased its product range and also entered into the field of

manufacturing of Centrifugal Castings. The Commercial production with the enhanced capacity has already commenced. However the full benefit of the expansion shall accrue in the years to come.

Preferential Issue of Equity Shares :

The company has allotted 11.50 lacs equity shares of Rs.10/- each on preferential basis on 8th Septemebr, 2007 as per SEBI Guidelines of Which 4.90 lacs Equity shares stand cancelled subject to approval from Honorable Bombay High Court, as approved by the shareholders in EGM dated 21.01.2008. The company has also allotted 11 lacs preferential Equity warrants to the promoters group during the year which will be convertible in shares after 18 months from the date of allotment.

Fixed Deposit :

During the year under review, the Company did not raise 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 Companies Act, 1956 and the Articles of Associations of the Company, Mr. Nirmal B. Kedia 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.

Particulars of Employees :

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employee) Rules, 1975, names and other particulars of the employees are required to be set out in the annexure to this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Annual Accounts of the Company sent to the shareholder do not contain the said annexure. Any shareholders desirous of obtaining a copy of the said annexure may write to the Company at the Registered Office of the Company.

Conservation of Energy and Technology Absorption and Foreign Exchange Earning & Outgo :

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. The 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. The Company is adopting the modern technology for expansion of the capacity which will provide cost reduction and improvement in manufacturing process.

The information regarding the foreign exchange earnings and outgo is contained in note no. (i) of Schedule 19 to the Notes to Accounts.

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 fair view of the state of affairs of your Company as at 31st March 2008.
- (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

Place: Thane

Date : 28th June, 2008

Sd/-
Director

Auditors' Report

The Members,
Nitin Alloys Global Limited
Thane

- 1) We have audited the attached Balance Sheet of **Nitin Alloys Global Limited** as at 31st March 2008, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of 'The Companies Act, 1956' and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the attached Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to in paragraph 3 we report as follows:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet and Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account ;
 - d) In our opinion, the Balance Sheet and the Profit and Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) Based on the written representations made by the Directors as on 31st March, 2008 and taken on record by the Board of Directors of the Company and the information and explanations given to us, none of the directors is, as on 31st March, 2008, prima-facie disqualified from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

- f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the generally accepted accounting principles in India:
- (i) In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2008;
 - (ii) In the case of Profit and Loss Account of the profit of the Company for the year ended on that date.
 - (iii) In the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For Jajodia & Company
Chartered Accountants

Sd/-
Dinesh Jajodia
Proprietor
Membership No. 101008
Mumbai, the 28th day of June, 2008