

NITIN

A Kedia ENTERPRISESE



Nitin Alloys Global Limited

26th Annual Report

2008-2009

Board of Directors

1. Mr. Nirmal B. Kedia – Chairman
2. Mr. S.L. Agarwal – Wholetime Director
3. Mr. Nitin S. Kedia – Director
4. Mr. Deven M. Doshi – Director
5. 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, Silvassa,
Dadra & Nagar Haveli – 396 230

Registrar & Share Transfer Agent

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

Notice

Notice is hereby given that the **Twenty Sixth** 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 (West) – 400 604 on Thursday the 16th July 2009 at 11.00 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, 2009 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 B. Jalan who retires by rotation and being eligible, offers him self for re-appointment.
3. To appoint Statutory Auditor of the company 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:

1. To appoint a Director in place of Mr. Nitin S. Kedia who was appointed an Additional Director of the company by the Board of Directors with effect from 10th November, 2008 under section 260 of the companies Act ,1956,(the Act) and who holds office upto the date of forthcoming Annual General Meeting but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director under the provisions of section 257 of the Act.
2. To appoint a Director in place of Mr. Deven M. Doshi who was appointed an Additional Director of the company by the Board of Directors with effect from 10th November, 2008 under section 260 of the companies Act ,1956,(the Act) and who holds office upto the date of forthcoming Annual General Meeting but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director under the provisions of section 257 of the Act.

By Order of the Board of Directors

Nirmal B. Kedia
Director

Thane, the 20th June, 2009

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 on attendance slip while 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 9th July, 2009 to 16th July, 2009 both days inclusive.
6. As per the provisions of the Companies Act, 1956, facility for making nominations is available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Share Registrar of the Company.
7. Shareholders desiring any information as regards the Accounts are requested to write to the company at an early date so as to enable the management to keep the information ready at the meeting.

By Order of the Board of Directors

Nirmal B. Kedia

Director

Thane, the 20th June, 2009

Annexure to Notice

1. As required by the section 173 of the Companies Act ,1956 (hereinafter referred to as "the Act") the following Explanatory statement set out all material facts relating to the business mentioned under item nos. 4 & 5 of the accompanying Notice dated 20th June 2009.
2. Item Nos.4 & 5: Mr. Nitin S. Kedia and Mr. Deven M. Doshi were appointed Additional Directors by the Board with effect from 10th day of November, 2008.
3. In terms of Section 260 of the Companies Act and Article 121 of the Company's Articles of Association Mr. Nitin S. Kedia and Mr. Deven Doshi hold office as directors only till the date of the forthcoming Annual General Meeting, but are eligible for appointment. Notices have been received from members as required by section 257 of the Act, signifying their intention to propose the candidature of Mr. Nitin S. Kedia and Mr. Deven Doshi for the office of the Director.
4. Mr. Nitin S. Kedia, aged 49 years is qualified as B.E.(Mech.) having experience of more than 20 years in the same field and he is associated with the company as a technical executive from the year 2003 . He is looking after the production and technical matters of the company since last 6 years. The Board believes that Mr. Nitin S Kedia's participation as a Director on the Company's Board will add considerable value to the growth of the Company.
5. Mr. Deven M. Doshi, aged 49 years is qualified as F.C.A. having experience of 25 years in the field of Account Finance, Audit and Law matters and was associated with the company as a consultant to look after the legal issues in Taxation and Finance of the company since last more than 6 years. The Board believes that Mr. Deven M. Doshi's participation as a Director on the Company's Board will provide valuable support and guidance to Company's growth.
6. The Board considers it desirable that the Company should continue to avail itself of the services of the above Directors and accordingly commends the resolutions at item Nos.4 & 5 for approval by the Members.
7. None of the Directors other than Mr. Nitin S. Kedia and Mr. Deven M. Doshi are interested in their respective Resolutions.

Director's Report

To,

The Members,

Your Directors have the pleasure in submitting the 26th Annual Report on the business and operation of the Company along with the Audited Accounts for the financial year ended 31st March, 2009.

Financial Result

The performance of the Company for the financial year ended 31st March, 2009 is summarized below:

<i>Rupees in Lacs</i>		
Particulars	Current Year	Previous Year
Total Income	4,406.29	4,834.10
Total Expenditure	4,050.06	4,516.69
Profit before Depreciation & Taxes	356.23	317.41
Provision for Depreciation	80.70	58.02
Profit before Taxes	275.53	259.39
Provision for Taxes including FBT & Deferred Tax	93.50	86.03
Profit after Taxes	182.03	173.36
Add : Balance brought forward from previous year	681.50	508.14
Balance carried to Balance Sheet.	863.53	681.50

Global Economy

The Global economic activity slowdown since the year 2008 against the backdrop of the financial turmoil and deepening US downturn. The unfolding of the sub-prime mortgage crisis coupled with growing concern about a contraction in economic activity in US had a cascading effect on Global growth. The heat of the Global downturn has not left our country untouched and the effect of the same has been felt as the Indian economy grew by 6% in 2008-09 as compared to 8.7% in 2007-08. However the recent lead indicators point to slackening of momentum as consumer and business sentiment has weakened.

Business Results

During the year under review, your Company has registered a turnover of Rs. 4,406.29 Lacs as against Rs. 4,834.10 Lacs in previous year representing a decrease of 8.85%. Profit before taxes increased by 6.22% from Rs. 259.39 Lacs to Rs. 275.53 Lacs and profit after taxes are Rs 182.03 Lacs as compared to Rs. 173.36 Lacs in the previous year registering a growth of 5.00%.

The decrease in turnover was due to the substantial fall in the price of raw material due to the global meltdown during the year as compared to last year. At the same time rate of excise duty has also been decreased from 16% to 8% which has also resulted in lower turnover figure as gross sales is shown which includes excise element also. In fact the performance of company has improved in terms of profitability.

Dividend

The Board is of the opinion that due to Global turmoil, new challenges before the company has arisen to manage with own resources in the years to come till the revival takes place in economy. Therefore in order to strike a balance between the need to sustain for a secure future , your directors have not recommended any payment of dividend inspite of profit made during the financial year ending 31st March, 2009. Your Directors feels that plough back of profit into the business will reward share holders positively in future.

Listing Of Shares and Dematerialization

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

Safety

The Management is committed to ensure safety of its employees, plant and community at all its operations. The safety Management system has been established, communication, involvement, motivation, skill development, training and health have been identified as the key drivers for safe working environment. These initiatives have resulted in reducing the injuries and lost time significantly.

Future Outlook

The Management of the Company is of the opinion that future outlook is very challenging for sustaining the growth in the current year .However your Company has already established its position in the market and does not foresee any big problem in achieving the desired result. Since company has successfully completed its expansion last year and therefore due to increase in product range, your company will be at an advantage even in Global Slowdown of Economy.

Convertible Share Warrant Cancellation

The company has forfeited all the share warrants allotted and the amount received on it has been transferred to capital reserve.

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

The Company has always been socially conscious corporate, and has always carried forward all its operations and procedures following environment friendly norms with all necessary clearances.

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. Arvind B. Jalan retires by rotation and being eligible, offer himself for re-appointment. Further with a view to broad base its Board, the company has appointed Mr. Nitin Kedia and Mr. Deven Doshi as directors of the company.

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.

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 has adopted the modern technology in expansion of the capacity which has provided cost reduction and improvement in manufacturing process. However it has always been the continuous ongoing process to improve technology in production process and give importance to maintain standard in quality product to the highest level of satisfaction to customer.

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. It does not require any comment as there is no qualification in reports.

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 member 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 true and fair view of the state of affairs of your Company as at 31st March 2009.
- (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 be 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

Nirmal B. Kedia

Director

Thane, the 20th June, 2009