



Nitin Alloys Global Limited

27th Annual Report

2009-2010

Board of Directors

Mr. Nirmal B. Kedia	—	Chairman
Mr. S. L. Agarwal	—	Wholetime Director
Mr. Nitin S. Kedia	—	Director
Mr. Deven M. Doshi	—	Director
Mr. Arvind B. 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 Seventh 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 **Tuesday the 10th August, 2010 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, 2010 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. Deven M. Doshi who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Nitin S. Kedia who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.
5. To consider, discuss, approve and / or pass any other matter with the permission of chairman of the meeting.

Special Business:

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:
 - a) "RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 and rules and regulations there under, or any statutory modification(s) or any amendment or substitution or re-enactment thereof, consent of the Company be and is hereby accorded to appointment of Mr. Nipun Kedia (a relative of Company's Director Mr. Nitin Kedia) to hold and continue to hold an office or place of profit in the Company as a Director, for a monthly salary of Rs. 22,000/- (Rs. Twenty Two Thousand only) and other allowances, perquisites, benefits, and other amenities, with effect from 1st June, 2010."
 - b) "RESOLVED FURTHER THAT the Board and is hereby authorized to settle any question, difficult or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto."

By Order of the Board of Directors

Nirmal B. Kedia
Chairman

Thane, the 15th July, 2010

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 **3rd August, 2010 to 10th August, 2010** 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
Chairman

Thane, the 15th July, 2010

Explanatory Statement:
(Pursuant to section 173(2) of the companies Act, 1956)

Mr. Nipun Kedia (a relative of Company's Director Mr. Nitin Kedia) has completed his Mechanical Engineering in the year 2008 from the Carnegie Mellon University, of Pittsburgh in U.S.A. The Board of Directors of the Company at its meeting held on 31st May, 2010 had approved, subject to the approval of the shareholders of the Company, the appointment of Mr. Nipun Kedia (a relative of Company's Director Mr. Nitin Kedia) as a Director of the Company with effect from 1st June, 2010, on the following remuneration structure.

Particulars	Amount in Rs.	
	Per month	Per annum
Basic Salary	22,000	264,000
House Rent Allowance	11,000	132,000
Conveyance Allowance	3,000	36,000
Medical Reimbursement	2,000	24,000
Special Allowance	2,000	24,000
Provident Fund Contribution	2,640	31,680
Total	42,640	511,680

In terms of section 314(1)(B) of the Companies Act, 1956, appointment of a relative of the Directors of a Company shall not hold any office or place of profit in that Company unless the same is approved by the shareholders by a Special Resolution at their meeting. Approval of the Central Government shall not be required for appointment of Mr. Nipun Kedia, under section 314(1B) of the Companies Act, 1956 and Director's Relatives (Office or Place of Profit) Rules, 2003, as the monthly remuneration payable to him does not Exceed Rs. 50,000/- (Rs. Fifty Thousand Only).

Accordingly, approval of the shareholders is sought under section 314 and any other applicable provisions, if any, of the Companies Act, 1956, for appointment of Mr. Nipun Kedia to hold an office or place of profit as a Director, with effect from 1st June, 2010.

Your Directors recommend the Special Resolution set out in the notice under Item No. 6 for approval of the shareholders.

Except Mr. Nitin Kedia, Director of the Company may be deemed to be interested or concerned in the Special Resolution under item no. 6, except as a member, if any, of the Company.

Directors' Report

To,

The Members,

Your Directors have the pleasure in submitting the **Twenty Seventh Annual Report** on the business and operation of the Company along with the Audited Accounts for the financial year ended 31st March, 2010.

Financial Result

The performance of the Company for the financial year ended 31st March, 2010 is summarized below:

Particulars	Rupees in Lacs	
	Current Year	Previous Year
Total Income	2,660.79	4,406.29
Total Expenditure	2,343.92	4,050.06
Profit before Depreciation & Taxes	316.87	356.23
Provision for Depreciation	83.78	80.70
Profit before Taxes	233.09	275.53
Provision for Taxes including FBT & Deferred Tax	78.35	93.50
Profit after Taxes	154.74	182.03
Add : Balance brought forward from previous year	863.53	681.50
Balance carried to Balance Sheet.	1,018.27	863.53

Global Economy

The slowdown in the global economy especially with respect to US still facing the heat all over the world, our country and industry also has felt the cascading effect of the same. The growth momentum in industry has been slow, as consumer and business sentiment has weakened.

Business Results

During the year under review, your Company has registered a turnover of Rs. 2,660.79 Lacs as against Rs. 4,406.29 Lacs in the previous year. The Profit before taxes are Rs. 233.09 Lacs and profit after taxes are Rs 154.74 Lacs.

The decrease in turnover was due to the fall in the price of raw material and due to the global slowdown. In fact the performance of company has improved in terms of profitability margin due to effective cost controls.

Dividend

Your Directors have not recommended any payment of dividend during the financial year ended 31st March, 2010. Your Directors are of the opinion that plough back of profit into the business will reward share holders suitably 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 the future out look is bright for sustaining the growth in the current year. Your Company has already established its position in the market and does expect better results.

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 as usual 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. Deven M. Doshi and Mr. Nifin S. Kedia retires by rotation and being eligible, offer themselves for re-appointment. Further with a view to broad base its board the company has appointed Mr. Nipun N. Kedia as Director 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 or 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 are not given as none of the employee is covered under the said provisions of the act.

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 modern technology in expansion of the capacity which has provided cost reduction and improvement in manufacturing processes to maintain highest standard in quality and customer satisfaction.

The information regarding the foreign exchange earnings and outgo is contained in note no. (i) of Schedule 18 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 a fair view of the state of affairs of your Company as at 31st March 2010.
- (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, Statutory Auditor of the Company, holds office until the conclusion of the ensuing Annual General Meeting and is recommended for re-appointment and to fix 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

Thane, the 31st day of May, 2010

Nirmal B. Kedia
Chairman

Management Discussions and Analysis forming part of Directors' Report for the year ended 31st March, 2010.

Industry Structure and Development

The Company caters the need of core sector industries like Cement, Fertilizer, Iron & steel, Petrochemical and Engineering Industries etc. The customer base of Company is wide on selective basis hence it has been able to perform with better margin despite lower turnover.

Opportunities & threats

The Company's main thrust is to satisfy the requirement of existing and potential customer in timely manner and at reasonable price. The Company does not foresee any threat, as Company is working with modern technology and continues on development of quality products as per the need of market to averse the risk of slow down.

Outlook

The industrial indices of industry have started showing signs of recovery. The industry is on the path of recovery due to fiscal measures announced by the Government. The chances of achieving the desired growth rate is almost certain as the sectors served by your Company is on the right track of growth. With better cost control and management, the company expects better performance.

Risk and Concerns

The Company considers good corporate governance as a pre-requisite for meeting the needs and aspiration of its shareholders. The main risk to the Company which may arise is mainly due to Government policies and decisions, Fluctuations in prices of Raw materials, Exchange rate fluctuations, Industries demand etc.

Segment or Product wise Performance

The Company is operating in one segment known as Alloys Steel Castings in the range of static and centrifugal. The product wise comparison is not possible as every product is specific as per order and to the size, shape and alloy mix. Therefore performance of the Company has to be seen in overall manner.

Internal control System and their Adequacy

The Company has developed adequate internal control system commensurate to its size and business. The Company has appointed Internal Auditors, an outside independent agency to conduct the internal audit to ensure adequacy of internal control system, compliance of rules and regulations of the country and adherence to the management policies.

Financial Performance with respect to Operational Performance

The Company has registered a turnover of Rs. 2,660.79 Lacs and Profit before depreciation and tax of Rs. 316.87 Lacs. The depreciation provided during the year was Rs. 83.78 Lacs and provision for taxes was Rs 78.35 Lacs, the Net Profit for the year after tax was Rs. 154.74 Lacs.

Goal

The goal is to align all sections of the organization internally to generate even better customer value propositions and returns for share holders.

Human Resources

During the year, Company maintained harmonious and cordial industrial relations. No man days were lost due to strike, lock out etc.

Disclosure by the Senior Management Personnel i.e. one level below the board including all HOD's

None of the senior Management Personnel has financial and commercial transaction with the Company, where they have personal interest that would have a potential conflict with the interest of the Company at large.

Cautionary statement

The statements in this management discussion and analysis describing the outlook may be "forward looking statement" within the meaning of applicable laws and regulations. Actual result might differ substantially or materially from those expected due to the developments that could affect the company's operations. The factors like significant change in political and economic environment, tax laws, litigation, technology, fluctuations in material cost etc. may deviate the outlook and result.

Report on Corporate Governance forming part of Directors' Report

A Brief Statement on Company's' philosophy on code of Corporate Governance

The Philosophy of the Company in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms fully to law, regulations and guidelines, and to promote ethical conduct throughout the organization with the primary objective of enhancing shareholders value while being a responsible corporate citizen.

The Company firmly believes that any meaningful policy on the Corporate Governance must provide empowerment to the executive management of the Company and simultaneously create a mechanism of checks and balance which ensures that the decision making power vested in the executive management are used with care and responsibility to meet shareholders aspirations. The Company is committed to attain the highest standard of Corporate Governance.

Board of Directors

The total strength of the Board as on 31st March, 2010 was five Directors as detailed herein below:

Sr. No.	Name	Designation	Category (Wholetime / Executive / Non Executive / Independent)
1	Mr. Nirmal B. Kedia	Chairman	Executive
2	Mr. S. L. Agarwal	Whole-time Director	Whole time
3	Mr. Nitin S. Kedia	Director	Executive
4	Mr. Arvind B. Jalan	Director	Independent-Non Executive
5	Mr. Deven M. Doshi	Director	Independent- Non Executive

Board Meetings and Annual General Meeting

During the financial year 2009-10, Seven Board Meeting were held on 15th April, 2009, 20th June, 2009, 30th June, 2009, 31st July, 2009, 31st August, 2009, 31st October, 2009, 30th January, 2010, and the Annual General Meeting was held on 16th July, 2009.

The attendance of each Director in the Board Meeting and Annual General meeting is detailed herein below.

Sr. No.	Name of Directors	No. of meetings held during the tenure of Director in FY 2009-10	No. of Board Meetings attended during FY 2009-10	Attendance at the AGM held on 16-07-2009
1	Mr. Nirmal B. Kedia	3	3	Yes
2	Mr. S. L. Agarwal	7	4	Yes
3	Mr. Nitin S. Kedia	7	4	No
4	Mr. Arvind B. Jalan	7	7	Yes
5	Mr. Deven M. Doshi	7	4	Yes

As per clause 49 the above details are required to be disclosed for the following three committees

- 1) Audit Committee
- 2) Shareholders / Investors Grievance Committee
- 3) Remuneration Committee

None of the Director of the Board is a member of more than ten Committees and Chairman of more than five committees as per clause 49(IV)(B) across all companies in which they are Directors.

Board Committees

The Company in conformity with code of corporate Governance has constituted the following committees: