



Nitin Alloys Global Limited

30th Annual Report

2012-2013

Board of Directors

Mr. Nirmal B. Kedia	–	Chairman
Mr. Shyamlal K. Agarwal	–	Wholetime Director
Mr. Nitin S. Kedia	–	Director
Mr. Nipun N. 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

Registered Office

A-232, Building No. 3,
Rahul Mittal Industrial Estate,
Sir. M. V. Road, Andheri (East),
Mumbai – 400 059

Corporate Office

Prestige Precinct, 3rd Floor,
Almeida Road, Panchpakhadi,
Thane (West) – 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 **Thirtieth Annual General Meeting** of the **Nitin Alloys Global Limited**, the Company will be held at **Hotel Satkar Residency, Pokhran Road No. 1, Next to Cadbury, Thane (West) - 400 606** on **Thursday the 19th September, 2013 at 1.00 p.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, 2013 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. Nitin Kedia who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Deven Doshi 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.

By Order of the Board of Directors

Nipun Kedia
Director

Thane, the 30th day of May, 2013

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 **13th September, 2013 to 19th September, 2013** 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

Nipun Kedia
Director

Thane, the 30th day of May, 2013

Directors' Report

To,
The Members,
Your Directors have the pleasure in submitting the **Thirtieth Annual Report** on the business and operation of the Company along with the Audited Accounts for the financial year ended 31st March, 2013.

Financial Result

The performance of the Company for the financial year ended 31st March, 2013 is summarized below:

₹ in Lacs

Particulars	Current Year	Previous Year
Total Revenue	3,474.34	3,452.29
Total Expenditure	3,177.63	3,144.92
Earnings before Depreciation and Taxes	296.71	307.37
Depreciation and Amortization	84.65	97.49
Earnings before Taxes	212.06	209.88
Tax expenses including Deferred tax	68.80	68.27
Profit after Taxes	143.26	141.61
Add : Balance brought forward from previous year	1,305.61	1,164.01
Balance carried to Balance Sheet	1,448.87	1,305.62

Global & Indian Economy

The global economic scenario in financial year 2012-13 continued to be fraught with challenges. Major economies witnessed slower growth and the Eurozone was full of uncertainty. An Indian economy also seen shortfall crisis due to persistence of high rates of inflation and the direct impact this may have had on profitability and through that on investment behavior. However, in recent months, there are some sign of conditions stabilizing and a gradual improvement in the global economic environment.

Business Results

During the year under review, your Company has registered a turnover of ₹ 3,474.34 Lacs as against ₹ 3,452.29 Lacs in the previous year. The Profit before taxes in the current year is ₹ 212.06 Lacs as against ₹ 209.87 Lacs in the previous year and profit after taxes are ₹ 143.26 Lacs as against ₹ 141.61 Lacs in the previous year.

Dividend

Your Directors have not recommended any payment of dividend during the financial year ended 31st March, 2013. 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.

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. Nitin Kedia and Mr. Deven Doshi retires by rotation and being eligible, offer themselves 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 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 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.

Foreign Exchange Earning and Outgo

The information regarding the foreign exchange earnings and outgo is contained in Note no. 1(i) 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 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:

- That in presentation of the Annual Accounts, applicable Accounting Standards has been followed.
- 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 2013.

- (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.

Statutory 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.

Cost Auditors

The Board of Directors has approved the appointment of M/s. Dilip Bathija & Associates, Cost Accountants, as Cost Auditors, for conducting Cost Audit in relation to Alloys Steel Castings manufactured by the Company for the financial year ended March, 2013 and for issuance of Compliance Report for the financial year ended March 31, 2013 under the Companies (Cost Accounting Records) Rules, 2011.

Management Discussion and Analysis and Corporate Governance Report

In compliance with clause 49 of the Listing Agreement entered in with the Stock Exchanges, a separate section on Management Discussion and Analysis that includes details on the state of affairs of the Company as required to be disclosed in the Directors Report forms part of this Annual Report. Further, the Corporate Governance Report, as approved by the Board of Directors, together with a certificate from the Statutory Auditors confirming the compliance with requirements of Clause 49 of the Listing Agreement also forms part of Annual Report.

Acknowledgements

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

The Directors would also like to thank their 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 the Management.

By Order of the Board of Directors

Nipun Kedia
Director

Thane, the 30th day of May, 2013

Management Discussions and Analysis forming part of Directors' Report for the year ended 31st March, 2013

Industry Structure and Development

The global economic scenario in financial year 2012-13 continued to be fraught with challenges. Major economies witnessed slower growth and the Eurozone was full of uncertainty.

In the FY 2012-13 Indian economic growth fell to about 5% from 6.6% a year ago in the wake of draught-hit agriculture output, serious problems in the global markets hitting merchandise exports, high cost of borrowing that hit the industrial output along with other issues and a perception of a policy paralysis among the global investors.

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

Opportunities & threats

India maintained its growth momentum on the foundation of relatively strong fundamentals of the economy. 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

In the wake of the Indian economy anticipated to grow at around 6.1% during the fiscal 2013-14 on account of robust domestic demand, strong savings and investment rate. The business prospects for the coming years look satisfactory on positive note. The structural position of the Indian economy also seems to be stable with a manageable fiscal deficit and current account deficit.

Under such circumstances, business gives right signals of growth & improvement and to avail of all such growth opportunities. The Board, therefore, considers that the Company should be managed in a controlled manner.

Risk and Concerns

The factors like slowdown in the infrastructure investment can lead to lower order intake. The other factor like power shortages and its cost; increase in labour cost and transportation cost due to petrol/diesel price increase etc. could contribute to inflation. 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 Political unrest in country, Government policies and decisions, Fluctuations in prices of Raw materials, Exchange rate fluctuations, Industry 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 and the Company has done reasonably well in the present scenario.

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 ₹. 3,474.34 Lacs and Profit before depreciation, amortization and tax of ₹. 296.71 Lacs. The depreciation & amortization provided during the year was ₹. 84.65 Lacs and provision for taxes was ₹. 68.80 Lacs, the Net Profit for the year after tax was ₹. 143.26 Lacs.

Goal

The main goal of the company to set and achieve highest standard in performance and quality. The goal is to align all sections of the organization internally to generate even better customer value propositions and returns

for share holders. The goal is also to set and maintain high safety and environment norms for the company.

Human Resources

Human resources are integral and important part for the Company. It has put in place sound policies for the growth and progress of its employees. 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

Corporate Governance is about commitment to value and ethical business conduct. The Company believes in its continued faith in fundamentals of fairness, accountability, disclosures and transparency, in all its transactions in the widest sense and meets its stake holder's aspiration and societal expectations.

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. Good governance practices stem from the culture and the mindset of the organization.

The demand for corporate governance requires maximizing long term value of the stake holders and of the Company along with protecting interest of minority shareholders. It also ensures professionals to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources effectively with highest standard of ethics. The Company strives to adopt world class operating practices.

Board of Directors

The total strength of the Board as on 31st March, 2013 was Six Directors as detailed herein below:

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

Board Meetings and Annual General Meeting

During the financial year 2012-13, Eight Board Meeting were held on Wednesday, May 30, 2012; Tuesday, July 31, 2012; Thursday, August 23, 2012; Wednesday, October 31, 2012; Monday, November 05, 2012; Saturday, December 15, 2012; Thursday, January 31, 2013; Wednesday, March 20, 2013 and the Annual General Meeting was held on Thursday, August 23, 2012.

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 2012-13	No. of Board Meetings attended during FY 2012-13	Attendance at the AGM held on 23-08-2012
1	Mr. Nirmal Kedia	8	7	Yes
2	Mr. S. L. Agarwal	8	7	Yes
3	Mr. Nitin Kedia	8	7	No
4	Mr. Nipun Kedia	8	7	Yes
5	Mr. Arvind Jalan	8	7	Yes
6	Mr. Deven Doshi	8	5	No

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