



Nitin Alloys Global Limited

31st Annual Report

2013-2014

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	–	Independent Director
Mr. Arvind B. Jalan	–	Independent Director

Bankers

State Bank of India
Indian Overseas Bank

Auditors

Tajodia & 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 **Thirty First Annual General Meeting** of the **Nitin Alloys Global Limited**, the Company will be held at **Hotel Archana Residency, Next to R-Mall/Big Bazar, L.B.S. Marg, Mulund (West), Mumbai – 400 080 on Thursday the 28th August, 2014 at 11.00 a.m.**, to transact the following business:

Ordinary Business:

- To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
- To appoint a Director in place of Mr. Nirmal Kedia who retires by rotation and being eligible, offers himself for re-appointment.
- To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT M/s. Jajodia & Company, Chartered Accountants (Firm Registration Number 121911W), be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

Special Business:

- To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Dilip M. Bathija, Cost Accountants (Membership No. 10904) appointed as the Cost Auditors of the Company for audit of the cost accounting records of the Company for the financial year ending 31st March, 2015, be paid remuneration amount to ` 40,000/- (Rupees Forty Thousands Only) excluding out of pocket expenses, if any.

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

“RESOLVED THAT pursuant to Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof for the time being in force, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies which, together with the monies already borrowed by the Company (apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose provided that the total amount so borrowed by the Board shall not, at any time exceed the sum or ₹ 50 Crore (Rupees Fifty Crore) over and above the aggregate of the paid up capital of the Company and its free reserve.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above the Board of Directors of the Company and / or Committee of Directors constituted for this purpose be and is hereby authorized to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed resolution and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith.”

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

“RESOLVED THAT pursuant to Section 372A of the Companies Act, 1956 / Section 186 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), if any, the consent of the members be and is hereby accorded to the Board of Directors to make any loans or investments and to give any guarantees or to provide security in connection with a loan made by any other person to, or to any other person by, a body corporate as the Board of Directors may think fit, for an amount not exceeding Rs. 50 Crore (Rupees Fifty Crore only) as detailed in the attached explanatory statement, notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits

prescribed under section 372A of Companies Act 1956 / Section 186 of Companies Act, 2013 as in their absolute discretion deem beneficial and in the interest of the Company.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above the Board of Directors of the Company and / or Committee of Directors constituted for this purpose be and is hereby authorized to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investments or loans made or guarantees given or securities to be provided and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith.”

- 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

Mumbai, the 30th day of May, 2014

Director

Notes:

- 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.
- Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
- 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.
- Incase of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- The Company's Register of Members and share transfer books will remain closed from **25th August, 2014 to 28th August, 2014** both days inclusive.
- 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.
- 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

Mumbai, the 30th day of May, 2014

Director

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. : 4 :

The Board of Directors at its meeting held on 30th May, 2014 appointed Mr. Dilip M. Bathija, Cost Accountants (Membership No. 10904), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2015, at a remuneration amounting to ₹ 40,000/- (Rupees Forty Thousands only) excluding out of pocket expenses, if any. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor shall be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out in Item No. 16 for ratification by the shareholders at the ensuing Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolution as set out at Item No. 4 of this Notice.

Item No. : 5 :

Pursuant to Section 180 (1)(c) of the Companies Act 2013 (the New Act), the Board of Directors of a company can borrow money subject to consent of the shareholders by a special resolution, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business. The said provision of the New Act is similar to the provisions of Section 293(1)(d) of the Companies Act 1956 (Old Act), except that the approval of the shareholders is through a special resolution instead of ordinary resolution specified under the Old Act.

In this respect, the permission from members is sought to enable the Board of Directors with powers for borrow money whenever required on need basis up to an amount of Rs. 50 Crore.

Directors, Key Managerial Personnel and their relatives who are members of the Company, may be deemed to be concerned or interested in this Resolution to the extent of their respective shareholding in the Company to the same extent as that of every other member of the Company.

Your Directors recommend the Resolution in item no. 5, as a Special Resolution for your approval.

Item No. : 6 :

As per companies Act 1956 ("Act 1956"), a company can give a loan to bodies corporate or give any guarantees or make investments in the securities of any other body corporate with the approval of the Board of Directors if the same is within the permissible limit of either 100% of free reserves or 60% of the paid up share capital and free reserves. Inter-corporate loans and investments can be made above the aforesaid limits if the company has prior approval from its members by a special resolution.

In this respect, the permission from members is sought to enable the Board of Directors with powers for making further investment/loans/guarantees and providing securities.

These investments, loans, guarantees and securities are made / proposed to be made out of own /surplus funds internal accruals / borrowed funds, the objectives of which is optimum utilization of funds of the Company and also to achieve long term strategic and business objectives. The investments, loans, guarantees and securities will be made on terms and conditions most beneficial to the Company and at prevailing markets rates.

The Directors are satisfied that this resolution would be in the interest of the Company and its members and accordingly recommend the Resolutions for your approval.

Your Directors recommend the Resolution in item no. 6, as a Special Resolution for your approval.

Directors, Key Managerial Personnel and their relatives who are members of the Company, may be deemed to be concerned or interested in this Resolution to the extent of their respective shareholding in the Company to the same extent as that of every other member of the Company.

By Order of the Board of Directors

Mumbai, the 30th day of May, 2014

Director

Directors' Report

To,

The Members,

Your Directors have the pleasure in submitting the **Thirty First Annual Report** on the business and operation of the Company along with the Audited Accounts for the financial year ended 31st March, 2014.

Financial Result

The performance of the Company for the financial year ended 31st March, 2014 is summarized below: ₹ in Lacs

Particulars	Current Year	Previous Year
Total Revenue	3,640.07	3,474.34
Total Expenditure	3,415.37	3,177.63
Earnings before Depreciation and Taxes	224.70	296.71
Depreciation and Amortization	83.67	84.65
Earnings before Taxes	141.03	212.06
Tax expenses including Deferred tax	52.44	68.80
Profit after Taxes	88.59	143.26
Add : Balance brought forward from previous year	1,448.87	1,305.61
Balance carried to Balance Sheet	1,537.46	1,448.87

Business Results

During the year under review, your Company has registered a turnover of ₹ 3,640.07 Lacs as against ₹ 3,474.34 Lacs in the previous year. The Profit before taxes in the current year is ₹ 141.04 Lacs as against ₹ 212.06 Lacs in the previous year and profit after taxes are ₹ 88.59 Lacs as against ₹ 143.26 Lacs in the previous year.

Dividend

Your Directors have not recommended any payment of dividend during the financial year ended 31st March, 2014. 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. Nirmal Kedia retires by rotation and being eligible, offer themselves for re-appointment.

Name	Designation	Gross Remuneration	Qualification	Age & Experience (Years)	Date of Commencement of Employment
Mr. Nirmal Kedia	Director	12,00,000/-	B. Com.	44/20	01/04/2005

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

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.

Technology Absorption

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 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.

Sexual Harassment of Women at Workplace

There were no cases of sexual harassment filed during the year under review, in terms of the provision of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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 2014.
- 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.
- 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, 2014.

As per section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 the Board of Directors of your Company has appointed M/s Dilip Bathija & Associates, Cost Accountants as the Cost Auditor of your Company for the financial year 2014-15 on the recommendations made by the Audit Committee. The remuneration proposed to be paid to the Cost Auditors, subject to the ratification by the members at the ensuing Annual General Meeting, would be ₹ 40,000 (Rupees Forty Thousand) excluding out of pocket expenses, if any.

The Cost Audit report for the financial year 2012-13 was filed within the due date. The due date for submission of the Cost Audit Report for the year 2013-14 is within 180 days from 31st March, 2014.

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

Mumbai, the 30th day of May, 2014

Director

**Management Discussions and Analysis forming part of
Directors' Report for the year ended 31st March, 2014**

Industry Structure and Development

The year witnessed divergent growth globally led by strengthening of the US economy, uneven and subdued growth in euro area and Japan coupled with a slowdown in Developing & Emerging Markets. In domestic market, growth continued to be muted with the second successive year of sub 5% GSP growth. The year saw steep currency depreciation in an environment where industrial activity remained in contraction mode, consumption demand continued to weaken.

In such difficult times, your company taps its inherent strengths to adapt to changing circumstances and devise new ways to deal with adversities.

Opportunities & threats

The Indian economy is expected to witness steady economic recovery in the medium term on the back of reforms, political stability, industrialization and growing urbanization. Higher foreign investment in a range of sectors such as steel is expected to drive infrastructure development. Considering that the economy on the whole is again on the path of growth, the Company foresees a lot of opportunities. 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 adverse the risk of slow down.

Outlook

The global alloy steel casting industry continues to witness stable recovery in a period of heightened economic uncertainties. India remains a bright spot in the global alloy steel casting industry. The country is set to enhance infrastructure investments manifold to boost economic growth. Indian alloy steel casting industry is on the growth path and the performance of the Company is expected to substantially improve in the current financial year. The anticipated infrastructure development and supportive government measures in the country is expected to give a further boost to the alloy steel casting industry and your Company is looking forward for a sustainable growth in the coming years which would enhance the shareholders' value.

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 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 Rs. 3,640.07 Lacs and Profit before depreciation, amortization and tax of Rs. 224.70 Lacs. The depreciation & amortization provided during the year was Rs. 83.67 Lacs and provision for taxes was Rs 52.44 Lacs, the Net Profit for the year after tax was Rs. 88.59 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.