

“श्री जी”



**National General Industries Ltd.**

An ISO 9001 : 2008 Certified Company

**28<sup>th</sup> Annual Report  
2013-14**

### **Board of Directors**

Ashok Kumar Modi	Chairman cum Managing Director
Pawan Kumar Modi	Joint Managing Director cum Chief Financial Officer
Pankaj Kumar Agarwal	Independent Director
Chaitanya Dalmia	Independent Director
Vasu Modi	Non-executive Director
Abhilasha Goenka	Independent Director

### **Statutory Auditors**

R. K. Govil & Co.  
Chartered Accountants  
4, Kiran Enclave, Behind Hotel Samrat,  
G.T. Road, Ghaziabad, U.P.

### **Registered Office**

3rd Floor, Surya Plaza,  
K-185/1, Sarai Julena,  
New Friends Colony,  
New Delhi – 110 025  
Ph. No. : 011-26829517, 19  
Fax No.: 011-26920584  
E-mail : [ngil@vsnl.com](mailto:ngil@vsnl.com)

### **Registrar & Transfer Agents**

D-153 A, 1st Floor,  
Okhla Industrial Area,  
Phase I, New Delhi - 110020  
Tel.: 011-26812682, 26812683  
Fax : 011 – 30857575  
Email: [admin@skylinerta.com](mailto:admin@skylinerta.com)

### **Cost Auditors**

Neeraj Sharma & Co.  
Cost Accountants  
34, 1<sup>st</sup> Floor, Durga Tower,  
RDS, Raj Nagar, Ghaziabad, U.P.

### **Works – I : Re-rolling unit**

9th Mile Stone, G.T. Road,  
Mohan Nagar,  
Ghaziabad – 201 007

### **Works – II : Casting unit**

Plot No. SP-242, RIICO Ind. Area  
Kaharani (Bhiwadi Extension)  
District : Alwar, Rajasthan.

### **Bankers**

State Bank of Patiala

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## **NOTICE**

**NOTICE** is hereby given that the **TWENTY EIGHTH ANNUAL GENERAL MEETING** of the Members of National General Industries Limited will be held on Tuesday, the 30th September, 2014 at 11.30 a.m. at Nawal Vihar, Farm 7, Dera Gaon, New Delhi – 110 030, to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended 31 March, 2014, the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pawan Kumar Modi (DIN : 00051679) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution :

**“RESOLVED THAT** pursuant to provisions of section 139 of Companies Act, 2013 and the rules and regulations made thereunder, M/s. R. K. Govil & Company, Chartered Accountants (Firm Regn. No. 000748C) be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of 31<sup>st</sup> Annual General Meeting in the year 2017 (subject to ratification of the appointment by the members at every Annual General Meeting) and that the Board of Directors of the Company be and is hereby authorised to fix their remuneration in consultation with them.”

### **SPECIAL BUSINESS :**

4. To appoint Mrs. Abhilasha Goenka (DIN : 06962989) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Abhilasha Goenka (DIN : 06962989), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term upto 31<sup>st</sup> March, 2019.”

5. To appoint Shri Pankaj Agarwal (DIN: 00244480) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, the term of Shri Pankaj Agarwal (DIN: 00244480) as Independent Director of the Company, not liable to retire by rotation, be and is hereby fixed upto 31<sup>st</sup> March, 2019, in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company.”

6. To appoint Shri Chaitanya Dalmia (DIN: 00028402) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, the term of Shri Chaitanya Dalmia (DIN: 00028402) as Independent Director of the Company, not liable to retire by rotation, be and is hereby fixed upto 31<sup>st</sup> March, 2019, in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company.”

7. To approve and ratify the remuneration of the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company be and is hereby approve and ratifies the remuneration of Rs. 60,000/- (Rupees Sixty Thousand only) plus service taxes thereon, if any, payable to M/s. Neeraj Sharma & Co. (Firm Registration No. 100466), Cost Accountants, appointed as Cost Auditors of the Company for the financial year 2014-15.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board  
For **NATIONAL GENERAL INDUSTRIES LIMITED**

Sd/-

**Ashok Kumar Modi**  
**Managing Director**

Place : New Delhi  
Date : 02.09.2014

**NOTES :**

1. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Business to be transacted at the Meeting is annexed hereto.
2. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. The Instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.**  
**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
4. Brief resume of Directors those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, name of companies in which they hold directorships and memberships, chairmanship of the Board Committees, shareholding and relationships between

directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are annexed to the notice.

5. Members / proxies are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Only members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting.
8. Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the meeting.
9. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 18<sup>th</sup> September, 2014 to Monday, 22<sup>th</sup> September, 2014 (both days inclusive).
10. Members who are holding shares in physical form are requested to notify the change in their respective addresses, e-mail ID or Bank details to the Registrar and Transfer Agents (RTA) and always quote their Folio Numbers in all correspondence with the Company and RTA. In respect of holding in electronic form, Members are requested to notify any change in addresses, e-mail ID or Bank details to their respective Depository Participants.
11. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to M/s. Skyline Financial Services Pvt. Ltd. Members holding shares in DEMAT form are requested to register/update their e-mail address with their Depository Participant(s) directly. Members of the Company, who have registered their email-address, are entitled to receive such communication in physical form upon request.
12. Members who are still holding shares in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization which include easy liquidity since trading is permitted only in dematerialized form, electronic transfer, savings in stamp duty, prevention of forgery, etc.
13. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

**The instructions for e-voting are as under:**

- (i) The voting period begins on Tuesday, 23<sup>rd</sup> September, 2014 (9.00 a.m. IST) and ends on Wednesday, 24<sup>th</sup> September, 2014 (6.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29<sup>th</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID :
  - a) For CDSL : Enter your User ID which is 16 digits beneficiary ID
  - b) For NSDL : 8 Character DP ID followed by 8 Digits Client ID
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN

\* Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

\* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.

\* In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

DOB

Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Bank Details

Enter the Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

\* Please enter the DOB or Bank Detail in order to login. If the detail are not recorded with the depository or company please enter the Number of Shares held in the Bank details field as mentioned in instruction (v)

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the National General Industries Ltd. on which you choose to vote.

(xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Note for Non-Individual Shareholders & Custodians:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates and Custodians respectively.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a compliance user which should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**14. Other Instructions:**

- a. The e-voting period commences on Tuesday, 23<sup>rd</sup> September, 2014 (9.00 a.m. IST) and ends on Wednesday, 24<sup>th</sup> September, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 29<sup>th</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- b. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 29<sup>th</sup> August, 2014.
- c. M/s. Deepak Bansal & Associates, Practicing Company Secretary (FCS No. : 3736 and C. P. No. : 7433), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-Voting process) in a fair and transparent manner.
- d. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- e. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- f. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.modisteel.com](http://www.modisteel.com) and on the website of CDSL within two days of the passing of the resolutions at the 28<sup>th</sup> AGM of the Company on September 30, 2014 and communicated to the BSE Limited, where shares of the Company are listed.

**15. Poll at the Meeting**

After all the items of the notice have been discussed, the Chairman will order poll in respect of all the items. Poll will be conducted and supervised under the Scrutinizer appointed for e-voting as stated above. After conclusion of the poll, the Chairman may declare the meeting as closed. The results of the poll aggregated with the results of e-voting will be announced by the Company on its website : [www.modisteel.com](http://www.modisteel.com) and will also inform to the stock exchanges where the securities of the Company are listed within two days from the date of AGM of the Company.



**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (" the Act")**

The following Statements sets out all material facts relating to the Special Business mentioned in the accompanying notice.

**ITEM NO. 4**

The Board of Directors of the Company appointed, pursuant to provision of Section 161(1) of the Act and Articles of Association of the Company, Mrs. Abhilasha Goenka as an Additional Director of the Company with effect from 2<sup>nd</sup> September, 2014. In terms of the provisions of Section 161(1) of the Act, Mrs. Abhilasha Goenka would hold office up to the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Abhilasha Goenka for office of Director of Company. Mrs. Abhilasha Goenka is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Section 149 of the Act *inter-alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and shall not be included in the total number of directors for retirement by rotation. As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have atleast one woman director.

The Company has received a declaration from Mrs. Abhilasha Goenka that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mrs. Abhilasha Goenka possesses appropriate skills, experience and knowledge, *inter-alia*, in the field of business development and marketing.

In the opinion of the Board, Mrs. Abhilasha Goenka fulfills the conditions for her appointment for a term upto 31<sup>st</sup> March, 2019, as an Independent Director as specified in the Act and the Listing Agreement. Mrs. Abhilasha Goenka is independent of the management.

Brief resume of Mrs. Abhilasha Goenka, nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view, her vast expertise and knowledge, it will be in the interest of the Company that Mrs. Abhilasha Goenka is appointed as an Independent Director.

Copy of the draft letter for appointment of Mrs. Abhilasha Goenka as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Mrs. Abhilasha Goenka and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

**ITEM NOS. 5 and 6**

Shri Pankaj Agarwal and Shri Chaitanya Dalmia are Independent Directors of the Company and have held the positions as such for more than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions and terms for the appointment of independent directors by a listed company.

It is proposed to fix the term of appointment of Shri Pankaj Agarwal and Shri Chaitanya Dalmia as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement for the period upto 31<sup>st</sup> March, 2019.

Shri Pankaj Agarwal and Shri Chaitanya Dalmia are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Shri Pankaj Agarwal and Shri Chaitanya Dalmia for the office of Directors of the Company.

The Company has also received declarations from Shri Pankaj Agarwal and Shri Chaitanya Dalmia that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri Pankaj Agarwal and Shri Chaitanya Dalmia fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Shri Pankaj Agarwal and Shri Chaitanya Dalmia are independent of the management.

Brief resume of Shri Pankaj Agarwal and Shri Chaitanya Dalmia, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copies of the letters for fixing of respective terms of appointment of Shri Pankaj Agarwal and Shri Chaitanya Dalmia as Independent Directors are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Shri Pankaj Agarwal and Shri Chaitanya Dalmia are interested in the resolutions set out respectively at Item Nos. 5 and 6 of the Notice with regard to their respective appointments. The relatives of Shri Pankaj Agarwal and Shri Chaitanya Dalmia may be deemed to be interested in the resolutions set out respectively at Item Nos. 5 and 6 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions set out at Item No. 5 and 6 of the Notice.

The Board commends the Ordinary Resolutions set out at Item Nos. 5 and 6 of the Notice for approval by the shareholders.

**ITEM NO. 7**

The Board, on recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2014-15 at a remuneration of Rs. 60,000/- (Rupees Sixty Thousand only) and applicable taxes thereon, if any.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2014-15.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 7 of the Notice.

The Board commends the Ordinary Resolutions set out at Item Nos. 7 of the Notice for approval by the shareholders.

By Order of the Board  
For **NATIONAL GENERAL INDUSTRIES LIMITED**

Place : New Delhi  
Date : 02.09.2014

Sd/-  
**Ashok Kumar Modi**  
**Managing Director**

**INFORMATION OF DIRECTORS PROPOSED TO BE APPOINTED OR REAPPOINTED**

Name of Director	Mr. Pawan Kumar Modi	Mrs. Abilasha Goenka	Mr. Chaitanya Dalmia	Mr. Pankaj Agarwal
DIN Number	00051679	06962989	00028402	00244480
Date of Birth	01-10-1957	23-11-1982	20-07-1975	09-05-1961
Date of Appointment	08-01-1987	02-09-2014	21-01-2007	24-02-1996
Expertise in Specific functional area	Wide experience in technical and finance field.	Wide experience in business development and marketing.	Wide experience in Corporate Finance.	Wide experience in Corporate Finance.
Qualification	B.Sc.(H)	B.A. (H)	M.B.A., B.Com(H)	B.Com.(H)
Directorship in other Public Limited Company (As on 31.03.2014)	Not Applicable	Not Applicable	Revathi Equipment Ltd. Avalokiteshvar Valinv Ltd. Rennnaissance Stocks Ltd.	Not Applicable
Chairman/Member of Committee in other public limited company (As on 31.03.2014)	Not Applicable	Not Applicable	Avalokiteshvar Valinv Ltd.	Not Applicable
Shareholding in the Company (As on 31.03.2014)	2,71,770 (4.91%)	Nil	Nil	Nil

None of the directors are related *inter-se*.

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Eighth Report of your Company along with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2014.

### FINANCIAL RESULTS (Rs. in Lacs)

The financial performance of the Company for the financial year ended on 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 are summarized below:-

Particulars	31.03.2014	31.03.2013
Total Income	<b>1701.16</b>	2283.34
Operating profit before interest and depreciation	<b>90.44</b>	136.13
Interest	<b>55.72</b>	63.04
Depreciation	<b>24.69</b>	34.07
Profit before Tax (PBT)	<b>10.03</b>	39.02
Provision for Taxation	<b>6.07</b>	7.70
Security Transaction Tax	<b>0.06</b>	0.06
Deferred Tax Liabilities	<b>2.04</b>	-1.45
Minimum Alternate Tax Credit Availed	<b>-0.84</b>	-6.54
Profit after Tax (PAT)	<b>2.70</b>	39.25
Balance Brought Forward	<b>74.12</b>	75.64
Prior year adjustment	<b>-1.11</b>	-0.77
Profit available for appropriation	<b>75.71</b>	114.12
Transfer to General Reserve	<b>20.00</b>	40.00
Balance carried to Balance Sheet	<b>55.71</b>	74.12

### PERFORMANCE DURING THE YEAR UNDER REVIEW

During the year under review, the turnover of your Company decreased to Rs. 1775.75 lakhs from Rs. 2423.63 lakhs previous year. However the net profit before interest and tax from steel division decreased to Rs. 43.18 lakhs from Rs. 79.38 lakhs in the previous year. The other income comprising the return from investments activities has registered a net profit before interest and tax of Rs. 22.57 lakhs as compared to net loss of Rs. 33.64 lakhs in the previous year.

### QUALITY MANAGEMENT

The Management System of your Company are in compliance with the requirement of international quality standard ISO 9001 : 2008 and it has been duly certified by the JAS-ANZ, an International Certification Agency.

### FUTURE OUTLOOK

Your Company has upgraded its plant and installed Gassifier Equipment which consumes Coal a cheaper fuel as compared to furnace oil for its production at its re-rolling plant after the close of financial year under review. Your directors are hopeful to improve the profitability by proper savings on account of fuel cost in the current financial year.

### DIRECTORS

To satisfy the requirements of the provisions of the Companies Act, 2013, Shri Pawan Kumar Modi, Jt. Managing Director of the Company is made liable to retire by rotation and being eligible offer himself for re-appointment. The existing terms and conditions of employment with the Company of Shri Pawan Kumar Modi, Jt. Managing Director, if re-appointed, shall remain same.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Article of Association of the Company, Mrs. Abhilasha Goenka was appointed as an Additional Director designated as Independent Director w.e.f. 2<sup>nd</sup> September, 2014 and she hold office upto the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Mrs. Abhilasha Goenka for her appointment for a term upto 31<sup>st</sup> March, 2019, as an Independent Director of the Company, not liable to retire by rotation.

The Board has recommended to fix the term of Shri Pankaj Agarwal and Shri Chaitanya Dalmia, the existing Independent Directors of the Company upto 31<sup>st</sup> March, 2019. The Company has received requisite notice from members proposing Shri Pankaj Agarwal and Shri Chaitanya Dalmia as Independent Directors of the Company.

Also Mr. Anshuman Goenka, an Independent Director of the Company, has resigned from directorship of the Company w.e.f. 2<sup>nd</sup> September, 2014.

#### **DIVIDEND**

Your Directors have not recommended dividend for the year ended 31<sup>st</sup> March, 2014.

#### **FIXED DEPOSITS**

During the year under review, your Company did not invite / accept any Fixed Deposits from the public under Companies (Acceptance of Deposits) Rules, 1975.

#### **AUDITORS & AUDITORS' REPORT**

M/s. R. K. Govil & Co., Chartered Accountants, Statutory Auditor of the Company, holds office till the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment.

The Company has received letter from the auditor to the effect that their appointment, if made, would be within the prescribed limits under section 149(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The comments in the Auditors Report dated 30<sup>th</sup> May, 2014 read with notes to the financial statements is self-explanatory and do not call for any further comments.

#### **COMPLIANCE WITH THE ACCOUNTING STANDARDS**

The Company prepares its accounts and other financial statements in accordance with the relevant Accounting Principles and also complies with the Accounting Standards issued by the Institute of Chartered Accountants of India.

#### **COST AUDITOR**

In accordance with Audit Committee's recommendations at the meeting held on 24<sup>th</sup> May, 2013, the Board had appointed M/s. Neeraj Sharma & Co., Cost Accountants, as Cost Auditors of the Company for the Financial Year 2013-14. The Company is yet to file its Cost Audit Report for the financial year 2013-14. However, the Cost Audit Report for the financial year 2012-13 was filed within the prescribed time during the year under review.

Further, at the meeting held on 30<sup>th</sup> May, 2014, the Board has appointed M/s. Neeraj Sharma & Co., Cost Accountants, as Cost Auditors of the Company for the Financial Year 2014-15.

#### **INTERNAL AUDIT**

Your Company has appointed M/s. B.R.Maheswari & Co., Chartered Accountants, New Delhi as Internal Auditors of the Company for the financial year 2014-15.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo for the year ended 31<sup>st</sup> March, 2014 are annexed as Annexure ‘A’ and form an integral part of this report.

**PARTICULARS OF EMPLOYEES**

Provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, are not applicable to your Company as no employee of the Company is drawing remuneration equal to or more than the limit specified under Companies (Particulars of Employees) Rules, 1975.

**CORPORATE GOVERNANCE**

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the requirement set out by the Securities and Exchange Board of India’s Corporate Governance practices and have implemented all the prescribed stipulations.

A Report on Corporate Governance and Management Discussion & Analysis Report, in terms of Clause 49 of the Listing Agreement together with a Certificate from the Company Secretary in practice confirming compliance with the conditions of Corporate Governance are annexed and form part of the Annual Report.

**DIRECTORS’ RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors in respect of the Audited Annual Accounts for the year ended 31<sup>st</sup> March, 2014, hereby state and confirm:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors had, selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on March 31, 2014 and of the profit of the Company for that period;
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors had prepared the annual accounts on a going concern basis.

**APPRECIATION & ACKNOWLEDGEMENT**

Your Directors take this opportunity to express their appreciation for the co-operation and assistance received from the Central Government, the State Government, the Financial Institutions, Banks as well as the Shareholders during the year under review. Your Directors also with the place on record their appreciation of the devoted and dedicated service rendered by all the employees of your Company.

For and behalf of the Board of Directors  
For **NATIONAL GENERAL INDUSTRIES LIMITED**

Sd/-

**Ashok Kumar Modi**

Chairman and Managing Director

Place : New Delhi  
Date : 02.09.2014

**ANNEXURE 'A' TO DIRECTORS' REPORT**

Information as per Section 217 (1) (e) read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2014.

**I. CONSERVATION OF ENERGY**
**a) Energy conservation measures taken:**

During the year under review, wherever possible, energy conservation measures have been taken and there are no major areas where further energy conservation can be taken.

**b) Additional Investment and proposals being implemented for reduction of consumption of energy:**

During the year under review, investment on purchase and installation of Gassifier Equipment was made. It is proposed that consumption of energy will be reduced upon successful commissioning of the equipment.

**c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:**

Since the Gassifier equipment was put to use during financial year 2014-15, hence impact of reduction of energy consumption will be ascertained in the current year. However, efforts to conserve and optimize the use of energy through improved operational methods and other means will also continue.

**d) Total energy consumption and energy consumption per unit of production as Form-A of the Annexure to the Rules in respect of Industries in the Schedule thereto:**

			2013-14	2012-13	
<b>A) Power &amp; Fuel Consumption</b>					
<b>1.</b>	<b>Electricity</b>				
	<b>a)</b>	<b>Power Purchased</b>			
		Units	<b>950705</b>	1115452	
		Total Amount (Rs.)	<b>8828978.00</b>	7695156.00	
		Cost /Unit (Rs.)	<b>9.29</b>	6.90	
	<b>b)</b>	<b>Own Generation through Diesel Generator</b>			
		Litres	<b>12800</b>	22800	
		Total amount (Rs.)	<b>708460.00</b>	1046039.00	
		Cost / Ltr.	<b>55.35</b>	45.88	
	<b>c)</b>	<b>Through engine (LDO)</b>			
		Litres	<b>40240</b>	60275	
		Total Amount (Rs.)	<b>2503380.00</b>	2750668.00	
		Cost / Ltr.	<b>62.21</b>	45.64	
<b>2.</b>	<b>Furnace Oil</b>				
		Qty. (K. Ltr.)	<b>639.515</b>	752.920	
		Total Amount	<b>27210019</b>	31576808.00	
		Cost / Ltr.	<b>42.55</b>	41.94	
<b>B) Consumption per unit production</b>					
			<b>Unit</b>		
			<b>2013-14</b>	2012-13	
		Electricity	Unit/MT	<b>73.84</b>	71.02
		Diesel Oil	Ltrs./MT	<b>0.99</b>	1.45
		LDO	Ltrs./MT	<b>3.13</b>	3.84
		Furnace Oil	Ltrs./MT	<b>49.67</b>	47.94



## **II. TECHNOLOGY ABSORPTION**

Efforts made in technology absorption as per Form-B of the Annexure to the Rules.

### **1. Research and Development (R&D)**

#### **a) Specific areas in which R&D carried out by the Company:**

During the year under review, no R&D carried out.

#### **b) Benefits derived as a result of above R&D: Not Applicable**

#### **c) Future Plan of action:**

If required, Research and Development activities shall be carried out in future to achieve greater efficiency in production techniques.

#### **d) Expenditure on R&D: No capital as well as recurring expenditure made on R&D.**

### **2. Technology absorption, adaptation & innovation.**

#### **a) Efforts, in brief, made towards technology absorption, adaptation and innovation:**

The Company is using latest techniques for production. Efforts are being made to make the maximum use of the available infrastructure, at the same time innovating new techniques to bring about efficiency as well as economy in different areas. Employees are given appropriate training of and on the job, to enable them to achieve the planned performance.

#### **b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc:**

Through all these efforts benefits derived are better utilization of the available resources, product improvement and development, cost reduction, better overall efficiency on one side and clean environment and safety of employees on the other.

#### **c) In case of imported technology (import during the last 5 years reckoned from the beginning of the financial year) : Nil**

## **III. FOREIGN EXCHANGE EARNINGS AND OUTGO**

#### **a) Export Activities: There was no export activity in the Company during the year under review as well as in the previous year and hence there was no foreign exchange earning.**

#### **b) Outgo by way of other expenditure - Rs. 1,42,235.00 (P.Y. Rs. 3,99,449.00)**

For and behalf of the Board of Directors  
For **NATIONAL GENERAL INDUSTRIES LIMITED**

Sd/-

**Ashok Kumar Modi**

Chairman and Managing Director

Place : New Delhi  
Date : 02.09.2014

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****FORWARD LOOKING STATEMENT**

*This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectation of projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could, thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events.*

**OVERVIEW OF FY 2013-14**

In financial year 2013-14, India was besieged by high inflation, rapidly depreciating Rupee, rising NPAs, declining manufacturing, stagnant investments and subdued exports with adverse downside risk to future economic growth. However, prudent and timely measures by RBI and the Government restored macroeconomic stability, lowering Current Account deficit to below 2.5% and contained Fiscal Deficit at 4.6%. The Company despite facing such slow down in economy has achieved net profit before interest and tax from its steel division of Rs. 43.18 lakhs as compared to Rs. 79.38 lakhs during previous year. However, the turnover of the Company has decreased to Rs. 1775.75 lacs from Rs. 2423.63 lakhs in previous year. The contribution of cost cutting over the year has played important role in maintaining the profit from steel division of the Company.

**GLOBAL ECONOMY**

According to the International Monetary Fund (IMF), while the global economy expanded by 3.0% in the year 2013, rate of growth was slower compared to 3.2% in the year 2012. The growth was more robust in the second half of year 2013, but the pickup was uneven. While the recovery was more broad-based in advanced economies, it was mixed in emerging markets. The world economy is projected to grow at 3.6% in the year 2014 up from 3.0% in the year 2013 majorly aided by steady growth in Europe from 0.2% to 1.6% and US from 1.9% to 2.8%. Emerging markets are projected to exhibit a moderate growth at 4.9%.

Global crude steel capacity is projected to increase by 88 MT to 2256 MT during the year 2014. Steel demand in year 2014 is expected to increase by 53 MT to 3.6% to 1534 MT exhibiting significant demand growth from Europe at 3.1% with advance market up by 2.5% as against -0.2% in the year 2013. Chinese steel demand projected at 728 MT with its growth moderating to 4% as against 6.6% in the year 2013. There is need for the sector to restructure to increase efficiency.

**INDIAN ECONOMY**

During financial year 2013-14, Indian economy recorded its second successive year of below five percent growth the lowest it has recorded in a decade. The prolonged slowdown was a result of a confluence of factors viz., policy logjam, higher spending leading to larger fiscal deficit, tight monetary conditions and weak external demand. Coupled with the slowdown was persistent inflation which raised stagflationary fears. On the positive side, timely measures by the Reserve Bank of India and the Government helped stabilize the Rupee after a steep fall in financial year 2012-13. Measures such as curbs on gold imports also helped bring down the Current Account Deficit, which towards the end of financial year 2012-13 had threatened to plunge the economy in a crisis from 4.7% of GDP in financial year 2012-13 to 1.7% 1.7% in financial year 2013-14.

Indian steel demand grew to 73.9 MT during financial year 2013-14 with Flat Steel down by 2% while Longs displayed a growth of 2.6%. Impacted by inadequacy and inconsistent quality of iron ore, capacity utilization for Indian steel declined from 81% in financial year 2012-13 to 78% in financial year 2013-14. Slugging domestic demand with rising capacity and increased production resulted in

growing thrust on import substitution, resulting in a sharp decline of imports by 34%. Expanding new-age steel capacities and incorporating world-class technologies and rupee depreciation helped India to increase its steel exports by 13%. This exhibits growing global competitiveness of Indian steel industry; thus transforming India into a net steel exporter.

The Government is undertaking proactive policy initiatives for Infrastructure development and Industrial growth, which will accelerate steel demand in line with economic growth. However, concerns like poor availability of iron ore and inconsistent quality as well as high import dependency of coking coal needs to be addressed.

#### **OUTLOOK**

World economy is projected to grow at 3.6% in the year 2014 from 3.0% in the year 2013. This is forecast to be driven by the Advanced Markets with sharp recovery in Europe and US. Japan is expected to continue pushing monetary easing to create demand. Emerging markets are projected to exhibit a moderate growth. China's increasing focus on Quality is expected to moderate its investment stimulated growth. However, downside risks to this growth trajectory arise from the tapering of quantitative easing in the US that poses a threat of reversing interest cycle and regression for investment flows to Emerging Markets. Steel demand in the year 2014 is projected to increase by 45 MT to 1,527 MT. Growing concerns for pollution controls and tight liquidity is slated to slow down growth in Chinese steel demand.

A decisive mandate in General Elections in India has re-kindled hopes of an economic revival. The new government has promised to focus on infrastructural development while de-bottlenecking the administrative and clearance procedures. This is expected to boost the investment climate in the country. However, coming two years of policy paralysis as well as correcting the deep structural imbalances in the economy is likely to take time. As a result Indian economy is expected to show moderate improvement with GDP growth expected to be in the region of 5-6%.

#### **OPPORTUNITIES, THREATS AND RISKS**

For the steel industry, the critical area of concern continues to be the restrictions on mining resulting in poor availability of iron ore and its inconsistent quality. Despite lifting of mining bans in Goa and Karnataka, continued restrictions have given inadequate relief to Indian steel companies. Another major area of concern is high import dependency of coking coal despite large domestic resources remaining unutilized. These are some areas where critical policy interventions are required from the new government. The 'Quality Reformation' for Steel sector has continued to encounter a series of exemptions, exceptions, exclusions and omissions, impacting the development and growth prospects of Indian Steel Industry; while simultaneously depriving Indian steel consumers of their "Right to Quality". This could prove to be a major setback for a sustainable growth and development of Indian manufacturing and infrastructure sector. If the industry is pushed to improve its quality, it could overcome technical barriers to trade thereby not only ensuring that domestic customers get the highest quality but helping the industry in both import substitution of finished products as well as exports of value-added steel.

Despite some of the challenges outlined above, National General Industries Ltd. is ideally placed to benefit from the emerging opportunities because of combination of technology which includes conversion to Gassification Equipment during current financial year, dynamic product mix, production efficiency and market penetration.

#### **SEGMENT-WISE PERFORMANCE**

A detailed note on the segment-wise performance is given under the Notes on Accounts, forming a part of annual accounts of the Company.

#### **RISKS AND CONCERNS**

Technology obsolescence is an inherent business risk in a fast changing world and speed of change and adaptability is crucial for survival of business. To overcome such circumstances, Gassification Equipment was installed during the financial year 2014-15. Though aggressive cost cutting and

addition to the product mix to incorporate more value-added products are still the present strengths of the Company. The Company is taking utmost care to ensure very high quality of products.

#### INTERNAL CONTROL SYSTEM

A robust system of internal control, commensurate with the size and nature of its business, forms an integral part of the Company's corporate governance policies. The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. Internal control systems are integral to NGIL's corporate governance policy. The accounting records are adequate for preparation of financial statements and other financial information. The adequacy and effectiveness of internal controls across the various business, as well as compliance with laid down systems and policies are regularly monitored by your Company's internal audit process. The Audit Committee of Board, which met four times during the year, reviewed the financial disclosures.

#### FINANCIAL AND OPERATIONAL PERFORMANCE

The financial performance of the Company for the financial year ended on 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 are summarized below:-

Particulars	(Rs. In lakhs)	
	31.03.2014	31.03.2013
Total Income	<b>1701.16</b>	2283.34
Operating profit before interest and depreciation	<b>90.44</b>	136.13
Interest	<b>55.72</b>	63.04
Depreciation	<b>24.69</b>	34.07
Profit before Tax (PBT)	<b>10.03</b>	39.02
Provision for Taxation	<b>6.07</b>	7.70
Security Transaction Tax	<b>0.06</b>	0.06
Deferred Tax Liabilities	<b>2.04</b>	-1.45
Minimum Alternate Tax Credit Availed	<b>-0.84</b>	-6.54
Profit after Tax (PAT)	<b>2.70</b>	39.25
Balance Brought Forward	<b>74.12</b>	75.64
Prior year adjustment	<b>-1.11</b>	-0.77
Profit available for appropriation	<b>75.71</b>	114.12
Transfer to General Reserve	<b>20.00</b>	40.00
Balance carried to Balance Sheet	<b>55.71</b>	74.12

During the year under review, the turnover of your Company decreased to Rs. 1775.75 lakhs from Rs. 2423.63 lakhs previous year. However the net profit before interest and tax from steel division decreased to Rs. 43.18 lakhs from Rs. 79.38 lakhs in the previous year. The other income comprising the return from investments activities has registered a net profit before interest and tax of Rs. 22.57 lakhs as compared to net loss of Rs. 33.64 lakhs in the previous year.

#### INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT

Industrial relations during the year under review were cordial and peaceful. The management wishes to place on record, the excellent cooperation and contribution made by the employees, at all levels of the organization to the continued growth of the Company. There was constant focus on all round organizational development.

Considering human resources as most important resource, the major thrust was on recruiting highly qualified executives in various departments and also recruiting highly skilled workers to strengthen the production. Various training programs including visionary exercises were conducted for personal as well as professional development of the employees. The Company's industrial relations continued to be harmonious during the year under review.

For and behalf of the Board of Directors  
For **NATIONAL GENERAL INDUSTRIES LIMITED**

Sd/-

**Ashok Kumar Modi**

Chairman and Managing Director

Place : New Delhi  
Date : 02.09.2014

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2013-14**

(Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange)

**1. Company's Philosophy**

Corporate Governance at National General Industries Limited has been a continuous journey and the business goals of the Company are aimed at the overall well being and welfare of all the constituents of the system. The Company's philosophy on corporate governance envisages an attainment of the highest level of transparency, accountability and equity in all facts of its operations and in all interactions with its stakeholders including the shareholders, employees, government and lenders.

At the heart of Company's corporate governance policy is the ideology of transparency and openness in the effective working of the management and Board. It is believed that the imperative for good corporate governance lies not merely in drafting a code of corporate governance but in practicing. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders value over a sustained period of time and at the same time protect the interest of stakeholders.

Your Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement, the details of which are given below.

**2. Board of Directors**

**Composition, Meeting and attendance record of each Directors:**

As on 31.03.2014, the Board of Directors comprises of 6 Directors, of which 4 are non-executive. As per Clause 49 of Listing Agreement, in case of Executive Chairman, at least one-half of the Board should comprise of independent Directors. The Board of Directors of the Company headed by Executive Chairman, has 3 Independent Directors.

The details of composition of the Board, the attendance record of the Directors at the Board Meetings held during the financial year ended on 31.03.2014 and the last Annual General Meeting (AGM), and the details of their other Directorships and Committee Chairmanships and Memberships are given below:

Category	Name of Director	No. of Board Meeting attended	Attendance at last AGM	No. of Directorships in other Public Limited Companies	No. of Chairmanship / Memberships of Committees in other Public Limited Companies
Executive Directors	Shri Ashok Kumar Modi	6	Yes	-	-
	Shri Pawan Kumar Modi	5	Yes	-	-
Non-Executive Non-independent Directors	Shri Vasu Modi	6	Yes	1	-
Non-Executive Independent Directors	Shri Pankaj Agarwal	4	Yes	-	-
	Shri Anshuman Goenka	4	No	-	-
	Shri Chaitanya Dalmia	4	No	3	1

During the Financial Year 2013-14, 6 Board Meetings were held and the gap between two meetings did not exceed four months. The Board Meetings were held on 24.05.2013, 22.07.2013, 13.08.2013, 13.11.2013, 14.02.2014 and 17.03.2014.

Number of Equity Shares held by Directors as on 31<sup>st</sup> March, 2014 are as under:-

Name of Director	Designation	Nos. of Equity Shares held
Shri Ashok Kumar Modi	Chairman & Managing Director	271770
Shri Pawan Kumar Modi	Joint Managing Director	271770
Shri Vasu Modi	Non-Executive Director	359745
Shri Pankaj Agarwal	Independent Director	-
Shri Anshuman Goenka	Independent Director	-
Shri Chaitanya Dalmia	Independent Director	-

### 3. Code of Conduct

The Board of Directors has laid down a Code of Conduct for all Board members and senior management personnel of the Company. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect, duly signed by the Managing Director is annexed and forms part of this report.

### 4. Audit Committee

During the financial year 2013-14, the Audit Committee comprises of 3 Non-executive Directors viz. Shri Pankaj Agarwal and Shri Anshuman Goenka, Independent Directors and Shri Vasu Modi, Non-independent Director. Mr. Pankaj Agarwal is the Chairman of the Audit Committee. The Members of the Audit Committee possess adequate knowledge of Accounts, Audit, Finance, etc. The Compliance Officer of the Company acts as the Secretary to the Audit Committee. The constitution of Audit Committee also meets the requirements under Section 292A of the Companies Act, 1956.

The Broad terms of reference and power of Audit Committee are in keeping with those contained under Clause 49 of the Listing Agreement and the Companies Act, 1956. The power of Audit Committee, inter-alia, are as under:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if necessary.

The scope and activities of the Audit Committee include the areas prescribed under clause 49 II (D) of the listing agreement with the stock exchanges. The Audit Committee has been granted powers as prescribed under the clause 49 II (C).

The Audit Committee invites representatives of the Statutory Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

Four meetings of the Audit Committee were held during the financial year 2013-14, on 24.05.2013, 13.08.2013, 13.11.2013 and 14.02.2014. The constitution of the Committee as at 31.03.2014 and the attendance of each Member are as given below:

Sl. No.	Name of the Member	Category	No. of Meetings Attended
1	Shri Pankaj Agarwal	Non-Executive Independent	4
2	Shri Anshuman Goenka	Non-Executive Independent	4
3	Shri Vasu Modi	Non-Executive Non-Independent	4

## 5. Remuneration Committee

During the financial year 2013-14, the Remuneration Committee of the Board comprises 3 Non-executive Directors viz. Shri Pankaj Agarwal and Shri Anshuman Goenka, Independent Directors and Shri Vasu Modi, Non-independent Director. Mr. Pankaj Agarwal is the Chairman of the Committee. The Committee has been constituted to recommend/review remuneration of the Managing Director and Whole time Directors.

- Pecuniary Relationships: None of the Non Executive Directors of your Company have any pecuniary relationship or transactions with the Company.
- Remuneration Policy : The following aspects are considered while determining the remuneration package of the senior management of the Company:
  - Industry Standards
  - Remuneration package of executives in the industry with similar skill sets.
- No remuneration or sitting fees paid to the Non-executive directors.
- The details of remuneration paid/payable to the Whole-time Directors for the financial year 2013-2014 : Nil

The Company has not issued Stock Options (ESOPs) to any of its directors.

## 6. Shareholders/ Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee comprised of 3 directors as its Member. The Committee has been constituted, inter-alia, to consider transfer and transmission of shares, rematerialisation of shares, transposition of names, consolidation of shares, issue of duplicate share certificates, etc. and to look into redressal of shareholders' complaints. During the year Committee met four times on 24.05.2013, 13.08.2013, 13.11.2013 and 14.02.2014 and the attendance of the Members at the meeting was as follows:

Name of the Members	Status	No. of meetings attended
Shri Pankaj Agarwal	Chairman	4
Shri Anshuman Goenka	Member	4
Shri Vasu Modi	Member	4

The Board after resignation of Mr. Gyan Sheel, Company Secretary w.e.f. 2<sup>nd</sup> March, 2014 has designated Mr. Vasu Modi, Director of the Company as Compliance Officer of the Company.

No. of shareholders' complaints received upto 31st March, 2014	: Nil
No. of complaints not solved to the satisfaction of the shareholders	: Nil
No. of pending complaints	: Nil

## 7. Risk Management

The Company manages risks as an integral part of its decision making process. The Audit Committee and the Board of Directors are apprised regarding key risk assessment and risk mitigation mechanism.

## 8. CEO Certification

In terms of the requirements of Clause 49(v) of the Listing Agreement, the Managing Director and Jt. Managing Director have submitted certificate to the Board of Directors stating the particulars specified under the said clause. The certificate has been reviewed and taken on record by the Board of Directors at its meeting held on 2<sup>nd</sup> September, 2014.

## 9. General Body Meetings

The details of last three Annual General Meetings are given below:

Year	Location	Date	Time
2010 – 2011	Nawal Vihar, Farm 7, Dera Gaon, New Delhi – 110 030	30.09.2011	11.30 a.m.
2011 – 2012		29.09.2012	11.30 a.m.
2012 – 2013		30.09.2013	11.30 a.m.

During last three AGMs, no Special Resolution was passed.

During the year under review, no resolution was passed through Postal Ballot.

## 10. Disclosures

- i) There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, or their relatives, etc. that may have potential conflict with the interest of the Company at large. The related party transactions are duly disclosed in the Notes to the Accounts.
- ii) There were no cases of non-compliance by the Company and no penalties imposed, stricture passed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.
- iii) No treatment different from the Accounting Standards, prescribed by the Institute of Chartered Accountants of India, has been followed in the preparation of Financial Statements.
- iv) The Company has not adopted any whistle blower policy. However, the Employees are free to approach the Management or the Audit Committee on any issue.
- v) The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.

## 11. Means of Communication

The unaudited quarterly & half yearly financial results are sent to the Bombay Stock Exchange, where the equity shares of the Company are listed. The results of the Company are published in the daily newspaper viz., Financial Express in English and Jansatta in Hindi.

## 12. Management Discussion & Analysis Report

The Management Discussion and Analysis Report form part of the Annual Report.

## 13. Compliance Officer

Mr. Vasu Modi, Director of the Company is the compliance officer who may be contacted at the Registered Office of the Company at:

Address	3 <sup>rd</sup> Floor, Surya Plaza, K-185/1, Sarai Julena, New Friends Colony, New Delhi - 110025
E-mail	<a href="mailto:ngil@vsnl.com">ngil@vsnl.com</a>
Phone	011-26829517, 19
Fax	011-26920584

## 14. Compliance Certificate

A Compliance Certificate on Corporate Governance dated 2<sup>nd</sup> September, 2014 issued by Deepak Bansal & Associates, Company Secretary in practice is annexed and forms part of the Annual Report.

## 15. Green Initiative

As a responsible corporate citizen, the Company welcomes and supports the ‘Green Initiative’ taken by the Ministry of Corporate Affairs, Government of India (MCA), by its recent Circulars, enabling electronic delivery of documents including the Annual Report to shareholders at their e-mail address registered with the Depository Participants(DPs)/Company/Registrars & Share Transfer Agents.

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in DEMAT form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with Skyline Financial Services Pvt. Ltd., by sending a letter duly signed by the first/sole holder quoting details of Folio Number.



**16. General Shareholders' Information**

- i. 28<sup>th</sup> Annual General Meeting**  
Date and Time : 30th September, 2014 at 11.30 a.m.  
Venue : Nawal Vihar, Farm 7, Dera Gaon, New Delhi – 110 030.
- ii. Financial Year** : 1st April to 31st March
- iii. Adoption of results for the quarter (Tentative)**  
Quarter ending June 30, 2014 (unaudited) : By 14<sup>th</sup> August, 2014  
Quarter ending September, 2014 (unaudited) : By 14<sup>th</sup> November, 2014  
Quarter ending December, 2014 (unaudited) : By 14<sup>th</sup> February, 2015  
Quarter/Year ending on March 2015 (audited) : By 30<sup>th</sup> May, 2015
- iv. Date of Book Closure** : 18<sup>th</sup> Sept. 2014 to 22<sup>th</sup> Sept. 2014 (both days inclusive)
- v. Listing on Stock Exchange** : Bombay Stock Exchange Ltd.  
The Company has paid listing fees for the financial year 2014-15. Annual Custodial Fees for the year 2014-15 has been paid by the Company to NSDL and CDSL.
- vi. Stock Code** : 531651  
**ISIN** : INE654H01011  
**CIN** : L74899DL1987PLC026617
- vii. Registrar and Share Transfer Agent** : Skyline Financial Services Pvt. Ltd.  
D-153 A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase I, New Delhi - 110020  
**Tel.:** 011-26812682,83 **Fax :** 30857575  
**Email:** [admin@skylinerta.com](mailto:admin@skylinerta.com)

**viii Stock Market Price Data at Bombay Stock Exchange Ltd.**

Month	Month's High Price	Month's Low Price
April, 2013	43.80	43.80
May, 2013	-	-
June, 2013	43.80	43.80
July, 2013	-	-
August, 2013	-	-
September, 2013	-	-
October, 2013	-	-
November, 2013	-	-
December, 2013	42.00	42.00
January, 2014	41.00	39.95
February, 2014	-	-
March, 2014	39.00	35.25

**ix. Share Transfer System**

The Company's share transfers are handled by Skyline Financial Services Pvt. Ltd., Registrar and Transfer Agents (RTA). The shares received in physical mode by the Company / RTA are transferred expeditiously provided the documents are complete and shares under transfer are not under dispute. Confirmations in respect of the request for dematerialization of shares are expeditiously sent to the respective depositories i.e. NSDL and CDSL.

**x. Distribution of Shareholding as on 31.03.2014**

Holdings	Shareholders		Shares	
	Number	% of Total	Number	% of Total
1 – 500	1113	66.85	339935	6.15
501 – 1000	454	27.27	438089	7.92
1001 – 2000	29	1.74	49800	0.90
2001 – 3000	22	1.32	64800	1.17
3001 – 4000	3	0.18	10500	0.19
4001 – 5000	4	0.24	20000	0.36
5001 – 10000	8	0.48	74400	1.35
10001 & above	32	1.92	4532735	81.96
<b>TOTAL</b>	<b>1665</b>	<b>100.00</b>	<b>5530259</b>	<b>100.00</b>

**xi. Shareholding Pattern as on 31.03.2014**

Category	No. of Shares held	%age of Total Shares
<b>Promoter and Promoter Group</b>		
- Indian	3619002	65.44
- Foreign	-	-
<b>Public Shareholding</b>		
<i>Non Institution</i>		
Private Corporate Bodies	511205	9.24
<i>Indian Public</i>		
- Nominal Share upto Rs. 1 lac	982795	17.77
- Nominal Share in excess of Rs. 1 lac	416757	7.54
NRI and OCBs	500	0.01
Any others	-	-

**xii. Dematerialisation of Shares & Liquidity** : The Company has obtained electronic connectivity with National Securities Depository Ltd. (NSDL) and the Central Depository Services India Ltd. (CDSL) for demat facility. As on 31<sup>st</sup> March, 2014, 36,57,198 equity shares, being 66.13% of the Company's total shares had been dematerialized.

**xiii. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date & likely impact on equity** : Not Applicable

**xiv. Plant Location** : **Works – I**  
9th Mile Stone, G.T. Road, Mohan Nagar, Sahibabad, Ghaziabad, Uttar Pradesh.  
**Works – II**  
Plot No. SP-242, RIICO Industrial Area, Kaharani (Bhiwadi Extension)  
District : Alwar, Rajasthan.

For and behalf of the Board of Directors  
For **NATIONAL GENERAL INDUSTRIES LIMITED**

Sd/-

**Ashok Kumar Modi**

Chairman and Managing Director

Place : New Delhi  
Date : 02.09.2014

**CEO AND CFO CERTIFICATION**

The Chairman and Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The annual certificate given by the Chairman and Managing Director and the Chief Financial Officer is published in this Report.

**DECLARATION ON COMPLIANCE OF CODE OF CONDUCT**

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Directors and Senior Management, as approved by the Board for the financial year ended 31<sup>st</sup> March, 2014.

For and behalf of the Board of Directors  
For **NATIONAL GENERAL INDUSTRIES LIMITED**

Place : New Delhi  
Date : 02.09.2014

Sd/-  
**Ashok Kumar Modi**  
Chairman and Managing Director

**Certification by Managing Director and Chief Financial Officer of the Company**  
(Pursuant to clause 49(V) of the Listing Agreement)

We hereby certify that :

1. for the financial year ending 31st March, 2014 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that :
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of such internal control systems, if any, and that we have taken the required steps to rectify these deficiencies.
4. We have indicated to the Auditors and Audit Committee that :
  - a) There have been no significant changes in internal control over financial reporting during the year.
  - b) There have been no significant changes in accounting policies during the year.
  - c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

For **NATIONAL GENERAL INDUSTRIES LTD.**

Place : New Delhi  
Dated : 02.09.2014

Sd/-  
**Ashok Kumar Modi**  
Chairman and Managing Director

Sd/-  
**Pawan Kumar Modi**  
Chief Financial Officer



**Auditors' Certificate on Compliance with the conditions of Corporate Governance  
Pursuant to Clause 49 of the Listing Agreement**

**To the Members of National General Industries Limited**

We have examined the compliance of conditions of Corporate Governance by National General Industries Limited ('the Company') for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the BSE Ltd.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company, for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Deepak Bansal & Associates  
Company Secretaries**

Sd/-

Place : New Delhi  
Dated : 02.09.2014

**(Deepak Bansal)**  
Prop.  
FCS : 3736 C.P. No. : 7433

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**Independent Auditors' Report**

To,  
The Members of  
**M/s NATIONAL GENERAL INDUSTRIES LTD.**  
New Delhi.

**Report on the Financial Statements**

We have audited the accompanying financial statements of M/s NATIONAL GENERAL INDUSTRIES LTD. (“the Company”) which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor’s Report) Order, 2003 (“the Order”) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **R.K GOVIL & Co.**  
Chartered Accountants  
FRN – 000748C

Place: New Delhi  
Dated: 30.05.2014

Sd/-  
**Rajesh Kumar Govil**  
Partner  
Membership No.013632

**ANNEXURE TO THE AUDITORS’ REPORT**  
**(Referred to in our Report of even date)**

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- I. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information. As explained to us all the fixed assets were physically verified by the management during the year. We have been informed that no material discrepancies were noticed on such physical verification. Substantial part of fixed assets has not been disposed off during the year, which will affect its status as going concern.
- II. The Inventory has been physically verified during the year by the management at reasonable intervals except stock lying with third parties. The Company in most of the cases has obtained confirmation of such stocks with third parties. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company & nature of its business. The Company is maintaining proper records of inventory. As explain to us the discrepancies noticed on physical verification of stocks as compared to book records were not material, however, the same have been properly dealt with the books of account.
- III. (a) The Company has taken unsecured loans of Rs. 40 lacs during the year from an entity listed in the register maintained u/s 301 of the Companies Act. The said loan was non-interest bearing which is not prima-facie prejudicial to the interest of the Company. In respect of the said loan, the maximum amount outstanding at any time during the year was Rs. 90 Lacs and the year-end balance is Rs. 90 Lacs.

- (b) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- IV. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and also for the sale of goods and services. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
- V. (a) According to the information and explanations given to us, we are of the opinion that particulars of Contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section, wherever applicable.  
(b) In Our opinion and according to the information and explanations given to us, the transactions made in pursuance of Contracts or arrangements entered in the register maintained under Section 301 of the Companies Act,1956 have been made at the prices, which are reasonable having regard to prevailing market prices at relevant time.
- VI. The Company has not accepted deposits from the public. In our opinion, the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA of the Act and the rules framed there under, where applicable, have been complied with. National Company Law Tribunal has not passed any order in respect of public deposits accepted by the Company.
- VII. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- VIII. According to the information and explanations given to us, the Central Government has prescribed maintenance of cost records U/S 209(1)(d) of the Companies Act 1956 for products manufactured by the company. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not how ever made detailed examination of the records with a view to determine whether they are accurate and complete.
- IX. (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other statutory dues applicable to it with the appropriate authorities.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Wealth-Tax, Service Tax, Sales Tax, Custom Duty and Excise Duty and Cess and other aforesaid statutory dues were outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.  
(c) According to the record of Company there are no dues sales tax, income tax, custom duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute.  
(d) An appeal filed by the Company against sales tax authority is pending before Hon’ble High Court of Allahabad in the matter of imposition of Entry Tax on Job Work. However, Company has submitted a Bank Guarantee of Rs. 5,28,000/- with the said department as per direction of Hon’ble High Court of Allahabad while passing the stay order on such imposition. As confirmed by the management, during financial year 2012-13, the Hon’ble High Court has allowed the said appeal but due to clerical mistake in the order, application for rectification has been filed and hence pending final order no effect has been given in the Books of Accounts.

- X. The Company does not have accumulated losses at the end of financial year. The Company has not incurred cash loss during the financial year covered by the audit and in the preceding financial year.
- XI. According to the information and explanations given to us, we are of the opinion that Company has not defaulted in repayment of dues to financial institutions or banks and debenture holders.
- XII. In our opinion, and according to the explanations given to us, and based on the information, available the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. In our opinion, the Company is not a chit fund or Nidhi/ Mutual Benefit Fund/ Society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XIV. In our opinion, and according to the information and explanation given to us the Company is dealing in/ or trading in Shares, Securities, Debentures and other investments. However the Company is maintaining the proper records of the transactions & contracts and timely entries are being made there in, all the investments are held in the name of the Company except to the extent of the exemption, if any, granted under section 49 of the Companies Act, 1956.
- XV. The Company has not given any guarantee for loans taken by others from bank, financial institutions, which is prejudicial to the interest of the Company.
- XVI. The term loans were applied for the purpose for which the loans were obtained.
- XVII. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short terms basis that have been used for long term investment and vice versa.
- XVIII. The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- XIX. During the period covered by our Audit Report, the Company has not issued any debentures.
- XX. During the period covered by our Audit Report, the Co. has not raised any money by public issue.
- XXI. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the period under report.

For **R.K GOVIL & Co.**  
Chartered Accountants  
FRN – 000748C

Sd/-

**Rajesh Kumar Govil**  
Partner

Membership No.013632

Place: New Delhi  
Dated: 30.05.2014





**BALANCE SHEET AS ON 31ST MARCH 2014**

Particulars	Notes	(Amount in Rs)	
		As at 31.03.2014	As at 31.03.2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	3	4,66,21,340	4,66,21,340
Reserves and Surplus	4	13,58,79,969	13,61,61,188
<b>Non-Current Liabilities</b>			
Long-term borrowings	5	1,30,74,216	1,09,84,202
Deferred tax liabilities (Net)	6	47,96,169	45,92,493
Long term provisions	7	6,93,166	8,23,280
<b>Current Liabilities</b>			
Short-term borrowings	8	4,13,09,009	2,89,49,237
Trade payables		92,39,646	51,69,930
Other current liabilities	9	58,22,456	1,34,21,974
Short-term provisions	7	5,25,696	2,54,590
		<b>25,79,61,667</b>	<b>24,69,78,234</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	13,26,88,484	13,38,32,943
Non-current investments	11	3,55,38,279	4,05,38,279
Long term loans and advances	12	83,33,482	87,21,201
<b>Current assets</b>			
Current investments	11	93,26,486	14,76,018
Inventories	14	2,45,07,375	2,59,21,351
Trade receivables	15	1,73,55,296	1,51,01,538
Cash and cash equivalents	16	1,68,694	1,26,756
Short-term loans and advances	12	2,82,95,748	2,01,62,063
Other current assets	13	17,47,822	10,98,085
		<b>25,79,61,667</b>	<b>24,69,78,234</b>

Notes 1 to 16, 26 To 33 and Cash Flow Statement form part of this Balance Sheet

As per our report of even date

For R.K. Govil & Co.  
Chartered Accountants

Sd/-

**Rajesh Kumar Govil**  
Partner  
FRN.: 000748C  
Membership NO. 013632  
Place: New Delhi  
Date : 30.05.2014

For and on behalf of Board of Directors

Sd/-

**Ashok Kumar Modi**  
Managing Director

Sd/-

**Pawan Kumar Modi**  
Jt. Managing Director

Sd/-  
**Vasu Modi**  
Director



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014**

Particulars	Notes	(Amount in Rs)	
		For the year 31.03.2014	For the year 31.03.2013
<b>INCOME:</b>			
Revenue from operations	17	16,32,73,461	22,17,69,469
Other Income	18	68,42,288	9,32,328
		<b>17,01,15,749</b>	<b>22,27,01,797</b>
<b>EXPENSES:</b>			
Cost of materials consumed	19	14,25,92,607	19,41,71,979
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	46,55,973	54,36,337
Employee benefit expense	21	59,24,795	65,03,179
Financial costs	22	55,72,311	63,03,881
Depreciation and amortization expense	23	24,69,447	35,43,746
Other expenses	24	78,97,873	84,72,546
		<b>16,91,13,006</b>	<b>22,44,31,668</b>
Profit before exceptional and extraordinary items and		<b>10,02,743</b>	<b>(17,29,871)</b>
Exceptional Items		-	-
Profit before extraordinary items and tax		<b>10,02,743</b>	<b>(17,29,871)</b>
Extraordinary Items		-	56,32,360
<b>PROFIT BEFORE TAX</b>		<b>10,02,743</b>	<b>39,02,489</b>
<b>TAX EXPENSES:</b>			
Current tax		1,63,882	7,39,105
Current tax - Prior Year		4,43,379	30,543
MAT Credit		(48,684)	(1,88,279)
MAT Credit - Prior Year		(35,323)	(4,65,627)
Others Tax Expenses		5,506	6,444
Deferred tax		2,03,676	(1,44,589)
Profit from the period from continuing operations		<b>2,70,307</b>	<b>39,24,892</b>
Profit from discontinuing operations		-	-
Tax expense of discounting operations		-	-
Profit from Discontinuing operations		-	-
<b>PROFIT AFTER TAX</b>		<b>2,70,307</b>	<b>39,24,892</b>
<b>EARNING PER EQUITY SHARE</b>			
(Nominal Value of Share Rs. 10 each)			
Basic and diluted	25	<b>0.03</b>	<b>0.71</b>

Notes 1, 2, 17 to 33 and Cash Flow Statement form part of this Statement of Profit and Loss  
As per our report of even date

**For R.K. Govil & Co.**  
Chartered Accountants

**For and on behalf of Board of Directors**

Sd/-

Sd/-

Sd/-

**Rajesh Kumar Govil**  
Partner  
FRN.: 000748C  
Membership NO. 013632  
Place: New Delhi  
Date : 30.05.2014

**Ashok Kumar Modi**  
Managing Director

**Pawan Kumar Modi**  
Jt. Managing Director

Sd/-  
**Vasu Modi**  
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014**

(Amount in Rs)

Particulars	For the year March 31, 2014	For the Year March 31, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax</b>	<b>10,02,743</b>	<b>(17,29,871)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	24,69,447	35,43,746
(Profit)/loss on sale of Assets	6,19,706	(1,11,191)
(Profit)/loss on sale of Shares / Mutual Fund	(47,54,969)	(1,02,132)
Interest & Finance Charges	55,72,311	63,03,880
Interest Income	(11,69,542)	(3,71,277)
Dividend Income	(31,694)	(23,690)
<b>Operating Profit before Working Capital Changes</b>	<b>37,08,003</b>	<b>75,09,465</b>
<b>Adjustments for:</b>		
Decrease/(Increase) in Inventories	14,13,976	61,98,812
Decrease/(Increase) in Receivables	(22,53,758)	1,42,87,143
Decrease/(Increase) in other current and non current assets	(79,32,168)	(14,63,937)
Increase/(Decrease) in Payables	40,69,716	(26,83,109)
Increase/(Decrease) in Other Current Liabilities	4,53,124	(20,47,798)
Increase/(Decrease) in Provision	1,40,992	1,16,128
<b>Total Adjustment for working capital change</b>	<b>(41,08,118)</b>	<b>1,44,07,239</b>
<b>Cash generated from operations</b>	<b>(4,00,115)</b>	<b>2,19,16,703</b>
Income Tax (paid) refund	(9,92,292)	(10,91,919)
Other Cash Inflows (Outflows)	(1,10,998)	(76,859)
<b>Net Cash flow from Operating activities before extraordinary item</b>	<b>(15,03,405)</b>	<b>2,07,47,925</b>
Proceeds from extraordinary items	-	56,32,360
<b>Net Cash flow from Operating activities</b>	<b>(15,03,405)</b>	<b>2,63,80,285</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(98,85,226)	(26,20,582)
Sale of Fixed Assets	75,00,000	16,02,795
Purchase of Debt Mutual Fund	(1,35,70,000)	(20,00,000)
Sale of Debt Mutual Fund	60,44,500	20,00,668
Sale of CIG Reality Fund	94,30,000	-
Interest Income	11,69,542	56,073
Dividend Income	31,694	22,278
<b>Net Cash used in Investing activities</b>	<b>7,20,510</b>	<b>(9,38,767)</b>



**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014**

Particulars	(Amount in Rs)	
	For the year March 31, 2014	For the Year March 31, 2013
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long term Borrowings	47,74,216	83,00,000
Repayment of Long term Borrowings	(1,07,36,844)	(1,07,36,844)
Repayment of Short term Borrowings	-	(1,74,00,846)
Proceeds from Short term Borrowings	1,23,59,772	-
Interest paid	(55,72,311)	(63,03,880)
Proceeds from Share Issued	-	30,000
<b>Net Cash used in financing activities</b>	<b>8,24,833</b>	<b>(2,61,11,570)</b>
Net increase in cash & Cash Equivalents	41,938	(6,70,052)
Cash and Cash equivalents as at beginning	1,26,756	7,96,808
Cash and Cash equivalents as at end	1,68,694	1,26,756

Note: Cash Flow Statement is prepared using the indirect method, whereby profit before tax is adjusted for effect of transactions of a non cash nature and deferrals or accruals of past or future operating cash receipts of payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

As per our report of even date

**For R.K. Govil & Co.**  
Chartered Accountants

Sd/-

**Rajesh Kumar Govil**  
Partner  
FRN.: 000748C  
Membership NO. 013632  
Place: New Delhi  
Date : 30.05.2014

**For and on behalf of Board of Directors**

Sd/-

**Ashok Kumar Modi**  
Managing Director

Sd/-  
**Vasu Modi**  
Director

Sd/-

**Pawan Kumar Modi**  
Jt. Managing Director

**1. Corporate information**

National General Industries Ltd. ('The Company') is engaged in the production and selling of Steel. The Company has manufacturing facilities at Ghaziabad, U.P. and Bhiwadi, Rajasthan.

**2. Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**2.1 Summary of significant accounting policies****(a) Tangible fixed assets**

Fixed assets, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price (net of CENVAT Credit), borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

**(b) Depreciation on tangible fixed assets**

Depreciation on fixed assets is provided on Straight Line Method as per rates computed based on estimated useful lives, which are equal to the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on revalued fixed assets is charged to Revaluation Reserve. No depreciation is being provided on leasehold land.

**(c) Impairment**

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

An impairment loss is recognized in the Statement of Profit and Loss if the carrying amount of an asset exceeds its recoverable amount.

**(d) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**(e) Leases**

*Where the Company is the lessee*

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit and Loss on a straight-line basis over the lease term.

**(f) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost.

**(g) Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(h) Inventories**

Finished and semi-finished products produced and purchased by the Company are carried at lower of cost and net realizable value.

Work-in-progress is carried at lower of cost and net realizable value.

Raw materials purchased are carried at cost.

Store and spare parts are carried at cost.

Cost has been determined by using the FIFO method.

**(i) Revenue Recognition**

(i) Sale of goods :Revenue from sale of goods is recognized net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer. Sale of goods is recognized gross of excise duty but net of sales tax and value added tax.

(ii) Income from Services :Revenue from services is accounted for in accordance with the terms of contracts, as and when these services are rendered.

(iii) Interest : Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(iv) Dividend : Dividend Income is recognized when right to receive is established.

**(j) Retirement and other benefits**

(i) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contributions to respective funds are due. There are no other obligations other than the contribution payable to the fund.

(ii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each financial year.

**(k) Income taxes**

**Tax Expense** comprises of current and deferred taxes. Current income tax is measured at the amount expected to be paid to the income tax authorities in accordance with Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

**Deferred Tax** is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward tax losses, entire deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

**Minimum Alternate Tax (MAT)** paid in during a year is charged to the statement of profit and loss as current tax. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period i.e. for the period for which MAT credit is allowed to be carried forward.

**(l) Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**(m) Contingent liability**

Contingent liability is not provided for in the accounts and is recognized by way of notes.

**(n) Amortisation of Misc. Expenditure**

Miscellaneous expenditure is amortized over a period of five years

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

Note No.	Particulars	(Amount in Rs)	
		As on 31.03.2014	As on 31.03.2013
<b>3.</b>	<b>Share Capital</b>		
	<b><u>AUTHORISED SHARES</u></b>		
	12,000,000 ( P.Y. 12,000,000) Equity Shares of Rs.10/- each	<b>12,00,00,000</b>	12,00,00,000
	<b><u>ISSUED AND SUBSCRIBED SHARES</u></b>		
	5,530,259 ( P.Y. 5,530,259) Equity Shares of Rs. 10/- each	<b>5,53,02,590</b>	5,53,02,590
		<b>5,53,02,590</b>	5,53,02,590
	<b><u>PAID UP SHARES</u></b>		
	5,530,259 ( P.Y. 5,530,259) Equity Shares of Rs. 10/- each	<b>5,53,02,590</b>	5,53,02,590
	Less: Call Money unpaid by other than Directors	<b>86,81,250</b>	86,81,250
	1,157,500 (P.Y.1,157,500) Shares @ Rs. 7.50 each		
		<b>4,66,21,340</b>	4,66,21,340
	<b>a. Reconciliation of the Equity shares outstanding at the beginning and at the end of reporting period</b>		
	Outstanding at the beginning of the year		
	5,530,259 ( P.Y. 5,530,259) Equity Shares of Rs. 10/- each	<b>5,53,02,590</b>	5,53,02,590
	Outstanding at the year end		
	5,530,259 ( P.Y. 5,530,259) Equity Shares of Rs. 10/- each	<b>5,53,02,590</b>	5,53,02,590

**b. Terms/rights attached to equity share**

The company has only one class of equity shares having a par value of Rs 10 per share. The holder of each fully paid equity share is entitled to one vote. Each share is entitled to equal dividend if any declared by the Company and approved by the Share holders of the Company.

In the event of liquidation of the company, holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- c. During the year 1995-96, 327,551 Equity shares of Rs.10/- each fully paid up were issued as Bonus Shares out of General Reserve on 07/07/1995

**d. Details of shareholders holding more than 5% shares in the company**

Name	As on 31.03.2014		As on 31.03.2013	
	No.	% of Holding	No.	% of Holding
Modi Power Pvt. Ltd.	4,99,900	9.04	4,99,900	9.04

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

		(Amount in Rs)	
Note No.	Particulars	As on 31.03.2014	As on 31.03.2013
<b>4.</b>	<b>Reserves &amp; Surplus</b>		
	<b>Capital Reserve</b>		
	Balance as per the last financial statements	2,47,64,460	2,47,64,460
	Closing Balance	<u>2,47,64,460</u>	<u>2,47,64,460</u>
	<b>Security Premium Account :</b>		
	Balance as per the last financial statements	1,42,10,250	1,42,02,750
	Add : Unpaid Call Money Received	-	7,500
	Closing Balance	<u>1,42,10,250</u>	<u>1,42,10,250</u>
	<b>Revaluation Reserve</b>		
	Balance as per the last financial statements	27,74,002	32,14,531
	Less: Depreciation on Revalued Assets	4,40,529	4,40,529
	Closing Balance	<u>23,33,473</u>	<u>27,74,002</u>
	<b>General Reserve</b>		
	Balance as per the last financial statements	8,70,00,000	8,30,00,000
	Add: Amount transferred from surplus balance in the statement of Profit & Loss	20,00,000	40,00,000
	Closing Balance	<u>8,90,00,000</u>	<u>8,70,00,000</u>
	<b>Surplus Balance in Statement of Profit and Loss</b>		
	Balance as per the last financial statements	74,12,476	75,64,443
	Profit for the year	2,70,307	39,24,892
	Add: Excess Provision written back	-	-
		<u>76,82,784</u>	<u>1,14,89,335</u>
	Less: Appropriations :		
	Prior Year Expenditure	1,10,998	76,859
	Transfer to General Reserve	20,00,000	40,00,000
	Total Appropriation	<u>21,10,998</u>	<u>40,76,859</u>
	<b>Surplus in the Statement of Profit and Loss</b>	<u>55,71,786</u>	<u>74,12,476</u>
	<b>Total Reserves &amp; Surplus</b>	<u>13,58,79,969</u>	<u>13,61,61,188</u>
<b>5.</b>	<b>Long-term borrowings</b>		
	<b>Secured Borrowings</b>		
	Loan from RIICO Ltd.	26,84,202	1,34,21,046
	Loan from HDFC Bank	7,74,216	-
	<b>Unsecured Borrowings</b>		
	Loan from Body Corporates - Repayable on demand	33,00,000	33,00,000
	Loan from Related Party - Repayable on demand	90,00,000	50,00,000
		<u>1,57,58,418</u>	<u>2,17,21,046</u>
	Less: Current Maturity of Long Term Borrowings	26,84,202	1,07,36,844
		<u>1,30,74,216</u>	<u>1,09,84,202</u>
	Loan from RIICO Ltd. - Deferred Payment Loan against cost of Leasehold Land for Bhiwadi unit purchased from RIICO Ltd. on repayment terms of 19 quarterly installments with simple rate of interest @ 12% p.a. on reducing balance starting from December, 2009 and ending on June, 2014.		
	Loan from HDFC Bank - Vehicle Loan against hypothecation of Vehicle having repayment terms of 36 equated monthly instalments starting from March, 2014 and ending on February, 2017 at rate of interest @ 10.52% p.a. The Loan is further secured by personal guarantee of Director of the Company.		



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

		(Amount in Rs)	
Note No.	Particulars	As on 31.03.2014	As on 31.03.2013
6.	<b>Deferred tax liabilities (Net)</b>		
	<b>Deferred Tax Liability</b>		
	On Fixed Assets: Difference in depreciation and amortisation for accounting and income tax purposes	51,72,797	49,25,555
	<b>Deferred Tax Asset</b>		
	On provision for Gratuity	3,76,628	3,33,062
	<b>Net Deffered Tax Liability</b>	<u>47,96,169</u>	<u>45,92,493</u>
7.	<b>Provisions</b>		
	<b>Long Term</b>		
	Provision for Gratuity	6,93,166	8,23,280
		<u>6,93,166</u>	<u>8,23,280</u>
	<b>Short Term</b>		
	Provision for Gratuity	5,25,696	2,54,590
	Provision for Taxation	-	-
		<u>5,25,696</u>	<u>2,54,590</u>
8.	<b>Short-term borrowings</b>		
	<b>Secured Borrowings</b>		
	Working Capital Loan from Bank	3,62,57,903	2,89,49,237
	Term Loan from Bank	50,51,106	-
		<u>4,13,09,009</u>	<u>2,89,49,237</u>
	Working Capital loans from State Bank of Patiala are secured by first charge on all current assets of company, both present & future, including stocks of raw materials, finished and semi-finished goods and book debts of the Company. These facilities are further secured by collateral security of land of the company situated at 9th Milestone, Ghaziabad. The managing director and director have given personnel guarantee to the bank for the facility. The working capital loan are repayable on demand and carry interest @ 12.50% p.a.		
	Term loan from State Bank of Patiala of Rs 50 lakh for purchase and installation of Plant & Machinery against hypothecation of said Plant & Machinery having repayment terms of 36 Equated Monthly Instalments starting from May, 2014 and ending on April, 2017 and carry interest @ 12.50% p.a.		
9.	<b>Other current liabilities</b>		
	Current Maturity of Long Term Secured Borrowings	26,84,202	1,07,36,844
	Interest accrued but not due on borrowings	66,642	-
	Advance from Customers	2,62,622	1,23,573
	Salary & Wages Payable	3,77,432	5,85,435
	EPF Payable	24,324	28,144
	Other Accrued Payroll Liabilities	4,95,480	1,25,364
	Other Tax Payable	6,22,084	6,72,086
	Expenses Payable	12,89,670	9,15,706
	Creditors for Capital Expenditures	-	2,34,822
		<u>58,22,456</u>	<u>1,34,21,974</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**
**Note No. 10. Tangible Fixed Assets**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK					
	AS ON 01.04.2013		TOTAL AS ON 31.03.2014		AS ON 01.04.2013		DURING THE YEAR		AS ON 31.03.2014		AS ON 31.03.2014		AS ON 31.03.2013	
	ORIGINAL	REVALUED	ADDITION	DEDUCTION	ORIGINAL	REVALUED	ORIGINAL	REVALUED	ORIGINAL	REVALUED	ORIGINAL	REVALUED	ORIGINAL	REVALUED
			DURING THE YEAR											
FREEHOLD LAND	36,23,405	71,60,180	-	-	-	-	-	-	-	-	-	-	36,23,405	71,60,180
LEASEHOLD LAND	6,97,43,595	-	-	-	-	-	-	-	-	-	-	-	6,97,43,595	-
BUILDING	1,40,92,230	33,56,209	-	-	13,58,254	19,82,130	1,16,220.50	1,12,097	14,74,476	20,94,227	1,26,17,755	11,49,885	1,27,33,976	12,61,982
PLANT & MACHINERY	4,85,15,168	69,14,353	13,68,571	83,72,335	1,24,04,261	56,98,259	10,98,706.41	3,28,432	1,27,13,043	60,26,691	2,87,98,361	5,59,230	3,61,10,907	8,87,662
VEHICLES	65,34,030	-	10,94,946	17,56,110	46,96,634	-	5,77,996.00	-	40,55,816	-	18,17,050	-	18,37,396	-
FIRE & FIGHTING EQUIP.	2,78,851	-	6,330	-	8,588	-	1,250.72	-	9,839	-	2,75,342	-	1,85,238	-
FURNITURE & FIXTURE	2,37,327	-	-	-	1,16,811	-	15,023.00	-	1,31,835	-	1,05,492	-	1,20,515	-
OFFICE EQUIPMENT	2,04,877	-	43,550	-	1,99,544	-	25,931.14	-	2,25,475	-	22,952	-	90,359	-
F.A.ROLLS	94,61,278	-	7,43,724	-	94,12,144	-	6,32,938.48	-	1,00,45,082	-	1,59,920	-	49,134	-
COMPUTER	6,20,219	-	-	-	5,94,358	-	1,160.00	-	5,95,519	-	24,700	-	25,861	-
CYCLE	3,120	-	-	-	387	-	221.00	-	608	-	2,512	-	2,733	-
CAPITAL WORK IN PROGRE	-	-	66,28,105	-	-	-	-	-	-	-	66,28,105	-	-	-
<b>TOTAL</b>	<b>15,33,14,100</b>	<b>1,74,30,742</b>	<b>98,85,226</b>	<b>1,01,28,445</b>	<b>2,87,90,981</b>	<b>76,80,389</b>	<b>24,69,447</b>	<b>4,40,529</b>	<b>2,92,51,693</b>	<b>81,20,918</b>	<b>12,38,19,189</b>	<b>88,69,295</b>	<b>12,45,23,119</b>	<b>93,09,824</b>
PREVIOUS YEAR	15,23,34,625	1,74,30,742	25,15,579	15,36,104	2,55,33,783	76,80,389	34,06,699,000	4,40,529	2,87,90,979	81,20,918	12,45,23,120	93,09,824	12,68,00,844	97,50,353

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rs)

Note No.	Particulars	As on 31.03.2014	As on 31.03.2013		
<b>11.</b>	<b>Investments</b>				
	<b>Non Current Investments</b>				
	<b>Trade Investments</b>				
	<b>Quoted equity instruments</b>				
	700 (P.Y. 700) equity shares of Rs. 10 each in Kay Pulp & Papers Ltd.	7,000	7,000		
	2 (P.Y. 2) equity shares of Rs. 10 each in Southern Iron & Steel Co. Ltd.	76	76		
	<b>Total Quoted Equity Instruments</b>	<b>7,076</b>	<b>7,076</b>		
	<b>Unquoted equity instruments</b>				
	3,124,750 (P.Y. 3,124,750) equity shares of Rs. 10 each in Modi Power Pvt. Ltd.	2,75,40,000	2,75,40,000		
	557,300(P.Y. 557,300) equity shares of Rs. 10 each in Peacon Properties & Enclave. Pvt. Ltd.	11,31,200	11,31,200		
	<b>Total Unquoted Equity Instruments</b>	<b>2,86,71,200</b>	<b>2,86,71,200</b>		
	<b>Quoted Mutual Funds</b>				
		Units (Current Year)	Units (Previous Year)		
	Franklin India Smaller Company Fund-Gr.	1,50,000	1,50,000	15,00,000	15,00,000
	HDFC Equity Fund	50,719	50,719	53,60,004	53,60,004
	<b>Total Quoted Mutual Funds</b>			<b>68,60,004</b>	<b>68,60,004</b>
	<b>Unquoted Mutual Funds</b>				
	CIG Realty Venture Fund	-	5,00,000	-	50,00,000
	<b>Total Unquoted Mutual Funds</b>			<b>-</b>	<b>50,00,000</b>
	<b>Total Non Current Investments</b>			<b>3,55,38,279</b>	<b>4,05,38,279</b>
	<b>Current Investments</b>				
	Templeton India Ultra Short Bond Fund-SIP	4,93,521	-	78,06,214	-
	Investment in Shares through ING Portfolio Man	3,507	2,717	15,20,272	14,76,018
	<b>Total Current Investments</b>			<b>93,26,486</b>	<b>14,76,018</b>
	<b>Total Investments</b>			<b>4,48,64,765</b>	<b>4,20,14,297</b>

	Book Value as at		Market Value as at	
	31.03.14	31.03.13	31.03.14	31.03.13
Quoted	1,46,73,293	68,67,079	2,84,13,040	1,61,17,928
Unquoted	3,01,91,472	3,51,47,218	-	-
	<b>4,48,64,765</b>	<b>4,20,14,297</b>	<b>2,84,13,040</b>	<b>1,61,17,928</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

		(Amount in Rs)	
Note No.	Particulars	As on 31.03.2014	As on 31.03.2013
12.	<b>Loans and advances (Unsecured, Considered Good)</b>		
	<b>Non Current</b>		
	Security Deposit	83,33,482	87,21,201
		<u>83,33,482</u>	<u>87,21,201</u>
	<b>Current</b>		
	Balance with Statutory / Government Authorities	1,82,79,527	1,51,57,988
	Prepaid Expenses	1,46,224	3,44,662
	Advance to Suppliers & Others	12,113	2,60,212
	Advance to Staff	1,44,100	1,90,120
	Advance recoverable in cash or in kind	50,00,000	-
	Interest Receivable	41,167	-
	Minimum Alternative Tax Adjustable	29,05,446	32,64,818
	Income Tax Refundable	17,67,171	9,44,263
		<u>2,82,95,748</u>	<u>2,01,62,063</u>
13.	<b>Other assets</b>		
	<b>Current</b>		
	Unbilled Revenue	4,96,069	4,37,376
	Accrued Interest on Security Deposit	12,51,753	6,60,709
		<u>17,47,822</u>	<u>10,98,085</u>
14.	<b>Inventories</b>		
	Raw Materials	1,04,32,101	78,44,502
	Finished goods	84,82,953	1,31,17,658
	Stock-in-Trade	1,36,152	1,36,152
	Stores & Spares	36,82,750	36,82,750
	Loose Tools	2,71,288	13,088
	Others	15,02,132	11,27,201
		<u>2,45,07,375</u>	<u>2,59,21,351</u>
15.	<b>Trade receivables (Unsecured, Considered Good)</b>		
	Exceeding Six Months	51,22,406	50,89,942
	Others	1,22,32,890	1,00,11,596
		<u>1,73,55,296</u>	<u>1,51,01,538</u>
16.	<b>Cash and Bank Balances</b>		
	<b>Cash and cash equivalents</b>		
	Balances with Banks	75,405	63,598
	Cash on hand	93,289	63,158
		<u>1,68,694</u>	<u>1,26,756</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

		(Amount in Rs)	
Note No.	Particulars	For the year 31.03.2014	For the year 31.03.2013
17.	<b>Revenue from operations</b>		
	Sale of Finished Goods	12,71,09,595	18,16,57,931
	Sale of Services	4,74,11,428	5,44,69,508
	Other Operating Revenue	30,54,190	62,35,584
	<b>Revenue from Operations (Gross)</b>	<b>17,75,75,213</b>	<b>24,23,63,023</b>
	Less: Excise Duty	1,43,01,752	2,05,93,554
	<b>Revenue from Operations (Net)</b>	<b>16,32,73,461</b>	<b>22,17,69,469</b>
	<b>Details of Finished Goods sold</b>		
	Iron & Steel Bar	12,71,09,595	18,01,12,409
	Steel Casting	-	15,45,522
	<b>Details of Sale of Services</b>		
	Job Work charges on Re - rolling	4,74,11,428	5,44,69,508
	<b>Details of Other Operating Revenue</b>		
	Sale of By Product, viz. Scrap	30,54,190	62,35,584
18.	<b>Other Income</b>		
	Interest Received	11,69,542	3,56,588
	Interest on Income Tax Refund	-	14,690
	Income from Dividend	31,694	23,690
	STCG on Current / Trade Investments	2,80,714	6,874
	LTCG on Current / Trade Investments	1,11,874	1,42,358
	LTCG on Long Term / Trade Investments	44,30,000	-
	Profit on Sale of Fixed Asset	-	1,11,191
	Miscellaneous Income	23,581	2,30,402
	Unclaimed Creditors Written back	7,94,883	46,535
		<b>68,42,288</b>	<b>9,32,328</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

		(Amount in Rs)	
Note No.	Particulars	For the year 31.03.2014	For the year 31.03.2013
19.	<b>Cost of Raw Material and Components Consumed</b>		
	<b>Raw Material Consumed</b>		
	Opening Stock	78,44,502	80,49,688
	Purchases	10,53,76,773	15,03,31,037
		<u>11,32,21,275</u>	<u>15,83,80,725</u>
	Less: Inventory at the end of the year	1,04,32,101	78,44,502
		<u>10,27,89,174</u>	<u>15,05,36,223</u>
	<b>Details of raw material and components</b>		
	<b>Raw material and components Consumed</b>		
	MS Ingot	10,27,89,174	15,04,61,694
	Scrap	-	74,529
		<u>10,27,89,174</u>	<u>15,05,36,223</u>
	<b>Details of closing inventory of raw material</b>		
	MS Ingot	1,00,82,104	74,94,505
	Scrap	3,49,997	3,49,997
		<u>1,04,32,101</u>	<u>78,44,502</u>
	<b>Details of opening inventory of raw material</b>		
	MS Ingot	74,94,505	76,25,161
	Scrap	3,49,997	4,24,527
		<u>78,44,502</u>	<u>80,49,688</u>
	<b>Furnace Oil Consumed</b>		
	Opening Stock	2,10,718	7,56,194
	Add: Purchase/Tfd.during the year	2,71,11,716	3,10,31,332
		<u>2,73,22,434</u>	<u>3,17,87,526</u>
	Less: Closing Stock	1,12,415	2,10,718
		<u>2,72,10,019</u>	<u>3,15,76,808</u>
	<b>Other Manufacturing Expenses</b>		
	Power Expenses	95,37,438	87,41,195
	Engine Expenses	25,03,380	27,06,424
	Weighing & Stalking	18,590	19,540
	Consumable Store	5,34,005	5,91,790
		<u>1,25,93,413</u>	<u>1,20,58,949</u>
		<u>14,25,92,607</u>	<u>19,41,71,979</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

		(Amount in Rs)	
Note No.	Particulars	For the year 31.03.2014	For the year 31.03.2013
20.	<b>(Increase)/Decrease in Inventories</b>		
	<b>Work-in-progress and Stock-in-Trade</b>		
	<b>Inventories at the end of the year</b>		
	Finished goods	84,82,953	1,31,17,658
	Traded goods	1,36,152	1,36,152
	Waste	2,01,958	2,23,226
		<u>88,21,063</u>	<u>1,34,77,036</u>
	<b>Inventories at the opening of the year</b>		
	Finished goods	1,31,17,658	1,76,11,273
	Traded goods	1,36,152	1,36,152
	Waste	2,23,226	4,85,700
		<u>1,34,77,036</u>	<u>1,82,33,125</u>
	Others	-	6,80,248
		<u>1,34,77,036</u>	<u>1,89,13,373</u>
	<b>(Increase) / Decrease in Inventories</b>	<u>46,55,973</u>	<u>54,36,337</u>
	<b>Details of Inventories</b>		
	<b>Finished Goods</b>		
	N.A.IRON & STEELS BAR	75,24,216	1,21,58,921
	Ingots	38,628	38,628
	Casting	5,08,896	5,08,896
	Runner & Risser	4,11,213	4,11,213
		<u>84,82,953</u>	<u>1,31,17,658</u>
21.	<b>Employee Benefit Expenses</b>		
	Salaries & Wages	51,67,789	57,07,700
	Bonus & Ex-Gratia	1,56,852	1,65,282
	Employer's Cont.to P.F.	1,72,600	1,89,351
	Employer's Cont.to E.S.I.	72,725	82,446
	Gratuity	1,86,622	2,54,590
	Staff Welfare	1,07,167	1,03,810
	Leave encashment	61,040	-
		<u>59,24,795</u>	<u>65,03,179</u>
22.	<b>Financial costs</b>		
	Bank Interest	31,98,263	38,09,338
	Other Borrowing Cost	23,74,048	24,94,543
		<u>55,72,311</u>	<u>63,03,881</u>
23.	<b>Depreciation and amortization expense</b>		
	Depreciation Expense	24,69,447	34,06,699
	Preliminary expense written off	-	1,37,047
		<u>24,69,447</u>	<u>35,43,746</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

		(Amount in Rs)	
Note No.	Particulars	For the year 31.03.2014	For the year 31.03.2013
<b>24.</b>	<b>Other expenses</b>		
	Travelling & Conveyance	1,92,346	4,37,050
	Printing & Stationery	50,693	42,120
	Postage & ,Telegram	25,713	30,018
	Telephone Expenses	3,05,411	4,51,807
	Electricity Expenses	5,42,676	6,29,604
	Keyman Insurance	95,693	95,693
	Auditor's Remuneration	3,48,100	3,48,100
	Legal & Professional Charges	5,07,144	4,72,531
	Filing Fees	7,280	14,996
	Listing & Custodial Fees	55,000	68,200
	Rates & Taxes	38,869	35,247
	Bank Charges	3,35,187	1,19,871
	General Expenses	44,326	56,994
	Insurance Charges	32,778	15,638
	Rent	61,500	61,185
	Recruitment Expenses	-	10,000
	Vehicle Running & Maintenance	5,20,280	5,42,753
	Security & Vigilance	7,92,562	8,39,301
	Repair & maintenance - Building	26,890	9,045
	Repair & maintenance - Plant & Machinery	14,52,079	18,59,446
	Repair & maintenance - Others	31,258	30,038
	Business promotion	3,49,945	2,97,260
	Rebate, Discount & commission	10,98,230	17,13,569
	Advertisement & Publicity	93,744	99,036
	Sales Tax / Excise Expenses	14,244	1,34,606
	Bad Debt written off	23,545	58,438
	Short Term Capital Loss	14,150	-
	Interest on TDS	173	-
	Computer Expenses	8,350	-
	Loss on sales of Fixed Assets	6,19,706	-
	Service charges paid to RIICO	2,10,000	-
		<b>78,97,873</b>	<b>84,72,546</b>
	<b>Payment to Auditor</b>		
	- Audit fee	2,75,000	2,75,000
	- Limited Review	23,100	23,100
	- For Taxation matters	50,000	50,000
		<b>3,48,100</b>	<b>3,48,100</b>
	<b>Cost audit fees (included in Legal &amp; Professional Charges)</b>	<b>60,000</b>	<b>60,000</b>
<b>25.</b>	<b>Earning per Share</b>		
	The following reflects the profit and share data used in the basic and diluted EPS computations:		
	Net profit for calculation of basic and diluted EPS (Rs.)	2,70,307	39,24,892
	Weighted average number of equity shares in calculating basic and diluted EPS	55,30,259	55,30,259
	Basic and diluted earning per share (Rs.)	0.03	0.71



**26. Segment Information**
*Business Segments :*

The Company operates in two segments i.e. manufacturing of steel and investing.

*Geographical Segments:*

The Company operates in India and all assets of the Company are located within India only and hence secondary segment by geographical region is not applicable for the company.

**Segment Information**
**Primary Segments Reporting (by Business Segments)**
**Segment Revenues, Results and Other Information**
**(Amounts in Rs.)**

Particulars	Steel Manufacturing		Investments		Total	
	2014	2013	2014	2013	2014	2013
<b>REVENUE</b>						
Sales / Revenue	17,75,75,213	24,23,63,023	68,42,288	9,32,328	18,44,17,501	24,32,95,351
Less : Inter Segment Sales	-	-	-	-	-	-
<b>Net Sales / Revenue</b>	<b>17,75,75,213</b>	<b>24,23,63,023</b>	<b>68,42,288</b>	<b>9,32,328</b>	<b>18,44,17,501</b>	<b>24,32,95,351</b>
Less: Excise Duty	1,43,01,752	2,05,93,554	-	-	1,43,01,752	2,05,93,554
<b>Total Revenue</b>	<b>16,32,73,461</b>	<b>221,769,469</b>	<b>68,42,288</b>	<b>9,32,328</b>	<b>17,01,15,749</b>	<b>22,27,01,797</b>
<b>SEGMENT RESULTS</b>						
<b>Operating Profit / (Loss) before interest &amp; tax</b>	<b>43,17,711</b>	<b>79,37,629</b>	<b>22,57,343</b>	<b>(33,63,620)</b>	<b>65,75,054</b>	<b>45,74,009</b>
Less : Interest Expenses					55,72,311	63,03,880
<b>Profit /(Loss) from Operating Activity (before Tax)</b>					<b>10,02,743</b>	<b>(17,29,871)</b>
<b>OTHER INFORMATION</b>						
<b>Segment Assets</b>	<b>196744370</b>	<b>194,100,928</b>	<b>6,12,17,296</b>	<b>52,877,305</b>	<b>25,79,61,666</b>	<b>246,978,233</b>
<b>Segment Liabilities</b>	<b>15,133,474</b>	<b>18,188,443</b>	<b>1,07,17,874</b>	<b>6,073,884</b>	<b>2,89,06,317</b>	<b>24,262,327</b>
<b>Capital Employed</b>	<b>181,585,920</b>	<b>175,912,485</b>	<b>55311645</b>	<b>46,803,421</b>	<b>23,68,97,565</b>	<b>222,715,906</b>
<b>Capital Expenditure</b>	<b>87,90,280</b>	<b>2,515,579</b>	<b>10,94,946</b>	<b>-</b>	<b>98,85,226</b>	<b>2,515,579</b>
<b>Depreciation/Amortization</b>	<b>18,48,321</b>	<b>2,780,229</b>	<b>621126</b>	<b>626,469</b>	<b>24,69,447</b>	<b>3,406,698</b>
<b>Other non-cash expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>137,047</b>	<b>-</b>	<b>137,047</b>

**27. Related Party Disclosures**
**Names of Related Parties**
**A. Parties under common control**

Modi Power Pvt. Ltd.  
Modi Metal & Allied Industries Pvt. Ltd.  
J.P.Modi& Sons – HUF  
A.K.Modi – HUF  
P.K.Modi – HUF

**B. Key Managerial personnel and their relatives**

Mr. Ashok Kumar Modi	Relationship Managing Director
Mr. Pawan Kumar Modi	Jt. Managing Director
Mr. VasuModi	Director
Mr. MadhurModi	Vice President
Mrs. ShakuntalaModi	Relative of Managing Director

**Transactions with related parties during the year**
**(Amounts in Rs.)**

Particulars	Key managerial personnel and their relatives		Parties under common control		Total	
	2014	2013	2014	2013	2014	2013
<b>Advance Taken</b>						
J.P.Modi& Sons HUF	-	-	40,00,000	50,00,000	40,00,000	50,00,000
<b>Total</b>	-	-	40,00,000	50,00,000	40,00,000	50,00,000
<b>Rent Paid</b>						
J.P.Modi& Sons HUF	-	-	24,000	24,000	24,000	24,000
ShakuntlaModi	36,000	36,000	-	-	36,000	36,000
<b>Total</b>	36,000	36,000	24,000	24,000	60,000	60,000
<b>Remuneration Paid</b>						
MadhurModi	192,000	192,000	-	-	192,000	192,000
<b>Total</b>	192,000	192,000	-	-	192,000	192,000
<b>Sale of Investments</b>						
Modi Power Pvt. Ltd.	-	-	94,30,000	-	94,30,000	-
<b>Total</b>	-	-	94,30,000	-	94,30,000	-
<b>Income on Assignment of Keyman Policies</b>						
Ashok Kumar Modi	-	2,816,180			-	2,816,180
Pawan Kumar Modi	-	2,816,180			-	2,816,180
<b>Total</b>	-	5,632,360			-	5,632,360
<b>Trade Payable</b>						
J.P.Modi& Sons HUF	-	-	90,00,000	5,000,000	90,00,000	5,000,000
MadhurModi	16,000	155,000	-	-	16,000	155,000
<b>Total</b>	16,000	155,000	90,00,000	5,000,000	90,16,000	5,155,000

(Amounts in Rs. lacs)

- |  | March 31,<br>2014 | March 31,<br>2013 |
|--|-------------------|-------------------|
| 28. Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Capital advances) Rs. Nil, Previous year Rs. Nil  | -                 | -                 |
| 29. Contingent liabilities (not provided for) in respect of:   |                   |                   |
| (a) Bank Guarantee in favour of Sales Tax Department – Rs. 5.28 lacs (P.Y. Rs. 5.28 lacs)  |                   |                   |
| (b) Bills discounted liability – Nil (P.Y. – Nil)  |                   |                   |
| 30. There are no Micro, Small and Medium Enterprises to whom company owes dues which are outstanding for more than 45 days as on 31.03.2014. The information as required to be disclosed under MSMED Act, 2006, has been determined to the extent such parties has been identified on the basis of information available with the Company.   |                   |                   |
| 31. <b>Gratuity and other Post- employment benefit plans:</b>  |                   |                   |
| The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employees after completion of 5 years of service. At the end of accounting year actuarial valuation is done as per the Projected unit credit method and any shortfall is further provided for. |                   |                   |

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the Gratuity.

**Profit and Loss account**

**Net employee benefit expense (recognised in Employee Cost)**

(Amounts in Rs.)

Particulars	March 31, 2014	March 31, 2013
Current service cost	1,46,478	1,47,822
Interest cost on benefit obligation	91,619	81,748
Net actuarial (gain)/ loss recognised in the year	(51,475)	(1,13,442)
Past service cost	-	-
<b>Net benefit expense</b>	<b>1,86,622</b>	<b>1,16,128</b>

**Balance Sheet**

**Details of Provision for Gratuity**

(Amounts in Rs.)

Particulars	March 31, 2014	March 31, 2013
Defined benefit obligation	12,18,862	10,77,870
Fair value of plan assets	-	-
Deficit	(12,18,862)	(10,77,870)
Less: Unrecognized Past service cost	-	-
Plan asset / (liability)	(12,18,862)	(10,77,870)

Changes in the present value of the defined benefit obligation are as follows:

(Amounts in Rs.)

Particulars	March 31, 2014	March 31, 2013
Defined benefit obligation as at the beginning of the year	10,77,870	9,61,742
Current service cost	1,86,622	1,16,128
Benefits paid	45,630	-
Defined benefit obligation as at the end of the year	12,18,862	10,77,870

Changes in the fair value of plan assets for Gratuity are as follows:

(Amounts in Rs.)

	March 31, 2014	March 31, 2013
Fair value of plan assets at the beginning of the year	-	-
Transferred pursuant to demerger scheme	-	-
Expected return on plan assets	-	-
Contributions by employer	-	-
Benefits paid	-	-
Other adjustments*	-	-
Actuarial gains / (losses)	-	-
Fair value of plan assets at the end of the year	-	-

The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

Particulars	March 31, 2014	March 31, 2013
	%	%
Discount rate	8.50	8.50
Increase in Compensation cost	6.00	6.00
Expected rate of return on plan assets	-	-
Employee turnover – Age Group		
Up to 30 years	3	3
31 – 44 years	2	2
Above 44 years	1	1

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors on long term basis.

Amounts for the current and previous four years are as follows:

(Amounts in Rs.)

	March 31, 2014	March 31, 2013
Defined benefit obligation	12,18,862	10,77,870
Plan assets	-	-
Surplus / (deficit)	(12,18,862)	(10,77,870)
Experience adjustments on plan liabilities (loss)/gain	51,214	1,13,442
Experience adjustments on plan assets (loss)/gain	-	-

Contribution to Defined Contribution plans:

(Amounts in Rs)

Particulars	March 31, 2014	March 31, 2013
Provident Fund	1,72,593	1,89,351

**32. Supplementary Statutory Information**
**32.1 Earnings in foreign currency (on accrual basis)**
**(Amounts in Rs.)**

	For the year ended March 31, 2014	For the year ended March 31, 2013
Exports at F.O.B. Value	-	-

**32.2 Expenditure in foreign currency (on accrual basis)**
**(Amounts in Rs.)**

	For the year ended March 31, 2014	For the year ended March 31, 2013
Travelling	1,42,235	3,99,449

**32.3 Value of imports calculated on CIF basis (on accrual basis)**
**(Amounts in Rs.)**

	For the year ended March 31, 2014	For the year ended March 31, 2013
Raw Materials	-	-

**32.3 Imported and Indigenous Raw Materials, Stores and Spares Consumed**

Raw Materials	% of total consumption For the year ended		Value (Amount in Rs.) For the year ended	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Indigenous	100.00	100.00	10,27,89,174	15,05,36,223
Imported	-	-	-	-
	100.00	100.00	10,27,89,174	15,05,36,223
<b>Stores and Spares</b>				
Indigenous	100.00	100.00	5,52,595	6,11,330
Imported	-	-	-	-
	100.00	100.00	5,52,595	6,11,330

**33. Figures of the previous year have been rearranged/ regrouped wherever necessary to make them comparable. Figures have been rounded off to nearest of rupee.**

As per our report of even date

For R.K. Govil & Co.  
Chartered Accountants

For and on behalf of Board of Directors

Sd/-

Sd/-

Sd/-

Rajesh Kumar Govil  
Partner  
FRN.: 000748C  
Membership NO. 013632  
Place: New Delhi  
Date : 30.05.2014

Ashok Kumar Modi  
Managing Director

Pawan Kumar Modi  
Jt. Managing Director

Sd/-  
Vasu Modi  
Director



**ATTENDANCE SLIP**

**NATIONAL GENERAL INDUSTRIES LIMITED**

CIN : L74899DL1987PLC026617

Regd. Office : 3<sup>rd</sup> Floor, Surya Plaza, K-185/1, Sarai Julena, New Friends Colony, New Delhi – 110025

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE**  
**Joint shareholders may obtain additional Slip at the venue of the meeting**

Name of Shareholder	
Address	
DP Id*	
Client Id*	
Folio No.	
No. of shares held	

\*Applicable for investors holding shares in electronic form.

I certify that I am the registered shareholders / proxy for the registered shareholder of the Company.

I hereby record my presence at the 28<sup>th</sup> Annual General Meeting of the Company held on Tuesday, 30<sup>th</sup> September, 2014 at 11.30 a.m. at Nawal Vihar, Farm 7, Dera Gaon, New Delhi – 110030.

.....  
Signature of Shareholder/Proxy

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**FORM OF PROXY**

**NATIONAL GENERAL INDUSTRIES LIMITED**

CIN : L74899DL1987PLC026617

Regd. Office : 3<sup>rd</sup> Floor, Surya Plaza, K-185/1, Sarai Julena, New Friends Colony, New Delhi – 110025

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

<b>Name</b>	
<b>Registered Address</b>	
<b>Email ID</b>	
<b>DP Id*</b>	
<b>Client Id*</b>	
<b>Folio No.</b>	

\*Applicable for members holding shares in Electronic form.

I/We, being the member(s) of \_\_\_\_\_ shares of National General Industries Limited, hereby appoint :

1. \_\_\_\_\_ (Name) of \_\_\_\_\_ (Address) having e-mail id \_\_\_\_\_ or failing him
2. \_\_\_\_\_ (Name) of \_\_\_\_\_ (Address) having e-mail id \_\_\_\_\_ or failing him
3. \_\_\_\_\_ (Name) of \_\_\_\_\_ (Address) having e-mail id \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 30<sup>th</sup> September, 2014 at 11.30 a.m. at Nawal Vihar, Farm 7, Dera Gaon, New Delhi – 110030 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\*I wish my above Proxy to vote on the Resolutions in the manner as indicated below:

Sl.No.	Resolution	Number of shares held	For	Against
<b>Ordinary Business</b>				
1.	Consider and Adopt Audited Financial Statement, Reports of the Board of Directors and Auditors for the financial year ended March 31, 2014.			
2.	Re-appointment of Mr. Pawan Kumar.Modi, who retires by rotation			
3.	Appointment of Auditors and fixing their remuneration			
<b>Special Business</b>				
4.	Appointment of Mrs. Abhilasha Goenka as an Independent Director			
5.	Appointment of Mr. Pankaj Agarwal as an Independent Director			
6.	Appointment of Mr. Chaitanya Dalmia as an Independent Director			
7.	Ratify of remuneration payable to Cost Auditors			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Affix Revenue  
Stamp of not  
less than  
Re. 0.15

Signature (s) of Member(s)

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

**Notes:**

1. **The Proxy to be effective should be deposited at the Registered office of the company not less than FORTY EIGHT HOURS before the commencement of the Meeting.**
2. **A Proxy need not be a member of the Company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. \*\* This is optional. Please put a tick mark (v) in the appropriate column against the resolutions indicated in the box. If a member leave the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate.
5. Appointing proxy does not prevent such member from attending the meeting in person if he wishes so.
6. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
7. The form of Proxy confers authority to demand or join in demanding a poll.
8. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.



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“श्री जी”



If undelivered please return to:

**National General Industries Ltd.**

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