

“श्री जी”



National General Industries Ltd.

An ISO 9001 : 2008 Certified Company

**31st Annual Report
2016-17**

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
Vandana Gupta	Company Secretary

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 : cs@modisteel.net

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

Works : Re-rolling unit

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

Stockyard : Handling unit

Behind Focal Point,
Vill.: Ajnali, Mandi Gobindgarh,
District : Fatehgarh Sahib,
Punjab - 147301

Bankers

State Bank of Patiala
HDFC Bank Limited

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NOTICE

NOTICE is hereby given that the **THIRTY FIRST ANNUAL GENERAL MEETING** of the Members of National General Industries Limited (CIN : L74899DL1987PLC026617) will be held on Tuesday, the 26th September, 2017 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 receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31 March, 2017, the Report of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Vasu Modi (DIN : 00051696) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. **Ratification of appointment of Statutory Auditors and fixing their remuneration:**
To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution :

"RESOLVED THAT pursuant to provisions of section 139 of Companies Act, 2013 and the rules and regulations made thereunder, M/s. N. R. & Company, Chartered Accountants (Firm Regn. No. 015095C) be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of 36th Annual General Meeting in the year 2022, 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."

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

Place : New Delhi
Date : 31.08.2017

Sd/-
Vandana Gupta
Company Secretary
Memb. No. : ACS 24012

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY, 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.
2. 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.
3. 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.
4. This Notice is also being sent with Annual Report alongwith attendance slip, proxy and route map of the venue of the Meeting.



5. Members / proxies are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
6. 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.
7. 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.
8. In terms of Section 152 of the Companies Act, 2013, Shri Vasu Modi, (DIN : 00051696), Director of the Company, retires by rotation at the Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company, commends his re-appointment.

Details of Directors retiring by rotation, as required to be provided pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meeting (SS-2), issued by the Institute of Company Secretaries of India are as follows :

Name of Director	Mr. Vasu Modi
DIN Number	00051696
Date of Birth	11-06-1980
Date of Appointment	10-04-2000
Expertise in Specific functional area	Wide experience in business development and marketing.
Qualification	B.B.A.
Directorship in other Public Limited Company (As on 31.03.2017)	Avlokiteshvar Valinv Ltd.
Chairman/Member of Committee in other public limited company (As on 31.03.2017)	Not Applicable
Shareholding in the Company (As on 31.03.2017)	3,59,745 (6.51%)

9. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 16th September, 2017 to Tuesday, 19th September, 2017 (both days inclusive).
10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
11. 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.
12. Members who have not registered their e-mail address with the Registrar and Transfer Agent of the Company are requested to submit their request with their valid e-mail address to M/s. Skyline Financial Services Pvt. Ltd., if shares are held in physical form. 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.
13. 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.



14. Keeping in view the requirements set out in the Act, the Audit Committee and Board of Directors of the Company have recommended appointment of M/s. N. R. & Company, Chartered Accountants (Registration No. 015095C) as Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the sixth Annual General Meeting from this Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company. The first year of Audit by the aforesaid Auditors will be of the financial statement of the Company for the financial year ending March 31, 2018.
15. M/s. N. R. & Company, Chartered Accountants have consented to and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have also confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014. The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.
16. In compliance with the provisions of section 108 of the Act and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 framed thereunder, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members facility to cast their vote electronically, through the remote e-voting services provided by CDSL, on all resolutions set forth in this Notice.
17. A Member can opt for only one mode of voting i.e. either through remote 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. Members who have not cast their vote by either mode that is through remote e-Voting or ballot form shall be allowed to vote at the 31st AGM, through poll. The members who have cast their vote by remote e-Voting or ballot form shall not be entitled to cast their vote again at the 31st AGM, however, such members will be entitled to attend the AGM.

The instructions for e-voting are as under:

- (i) The remote e-voting period begins on Friday, 22nd September, 2017 (10.00 a.m. IST) and ends on Monday, 25th September, 2017 (5.00 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 Wednesday, 20th September, 2017, may cast their vote electronically by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- (ii) The shareholders should log on to the e-voting website 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 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	<p>* Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* 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.</p> <p>* 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.</p>
DOB	<p>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.</p>
Bank Details	<p>Enter the Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>* 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)</p>

- (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 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.
 - 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.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on of the account they would be able to cast their vote.
 - 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

18. Other Instructions:

- a. The e-voting period commences on Friday, 22nd September, 2017 (10.00 a.m. IST) and ends on Monday, 25th September, 2017 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Wednesday, 20th September, 2017, 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 Wednesday, 20th September, 2017.
- 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, immediately after conclusion of voting at the annual general meeting, first count the vote cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than 48 hours from the conclusion of the meeting, a consolidated scrutinizer's report of the total vote cast in favour and against, if any, to the Chairman, or an authorized person by him, of the Company.
- e. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.modisteel.com and on the website of CDSL and communicated to the BSE Limited, where shares of the Company are listed.

19. **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 and will also inform to the stock exchanges where the securities of the Company are listed within 48 hours from the conclusion of AGM of the Company.



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty First Report of your Company along with the Audited Statement of Accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS (Rs. in Lacs)

The financial performance of the Company for the financial year ended on 31st March, 2017 and 31st March, 2016 are summarized below:-

Particulars	31.03.2017	31.03.2016
Total Income	<u>1602.64</u>	<u>1850.32</u>
Operating profit before interest and depreciation	<u>127.71</u>	<u>355.08</u>
Interest	<u>17.09</u>	<u>31.33</u>
Depreciation	<u>53.46</u>	<u>52.46</u>
Profit before Tax (PBT)	<u>57.16</u>	<u>271.29</u>
Provision for Taxation	<u>-7.10</u>	<u>123.18</u>
Security Transaction Tax	<u>0.00</u>	<u>0.00</u>
Deferred Tax Liabilities	<u>-4.24</u>	<u>-1.96</u>
Minimum Alternate Tax Credit Availed	<u>0.00</u>	<u>0.00</u>
Profit after Tax (PAT)	<u>68.49</u>	<u>150.07</u>
Balance Brought Forward	<u>216.27</u>	<u>116.20</u>
Profit available for appropriation	<u>284.76</u>	<u>266.27</u>
Transfer to General Reserve	<u>20.00</u>	<u>50.00</u>
Balance carried to Balance Sheet	<u>264.77</u>	<u>216.27</u>

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the year under review, the total income of your Company decreased to Rs. 1602.64 lakhs from Rs. 1850.32 lakhs as compared to previous year. The said total income includes contribution of turnover from handling services division of the Company of Rs. 136.06 lakhs as compared to Rs. 401.42 lakhs during the previous year.

During the year, the net profit before interest and tax from steel manufacturing division decreased to Rs. 41.37 lakhs from Rs. 105.38 lakhs as compared from the previous year. The decrease in profitability as compared to previous year is, *inter-alia*, due to intense competitive pressure resulting in fall of margin.

The handling services business had contributed net profit before interest and tax of Rs. 63.66 lakhs from Rs. 191.78 lakhs as compared to previous year. The other income comprising the return from investments activities has registered a net loss before interest and tax of Rs. 30.78 lakhs as compared to net profit of Rs. 5.45 lakhs during the previous year.

The Management System of your Company is 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.

Your Directors continued to carry on the handling services business and foresees the activities as profitable venture for future year business of the Company as well. Your directors are hopeful to record growth in the profitability by enhanced earnings from handling services business as well as steel manufacturing business in the current financial year.

**CHANGE IN NATURE OF BUSINESS**

There was no change in the nature of business of your company during the year.

DIVIDEND

Your Directors have not recommended dividend for the year ended 31st March, 2017.

TRANSFER TO RESERVES

The net movement in the Reserves of the Company is as under:

Particulars	F.Y. 2016-17	F.Y. 2015-16
General Reserve	Rs. 20,00,000/-	Rs. 50,00,000/-
Decrease in Revaluation Reserve	Rs. 1,06,392/-	Rs. 3,37,190/-
Surplus in Statement of Profit and Loss	Rs. 48,49,210/-	Rs. 100,07,049/-

DEPOSITS FROM PUBLIC

During the year under review, your Company did not invite / accept any Deposits from the public under section 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 1975.

EXTRACT OF ANNUAL RETURN

Pursuant to the Section 92(3) of the Companies Act, 2013 extract of the Annual Return is annexed to this report as **Annexure I** and forms part of this Annual Report.

NUMBER OF BOARD MEETINGS & ATTENDANCE OF DIRECTORS

During the Financial Year 2016-17, 4 (Four) Board Meetings were held and the gap between two meetings did not exceed four months. The Board Meetings were held on 30.05.2016, 13.08.2016, 14.11.2016 and 13.02.2017.

The details of composition of the Board, the attendance record of the Directors at the Board Meetings held during the financial year ended on 31.03.2017 and at 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	4	Yes	-	-
	Shri Pawan Kumar Modi	4	Yes	-	-
Non-Executive Non-independent Directors	Shri Vasu Modi	4	Yes	1	-
Non-Executive Independent Directors	Shri Pankaj Agarwal	4	Yes	-	-
	Shri Chaitanya Dalmia	4	No	3	1
	Smt. Abhilasha Goenka	4	No	-	-

Number of Equity Shares held by Directors as on 31st March, 2017 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 Chaitanya Dalmia	Independent Director	-
Smt. Abhilasha Goenka	Independent Director	-



DIRECTORS & KEY MANAGERIAL PERSONNEL

In terms of Section 149 of the Act, the Members, at their meeting held on 30th September, 2014, appointed the following as Independent Directors of the Company:

- Mr. Pankaj Aggarwal
- Mr. Chaitanya Dalmia
- Mrs. Abhilasha Goenka

The Company has received the declaration under section 149(6) of the Companies Act, 2013 from the Independent Directors of the Company.

In terms of Section 203 of the Act, the following are designated as Key Managerial Personnel of your Company by the Board:

- Mr. Ashok Kumar Modi, Managing Director
- Mr. Pawan Kumar Modi, Joint Managing Director cum Chief Financial Officer
- Mr. Vandana Gupta, Company Secretary

In terms of section 152 of the Act and applicable provisions of Articles of Association of the Company, Mr. Vasu Modi, Director retires by rotation and is eligible for re-appointment. The Board recommends his re-appointment as Director of the Company.

AUDITORS & AUDITORS' REPORT

A. Statutory Auditors

As per the provisions of the Act, the tenure of office of M/s. R. K. Govil & Co., Chartered Accountants as Statutory Auditors of the Company, expires at the conclusion of the ensuing Annual General Meeting.

It is proposed to appoint M/s. N. R. & Company, Chartered Accountants (Firm Registration No. : 015095C), as Statutory Auditors of the Company, for a term of 5 (five) consecutive years, subject to ratification by shareholders in every Annual General Meeting. M/s. N. R. & Company, Chartered Accountants, have confirmed their eligibility and qualifications required under the Act for holding the office, as Statutory Auditors of the Company.

B. Secretarial Auditors

M/s. Deepak Bansal & Associates, Company Secretaries, were appointed as Secretarial Auditors to conduct Secretarial Audit of records and documents of the Company for financial year 2016-17. The Secretarial Audit Report is annexed to this Report as **Annexure II** and forms part of the Annual Report.

C. Cost Auditors

In terms of provision of section 148(1) of the Companies Act, 2013 read with rule 4 of the Companies (Cost Records and Audit) Rules, 2014, Company is not required to maintain cost records for the financial year 2016-17 and thereafter.

D. Internal Auditors

Your Company has appointed M/s. B.R.Maheswari & Co., Chartered Accountants, New Delhi as Internal Auditors of the Company for the financial year 2017-18.



EXPLANATIONS OR COMMENTS ON QUALIFICATION, RESERVATION OR ADVERSE REMARKS:

a) By Statutory Auditors :

There are no qualifications made by the Auditors in their Report which requires any explanation from the Board of Directors of the Company. The Notes to Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

b) By Secretarial Auditors :

There were no comments in the Secretarial Auditors Report which requires any explanation from the Board of Directors of the Company.

FRAUD REPORTING

Neither the Statutory Auditors nor the Secretarial Auditors have brought to the notice of the Audit Committee or the Board of Directors or the Central Government the occurrence or brewing of any fraud in the Company.

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Your Company has adopted the “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which, inter alia, prohibits purchase or sale of securities of the Company by Directors, employees and other connected persons while in possession of unpublished price sensitive information in relation to the Company.

AUDIT COMMITTEE

The Audit Committee is constituted under compliance of provision of Section 177 of the Companies Act, 2013. The Broad terms of reference and power of Audit Committee are in line with the provisions contained under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The role of Audit Committee, inter-alia, includes following:

- a) Reviewing the financial reporting process which includes reviewing the quarterly, half yearly, annual financial results and auditors report thereon, director's responsibility statement.
- b) Reviewing changes, if any, in accounting policies and practices and ensures compliance with legal and statutory requirements and integrity of the Company's financial statements with proper disclosures of related party transactions.
- c) Recommendation for appointment, remuneration and terms of appointment of auditors and approval for their payments and also reviewing and monitoring their independence and performance, and effectiveness of audit process.
- d) Evaluation of internal control systems and its effectiveness and reviewing its adequacy.
- e) Reviewing internal audit and discussion with the internal auditors of any significant findings.
- f) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- g) Review Whistle Blower mechanism and its effectiveness.
- h) Evaluating inter-corporate loans and investments and valuation of assets of the Company and ensuring effective risk management systems.

During the financial year 2016-17, the Audit Committee comprises of 3 Non-executive Directors viz. Shri Pankaj Agarwal and Smt. Abhilasha 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.

Four meetings of the Audit Committee were held during the financial year 2016-17, on 30.05.2016, 13.08.2016, 14.11.2016, and 13.02.2017. The constitution of the Committee as at 31.03.2017 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 Vasu Modi	Non-Executive Non-Independent	4
3	Smt. Abhilasha Goenka	Non-Executive Independent	4

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted under compliance of provision of Section 178 of the Companies Act, 2013. The Broad terms of reference and power of Nomination and Remuneration Committee are in line with the provisions contained under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The role of Nomination and Remuneration Committee, inter-alia, includes following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of the criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

During the financial year 2016-17, the Nomination and Remuneration Committee of the Board comprises of 3 Non-executive Directors viz. Shri Pankaj Agarwal and Smt. Abhilasha Goenka, Independent Directors and Shri Vasu Modi, Non-independent Director. Mr. Pankaj Agarwal is the Chairman of the Committee. The Compliance Officer acts as the Secretary to the Nomination and Remuneration Committee.

Two meetings of the Nomination and Remuneration Committee were held during the financial year 2016-17 on 13.08.2016 and 14.11.2016. The attendance of each Members of the Committee is as given below:

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is constituted under compliance of provision of Section 178 of the Companies Act, 2013. The Broad terms of reference and power of Stakeholders' Relationship Committee are in line with the provisions contained under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.



The role of Stakeholders Relationship Committee, inter-alia, is to resolve the grievances of the security holders of the Company including complaints related to transfer and transmission of shares, dematerialization / rematerialisation of shares, transposition of names, consolidation of shares, issue of duplicate share certificates, non-receipt of annual report and non-receipt of declared dividends, if any, etc.

The Stakeholders Relationship Committee, comprised of 3 directors as its Member viz. Shri Pankaj Agarwal and Smt. Abhilasha Goenka, Independent Directors and Shri Vasu Modi, Non-independent Director. Mr. Pankaj Agarwal is the Chairman of the Committee. The Compliance Officer acts as the Secretary to the Stakeholders Relationship Committee.

During the year Committee met four times on 30.05.2016, 13.08.2016, 14.11.2016 and 13.02.2017 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 Vasu Modi	Member	4
Smt. Abhilasha Goenka	Member	4

The Board has designated Ms. Vandana Gupta (w.e.f. 1st December, 2016) and Mr. Ashok Kumar Mehendiratta (upto 30th November, 2016), Company Secretary of the Company as Compliance Officer of the Company.

No. of shareholders' complaints received upto 31st March, 2017 : Nil

No. of complaints not solved to the satisfaction of the shareholders : Nil

No. of pending complaints : Nil

INTERNAL FINANCIAL CONTROLS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee and to the Chairman and Managing Director of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee and the Board.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments which can affect the financial position of the company between the end of the period under review and date of this report.

RISK MANAGEMENT

The Board of Directors of your Company has, on recommendation of the Audit Committee framed and adopted a policy on Risk Management of the Company. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

DETAILS OF SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company, Associate Company or Joint Venture Company. The Company is not a Subsidiary Company of any other Company.



PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTY

All related party transactions done by the Company during the financial year were at arm's length and in ordinary course of business. All related party transactions were placed in the meetings of Audit Committee and the Board of Directors for their necessary review and approval. During the financial year your Company has not entered into any material transaction as mentioned in the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with any of its related parties which may have potential conflict with the interest of the Company at large. Disclosures pursuant to Accounting Standards on related party transactions have been made in the note no. 27 to the Financial Statements.

PARTICULARS OF LOAN, GUARANTEES, SECURITIES AND INVESTMENTS

The Company has not given any loan, guarantee or provided any security under Section 186 of the Companies Act, 2013. Disclosure on details of investments made during the financial years which are covered under provisions of section 186 of the Companies Act, 2013, have been made in the note no. 31 to the Financial Statements.

DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

WHISTLE BLOWER/VIGIL MECHANISM

Your Company has an effective Vigil Mechanism system which is embedded in its Code of Conduct to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Code of Conduct of your Company serves as a guide for daily business interactions, reflecting your Company's standard for appropriate behavior and living Corporate Values. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company.

FORMAL EVALUATION OF BOARD, COMMITTEES & DIRECTORS' PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Nomination and Remuneration Committee ("NRC") evaluated the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was reviewed, taking into account the views of executive directors and non-executive directors of the company.

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

Information in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo for the year ended 31st March, 2017 is annexed to this report as **Annexure III** and forms part of this report.

CORPORATE GOVERNANCE

In terms of provision of regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the Corporate Governance provisions as specified under regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V is not applicable to the Company as paid-up share capital of the Company is less than Rs. 10 crore and net-worth of the Company is less than Rs. 25 crore, as on the financial year ended on 31st March, 2017. However, in view of provision of regulation 15(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has made compliances with the applicable provisions under the Companies Act, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of regulation 34(2)(e) and para B of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Management Discussion & Analysis Report is annexed to this report as **Annexure IV** and forms part of this Annual Report.

PARTICULARS OF EMPLOYEES

The information required under Rule 5 (2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not required as there was no employee on the payroll of the Company receiving remuneration in excess of limit prescribed under the said rules.

NOMINATION & REMUNERATION POLICY

The broad terms of reference of the Nomination and Remuneration Committee ("NRC") of the Company are as under :

- a) To identify suitable persons, interview them, if necessary, and recommend them as suitable candidates to fill up vacancies on the Board or augment the Board and Senior Management.
- b) To develop a policy to ensure the optimum composition of the Board of Directors ensuring a mix of knowledge, experience and expertise from diversified fields of knowledge i.e. Policy on Board Diversity. The Policy also intends to add professionalism and objectivity in the process of deciding Board membership.
- c) To lay down criteria for the evaluation of the Board.
- d) To formulate a criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy thereon.
- e) To formulate criteria for evaluation of Directors.

The company has adopted a Nomination and Remuneration Policy as recommended by "NRC" and the objective of Nomination and Remuneration Policy is to ensure rationale and objectivity in the remuneration of the Directors, Senior Management & employees of the Company. The Policy also intends to bring in a pragmatic methodology in screening of candidates who may be recommended to the position of Directors and to establish effective evaluation criteria to evaluate the performance of every Director and the overall Board of the Company.

The Policy also serves as a guiding principle to ensure good Corporate Governance as well as to provide sustainability to the Board of Directors of the Company



DISCLOSURE OF RATIO OF REMUNERATION OF DIRECTOR'S & KEY MANAGERIAL PERSONNEL ETC.

In terms of provision of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of the ratio of the remuneration of each director to the median employee's remuneration and such other details as prescribed therein is annexed to this report as **Annexure V** and forms part of this Annual Report.

During the financial year 2016-17, the company did not pay any remuneration to the Managing Director and other directors of the company.

CORPORATE SOCIAL RESPONSIBILITIES

The provision of section 135 of the Companies Act, 2013 is not applicable on the Company as your Company did not meet any of the applicability criteria as specified under Companies (Corporate Social Responsibility Policy) Rules, 2014.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE, (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your company did not come across any complaints by any employees during the year under review relating to the sexual harassment.

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.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost auditors, secretarial auditors and external consultants and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016-17.

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors in respect of the Audited Annual Accounts for the year ended 31st March, 2017, to the best of their knowledge and ability, hereby state and confirm that :

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) They have, 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, 2017 and of the profit of the Company for that period;
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



- (iv) They have prepared the annual accounts on a going concern basis.
- (v) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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**

Place : New Delhi
Date : 31.08.2017

Sd/-
Ashok Kumar Modi
Chairman and Managing Director
DIN : 00051647



Annexure I

Form MGT-9

Extract of Annual Return

As on the financial year ended on 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rule, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L74899DL1987PLC026617
- ii) Registration Date : 8th January, 1987
- iii) Name of the Company : National General Industries Limited
- iv) Category / Sub-Category of the Company : Company limited by shares/Non-govt. company
- v) Address of the Registered Office and contact details :
3rd Floor, Surya Plaza, K-185/1, Sarai Julena, New Friends Colony, New Delhi – 110025.
Tel. No. : 011-26829517,19 E-mail : cs@modisteel.net
- vi) Whether Listed Company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :
Skyline Financial Services Pvt. Ltd., D-153 A, 1st Floor, Okhla Industrial Area, Phase I,
New Delhi – 110020 Tel.: 011-26812682, 83 Fax : 30857575 Email: admin@skylinerta.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 percent or more of the total turnover of the Company shall be stated:

S.No.	Name and Description of Main Product / Service	NIC Code of the Product / Services	% of total turnover of the Company
1.	Bars and Rods of Iron or Non-Alloy Steel	7214	100%

III. PARTICULAR OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY

As on 31st March, 2017, there is no Holding, Subsidiary and Associate Company of the Company.



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	DEMAT	Physical	Total	% of Total Share	DEMAT	Physical	Total	% of Total Share	
A. Promoters (incl. Promoter Group)									
(1) Indian									
a) Individuals / HUF	445465	1304	446769	8.08	445465	1304	446769	8.08	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	876967	-	876967	15.86	876967	-	876967	15.86	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any Other (Director / Promoter & their relative & friends)	2305166	-	2305166	41.68	2305166	-	2305166	41.68	-
Sub-Total (A) (1):	3627598	1304	3628902	65.62	3627598	1304	3628902	65.62	-
(2) Foreign									
a) NRIs –Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A) (1)+(A)(2)	3627598	1304	3628902	65.62	3627598	1304	3628902	65.62	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Cap. Fund	-	-	-	-	-	-	-	-	-
f) Insurance Co.	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	2000	508800	510800	9.24	2000	508800	510800	9.24	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	13000	960300	973300	17.60	12810	960390	973300	17.60	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	24500	392257	416757	7.54	24600	392257	416757	7.54	-
c) Others (NRI)	-	500	500	0.01	-	500	500	0.01	-
Sub-total (B) (2):	39500	1861857	1901357	34.38	39410	1861947	1901357	34.38	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	39500	1861857	1901357	34.38	39410	1861947	1901357	34.38	-
C. Shares held by Custodians for GDR/ADR	-	-	-	-	-	-	-	-	-
TOTAL (A)+(B)+(C)	3667098	1863161	5530259	100.00	3667008	1863251	5530259	100.00	-



ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change in shareholding during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Ashok Kumar Modi	2,71,770	4.91	-	2,71,770	4.91	-	-
2.	Pawan Kumar Modi	2,71,770	4.91	-	2,71,770	4.91	-	-
3.	Vasu Modi	3,59,745	6.51	-	3,59,745	6.51	-	-
4.	Madhur Modi	3,68,000	6.65	-	3,68,000	6.65	-	-
5.	Manhar Modi	4,12,798	7.46	-	4,12,798	7.46	-	-
6.	Shakuntala Modi	78,810	1.43	-	78,810	1.43	-	-
7.	Sangeeta Modi	2,70,976	4.90	-	2,70,976	4.90	-	-
8.	Nandini Modi	2,70,977	4.90	-	2,70,977	4.90	-	-
9.	Shivani Modi	320	0.01	-	320	0.01	-	-
10.	J.P.Modi & Sons - HUF	64,098	1.16	-	64,098	1.16	-	-
11.	Ashok K. Modi – HUF	1,83,253	3.31	-	1,83,253	3.31	-	-
12.	Pawan K. Modi – HUF	1,98,114	3.58	-	1,98,114	3.58	-	-
13.	Sharda Daga	16	0.00	-	16	0.00	-	-
14.	Mahendra Jain	16	0.00	-	16	0.00	-	-
15.	Indra Prakash Wahi	80	0.00	-	80	0.00	-	-
16.	Saroj Wahi	312	0.01	-	312	0.01	-	-
17.	Anil Wahi	216	0.00	-	216	0.00	-	-
18.	Manoj Diddee	176	0.00	-	176	0.00	-	-
19.	Saroj Diddee	200	0.00	-	200	0.00	-	-
20.	Usha Bharat	288	0.01	-	288	0.01	-	-
21.	Modi Power Pvt. Ltd.	4,99,900	9.04	-	4,99,900	9.04	-	-
22.	Modi Metal & Allied Industries Pvt. Ltd.	1,37,067	2.48	-	1,37,067	2.48	-	-
23.	Pekon Properties & Enclave Pvt. Ltd.	2,40,000	4.34	-	2,40,000	4.34	-	-
	TOTAL	36,19,002	65.62	-	36,28,902	65.62	-	-

iii) Change in Promoters' Shareholding

There is no change in shareholding of Promoter Group.

iv) Shareholding Pattern of top ten Shareholders (Other than Directors and Promoter)

S. No.	Name of Top 10 Shareholders	Shareholding at the beginning of the year*		Cumulative Shareholding during the year*	
		No. of shares	% of total shares of Company	No. of shares	% of total shares of Company
1.	Mahan Syntex Pvt. Ltd.	247300	4.47	247300	4.47
2.	Sarla Credit & Securities Ltd.	151300	2.74	151300	2.74
3.	Yashman Marcantiles P. Ltd.	100000	1.81	100000	1.81



4.	Atul Bharat	43157	0.78	43157	0.78
5.	Vikas Mittal	41500	0.75	41500	0.75
6.	Puneet Mittal	41000	0.74	41000	0.74
7.	Amit Bharat	41000	0.74	41000	0.74
8.	Prithi Pal Singh	39800	0.72	39800	0.72
9.	Lov Kumar	37500	0.68	37500	0.68
10.	Deepak Bhargava	24500	0.44	24500	0.44

* There is no change in shareholding of top 10 shareholders during the year.

v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name of Directors and Key Managerial Personnel	Shareholding at the beginning of the year*		Cumulative Shareholding during the year*	
		No. of shares	% of total shares of Company	No. of shares	% of total shares of Company
1.	Ashok Kumar Modi	2,71,770	4.91	2,71,770	4.91
2.	Pawan Kumar Modi	2,71,770	4.91	2,71,770	4.91
3.	Vasu Modi	3,59,745	6.51	3,59,745	6.51

* There is no change in shareholding of Directors and KMP during the year.

V. INDEBTEDNESS

	Secured Loan excl. Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	2,41,75,609/-	33,00,000/-	-	2,74,75,609/-
(ii) Interest due but not paid	-	3,33,942/-	-	3,33,942/-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,41,75,609/-	36,33,942/-	-	2,78,09,551/-
Change in indebtedness during the financial year				
- Addition	----	66,642/-	-	66,642/-
- Reduction	28,75,305/-	36,33,942/-	-	(65,09,247/-)
Net Change	(28,75,305/-)	(35,67,300/-)	-	(64,42,605/-)
Indebtedness at the end of the financial year				
(i) Principal Amount	2,13,00,304/-	----	-	2,13,00,304/-
(ii) Interest due but not paid	-	66,642/-	-	66,642/-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,13,00,304/-	66,642/-	-	2,13,66,946/-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER-NIL

B. REMUNERATION TO OTHER DIRECTORS – NIL



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Amount (in Rs.)		
		Key Managerial Personnel		
		Mr. Vandana Gupta (Company Secretary) w.e.f. 1 st December, 2016	Mr. Ashok Kumar Mehandiratta (Company Secretary) upto 30 th November, 2016	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	50,000	1,20,800	1,70,800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	Others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	50,000	1,20,800	1,70,800

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NIL

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

Place : New Delhi
Date : 31.08.2017

Sd/-
Ashok Kumar Modi
Chairman and Managing Director
DIN : 00051647



Annexure II

**Secretarial Audit Report
FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
National General Industries Limited (CIN : L74899DL1987PLC026617)
3rd Floor, Surya Plaza,
K-185/1, Sarai Julena,
New Friends Colony,
New Delhi – 110025

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by National General Industries Limited (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March 2017 ('Audit Period')** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings were not applicable to the Company during the Audit Period;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 were not applicable to the Company during the Audit Period;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014 were not applicable to the Company during the Audit Period;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 were not applicable to the Company during the Audit Period;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 were not applicable to the Company during the Audit Period; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 were not applicable to the Company during the Audit Period;

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws and rules made thereunder, as applicable specifically to the Company.

- 1) Air (Prevention and Control of Pollution) Act, 1981;
- 2) Water (Prevention and Control of Pollution) Act, 1974;
- 3) Environment Protection Act, 1986;
- 4) Factories Act, 1948 and allied State Laws.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards SS-1 and SS-2 issued and notified by The Institute of Company Secretaries of India;
- (ii) Listing Agreement entered into by the Company with BSE Limited.

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had no significant events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For Deepak Bansal & Associates
Company Secretaries**

Place : New Delhi
Dated : 31.08.2017

Sd/-
(Deepak Bansal)
Proprietor
FCS : 3736
C.P. No. : 7433



This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

Annexure A

To,
The Members
National General Industries Limited
(CIN : L74899DL1987PLC026617)
3rd Floor, Surya Plaza,
K-185/1, Sarai Julena,
New Friends Colony,
New Delhi – 110025

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Deepak Bansal & Associates
Company Secretaries**

Place : New Delhi
Dated : 31.08.2017

Sd/-
(Deepak Bansal)
Proprietor
FCS : 3736
C.P. No. : 7433

Annexure III

Conservation of Energy and Technology Absorption

A. Conservation of Energy

(i) The steps taken or impact on conservation of energy

During the year under review, wherever possible, energy conservation measures have been taken.

(ii) The steps taken for utilizing alternate sources of energy

During the year under review, the Company is using furnace oil for the steel manufacturing activities of the Company and no steps were taken for utilizing alternate source of energy.

(iii) Capital Investment on energy conservation equipment

During the year under review, no capital investment was made on energy conservation equipment. However, efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

B. Technology Absorption

(i) Efforts made for technology absorption

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.

(ii) Benefit derived

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.

(iii) Expenditure on Research & Development, if any

During the year under review, no expense was incurred by the Company on research and development.

(iv) Details of Technologies

The Company is using latest techniques for production.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange Earnings and Outgo during the year are as under:

Particulars	As on 31st March, 2017	As on 31st March, 2016
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Rs. 6,49,959/-	Rs. 6,88,619/-



Annexure IV

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 2016-17

National General Industries Limited ('The Company') is engaged in the production and selling of Steel. The Company has manufacturing facilities at Ghaziabad, Uttar Pradesh and Bhiwadi, Rajasthan. During the year under review the Company continues to be engaged in the handling services business for steel product in the State of Punjab.

During the year under review, the turnover of the Company from steel division increased to Rs. 1568.73 lakhs from Rs. 1513.37 lakhs in previous year. The turnover of handling services division decreased to Rs. 136.06 lakhs from Rs. 401.42 lakhs in the previous year. The Company achieved net profit before interest and tax from its steel division of Rs. 41.37 lakhs as compared to Rs. 105.38 lakhs during previous year. From the handling services division, the Company earned a net profit before interest and tax of Rs. 63.66 lakhs as compared to Rs. 191.78 lakhs during the previous year.

GLOBAL ECONOMY

The global economic activities improved in the second half of 2016, especially in advanced economies. Growth picked up in the US as firms grew confident about future demand. The economy also recorded a lower rate of unemployment and buoyant consumer demand. In the aftermath of Brexit vote, the Euro area growth was also resilient on the back of strong domestic demand and continued easing; the growth in the UK remained robust on the back resilient spending. Japan's performance has also been on the upside with strong exports.

However, the global economic growth, at 3.1% on a year to year basis, fell short of expectations in 2016 as deceleration in key emerging markets and developing economies overshadowed the modest recovery in major development countries. Their deceleration was accompanied by a modest increase in commodity prices, subdued global trade, financial market volatility and weakening capital flows. Although China's growth turned out to be better than expected on the back of policy stimulus, it was lower than 2015. India fared better than the world in terms of growth, even though the demonetization exercise temporarily threw a challenge.

The global steel consumption grew by just 1% on year to year basis to 1.52 billion tonnes in 2016. Although the figure declined in first quarter of 2016, it started improving from the second quarter. This happened mainly due to improving consumption in China. The global steel prices started recovering in first quarter of 2016 with: a) broad-basing of trade remedial actions across other countries, which started in 2015; b) sudden spike in iron ore prices in March 2016 beginning; c) tightness in physical markets in China ahead of enforced production cuts during an international horticultural exposition; d) restocking demand let by infrastructure and construction sectors in China. This rise in global steel prices in March-April 2016 drove a sharp increase in steel production in all major regions during second quarter of 2016. Global steel capacity utilization in June 2016 jumped to 71.8%.

INDIAN ECONOMY

The year 2016 was the year of reforms in the Indian steel industry. The timely remedial measures by the Indian Government, shielded the Indian steel sector from succumbing to external threats of dumping and uniform trade.

During the year, India's steel sector was impacted by intense competitive pressure with a surge in domestic steel production and elevated level of steel imports at predatory pricing. In 2016-17, India's crude steel production grew by 8.50% to 97.40 million tonnes. India imposed 'Minimum Import Price' (MIP) in Feb 2016 on various iron and steel products, after seeing that the provisional safeguard duty of hot rolled sheet failed to have a desirable impact on unbridled and unfair flow of steel imports into the country. This was an emergency provision, which provided some relief to the industry.

Later on the Government imposed provisional anti-dumping duty, from time to time, on certain products as the industry needed adequate, swifter and longer shelf-life trade remedial measures to check unbridled and unfair steel imports. India also notified final safeguard duty on hot rolled sheets and plates in November, 2016. However, steel imports remained at around 8 million tonnes on an annualized basis, despite these trade remedial measures. The domestic steel industry suspects circumvention of these trade remedial measures. Therefore, a stringent monitoring mechanism is required.

The situation was further aggravated by the fact that the apparent finished steel consumption in the country grew by just 2.6% year on year for the same period. India's steel demand was expected to gather momentum in the second half of 2016-17, driven by the Government's measures to drive the economy and manage quantifiable progress on various policy reforms. Normal monsoon and the Seventh Pay Commission announcement were also likely to drive consumer discretionary spending. However, the steel demand did not see the desirable upswing in the second half of the year, amid poor liquidity, following the Government's demonetization initiative. This led to a liquidity crunch and a contraction of the major consuming sectors such as real estate. However, this does not negate the fact that the long-term potential of the Indian steel industry remains bright. The opportunities for the industry have been identified and efforts are being taken by both public and private entities to achieve sustainable growth.

OUTLOOK

The global apparent consumption of finished steel is expected to grow by 20.2 million tonnes i.e. 1.3% to 1.54 billion tonnes in 2017. The apparent consumption in China is expected to remain flat. The steel consumption in Emerging and Developing economies (ex-China) is expected to increase by 4% to 452.7 million tonnes. As for the developed economies, consumption is expected to grow by 0.7% to 401.5 million tonnes.

The new US administration has promised to unveil an ambitious infrastructure package, which will include building new roads highways, bridges, airports, tunnels and railway lines across the country. This is expected to boost steel demand significantly. Taking a cue from a resurging global economy and a weak yen, Japan's steel demand is also expected to recover in a stable manner. While Europe is still at the cusp of a political turnaround, positive developments are expected with the current monetary policy. Some stability in the region is bound to garner future investments. China's economy is expected to see managed growth deceleration and restriction by more than 20 cities on property market since March 2017 point to lower steel demand going forward.

Emerging countries of the world contribute 30% of the total global steel demand. Except for the possible currency volatility risk dependent on the US dollar; the ASEAN nations are expected to throw a solid growth year. A stabilizing trend is evident in BRICS nations such as Russia and Brazil, which are likely to put forth modest growth figures. India is also expected to grow encouragingly, even though growth will be marginal stunned due to demonetisation. Downside risks to this outlook emanate from the high corporate debt and real estate market situation in China, Brexit uncertainties and possible further escalation of instability in some regions. Meanwhile, raw materials price volatility is expected to subside with increased availability unlike in 2016. Trade remedial measures should continue to influence trade flows and in turn regional steel price. Thus, short term remedial actions alone will not suffice, proactive measures need to be adopted for sustainable industry growth.

According to the World Steel Association, India will contribute 5.1 million tonnes out of the forecasted growth of around 20 million tonnes in global steel demand during 2017. In the short and medium term, the steel industry is set to grow at 6 to 6.5% CAGR according to CRISIL. This sets the stage for steel producers to grow in line with the steel demand and at the same time capitalize on Government policies. With several budgetary allocations boosting infrastructure, the demand of steel and steel products is expected to rise. Another major policy reform favouring the Indian companies is the recent ruling that domestic steel will be given preference in Government projects as part of the Make in India program.

OPPORTUNITIES, THREATS AND RISKS

The National Steel Policy (NSP) 2017, released by the Government aims to increase steel production with an objective is to make India self-sufficient in steel production and projects crude steel capacity of 300 million tonnes and per capital consumption of 160 Kg of finished steel by 2030-31. As a part of its focus area, the policy aims to address adequate local manufacturing to meet the demand for high-grade automotive steel, electrical steel, special steels and alloys for strategic application by the same year.

Over the next five years, the share of large players is expected to rise further to 53% with most of them adding capacities through the blast furnace route. Even in the long term, steel sector analysts expect the blast furnace route to continue its dominance.

The revamped National Steel Policy, with ambitious targets, expects to garner an investment to the tune of Rs. 10 lakh crore. However, any forecasted growth for the future would mandate scaling up of facilities at the earliest. An impediment in achieving this would be a lack of greenfield lands. In the present regulatory environment, large steel companies could be the major beneficiaries of the policy.

There is an inherent direct impact of the NSP on the country's development as much of the efforts will be driven towards increasing consumption in housing and infrastructure sectors. The new policy, if properly directed, can certainly equip the domestic steel industry, making it globally competitive. With the introduction of the NSP and a supportive business environment, the steel makers of the nation can capitalize well on the same, building capacity for the forecasted demand.

In India, overall consumer discretionary spending, public capex on 'Rurban' infrastructure development and foreign direct investment have continued to improve, supporting a gradual growth recovery. This increased allocation for infrastructure development at Rs. 4 trillion in the Union Budget with thrust on affordable housing water and gas pipelines, renewable energy and road sector, and expected recovery in rural demand on the back of normal monsoon expectation augurs well for steel consumption growth in the country. We expect the Indian steel demand to grow by around 4 million tonnes i.e. around 5% in 2018.

**SEGMENT-WISE PERFORMANCE**

A detailed note on the segment-wise performance is given under note no. 26 of the Financial Statement 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. 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 policies. The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. 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 31st March, 2017 and 31st March, 2016 are summarized below:-

Particulars	(Rs. in Lakhs)	
	31.03.2017	31.03.2016
Total Income	<u>1602.64</u>	<u>1850.32</u>
Operating profit before interest and depreciation	127.71	355.08
Interest	17.09	31.33
Depreciation	<u>53.46</u>	<u>52.46</u>
Profit before Tax (PBT)	57.16	271.29
Provision for Taxation	-7.10	123.18
Security Transaction Tax	0.00	0.00
Deferred Tax Liabilities	-4.24	-1.96
Minimum Alternate Tax Credit Availed	<u>0.00</u>	<u>0.00</u>
Profit after Tax (PAT)	68.49	150.07
Balance Brought Forward	<u>216.27</u>	<u>116.20</u>
Profit available for appropriation	284.76	266.27
Transfer to General Reserve	<u>20.00</u>	<u>50.00</u>
Balance carried to Balance Sheet	<u>264.77</u>	<u>216.27</u>

During the year under review, the total income of your Company decreased to Rs. 1602.64 lakhs from Rs. 1850.32 lakhs as compared to previous year. The said total income includes contribution of turnover from handling services division of the Company of Rs. 136.06 lakhs as compared to Rs. 401.42 lakhs during the previous year.

During the year, the net profit before interest and tax from steel manufacturing division decreased to Rs. 41.37 lakhs from Rs. 105.38 lakhs as compared from the previous year. The decrease in profitability as compared to previous year is, *inter-alia*, due to intense competitive pressure resulting in fall of margin.

The handling services business had contributed net profit before interest and tax of Rs. 63.66 lakhs from Rs. 191.78 lakhs as compared to previous year. The other income comprising the return from investments activities has registered a net loss before interest and tax of Rs. 30.78 lakhs as compared to net profit of Rs. 5.45 lakhs during the previous year.



INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT

Industrial relations during the year under review were cordial and peaceful with all the employees on the payroll of the Company as at end of the financial year 2016-17. 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

DIN : 00051647

Place : New Delhi
Date : 31.08.2017

Annexure V

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year cannot be ascertained as no remuneration was paid to any of the Directors of the company.
- ii) There was no percentage increase in the remuneration paid to Director, Chief Financial Officer and Company Secretary in the financial year.
- iii) There was approximately 9.60% increase in the median remuneration of employees in the financial year.
- iv) There were 41 (Forty One) permanent employees on the rolls of the Company.
- v) Since no managerial remuneration was paid toward, hence information with respect to average percentile increase made in the salaries of employees others than the managerial personnel is not available.

It is hereby affirmed that the remuneration during the year ended 31st March, 2017 is paid as per the Remuneration Policy of the Company.

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

Sd/-

Ashok Kumar Modi

Chairman and Managing Director

DIN : 00051647

Place : New Delhi
Date : 31.08.2017



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, 2017, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to 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 principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. 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, 2017;
- 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, We give in the **Annexure A** statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure B**.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies(Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d) The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For R.K GOVIL & Co.
Chartered Accountants
FRN – 000748C
Sd/-

Rajesh Kumar Govil
Partner
Membership No.013632

Place: New Delhi
Dated: 30.05.2017

ANNEXURE 'A' 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:

- 1) In respect of fixed assets :
 - (a) The Company has maintained proper records though to be updated, showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As explained to us, the management has physically verified all the fixed assets during the year, in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company. We have been informed that no material discrepancies were noticed on such physical verification during the year. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 2) In our opinion the inventories have been physically verified during the year by the Management at reasonable intervals and as explained to us no material discrepancies were noticed on physical verification.
- 3) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register required to be maintained under section 189 of the Act. Accordingly paragraph 3 (iii) of the order is not applicable.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- 5) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.
- 6) In our opinion, Company is not required to maintain cost records under section 148 (1) of the Companies Act, 2013 read with rule 4 of the Companies (Cost Records and Audit) Amendment Rules, 2014.
- 7) In respect of statutory dues :
 - (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, 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 amount is payable in respect of Income-tax, Service Tax, Sales-tax, Duty of Custom, Duty of Excise, Cess and other aforesaid statutory dues were outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, no disputed amount is payable in respect of Income-tax, Service Tax, Sales-tax, Value Added Tax, Duty of Custom, Duty of Excise, Cess and any other statutory dues applicable to the Company.



- 8) 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.
- 9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year and in our opinion, and according to the explanations given to us, the outstanding term loans were applied by the Company for the purpose for which the loans were obtained.
- 10) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 11) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: New Delhi
Dated: 30.05.2017

For R.K GOVIL & Co.
Chartered Accountants
FRN – 000748C
Sd/-
Rajesh Kumar Govil
Partner
Membership No.013632



ANNEXURE 'B' TO THE AUDITORS' REPORT
(Referred to in our Report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of National General Industries Ltd (the Company) as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures



that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-

Place: New Delhi
Dated: 30.05.2017

Rajesh Kumar Govil
Partner
Membership No.013632

**BALANCE SHEET AS ON 31ST MARCH 2017**

Particulars	Notes	(Amount in Rs.)	
		As at 31.03.2017	As at 31.03.2016
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3	46,695,590	46,695,590
Reserves and Surplus	4	164,925,752	158,182,934
Non-Current Liabilities			
Long-term borrowings	5	887,487	4,739,541
Deferred tax liabilities (Net)	6	3,361,761	3,785,809
Long term provisions	7	463,679	389,501
Current Liabilities			
Short-term borrowings	8	19,860,763	21,917,190
Trade payables		5,053,327	4,855,386
Other current liabilities	9	6,826,280	10,365,032
Short-term provisions	7	3,394,993	10,044,946
		251,469,632	260,975,929
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	120,723,934	125,771,424
Non-current investments	11	32,470,486	32,470,486
Long term loans and advances	12	2,092,717	2,292,717
Current assets			
Current investments	11	28,230,213	23,992,507
Inventories	14	17,195,942	17,991,183
Trade receivables	15	28,506,327	32,817,616
Cash and cash equivalents	16	93,138	2,734,230
Short-term loans and advances	12	21,342,910	22,595,047
Other current assets	13	813,965	310,719
		251,469,632	260,975,929

Notes 1 to 16, 26 To 35 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 : 30-05-2017

For and on behalf of Board of Directors

Sd/-

Ashok Kumar Modi
Managing Director
DIN : 00051647

Sd/-

Pawan Kumar Modi
Jt. Managing Director
DIN : 00051679

Sd/-

Vandana Gupta
Company Secretary
Mem. No. ACS24012

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017****(Amount in Rs)**

Particulars	Notes	As at 31.03.2017	As at 31.03.2016
INCOME:			
Revenue from operations	17	157,822,866	180,771,005
Other Income	18	2,440,695	4,261,174
		160,263,561	185,032,180
EXPENSES:			
Cost of materials consumed	19	121,854,035	105,613,377
Purchase of Stock-in-Trade			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(747,008)	1,568,528
Employee benefit expense	21	8,751,447	7,663,246
Financial costs	22	1,708,987	3,132,749
Depreciation and amortization expense	23	5,345,742	5,246,578
Other expenses	24	17,634,789	34,678,989
		154,547,993	157,903,466
Profit before exceptional and extraordinary items and tax		5,715,568	27,128,713
Exceptional Items		-	-
Profit before extraordinary items and tax		5,715,568	27,128,713
Extraordinary Items		-	-
PROFIT BEFORE TAX		5,715,568	27,128,713
TAX EXPENSES:			
Current tax		2,300,000	12,240,470
Current tax - Prior Year		(3,009,594)	77,250
Deferred tax		(424,048)	(196,056)
Profit for the period from continuing operations		6,849,210	15,007,049
Profit from discontinuing operations		-	-
Tax expense of discounting operations		-	-
Profit from Discontinuing operations		-	-
PROFIT AFTER TAX		6,849,210	15,007,049
EARNING PER EQUITY SHARE			
(Nominal Value of Share Rs. 10 each)			
Basic and diluted	25	1.24	2.71

Notes 1,2, 17 to 35 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

Sd/-

Rajesh Kumar Govil
Partner
FRN.: 000748C
Membership NO. 013632

Place: New Delhi
Date : 30-05-2017

For and on behalf of Board of Directors

Sd/-

Ashok Kumar Modi
Managing Director
DIN : 00051647

Sd/-

Pawan Kumar Modi
Jt. Managing Director
DIN : 00051679

Sd/-

Vandana Gupta
Company Secretary
Mem. No. ACS24012



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in Rs)

Particulars	As at 31.03.2017	As at 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	5,715,568	27,128,713
Adjustments for:		
Depreciation and amortisation expense	5,345,742	5,246,578
Exceptional Items	-	-
(Profit)/loss on sale of Assets	419,445	189,751
(Profit)/loss on sale of Shares / Mutual Fund	(987,706)	(3,322,270)
Interest & Finance Charges	1,708,987	3,132,749
Interest Income	-	(470,113)
Bad Debt/Other written off		
Provision for Doubtful Debt		
Unclaimed Creditors Written back		
Operating Profit before Working Capital Changes	12,202,036	31,905,408
Adjustments for:		
Decrease/(Increase) in Inventories	795,241	3,570,335
Decrease/(Increase) in Receivables	3,808,043	(9,607,133)
Decrease/(Increase) in other current and non current assets	(313,499)	5,043,051
Increase/(Decrease) in Payables	197,941	(4,493,436)
Increase/(Decrease) in Other Current Liabilities	(3,538,751)	6,281,730
Increase/(Decrease) in Provision	355,101	29,637
Total Adjustment for working capital change	1,304,076	824,183
Cash generated from operations	13,506,112	32,729,591
Income Tax (paid) refund	(4,455,648)	(3,575,314)
Other Cash Inflows (Outflows)	-	-
Net Cash flow from Operating activities before extraordinary item	9,050,464	29,154,277
Proceeds from extraordinary items	-	-
Net Cash flow from Operating activities	9,050,464	29,154,277
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,449,048)	(6,415,965)
Sale of Fixed Assets	1,624,960	3,053,842
Purchase of Mutual Fund	(24,050,000)	(35,740,000)
Sale of Mutual Fund	20,800,000	15,648,500
Sale of Shares	-	5,632,028
Purchase of Shares	-	(4,510,705)
Interest Income	-	470,113
Unclaimed Creditors Written back	-	-
Net Cash used in Investing activities	(4,074,088)	(21,862,187)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

Particulars	As at 31.03.2017	As at 31.03.2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term Borrowings	-	1,214,002
Repayment of Long term Borrowings	(3,852,054)	-
Repayment of Short term Borrowings	(2,056,427)	(4,188,056)
Proceeds from Short term Borrowings	-	-
Interest paid	(1,708,987)	(3,132,749)
Proceeds from Arrear Share Issued	-	-
Net Cash used in financing activities	(7,617,468)	(6,106,803)
Net increase in cash & Cash Equivalents	(2,641,092)	1,185,287
Cash and Cash equivalents as at beginning	2,734,230	1,548,943
Cash and Cash equivalents as at end	93,138	2,734,230

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 : 30-05-2017

For and on behalf of Board of Directors

Sd/-

Ashok Kumar Modi
Managing Director
DIN : 00051647

Sd/-

Pawan Kumar Modi
Jt. Managing Director
DIN : 00051679

Sd/-

Vandana Gupta
Company Secretary
Mem. No. ACS24012



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. Corporate information

National General Industries Limited ('The Company') is engaged in the production and selling of Steel. The Company has manufacturing facilities at Ghaziabad, Uttar Pradesh and having a handling services business for steel product in the State of Punjab.

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, 2013. 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 useful life prescribed in schedule II of the Companies Act, 2013. Depreciation on revalued fixed assets is directly 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 is 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(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 recognized 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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in Rs)

PARTICULARS	As at 31.03.2017	As at 31.03.2016
3. Share Capital		
<u>AUTHORISED SHARES</u>		
12,000,000 (P.Y. 12,000,000) Equity Shares of Rs.10/- each	120,000,000	120,000,000
<u>ISSUED AND SUBSCRIBED SHARES</u>		
5,530,259 (P.Y. 5,530,259) Equity Shares of Rs. 10/- each	55,302,590	55,302,590
	55,302,590	55,302,590
<u>PAID UP SHARES</u>		
5,530,259 (P.Y. 5,530,259) Equity Shares of Rs. 10/- each	55,302,590	55,302,590
Less: Call Money unpaid by other than Directors	8,607,000	8,607,000
1,147,600 (P.Y.1,147,600) Shares @ Rs. 7.50 each		
	46,695,590	46,695,590
a. Reconciliation of the Equity shares outstanding at the beginning and at the end of reporting period		
Outstanding at the beginning of the year		
5,530,259 (P.Y. 5,530,259) Equity Shares of Rs. 10/- each	55,302,590	55,302,590
Outstanding at the year end		
5,530,259 (P.Y. 5,530,259) Equity Shares of Rs. 10/- each	55,302,590	55,302,590

b. Terms/rights attached to equity shares

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

Name	As at 31.03.2017		As at 31.03.2016	
	No.	% of Holding	No.	No.
Modi Power Pvt. Ltd.	499,900	9.04	499,900.00	9.04
Vasu Modi	359,745	6.51	359,745.00	6.51
Manhar Modi	412,798	7.46	412,798.00	7.46
Madhur Modi	368,000	6.65	368,000.00	6.65



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS	(Amount in Rs)	
	As at 31.03.2017	As at 31.03.2016
4. Reserves & Surplus		
Capital Reserve		
Balance as per the last financial statements	24,764,460	24,764,460
Closing Balance	<u>24,764,460</u>	<u>24,764,460</u>
Security Premium Account :		
Balance as per the last financial statements	14,235,000	14,235,000
Closing Balance	<u>14,235,000</u>	<u>14,235,000</u>
Revaluation Reserve		
Balance as per the last financial statements	1,555,754	1,892,944
Less: Depreciation on Revalued Assets	106,392	337,190
Closing Balance	<u>1,449,362</u>	<u>1,555,754</u>
General Reserve		
Balance as per the last financial statements	96,000,000	91,000,000
Add: Amount transferred from surplus balance in the of Profit & Loss	2,000,000	5,000,000
Closing Balance	<u>98,000,000</u>	<u>96,000,000</u>
Surplus Balance in Statement of Profit and Loss		
Balance as per the last financial statements	21,627,720	11,620,671
Profit for the year	6,849,210	15,007,049
	<u>28,476,930</u>	<u>26,627,720</u>
Less: Appropriations :		
Transfer to General Reserve	2,000,000	5,000,000
Total Appropriation	<u>2,000,000</u>	<u>5,000,000</u>
Surplus in the Statement of Profit and Loss	<u>26,476,930</u>	<u>21,627,720</u>
Total Reserves & Surplus	<u>164,925,752</u>	<u>158,182,934</u>
5. Long-term borrowings		
Secured Borrowings		
Loan from HDFC Bank	1,439,541	2,258,420
Less: Current Maturity of Secured Long Term Borrowings	<u>618,696</u>	<u>818,879</u>
Total Secured Loan	<u>820,845</u>	<u>1,439,541</u>
Unsecured Borrowings		
Loan from Body Corporates - Repayable on demand	66,642	3,300,000
Loan from Related Party - Repayable on demand	-	-
	<u>887,487</u>	<u>4,739,541</u>

Loan from HDFC Bank - Vehicle Loan of Rs. 24,00,000/- against hypothecation of Vehicle having repayment terms of 48 equated monthly instalments starting from June, 2015 and ending on May, 2019 at rate of interest @11.90 p.a., respectively. Loans are further secured by personal guarantee of Director of the Company.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS	(Amount in Rs)	
	As at 31.03.2017	As at 31.03.2016
6. Deferred tax liabilities (Net)		
Deferred Tax Liability		
On Fixed Assets: Difference in depreciation and amortisation for accounting and income tax purposes	3,843,391	4,157,712
Deferred Tax Asset		
On provision for Gratuity	481,630	371,903
Net Deffered Tax Liabaility	<u>3,361,761</u>	<u>3,785,809</u>
7. Provisions		
Long Term		
Provision for Gratuity	463,679	389,501
	<u>463,679</u>	<u>389,501</u>
Short Term		
Provision for Gratuity	1,094,993	814,070
Provision for Taxation	2,300,000	9,230,876
	<u>3,394,993</u>	<u>10,044,946</u>
8. Short-term borrowings		
Secured Borrowings		
Working Capital Loan from Bank	19,860,763	20,224,023
Term Loan from Bank	-	1,693,166
	<u>19,860,763</u>	<u>21,917,190</u>
<p>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 @ 10.45% p.a.</p>		
9. Other current liabilities		
Current Maturity of Long Term Secured Borrowings	618,696	818,879
Advance from Customers	282,536	77,740
Salary & Wages Payable	604,215	531,418
EPF Payable	29,182	23,970
Other Employee Benefit Liabilities	250,519	288,912
Other Tax Payable	435,336	456,611
Expenses Payable	1,737,026	5,298,732
Provision for Doubtful Debts	2,868,770	2,868,770
	<u>6,826,280</u>	<u>10,365,032</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE NO. 10 : TANGIBLE FIXED ASSETS.

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK								
	As on 01.04.2016		DURING THE YEAR		As on 01.04.2016		DURING THE YEAR		AS ON 31.03.2017		AS ON 31.03.2017		AS ON 31.03.2016				
	ORIGINAL	REVALUED	ADDITION	ORIGINAL DELETION	ORIGINAL	REVALUED	ORIGINAL	REVALUED	DEP ON	ORIGINAL	REVALUED	ORIGINAL	REVALUED	ORIGINAL	REVALUED		
																ORIGINAL	REVALUED
LAND	73,367,000	7,160,180	-	-	-	-	-	-	-	-	73,367,000	7,160,180	73,367,000	7,160,180			
FURNITURE & FIXTURE	237,327	-	9,160	-	194,743	25,023	-	-	220,566	-	25,921	42,584	-	-			
BUILDING	15,802,131	3,356,209	-	-	3,038,423	494,986	106,392	-	3,533,409	2,531,205	12,266,722	825,004	12,763,707	931,396			
PLANT & MACHINERY	44,471,284	6,914,353	886,256	2,758,530	19,619,453	6,914,353	2,286,905	714,125	21,192,233	6,914,353	21,406,777	-	24,851,831	-			
OFFICE EQUIPMENT	673,708	-	57,336	-	524,838	47,290	-	-	572,128	-	158,914	-	148,868	-			
COMPUTER	655,469	-	4,500	-	622,190	12,237	-	-	634,427	-	25,542	-	33,279	-			
VEHICLES	7,483,986	-	-	-	1,515,411	901,183	-	-	2,416,594	-	5,067,392	-	5,968,575	-			
CAPITAL WORK IN PROGRESS	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
F.A.ROLLS	11,727,038	-	1,491,796	-	11,224,896	1,576,993	-	-	12,801,889	-	416,945	-	502,142	-			
CYCLE	3,120	-	-	-	1,258	325	-	-	1,583	-	1,537	-	1,862	-			
TOTAL	154,421,064	17,430,742	2,449,048	2,758,530	154,111,582	17,430,742	36,741,212	9,339,166	5,345,742	106,392	714,125	41,372,829	9,445,558	112,738,750	7,985,104	117,679,848	8,091,576
PREVIOUS YEAR	155,009,004	17,430,742	6,415,965	6,966,673	154,458,296	17,430,742	35,254,949	9,001,976	5,246,578	337,190	3,723,080	36,778,446	9,339,166	117,679,848	8,091,576		



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in Rs)

PARTICULARS	As at	
	31.03.2017	31.03.2016
11. Investments		
Non Current Investments		
Trade Investments		
Quoted equity instruments		
- Equity Share of Kay Power & Papers Ltd. 700 (P.Y. 700) equity shares of Rs. 10/- each.	7,000	7,000
Total Quoted Equity Instruments	7,000	7,000
	Book Value as at	Market Value as at
	31.03.17	31.03.16
Quoted Shares	7,000	7,000
	7,000	7,000
	27,370	22,050
	27,370	22,050
Non Trade Investments		
Unquoted equity instruments		
- Equity Share of Modi Power Pvt. Ltd. 14,09,600 (P.Y. 14,09,600) Class 'A' Equity Share of Rs. 10/- each. 63,600 (P.Y. 63,600) Class 'B' Equity Share of Rs. 75/- each.	18,866,000	18,866,000
- Equity Share of Peacon Properties & Encalve Pvt. Ltd. 4,00,755 (P.Y. 4,00,755) Equity shares of Rs. 10/- each.	818,110	818,110
- Equity Share of Modi Metal & Allied Industries Pvt. Ltd. 3,23,580 (P.Y. 3,23,580) Equity shares of Rs. 10/- each.	4,510,705	4,510,705
- Equity Share of Southern Iron & Steel Co. Ltd. 2 (P.Y. 2) equity shares of Rs. 10/- each.	76	76
Total Unquoted (Non-Traded) Equity Instruments	24,194,891	24,194,891
Quoted (Non-Traded) Mutual Funds	Units	Units
	(Current Year)	(Previous Year)
Franklin India Smaller Co. Fund-Gr.	107,189	107,189
Franklin India Prima Plus-D. Gr.	5,923	5,923
HDFC Equity Fund	38,608	38,608
Total Quoted Mutual Funds	8,268,596	8,268,596
Market Value		
Franklin India Smaller Co. Fund-Gr.	5,538,329	4,093,384
Franklin India Prima Plus-D. Gr.	3,205,405	2,631,046
HDFC Equity Fund	20,993,729	18,134,980
Total Non Current Investments	32,470,486	32,470,486
Current Investments (Non-Traded)	Units	Units
	(Current Year)	(Previous Year)
Templeton India Ultra Short Bond Fund-SI	1,383,273	1,221,446
Market Value		
Templeton India Ultra Short Bond Fund-SI	30,805,498	24,831,997
Total Current Investments	28,230,213	23,992,507
Total Investments	60,700,699	56,462,994



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS	(Amount in Rs)	
	As at 31.03.2017	As at 31.03.2016
12. Loans and advances (Unsecured, Considered Good)		
Non Current		
Advance recoverable in cash or in kind		-
Security Deposit	2,092,717	2,292,717
	2,092,717	2,292,717
Current		
Balance with Statutory / Government Authorities	17,281,596	16,918,952
Prepaid Expenses	163,152	49,417
Advance to Suppliers & Others	133,648	102,669
Advance to Staff	97,572	91,432
TDS	1,179,159	1,891,938
Advance Tax	1,589,144	2,642,000
Income Tax Refundable	898,639	898,639
	21,342,910	22,595,047
13. Other assets		
Current		
Conversion Charges Receivable	631,213	310,719
others	182,750	
	813,965	310,719
14. Inventories		
Raw Materials	6,130,610	8,123,387
Finished goods	7,910,256	7,499,571
Stock-in-Trade	136,152	136,152
Stores & Spares	1,641,541	1,641,541
Loose Tools	26,348	88,179
Others	1,351,035	502,353
	17,195,942	17,991,183
15. Trade receivables (Unsecured, Considered Good)		
Exceeding Six Months	2,868,770	2,961,323
Others	25,637,557	29,856,293
	28,506,327	32,817,616
16. Cash and Bank Balances		
Cash and cash equivalents		
Balances with Banks	35,195	2,587,215
Cash on hand	57,943	147,015
	93,138	2,734,230

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

PARTICULARS	(Amount in Rs)	
	As at 31.03.2017	As at 31.03.2016
17. Revenue from operations		
Sale of Finished Goods	112,401,603	93,992,424
Sale of Services-Conversion Charges	42,763,318	54,767,094
Other Operating Revenue	15,313,585	42,719,249
Revenue from Operations (Gross)	170,478,506	191,478,767
Less: Excise Duty	12,655,640	10,707,762
Revenue from Operations (Net)	157,822,866	180,771,005
Details of Finished Goods sold		
Iron & Steel Bar	112,401,603	93,992,424
Details of Sale of Services		
Job Work charges on Re - rolling	42,763,318	54,767,094
Details of Other Operating Revenue		
Sale of By Product, viz. Scrap	1,708,065	2,577,448
Handling charges	13,605,520	40,141,801
	15,313,585	42,719,249
18. Other Income		
Interest Received	-	470,113
STCG on Current / Trade Investments	987,706	660,832
LTCG on Unquoted Shares/Non-Traded	-	2,661,438
Miscellaneous Income	-	13,862
Rebate & Discount Received	290,053	433,382
Unclaimed Creditors Written back	1,162,936	21,546
	2,440,695	4,261,174

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

PARTICULARS	(Amount in Rs)	
	As at 31.03.2017	As at 31.03.2016
19. Cost of Raw Material and Components Consumed		
Raw Material Consumed		
Opening Stock	8,123,387	9,089,695
Purchases	90,274,571	75,660,296
	98,397,958	84,749,991
Less: Inventory at the end of the year	6,130,610	8,123,387
	92,267,348	76,626,604
Details of raw material and components Raw material and components Consumed		
MS Ingot	92,267,348	76,626,604
	92,267,348	76,626,604
Details of closing inventory of raw material		
MS Ingot	5,780,613	7,773,390
Scrap	349,997	349,997
	6,130,610	8,123,387
Details of opening inventory of raw material		
MS Ingot	7,773,390	8,739,698
Scrap	349,997	349,997
	8,123,387	9,089,695
Furnace Oil Consumed		
Opening Stock	258,899	112,415
Add: Purchase/Tfd.during the year	16,772,864	14,558,107
	17,031,763	14,670,522
Less: Closing Stock	779,846	258,899
	16,251,917	14,411,623
Steam Coal Consumed		
Opening Stock	3,802	689,984
Add: Purchase/Tfd.during the year	-	411,152
	3,802	1,101,136
Less: Closing Stock	3,802	3,802
	-	1,097,334
Other Manufacturing Expenses		
Power Expenses	10,722,201	10,350,816
Engine Expenses	2,136,775	1,989,108
Weighing & Stalking	24,360	36,246
Consumable Store	451,434	1,101,646
	13,334,770	13,477,816
	121,854,035	105,613,377



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS	(Amount in Rs)	
	As at 31.03.2017	As at 31.03.2016
20. (Increase)/Decrease in Inventories		
Work-in-progress and Stock-in-Trade		
Inventories at the end of the year		
Finished goods	7,914,163	7,502,038
Traded goods	136,152	136,152
Waste	440,910	106,027
	8,491,225	7,744,217
Inventories at the opening of the year		
Finished goods	7,502,038	8,965,840
Traded goods	136,152	136,152
Waste	106,027	210,753
	7,744,217	9,312,745
Others	-	-
	7,744,217	9,312,745
(Increase)/Decrease in Inventories	(747,008)	1,568,528
Details of Inventories		
Finished Goods		
N.A.IRON & STEELS BAR	6,951,519	6,540,834
Ingots	38,628	38,628
Casting	508,896	508,896
Runner & Risser	411,213	411,213
	7,910,256	7,499,571
21. Employee Benefit Expenses		
Salaries & Wages	7,483,923	6,194,217
Bonus & Ex-Gratia	307,728	607,992
Employer's Cont.to P.F.	158,916	144,578
Employer's Cont.to E.S.I.	82,740	52,376
Gratuity	450,293	453,359
Staff Welfare	218,131	170,012
Leave encashment	49,716	40,712
	8,751,447	7,663,246
22. Financial costs		
Bank Interest	1,507,189	2,835,749
Other Borrowing Cost	201,798	297,000
	1,708,987	3,132,749
23. Depreciation and amortization expense		
Depreciation Expense	5,345,742	5,246,578
	5,345,742	5,246,578



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS	(Amount in Rs)	
	As at 31.03.2017	As at 31.03.2016
24. Other expenses		
Travelling & Conveyance (Including Foreign Travel) C. Y. 649959 (P.Y. 688619)	875,923	927,347
Printing & Stationary	86,435	94,450
Postage & Telegram	2,142	3,272
Telephone Expenses	366,388	381,743
Electricity Expenses	868,324	749,325
Keyman Insurance	111,722	95,693
Auditor's Remuneration	409,450	364,300
Legal & Professional Charges	1,167,600	691,477
Filing Fees & Subscription	8,596	6,206
Listing & Custodial Fees	297,701	276,246
Bank Charges	284,666	326,279
General Expenses	501,625	206,182
Insurance Charges	148,214	118,108
Rent	96,000	67,500
Vehicle Running & Maintenance	582,342	717,193
Security & Vigilance	1,054,177	1,346,953
Repair & maintenance - Building	126,291	504,720
Repair & maintenance - Plant & Machinery	2,775,990	3,170,603
Repair & maintenance - Others	193,021	424,063
Business promotion	354,406	218,391
Rebate, Discount & commission	1,242,366	1,004,638
Advertisement & Publicity	109,142	111,204
Sales Tax / Excise Expenses	20,353	101,267
Bad Debt/Other written off	-	1,117,192
Provision for Doubtful Debt	-	2,868,770
Interest on TDS	148,474	-
Interest on Car Loan	203,228	278,312
Computer Expenses	23,720	31,404
Freight Charges	2,273,902	8,516,004
Loading & Unloading Charges	1,276,563	8,434,020
Swachh Bharat Cess	11,500	20,085
Loss on sales of Fixed Assets	419,445	189,751
Prior Period Expense	55,643	-
Other Miscellaneous Expenses	1,539,441	1,316,291
	17,634,789	34,678,989
Payment to Auditor		
- Audit fee	360,000	330,000
- Limited Review	49,450	34,300
- For Taxation matters	-	78,000
	409,450	442,300

25. Earning per Share

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.)	6,849,210	15,007,049
Weighted average number of equity shares in calculating basic and diluted EPS	5,530,259	5,530,259
Basic and diluted earning per share (Rs.)	1.24	2.71

26. Segment Information

Business Segments :

The Company operates in three segments i.e. manufacturing of steel, handling services of steel products 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		handling Services		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE								
Sales / Revenue	15,68,72,986	15,13,36,966	24,40,695	42,61,174	1,36,05,520	4,01,41,801	17,29,19,201	19,57,39,941
Less : Inter Segment Sales	-	-	-	-	-	-	-	-
Net Sales / Revenue	15,68,72,986	15,13,36,966	24,40,695	42,61,174	1,36,05,520	4,01,41,801	17,29,19,201	19,57,39,941
Less: Excise Duty	1,26,55,640	1,07,07,762	-	-	-	-	1,26,55,640	1,07,07,762
Total Revenue	14,42,17,346	14,06,29,204	24,40,695	42,61,174	1,36,05,520	4,01,41,801	16,02,63,561	18,50,32,179
SEGMENT RESULTS								
Operating Profit / (Loss) before interest & tax	41,36,725	1,05,38,200	(30,77,732)	5,45,297	63,65,563	1,91,77,964	74,24,555	3,02,61,462
Less : Interest Expenses	-	-	-	-	-	-	17,08,987	31,32,748
Profit / (Loss) from operating activity (Before tax)	-	-	-	-	-	-	57,15,568	2,71,28,713
OTHER INFORMATION								
Segment Assets	17,29,42,618	17,21,80,664	5,05,36,310	5,76,06,320	2,35,00,585	2,57,56,367	25,36,79,718	25,55,43,351
Segment Liabilities	88,37,861	90,65,636	68,56,955	1,44,98,458	5,36,452	30,07,809	2,13,10,125	2,65,71,903
Capital Employed	16,27,22,762	16,13,58,923	4,45,77,994	4,44,06,501	2,50,68,837	2,57,69,831	23,23,69,593	23,15,35,255
Capital Expenditure	24,27,048	12,45,392	-	33,39,555	22,000	18,31,018	24,49,048	64,15,965
Depreciation/Amortization	43,41,656	42,06,218	9,00,830	9,96,318	1,03,256	44,041	52,46,742	52,46,578
Other non-cash expenses	-	-	-	-	-	-	-	-

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

Managing Director

Mr. Pawan Kumar Modi

Jt. Managing Director

Mr. Vasu Modi

Director

Mr. Madhur Modi

Vice President

Mr. Shakuntala Modi

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	
	2017	2016	2017	2016	2017	2016
Rent Paid						
J.P.Modi & Sons HUF	-	-	42,000	24,000	42,000	24,000
Shakuntla Modi	54,000	42,000	-	-	54,000	42,000
Total	54,000	42,000	42,000	24,000	96,000	66,000
Trade Payable						
J.P.Modi & Sons HUF	-	-	-	24,000	-	24,000
Shakuntla Modi	-	-	-	-	-	-
Total	-	-	-	24,000	-	24,000

28. Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Capital advances)

Particulars	March 31, 2017	March 31, 2016
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Capital advances)	Nil	Nil

29. Contingent liabilities (not provided for) in respect of:

Particulars	March 31, 2017	March 31, 2016
Bank Guarantee in favour of Sales Tax Department	Nil	Nil
Bills discounted liability	Nil	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 31.03.2017. 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. The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013 during financial year 2016-17.



32. Gratuity and other Post- employment benefit plans:

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 (recognized in Employee Cost)

(Amounts in Rs.)

Particulars	March 31, 2017	March 31, 2016
Current service cost	2,29,108	1,52,362
Interest cost on benefit obligation	96,286	99,784
Net actuarial (gain)/ loss recognized in the year	1,24,899	2,01,213
Past service cost	-	-
Net benefit expense	4,50,293	4,53,359

Balance Sheet

Details of Provision for Gratuity

(Amounts in Rs.)

Particulars	March 31, 2017	March 31, 2016
Defined benefit obligation	15,58,672	12,03,571
Fair value of plan assets	-	-
Surplus/(Deficit)	(15,58,672)	(12,03,571)
Less: Unrecognized Past service cost	-	-
Plan asset / (liability)	(15,58,672)	(12,03,571)

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

(Amounts in Rs.)

Particulars	March 31, 2017	March 31, 2016
Defined benefit obligation at the beginning of year	12,03,571	11,73,934
Current service cost	2,29,108	1,52,362
Interest cost	96,286	99,784
Actuarial (gain)/loss on obligation	1,24,899	2,01,213
Benefits paid	(95,192)	(4,23,722)
Defined benefit obligation as at the end of the year	15,58,672	12,03,571

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

Particulars	March 31, 2017	March 31, 2016
	%	%
Discount rate	7.36	8.00
Increase in Compensation cost	5.50	5.50
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 years are as follows:

	(Amounts in Rs.)	
	March 31, 2017	March 31, 2016
Defined benefit obligation	15,58,672	12,03,571
Plan assets	-	-
Surplus / (deficit)	(15,58,672)	(12,03,571)
Experience adjustments on plan liabilities (loss)/gain	(1,04,699)	(2,01,658)
Experience adjustments on plan assets (loss)/gain	-	-

Contribution to Defined Contribution plans:

	(Amounts in Rs)	
Particulars	March 31, 2017	March 31, 2016
Provident Fund	1,58,916	1,44,578

33. Supplementary Statutory Information

33.1 Earnings in foreign currency (on accrual basis)

	(Amounts in Rs.)	
Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Exports at F.O.B. Value	-	-

33.2 Expenditure in foreign currency (on accrual basis)

	(Amounts in Rs.)	
Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Travelling	6,49,959	6,88,619

33.3 Value of imports calculated on CIF basis (on accrual basis)

	(Amounts in Rs.)	
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Raw Materials	-	-

33.4 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	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Indigenous	100.00	100.00	9,22,67,348	7,66,26,604
Imported	-	-	-	-
	100.00	100.00	9,22,67,348	7,66,26,604
Stores and Spares				
Indigenous	100.00	100.00	4,75,794	11,37,892
Imported	-	-	-	-
	100.00	100.00	4,75,794	11,37,892



34. Details of Specified Bank Notes (SBN) Held and Transacted during the period 08/11/2016 to 30/12/2016 is as under:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	330	20	350
(+) Permitted receipts	0	532	532
(-) Permitted payments	180	369	549
(-) Amount deposited in Banks	150	97	247
Closing cash in hand as on 30-12-2016	0	86	86

35. 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 the Board of Directors

Sd/-

Sd/-

Sd/-

Rajesh Kumar Govil
Partner
FRN : 000748C
Membership No. 13632

Ashok Kumar Modi
Managing Director
DIN : 00051647

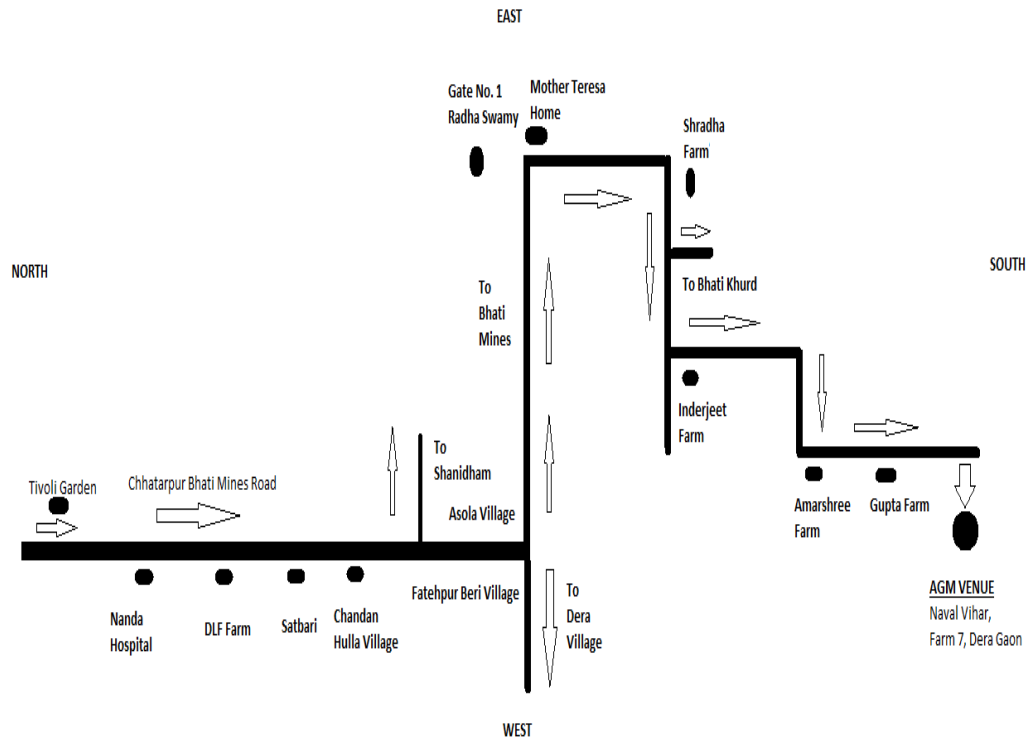
Pawan Kumar Modi
Jt. Managing Director
DIN : 00051679

Sd/-

Date : 30.05.2017
Place : New Delhi

Vandana Gupta
Company Secretary
Memb. No. ACS24012

ROUTE MAP FOR AGM VENUE





ATTENDANCE SLIP

NATIONAL GENERAL INDUSTRIES LIMITED

CIN : L74899DL1987PLC026617

Regd. Office : 3rd 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 31st Annual General Meeting of the Company held on Tuesday, 26th September, 2017 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 : 3rd 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)

Name	
Registered Address	
Email ID	
DP Id*	
Client Id*	
Folio No.	

*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 31st Annual General Meeting of the Company to be held on Tuesday, 26th September, 2017 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
Ordinary Business				
1.	Consider and Adopt Audited Financial Statement, Reports of the Board of Directors and Auditors for the financial year ended March 31, 2017.			
2.	Re-appointment of Mr. Vasu Modi, who retires by rotation			
3.	Appointment of Auditors and fixing their remuneration			

Signed this _____ day of _____ 2017

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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