

“श्री जी”



National General Industries Ltd.

An ISO 9001 : 2008 Certified Company

**33rd Annual Report
2018-19**

Board of Directors

Ashok Kumar Modi	Chairman cum Managing Director
Pawan Kumar Modi	Joint Managing Director cum Chief Financial Officer
Anirudh Vimalkumar Goenka	Independent Director
Anantshri Gupta	Independent Director
Vasu Modi	Non-executive Director
Sanjana Bharat	Independent Director
Vandana Gupta	Company Secretary

Statutory Auditors

N R & Company
Chartered Accountants
C-93, IIIrd Floor,
RDC, Raj Nagar, 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 India
HDFC Bank Limited

Notice	-	1
Directors' Report	-	9
Management Discussion & Analysis Report	-	29
Auditors' Report	-	36
Balance Sheet	-	41
Statement of Profit & Loss	-	42
Cash Flow Statement	-	44
Notes to Financial Statements	-	46
Route Map to AGM Venue	-	66
Attendance Slip	-	67
Form of Proxy	-	68



NOTICE

NOTICE is hereby given that the **THIRTY THIRD ANNUAL GENERAL MEETING** of the Members of National General Industries Limited (CIN : L74899DL1987PLC026617) will be held on Monday, the 30th September, 2019 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, 2019, 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.

SPECIAL BUSINESS:

3. To appoint Mr. Anirudh Vimalkumar Goenka (DIN : 00907733) as Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an ORDINARY Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 161, readwith applicable rules and regulations made thereunder, Mr. Anirudh Vimalkumar Goenka (DIN : 00907733), be and is hereby appointed as Director of the Company.”

4. To appoint Mr. Anantshri Gupta (DIN : 08126520) as Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an ORDINARY Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 161, readwith applicable rules and regulations made thereunder, Mr. Anantshri Gupta (DIN : 08126520), be and is hereby appointed as Director of the Company.”

5. To appoint Ms. Sanjana Bharat (DIN : 08407030) as Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an ORDINARY Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 161, readwith applicable rules and regulations made thereunder, Ms. Sanjana Bharat (DIN : 08407030), be and is hereby appointed as Director of the Company.”

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

Place : New Delhi
Date : 05.09.2019

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

**NOTES :**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in regard to the business as set out in Item Nos. 3 to 5 above, are annexed hereto.
2. **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.
3. The requirement to place the matter relating to appointment of Statutory Auditors for ratification by members at every Annual General Meeting is done away with vide The Companies (Amendment) Act, 2017 (No. 1 of 2018) readwith notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors of the Company, who were appointed at the Annual General Meeting, held on 26th September, 2017.
4. 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.
5. Details of Directors retiring by rotation and additional directors recommended for reappointed as Directors, 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, has been provided elsewhere, which form part of this report.
6. 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.
7. 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.
8. This Notice is also being sent with Annual Report alongwith attendance slip, proxy and route map of the venue of the Meeting.
9. Members / proxies are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
10. 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.
11. 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.
12. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 26th September, 2019 to Monday, 30th September, 2019 (both days inclusive).
13. SEBI has in its Board meeting held on March 28, 2018 decided that except in case of transmission or transposition, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in dematerialised form with a Depository with effect from 5th December, 2018. In view of the above, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
14. 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.

15. 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.
16. 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.
17. 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.
18. 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.
19. 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 33rd 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 33rd 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 Thursday, 26th September, 2019 (10.00 a.m. IST) and ends on Sunday, 29th September, 2019 (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 Tuesday, 24th September, 2019, 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 * Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.

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

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

Bank Details Enter the Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
* Please enter the DOB or Bank Detail in order to login. If the detail are not recorded with the depository or company please enter the Number of Shares held in the Bank details field as mentioned in instruction (v)

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the National General Industries Ltd. on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



- (xviii) **Note for Non-Individual Shareholders & Custodians:**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com 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.

20. Other Instructions:

- a. The e-voting period commences on Thursday, 26th September, 2019 (10.00 a.m. IST) and ends on Sunday, 29th September, 2019 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Tuesday, 24th September, 2019, 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 Tuesday, 24th September, 2019.
- 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.

21. **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.

**DETAILS OF DIRECTORS 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**

Name of Director	Mr. Vasu Modi	Mr. Anirudh Vimalkumar Goenka	Mr. Anantshri Gupta	Ms. Sanjana Bharat
DIN Number	00051696	00907733	08126520	08407030
Date of Birth	11-06-1980	25-05-1982	29-07-1993	01-09-1979
Date of Appointment	10-04-2000	30-03-2019	30-03-2019	30-03-2019
Expertise in Specific functional area	Experience in business development and marketing.	Experience in the area of finance and taxation	Experience in managing the business affairs	Experience in managing the administrative and business affairs
Qualification	B.B.A.	B.Com	B.Sc.	M. A.
Directorship in other Public Limited Company (As on 31.03.2019)	Avlokiteshvar Valinv Ltd.	Not Applicable	Not Applicable	Not Applicable
Chairman/Member of Committee in other public limited company (As on 31.03.2019)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Shareholding in the Company (As on 31.03.2019)	3,59,745 (6.51%)	Nil	Nil	Nil



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

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

ITEM NO. 3

The Board of Directors of the Company appointed, pursuant to provision of Section 161(1) of the Act and Articles of Association of the Company, Mr. Anirudh Vimalkumar Goenka (DIN : 00907733) as an Additional Director of the Company with effect from 30th March, 2019. In terms of the provisions of Section 161(1) of the Act, Mr. Anirudh Vimalkumar Goenka, would hold office up to the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Anirudh Vimalkumar Goenka, for office of Director of Company. Mr. Anirudh Vimalkumar Goenka, is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

Keeping in view, his vast expertise and knowledge in the field of finance and taxation, it will be in the interest of the Company that Mr. Anirudh Vimalkumar Goenka, is appointed as Director of the Company.

Save and except Mr. Anirudh Vimalkumar Goenka, and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

ITEM NO. 4

The Board of Directors of the Company appointed, pursuant to provision of Section 161(1) of the Act and Articles of Association of the Company, Mr. Anantshri Gupta (DIN : 08126520) as an Additional Director of the Company with effect from 30th March, 2019. In terms of the provisions of Section 161(1) of the Act, Mr. Anantshri Gupta, would hold office up to the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Anantshri Gupta, for office of Director of Company. Mr. Anantshri Gupta, is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

Keeping in view, his vast expertise and knowledge in the field of Business Administration, it will be in the interest of the Company that Mr. Anantshri Gupta, is appointed as Director of the Company.

Save and except Mr. Anantshri Gupta, and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

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



ITEM NO. 5

The Board of Directors of the Company appointed, pursuant to provision of Section 161(1) of the Act and Articles of Association of the Company, Ms. Sanjana Bharat (DIN : 08407030) as an Additional Director of the Company with effect from 30th March, 2019. In terms of the provisions of Section 161(1) of the Act, Ms. Sanjana Bharat, would hold office up to the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Ms. Sanjana Bharat, for office of Director of Company. Ms. Sanjana Bharat, is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

Keeping in view, her vast expertise and knowledge in the field of administration of business affairs of an enterprise, it will be in the interest of the Company that Ms. Sanjana Bharat, is appointed as Director of the Company.

Save and except Ms. Sanjana Bharat, and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

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

Place : New Delhi
Date : 05.09.2019

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



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Third Annual Report of your Company along with the Audited Statement of Accounts for the year ended 31st March, 2019.

FINANCIAL RESULTS

The financial performance of the Company for the financial year ended on 31st March, 2019 and 31st March, 2018 are summarized below:-

(Amount in Rupees)

Particulars	For the year ended	
	31-Mar-19	31-Mar-18
INCOME:		
Revenue from operations	176,861,092	181,597,906
Other Income	9,471,305	2,796,172
	186,332,397	184,993,467
EXPENSES:		
Cost of materials consumed	157,924,336	139,602,092
Purchase of Stock-in-Trade		
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(9,604,208)	(1,681,954)
Employee benefit expense	15,493,253	13,551,615
Excise Duty Expense	-	3,473,912
Financial costs	1,878,951	1,646,665
Depreciation and amortization expense	4,839,219	4,720,289
Other expenses	11,922,424	14,875,567
	182,453,975	176,787,575
Profit before exceptional items and tax	3,878,421	8,205,892
Exceptional Items	-	-
PROFIT BEFORE TAX	3,878,421	8,205,892
TAX EXPENSES:		
Current tax	850,000	1,900,000
Current tax - Prior Year	(27,453)	-
MAT Credit	-	-
MAT Credit - Prior Year	-	-
Deferred tax	38,784	(477,833)
Profit for the period from continuing operations	3,017,090	6,783,725
PROFIT AFTER TAX	3,017,090	6,783,725
Other Comprehensive Income/(Loss)		
(A) Items that will be reclassified to profit or loss	-	-
(B) Items that will not be reclassified to profit or loss	3,588,368	2,925,854
Income tax relating to this	(367,969)	(353,286)
Total Other Comprehensive Income/(loss) for the year	3,956,337	3,279,140
Total Comprehensive Income/(loss) for the year	6,973,427	10,062,865

**RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS**

The Highlights of the Company's performance for the year ended on March 31, 2019 are as under:

- ⇒ Value of Sales and Services decreased by 2.61% to Rs. 1821.97 lakhs.
- ⇒ PBDIT decreased by 27.29% to Rs. 105.96 lakhs.
- ⇒ PBT decreased by 52.74% to Rs. 38.78 lakhs.
- ⇒ Net Profit decreased by 55.52% to Rs. 30.17 lakhs.

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, 2019.

TRANSFER TO RESERVES

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

Particulars	F.Y. 2018-19	F.Y. 2017-18
General Reserve	Rs. 10,00,000/-	Rs. 20,00,000/-
Decrease in Revaluation Reserve	Rs. 96,288/-	Rs. 96,288/-
Surplus in Statement of Profit and Loss	Rs. 30,17,090/-	Rs. 67,83,725/-
Other Comprehensive Income	Rs. 12,82,057/-	Rs. 32,79,140/-

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 and is also available at the website of the company www.modisteel.net

NUMBER OF BOARD MEETINGS & ATTENDANCE OF DIRECTORS

During the Financial Year 2018-19, 5 (Five) Board Meetings were held and the gap between two meetings did not exceed four months. The Board Meetings were held on 30.05.2018, 13.08.2018, 14.11.2018, 14.02.2019 and 30.03.2019.

The details of composition of the Board, the attendance record of the Directors at the Board Meetings held during the financial year ended on 31.03.2019 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	5	Yes	-	-
	Shri Pawan Kumar Modi	5	Yes	-	-
Non-Executive Non-independent Directors	Shri Vasu Modi	5	Yes	1	-
	Shri Pankaj Agarwal (upto 30 th March, 2019)	4	Yes	-	-
	Shri Chaitanya Dalmia (upto 30 th March, 2019)	4	No	3	1



Non-Executive Independent Directors	Smt. Abhilasha Goenka (upto 30 th March, 2019)	4	No	-	-
	Shri Anirudh Vimalkumar Goenka (w.e.f. 30 th March, 2019)	1	No	-	-
	Shri Anantshri Gupta (w.e.f. 30 th March, 2019)	1	No	-	-
	Smt. Sanjana Bharat (w.e.f. 30 th March, 2019)	1	No	-	-

Number of Equity Shares held by Directors as on 31st March, 2019 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 (upto 30 th March, 2019)	Independent Director	-
Shri Chaitanya Dalmia (upto 30 th March, 2019)	Independent Director	-
Smt. Abhilasha Goenka (upto 30 th March, 2019)	Independent Director	-
Shri Anirudh Vimalkumar Goenka (w.e.f. 30 th March, 2019)	Independent Director	-
Shri Anantshri Gupta (w.e.f. 30 th March, 2019)	Independent Director	-
Smt. Sanjana Bharat (w.e.f. 30 th March, 2019)	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

All the above Directors resigned from the Board w.e.f. 30th March, 2019, due to expiry of their terms of appointment.

Thereafter, the Board at their meeting held on 30th March, 2019, appointed following as Independent Directors of the Company:

- Mr. Anirudh Vimalkumar Goenka
- Mr. Anantshri Gupta
- Mrs. Sanjana Bharat

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**

M/s. N. R. & Company, Chartered Accountants, (Firm Registration No. : 015095C) were appointed as statutory auditors of the Company from the conclusion of the 31st Annual General Meeting (AGM) of the Company held on September 26, 2017 till the conclusion of the Annual General Meeting to be held in the year 2022, subject to ratification of their appointment at every Annual General Meeting.

Since, the requirement to place the matter relating to appointment of Statutory Auditors for ratification by members at every Annual General Meeting is done away with vide The Companies (Amendment) Act, 2017 (No. 1 of 2018) readwith notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi, no resolution is proposed for ratification of appointment of Statutory Auditors of the Company, who were appointed at the Annual General Meeting held on 26th September, 2017 to hold office from the conclusion of that meeting till the conclusion of Annual General Meeting to be held in the year 2022.

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 2018-19. 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 was not required to maintain cost records for the financial year 2018-19.

D. Internal Auditors

M/s. B.R.Maheswari & Co., Chartered Accountants, (FRN 001035N), were Internal Auditors of the Company for the financial year 2018-19. Your Company has appointed M/s. B.R.Maheswari & Co., Chartered Accountants, as Internal Auditors of the Company for the financial year 2019-20.

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 2018-19 (upto 30th March, 2019), 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 2018-19, on 30.05.2018, 13.08.2018, 14.11.2018, and 14.02.2019. Further, the Board of Directors at the meeting held on 30th March, 2019, has re-constituted the Audit Committee and hence the member of the Audit Committee as at 31.03.2019 and their attendance of each Member during the year are as given below:

Sl. No.	Name of the Member	Category	No. of Meetings Attended
1	Shri Pankaj Agarwal (upto 30 th March, 2019)	Non-Executive Independent	4
2	Shri Vasu Modi	Non-Executive Non-Independent	4
3	Smt. Abhilasha Goenka (upto 30 th March, 2019)	Non-Executive Independent	4
4	Shri Anirudh Vimalkumar Goenka (w.e.f. 30 th March, 2019)	Non-Executive Independent	-
5	Smt. Sanjana Bharat (w.e.f. 30 th March, 2019)	Non-Executive Independent	-

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:

- a) 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.
- b) Formulation of the criteria for evaluation of performance of independent directors and the board of directors;
- c) devising a policy on diversity of board of directors;
- d) 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.
- e) 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 2018-19 (upto 30th March, 2019), 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. Further, the Board of Directors at the meeting held on 30th March, 2019, has re-constituted the Nomination and Remuneration Committee and hence the member of the Audit Committee as at 31.03.2019 and their attendance of each Member during the year are as given below. The Compliance Officer acts as the Secretary to the Nomination and Remuneration Committee.

One meeting of the Nomination and Remuneration Committee were held during the financial year 2017-18 on 30.05.2018. 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 (upto 30 th March, 2019)	Non-Executive Independent	4
2	Shri Vasu Modi	Non-Executive Non-Independent	4
3	Smt. Abhilasha Goenka (upto 30 th March, 2019)	Non-Executive Independent	4
4	Shri Anirudh Vimalkumar Goenka (w.e.f. 30 th March, 2019)	Non-Executive Independent	-
5	Smt. Sanjana Bharat (w.e.f. 30 th March, 2019)	Non-Executive Independent	-

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 (upto 30th March, 2019), comprised of 3 directors as its Member viz. Shri Pankaj Agarwal and Smt. Abhilasha Goenka, Independent Directors and Shri Vasu Modi, Non-independent Director. Further, the Board of Directors at the meeting held on 30th March, 2019, has re-constituted the Stakeholders Relationship Committee and hence the member of the Stakeholders Relationship as at 31.03.2019 and their attendance of each Member during the year are as given below. The Compliance Officer acts as the Secretary to the Stakeholders Relationship Committee.

During the year Committee met four times on 30.05.2018, 13.08.2018, 14.11.2018, and 14.02.2019 and the attendance of the Members at the meeting was as follows:

Name of the Members	Status	No. of meetings attended
Shri Pankaj Agarwal (upto 30 th March, 2019)	Non-Executive Independent	4
Shri Vasu Modi	Non-Executive Non-Independent	4
Smt. Abhilasha Goenka (upto 30 th March, 2019)	Non-Executive Independent	4
Shri Anirudh Vimalkumar Goenka (w.e.f. 30 th March, 2019)	Non-Executive Independent	-
Smt. Sanjana Bharat (w.e.f. 30 th March, 2019)	Non-Executive Independent	-

The Board has designated Ms. Vandana Gupta, Company Secretary of the Company as Compliance Officer of the Company.

No. of shareholders' complaints received upto 31st March, 2019	: 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 COMMITTEE**

In terms of regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance under regulations 21 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, 2019, hence Risk Management Committee has not been constituted.

However, 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. 26 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. 30 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 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has through mutual discussions carried out an annual evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees.



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, 2019 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, 2019. 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 2018-19, 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

In accordance with the provision of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. Hence, the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year Company has not received any complaint of 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.

INTERNAL FINANCIAL CONTROLS

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 2018-19.



SECRETARIAL STANDARDS

Your Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

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, 2019, to the best of their knowledge and ability, hereby state 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, 2019 and of the profit of the Company for the year ended on that date;
- (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**

Sd/-

Ashok Kumar Modi

Chairman and Managing Director

DIN : 00051647

Place : New Delhi
Date : 13.08.2019



Annexure I

Form MGT-9
Extract of Annual ReturnAs on the financial year ended on 31st March, 2019[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:

1.	CIN	L74899DL1987PLC026617
2.	Registration Date	08/01/1987
3.	Name of the Company	National General Industries Limited
4.	Category/Sub-category of the Company	Company limited by shares Indian Non-Government Company
5.	Address of the Registered office & contact details	3rd Floor, Surya Plaza, K-185/1, Sarai Juelna, New Friends Colony, New Delhi - 110025 Tel. No- 011-26829517, 19 Email ID : cs@modisteel.net Website : www.modisteel.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent.	Skyline Financial Services Pvt. Ltd., D-153 A, 1st Floor, Okhla Industrial Area, Phase I, New Delhi – 110020 Tel.: 011-26812682, 83 Fax : 011-26812682 Email: admin@skylinerta.com Website : www.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, 2019, 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	2100	508800	510900	9.24	2100	508800	510900	9.24	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	15810	957290	973100	17.60	14110	958990	973100	17.60	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	24600	392257	416857	7.54	24600	392257	416857	7.54	-
c) Others (NRI)	-	500	500	0.01	-	500	500	0.01	-
Sub-total (B) (2):	42510	1855847	1901357	34.38	40810	1860547	1901357	34.38	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	42510	1855847	1901357	34.38	40810	1860547	1901357	34.38	-
C. Shares held by Custodians for GDR/ADR	-	-	-	-	-	-	-	-	-
TOTAL (A)+(B)+(C)	3670108	1860151	5530259	100.00	3668408	1861851	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	2,17,62,876/-	--	--	2,17,62,876/-
(ii) Interest due but not paid	-	--	--	--
(iii) Interest accrued but not due	-	--	--	--
Total (i+ii+iii)	2,17,62,876/-	--	--	2,17,62,876/-
Change in indebtedness during the financial year				
- Addition	--	--	--	--
- Reduction	(17,93,066/-)	--	--	(17,93,066/-)
Net Change	(17,93,066/-)	--	-	(17,93,066/-)
Indebtedness at the end of the financial year				
(i) Principal Amount	1,99,69,810/-	--	--	1,99,69,810/-
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	1,99,69,810/-	--	--	1,99,69,810/-

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)	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,50,000	1,50,000
	(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	1,50,000	1,50,000

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NIL

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 : 13.08.2019



Annexure II

Secretarial Audit Report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

(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 2019 ('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 alongwith Annexure-A enclosed to this report:

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 2018 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 were not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the Audit period;
- (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;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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**

Sd/-

(Deepak Bansal)

Proprietor

FCS : 3736

C.P. No. : 7433

Place : New Delhi

Dated : 13.08.2019

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**

Sd/-

(Deepak Bansal)

Proprietor

FCS : 3736

C.P. No. : 7433

Place : New Delhi

Dated : 13.08.2019

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 31 st March, 2019	As on 31 st March, 2018
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Rs. 4,28,157/-	Rs. 3,63,098/-

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 2018-19

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.

GLOBAL ECONOMY

CY 2018 started on an optimistic note with global growth expectation pegged at 3.9% driven by strong economic activity and policy-level interventions. In the first half of the year, economic growth remained robust backed by the US fiscal stimulus plan rolled out in December, 2017 and the resilient emerging markets. A steady global oil consumption and rally in oil prices also supported the growth. However, in second half of CY 2018, fears of trade wars among major economies, specifically between the US and China, weighed on the growth momentum significantly. In addition to trade wars, geopolitical tensions across regions proved as headwinds. The world economy grew at 3.6% in CY 2018 comparable to CY 2017 levels but below 3.9% expected at the start of the year.

The Eurozone witnessed slowdown in growth due to political uncertainties like Brexit and the disruption of automobile production in Germany caused by the new emission norms. The region also witnessed softening of overall external demand from emerging Asia. This was further met with a drop in investment in Italy due to widening sovereign spreads. In the Far East, Japan was hit by natural disasters. China’s growth declined following a combination of much needed regulatory tightening to rein in shadow banking and an increase in trade tensions with United States. Emerging market economies such as Argentina and Turkey remained stressed. That said, through the middle of CY 2019, global growth is likely to witness a modest recovery as the economies currently engaged in trade wars have also initiated high-level dialogues to resolve the contentious issues.

Global steel demand grew by 2.1% in CY 2018, largely driven by China, coupled with an investment led recovery in the advanced economies Global crude steel production reached 1,808.6 million tonnes (MnT0 in CY 2018, up 4.6% from CY 2017 levels, pushing capacity utilisation above 70%. Steel spreads were stronger in the first half of CY 2018, driven by strong economic activity and further supported by on going trade tensions between major economies growth led to softening of steel prices, thereby adversely impacting the spreads.

In terms of trade protectionism, the US adopted strong safeguards while Europe imposed a quota system. As a result, countries like China were displaced from these markets. In resultant, on average, metal prices rose 6% in CY 2018, dragged down by broad-based tariffs imposed by the US on China’s

imports in the second half. Heightened trade tensions dampened market sentiments for global trade and investment prospects. Following the specific tariffs announcement, prices of steel and aluminium recouped in the US. While China leads production volumes with more than 51% share, India displaced Japan as the world's second largest steel producer at the start of CY 2019. India's crude steel production in CY 2018 was at 106.5 MnT, up 4.9% from 101.5 Mnt in CY 2017. Japan produced 104.3 MnT in CY 2018, down 0.3% from CY 2017 levels.

INDIAN ECONOMY

The Indian economy grew at 6.8% and remained the world's fastest growing major economy despite a visible slowdown in the fourth quarter of FY 2018-19. Since, 2012 India has maintained outperforming the global trend.

Consumption remained the larger driver, supported by rising disposable income and subsequent increases in spending. Rural demand grew on the back of higher disposable income, increase in minimum support prices (MSPs) and a normal monsoon. Technology, led by a pervasive mobile network, was also a huge enabler for consumption. Structural reforms such as the Goods and Services Tax (GST) have paved the way for a more formalized and organized economy. These factors, combined with a rebound in credit growth, spurred investment during the fiscal.

The government's infrastructure push is visible across the country. Large-scale metro rail projects; dedicated freight corridors and transport ways network and port development are progressing in full swing. This has resulted in an increase in Gross Fixed Capital formation. GFC formation grew by 10.05 in FY 2018-19, up from 9.3% in FY 2017-18. The Indian government has announced several initiatives aimed at socioeconomic development and enhancing consumption. These include direct income support schemes for small and marginal farmers. India jumped 23 places to rank 77 in the World Bank's Ease of Doing Business Index, which testifies to the Indian government's focus on making the country an attractive investment destination. India was ranked 58 by the World Economic Forum in terms of competitiveness out of 170 economies India jumped five places in the competitive index (as per previous methodology), the highest gain among all G20 countries and topped in South Asia.

Average industrial production witnessed marginal growth. As per the latest (April 2019) available data, the eight core industries together grew at 4.3% in FY 2018-19 with cement, steel, fertilizer and refinery products bolstering the index. The eight core industries account for 41% of India's Index of Industrial Production (IIP). Prices remained largely benign, led by food articles and oil. Headline consumer price inflation (CPI) remained under the targeted 4%. Overall, CPI inflation fell from 3.7% in August – September 2018 to 2.86% in March 2019, after touching low of 2.0% in January, 2019. This has a bearing on overall growth and employment. Liquidity tightness was evidenced by high credit deposit ratios and elevated corporate bond spreads.

During the year, the financial services industry went through a turbulent phase. NBFCs in particular, experienced a liquidity crisis owing to asset-liability issues, the fallout of which was evident in pessimistic investor sentiment and an overall constrained access to capital. The liquidity tightness prompted the RBI to cut the repo rate by 25bps to 6% the second cut in three months, making India the only economy in Asia to have had implemented two consecutive policy rate cuts. The combined 50bps cut also reflected the RBI's intent of infusing liquidity to kickstart the economy which is experiencing a soft patch. India's forex reserves retained buoyant at \$411 billion during the last week of March 2019. Merchandise exports grew by 8.75% y-o-y to \$331.06 billion and services exports rising 17% y-o-y to \$204.7 billion.

India's crude steel production grew 3.3% to 106.56 MnT in FY 2018-19, making it the world's second largest steel producer behind China. Steel exports fell 26.4% to 8.54 MnT as global demand weekend due to geopolitical uncertainties and additional tariffs on imports by the US. Finished and

semifinished steel imports rose by 4.6% to reach 8.79 MnT. The domestic market saw rising imports from China, Japan and Korea. During FY 2018-19, domestic steel consumption increased 7.5% to 97.54 MnT, primarily driven by government expenditures on infrastructure. The infrastructure, construction and real estate sectors accounted for 60-65% of domestic steel consumption.

OUTLOOK

The International Monetary Fund (IMF) expects the global economic growth to further slow down to 3.3% in CY 2019, as the issues that plagued the major economies in the second half of CY 2018 are likely to spill over to the first half of CY 2019 and the effects of US policy stimulus are likely to taper off. Growth is likely to gradually pick up and stabilize at 3.6% in CY 2020, as the central banks of most major economies shift to a more accommodative policy stance and China ramps up its economic stimulus to minimize the impact of increased traffic.

The World Trade Organization (WTO) expects global merchandising trade volume growth to slow to 2.6% in CY2019 from 3.0% in CY 2018, but could rebound to 3.0% in CY 2020, as the trade tensions subside. The short and medium term outlook appears positive, and international bodies including the IMF have urged the member countries not to escalate trade tensions or tighten policies that could affect the current situation. There is a broad-level consensus on this, though the challenge for them would be to contain inflationary tendencies while endorsing a neutral to accommodative monetary policy.

Worldsteel is expected that global demand for finished steel to grow by 1.3% in CY 2019 to touch 1.735 MnT and by 1.0% in CY 2020 to 1.751.6 MnT. China which accounts for the largest share of global steel demand, is being supported by a mild fiscal stimulus. This stimulus should act as a counter balance to the ongoing China-US trade tensions. China's domestic steel demand growth is thus projected to remain flattish at 1% to reach 843 MnT in CY 2019. After the implementation of trade restrictions, US steel demand is expected to grow 1.3%. Demand across Europe will likely remain subdued at 170 MnT in CY 2019, or exhibit marginal growth.

Emerging economies exhibit a positive mixed outlook, Asia is expected to showcase a stellar performance, MENA and CIS could witness subdued growth and Latin America is likely to recover. India, with its increased focus on infrastructure development, should continue to witness an upward trend in domestic demand. Industrywide consolidations and opening up of raw material resources continue to drive efficiencies, incentivizing steel production. To summarize, CY 2019 and CY 2020 will likely witness global steel demand continuing on its growth path, with growth trends moderating in tandem with a slowing economy. Any escalation of the ongoing trade tensions, increase in inflationary pressure and tightening of US and EU monetary policies could elevate market volatility and pose downside risks to the forecast. The overall outlook, however, remains optimistic.

According to the IMF, India is expected to grow at 7.3% in CY 2019 and 7.5% in CY 2020, driven by a continued recovery in investment (9.4% growth) and robust consumption. Going forward, the Indian economy is expected to contribute 13.7% to total world economic growth, which is higher than that of several developed countries, including the US. With the general election overhang now behind us and a stable government elected at the centre, any uncertainty around policy continuity or visibility has subsided. Continued economic reforms, along with efforts to reduce public debt, is a prerequisite for the country's growth. Given the strong mandate, the government is likely to push through key structural reforms towards its ambition of making India a \$5 trillion economy by 2024.

Worldsteel forecasts overall steel demand in India to grow above 7% in CY 2019 and CY 2020. Demand is likely to grow to 100-105 MnT, with per capita consumption improving to 75-76 kg, driven by heavy infrastructure spending and faster economic growth. Worldsteel also forecasts that at the current rate, India would overtake the US in terms of demand. However, India's steelmakers face persistent threats of cheaper imports and lower domestic prices. The ongoing trade disputes

and global economic slowdown are routing Asian steel inventory to India, negatively impacting the country's steelmakers. Since, certain trade remedial actions have become irrelevant, imposition of safeguard duty is the need of the hour to stop such imports and corresponding injury to the domestic industry. The government is likely to take tariff and non-tariff measures to address the issue. It has already asked automakers to cut imports. The list of locally made steel for use in government infrastructure projects is being augmented, along with more stringent quality control norms for all steel products. The government could auction more iron ore mines to increase raw material supply security. Going forward, India's steel producers are likely to rely more on robust domestic demand to maintain healthy margins. Margins could also be improved through production of highend value added steel. The ongoing industry consolidation is expected to drive efficiency.

OPPORTUNITIES, THREATS AND RISKS

The US proclaimed Section 232 on imports of steel and aluminium by imposing a 25% and 10% duty, respectively, for select countries including India, citing national security concerns. The US advocacy to promote domestic steel for domestic consumption has led to a growing threat of trade diversion, igniting a global trade friction spanning China and Europe. This is likely to spill over to other economies and trade beyond steel. However, India's steelmakers face persistent threats of cheaper imports and lower domestic prices. The ongoing trade disputes and the global economic slowdown are routing Asian steel inventory to India, negatively impacting the country's steelmakers. Since, certain trade remedial actions have become irrelevant, imposition of safeguard duty is the need of the hour to stop such imports and corresponding injury to the domestic industry.

During the year, export markets witnessed a turbulent phase. Weighing the opportunity in India, the Company strategically maintained its focus to domestic markets and maintained its sales momentum. Compared to 77% in FY 2017-18, 85% of the sales were directed at domestic markets in FY 2018-19.

The various risk factor considered for the industry that can affect sales & margin:

- 1) Adverse global and domestic demand-supply dynamics
- 2) Cyclical nature of steel industry
- 3) Unfair trade practices resulting into surge in imports
- 4) Trade barriers imposed by other countries like US, Europe

SEGMENT-WISE PERFORMANCE

A detailed note on the segment-wise performance is given under note no. 25 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.



The Company has appointed M/s B.R.Maheswari & Co., Chartered Accountants, (FRN 001035N), New Delhi to oversee and carry out internal audit of its activities. The internal audit reports are reviewed by the Audit Committee periodically. Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Regulations 2015), the audit committee has concluded that as on March 31, 2019, your internal financial controls were adequate and operating effectively.

FINANCIAL AND OPERATIONAL PERFORMANCE

The financial performance of the Company for the financial year ended on 31st March, 2019 and 31st March, 2018 are summarized below:-

(Amount in Rupees)

Particulars	For the year ended	
	31-Mar-19	31-Mar-18
INCOME:		
Revenue from operations	176,861,092	181,597,906
Other Income	9,471,305	2,796,172
	186,332,397	184,993,467
EXPENSES:		
Cost of materials consumed	157,924,336	139,602,092
Purchase of Stock-in-Trade		
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(9,604,208)	(1,681,954)
Employee benefit expense	15,493,253	13,551,615
Excise Duty Expense	-	3,473,912
Financial costs	1,878,951	1,646,665
Depreciation and amortization expense	4,839,219	4,720,289
Other expenses	11,922,424	14,875,567
	182,453,975	176,787,575
Profit before exceptional items and tax	3,878,421	8,205,892
Exceptional Items	-	-
PROFIT BEFORE TAX	3,878,421	8,205,892
TAX EXPENSES:		
Current tax	850,000	1,900,000
Current tax - Prior Year	(27,453)	-
MAT Credit	-	-
MAT Credit - Prior Year	-	-
Deferred tax	38,784	(477,833)
Profit for the period from continuing operations	3,017,090	6,783,725
PROFIT AFTER TAX	3,017,090	6,783,725
Other Comprehensive Income/(Loss)		
(A) Items that will be reclassified to profit or loss	-	-
(B) Items that will not be reclassified to profit or loss	3,588,368	2,925,854
Income tax relating to this	(367,969)	(353,286)
Total Other Comprehensive Income/(loss) for the year	3,956,337	3,279,140
Total Comprehensive Income/(loss) for the year	6,973,427	10,062,865



RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

The Highlights of the Company's performance for the year ended on March 31, 2019 are as under:

- ⇒ Value of Sales and Services decreased by 2.61% to Rs. 1821.97 lakhs.
- ⇒ PBDIT decreased by 27.29% to Rs. 105.96 lakhs.
- ⇒ PBT decreased by 52.74% to Rs. 38.78 lakhs.
- ⇒ Net Profit decreased by 55.52% to Rs. 30.17 lakhs.

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 2018-19. 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**

Place : New Delhi
Date : 13.08.2019

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



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 5.50% increase in the median remuneration of employees in the financial year.
- iv) There were 60 (Sixty) 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, 2019 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 : 13.08.2019



Independent Auditors' Report

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

Opinion

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, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Change in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

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, of the state of affairs of the Company as at 31st March, 2019, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Change in Equity for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act, and other applicable authoritative pronouncements 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 including Other Comprehensive Income, Cash flows and the Statement of Change in Equity of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Accounting Standards) Rule, 2015, as amended.

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 thereunder and Order issued under section 143(11) of the Act.

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 financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view 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 the Company's Directors, 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 on the Financial Statements.

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, to the extent applicable:
2. As required by section 143(3) of the Act, based on our audit 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 Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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**; our report express an unmodified opinion on the adequacy and operative effectiveness of the company's internal financial controls over financial reporting and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) 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 no pending litigations having impact on its financial statements.
 - b. The Company did not have any long-term contract including derivative contracts which may lead to any foreseeable loss.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: New Delhi
Dated: 30.05.2019

For N R & Company
Chartered Accountants
FRN – 015095C
Sd/-
Naveen Sawhney
Partner
Membership No.073713



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

The Annexure referred to in independent Auditor's report to the members of the Company on the financial statements for the year ended 31st March 2019, we report that :

- 1) (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.
(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) (a) The inventory has been physically verified during the year by the management in phased manner.
(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company has maintained proper records of inventories. As explained to us, the discrepancies noticed on physical verification as compared to book records were not material and have been dealt with in the books of account.
- (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 and providing guarantees and securities, as applicable.
- (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) (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. According to the information and explanations given to us, no amounts 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, 2019 for a period of more than six months from the date they became payable.
- (8) Based on our audit procedures and as per the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of loan to any bank or government, debenture holder or any financial institutional borrowing during the year.
- (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. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (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. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (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: 30.05.2019

For N R & Company
Chartered Accountants
FRN – 015095C
Sd/-
Naveen Sawhney
Partner
Membership No.073713

Annexure - B to the Auditors' Report

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 31 March 2019 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 31 March 2019, 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.

Place: New Delhi
Dated: 30.05.2019

For N R & Company
Chartered Accountants
FRN – 015095C
Sd/-
Naveen Sawhney
Partner
Membership No.073713



BALANCE SHEET AS AT 31st MARCH, 2019

Particulars	Note No	(Amount in Rs)	
		31-Mar-19	As at 31-Mar-18
(I) ASSETS			
Non-current assets			
Property, Plant and Equipment	3	12,24,48,591	11,74,42,119
Capital Work in Progress		-	-
Investment Properties		-	-
Intangible Assets		-	-
Financial assets			
(i) Investments	4	5,51,59,226	5,68,85,539
(ii) Loans		-	-
(iii) Other Financial Assets		-	-
Deferred tax assets(net)		-	-
Other non-current assets	5	25,80,051	24,80,051
Current assets			
Inventories	6	3,50,73,842	2,75,16,585
Financial Assets			
(i) Trade Receivables	7	1,74,10,242	2,69,53,081
(ii) Cash and Cash Equivalents	8	1,56,049	39,518
(iii) Bank balances other than cash and cash equivalents		-	-
(iv) loans		-	-
(v) Investments	4	4,44,72,111	3,76,07,610
(vi) Other Financial Assets		-	-
Current tax assets(net)		-	-
Other current assets	9	1,35,31,158	1,73,73,913
Total Assets		29,08,31,271	28,62,98,416
(II) EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	10	4,66,95,590	4,66,95,590
Other Equity	11	19,31,71,046	19,15,32,301
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	12	-	6,96,505
(ii) Other financial liabilities		-	-
Provisions	13	7,95,555	7,16,315
Deferred Tax Liabilities (Net)	14	96,42,484	99,71,669
Other Non Current Liabilities		-	-
Current Liabilities			
Financial Liabilities			
(i) Borrowings	15	1,99,69,810	2,10,66,371
(ii)(a) Trade Payables (Due of Creditors other than MSME)		1,32,53,334	67,32,869
(ii)(b) Trade Payables (Due of MSME)		68,027	-
(iii) Other Financial Liabilities		-	-
Provisions	13	39,04,412	39,24,852
Other Current Liabilities	16	24,81,014	30,61,945
Current Tax Liability(net)		8,50,000	19,00,000
Total Equity and Liabilities		29,08,31,271	28,62,98,416

Notes to Financial statement 1 to 33

As per our report of even date

For N. R. & Company
Chartered Accountants
FRN – 015095C
Sd/-

Naveen Sawhney
Partner
Membership NO.– 073713
Place: New Delhi
Date : 30/05/2019

For and on behalf of Board of Directors
NATIONAL GENERAL INDUSTRIES LIMITED

Sd/-

Ashok Kumar Modi
Chairman cum
Managing Director
DIN:00051647

Sd/-

Pawan Kumar Modi
Jt. Managing Director
cum CFO
DIN : 00051679

Sd/-

Vandana Gupta
Company Secretary
Mem. No. ACS24012



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

(Amount in Rs)

Particulars	Notes	For the year ended	
		31-Mar-19	31-Mar-18
INCOME:			
Revenue from operations	17	17,68,61,092	18,15,97,906
Other Income	18	94,71,305	27,96,172
		18,63,32,397	18,43,94,078
EXPENSES:			
Cost of materials consumed	19	15,79,24,336	13,96,02,092
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(96,04,208)	(16,81,954)
Employee benefit expense	21	1,54,93,253	1,35,51,615
Excise Duty Expense		-	34,73,912
Financial costs	22	18,78,951	16,46,665
Depreciation and amortization expense	3	48,39,219	47,20,289
Other expenses	23	1,19,22,424	1,48,75,567
		18,24,53,975	17,61,88,186
Profit before exceptional items and tax		38,78,421	82,05,892
Exceptional Items		-	-
PROFIT BEFORE TAX		38,78,421	82,05,892
TAX EXPENSES:			
Current tax		8,50,000	19,00,000
Current tax - Prior Year		(27,453)	-
MAT Credit		-	-
MAT Credit - Prior Year		-	-
Deferred tax		38,784	(4,77,833)
Profit for the period from continuing operations		30,17,090	67,83,725
Profit from discontinuing operations		-	-
Tax expense of discounting operations		-	-
Profit from Discontinuing operations		-	-
PROFIT AFTER TAX		30,17,090	67,83,725
Other Comprehensive Income/(Loss)			
(A) Items that will be reclassified to profit or loss		-	-
Income Tax relating to items that will be reclassified to Profit and Loss		-	-
(B) Items that will not be reclassified to profit or loss		35,88,368	29,25,854
Income Tax relating to items that will not be reclassified to Profit and Loss		(3,67,969)	(3,53,286)
Total Other Comprehensive Income/(loss) for the year		39,56,337	32,79,140
Total Comprehensive Income/(loss) for the year		69,73,427	1,00,62,865
EARNING PER EQUITY SHARE			
(Nominal Value of Share Rs. 10 each)			
Basic and diluted	24	0.55	1.23

Notes to Financial statement 1 to 33
As per our report of even date

For N. R. & Company
Chartered Accountants
FRN – 015095C
Sd/-

Naveen Sawhney
Partner
Membership NO.– 073713
Place: New Delhi
Date : 30/05/2019

For and on behalf of Board of Directors
NATIONAL GENERAL INDUSTRIES LIMITED

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

Sd/-
Pawan Kumar Modi
Jt Managing Director
cum CFO
DIN : 00051679

Sd/-
Vandana Gupta
Company Secretary
Mem. No. ACS24012

A. EQUITY SHARE CAPITAL

Particulars	Balance at the beginning of the reporting period i.e 1st April 2017	Changes in Equity share capital during the 2017-18	Balance at the end of the reporting period i.e 31st March 2018	Balance at the beginning of the reporting period i.e 1st April 2018	Changes in Equity share capital during the 2018-19	Balance at the end of the reporting period i.e 31st March 2019
ISSUED AND SUBSCRIBED SHARES	5,53,02,590	-	5,53,02,590	5,53,02,590	-	5,53,02,590
LESS: CALLS IN AREARS	-86,07,000	-	-86,07,000	-86,07,000	-	-86,07,000
PAID UP SHARES	4,66,95,590	-	4,66,95,590	4,66,95,590	-	4,66,95,590

B. OTHER EQUITY

Particulars	Capital Reserve	Security Premium	Revaluation Reserve	General Reserve	Other Comprehensive Income/Loss	Profit & Loss	Total
AS ON 31st MARCH, 2018							
Balance at the beginning of the reporting period i.e 1st April 2017	2,47,64,460	1,42,35,000	14,49,362	9,80,00,000	1,48,49,036	2,82,67,865	18,15,65,723
Depreciation on Revalued Assets	-	-	-96,288	-	-	-	-96,288
Profit for the year	-	-	-	-	-	67,83,725	67,83,725
Total Other Comprehensive Income/(Loss) for the year	-	-	-	-	32,79,140	-	32,79,140
Dividend	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-
Transfer to/(from) Profit & loss	-	-	-	20,00,000	-	-20,00,000	-
Balance at the end of the reporting period i.e 31st March 2018	2,47,64,460	1,42,35,000	13,53,074	10,00,00,000	1,81,28,177	3,30,51,590	19,15,32,301

Particulars	Capital Reserve	Security Premium	Revaluation Reserve	General Reserve	Other Comprehensive Income/Loss	Profit & Loss	Total
AS ON 31st MARCH, 2019							
Balance at the beginning of the reporting period i.e 1st April 2018	2,47,64,460	1,42,35,000	13,53,074	10,00,00,000	1,81,28,177	3,30,51,590	19,15,32,301
Depreciation on Revalued Assets	-	-	-96,288	-	-	-	-96,288
Profit for the year	-	-	-	-	-	30,17,090	30,17,090
Total Other Comprehensive Income/(Loss) for the year	-	-	-	-	39,56,337	-	39,56,337
Dividend	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-
Transfer to/(from) Profit & loss	-	-	-	10,00,000	-52,38,394	-10,00,000	-52,38,394
Balance at the end of the reporting period i.e 31st March 2019	2,47,64,460	1,42,35,000	12,56,786	10,10,00,000	1,68,46,119	3,50,68,680	19,31,71,046



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(Amount in Rs)

Particulars	For the Year Ended	
	31-Mar-19	31-Mar-18
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	38,78,421	82,05,892
Adjustments for:		
Depreciation and amortisation expense	48,39,219	47,20,289
(Profit)/loss on sale of Assets	-	19,761
(Profit)/loss on sale of Shares / Mutual Fund	(86,80,581)	(5,23,756)
Interest & Finance Charges	18,78,951	16,46,665
Dividend Income	(25,500)	-
Investment revalue through FVTPL	(4,08,823)	(20,80,407)
Operating Profit before Working Capital Changes	14,81,687	1,19,88,444
Adjustments for:		
Decrease/(Increase) in Inventories	(75,57,257)	(97,21,254)
Decrease/(Increase) in Receivables	95,42,839	15,53,246
Decrease/(Increase) in other current and non current assets	35,13,594	26,73,115
Increase/(Decrease) in Payables	65,88,492	16,79,542
Increase/(Decrease) in Other Current Liabilities	(5,80,931)	(2,76,867)
Increase/(Decrease) in Provision	58,800	2,13,725
Total Adjustment for working capital change	1,15,65,537	(38,78,493)
Cash generated from operations	1,30,47,224	81,09,951
Income Tax (paid) refund	(16,03,065)	(11,76,879)
Net Cash flow from Operating activities before extraordinary item	1,14,44,159	69,33,072
Proceeds from extraordinary items	-	-
Net Cash flow from Operating activities	1,14,44,159	69,33,072
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(99,41,979)	(15,65,523)
Sale of Fixed Assets	-	11,000
Purchase of Mutual Fund	(1,66,88,000)	(1,35,52,000)
Sale of Mutual Fund	1,99,44,467	93,70,563
Purchase of Shares	(9,95,600)	-
Dividend income	25,500	-
Net Cash used in Investing activities	(76,55,612)	(57,35,960)

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from Long term Borrowings	-	-
Repayment of Long term Borrowings	(6,96,505)	(1,24,340)
Repayment of Short term Borrowings	(10,96,561)	-
Proceeds from Short term Borrowings	-	5,20,270
Interest paid	(18,78,951)	(16,46,665)
Net Cash used in financing activities	(36,72,017)	(12,50,735)
Net increase in cash & Cash Equivalents	1,16,530	(53,624)
Cash and Cash equivalents as at beginning	39,518	93,140
Cash and Cash equivalents as at end	1,56,049	39,518

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 N. R. & Company

Chartered Accountants
FRN – 015095C

sd/-

Naveen Sawhney

Partner
Membership NO.– 073713
Place: New Delhi
Date : 30/05/2019

-

For and on behalf of Board of Directors

NATIONAL GENERAL INDUSTRIES LIMITED

sd/-

Ashok Kumar Modi

Chairman cum Managing Director
DIN : 00051647

sd/-

Pawan Kumar Modi

Jt Managing Director cum CFO
DIN : 00051679

sd/-

Vandana Gupta

Company Secretary
Mem. No. ACS24012

**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 have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount

- a) Certain financial assets and liabilities

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013. Upto the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP". These financial statements are the Company's first Ind AS standalone financial statements.

Company's financial statements are presented in Indian Rupees, which is also its functional currency. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

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) Property, Plant and Equipment**

Property, Plant and Equipment (PPE) 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 its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

(b) Depreciation/Amortization

Depreciation 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 appreciation upon Property, Plant and Equipment (PPE) is directly charged to Revaluation Reserve. No Amortization is being provided on leasehold land.

(c) Impairment

Property, Plant and Equipment (PPE) 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 (INDAS) 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.

(e) Leases

- (i) In respect of Operating leases, lease rent is expensed on Straight Line Basis with reference to the term of lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and except for lease rent pertaining to the period up to the date of commencement of commercial operations, Which is capitalized.
- (ii) 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.
- (iii) In respect of finance leases, the lower of the fair value of the assets and present value of the minimum lease rentals is capitalized as PPE with corresponding amount shown as the liabilities for the leased assets. The principal component in lease rental in respect of the above is adjusted against the liabilities for the lease assets and interest component is recognized as an expense in the year in which the same is incurred except in case of the assets used for capital projects where it is capitalized.

(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 Non-Current investments. Current and Non-Current investments are carried at fair value determined on an individual investment basis. Where Current investment are recognized at fair value its difference with cost is routed through profit and Loss a/c and Where Non-Current investment are recognized at fair value its difference with cost is routed through Other Comprehensive Income/(Loss).

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

(k) Tax Expenses:

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognized in other comprehensive income or equity.

- Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

- Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Minimum Alternate Tax (MAT) payable for the 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.

(n) Financial Instruments

(I) FINANCIAL ASSETS

A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in ‘Other Comprehensive Income’.

D. Impairment of financial assets

In accordance with Ind AS 109, the Company uses ‘Expected Credit Loss’ (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies ‘simplified approach’ which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(II) FINANCIAL LIABILITIES

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(III) FIRST TIME ADOPTION OF IND AS

The Company has adopted Ind AS with effect from 1st April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2015. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

a) Exemptions from retrospective application

(i) Business combination exemption

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, “Business Combinations” to business combinations consummated prior to April 1, 2015 (the “Transition Date”), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in subsidiaries / associates / joint ventures consummated prior to the Transition Date.

(ii) Share-based payment transactions

Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based Payment to equity instruments that were vested before the date of transition to Ind AS. The Company has elected not to apply Ind AS 102 to options that vested prior to April 1, 2015.

(iii) Fair value as deemed cost exemption

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets which are measured at fair value as deemed cost.

(iv) Decommissioning liabilities

The Company has elected to apply the transitional provision with respect to recognition of Decommissioning, Restoration and Similar Liabilities

3. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS BLOCK						DEPRECIATION						NET BLOCK			
	As on 1-Apr-18		As on 31-Mar-19		As on 1-Apr-18		DURING THE YEAR		As on 31-Mar-19		As on 31-Mar-19		As on 31-Mar-18			
	ORIGINAL	REVALUED	ADDITION	DELETION	ORIGINAL	REVALUED	ORIGINAL	REVALUED	ON	REVALUED	ORIGINAL	REVALUED	ORIGINAL	REVALUED		
			ORIG I N A L				ORIGINAL	REVALUED	DED	ORIGINAL	REVALUED	ORIGINAL	REVALUED	ORIGINAL	REVALUED	
Capital WIP	-	-	10,27,935	-	10,27,935	-	-	-	-	-	-	-	-	-	-	
Land	7,33,67,000	71,60,180	-	-	7,33,67,000	71,60,180	-	-	-	-	7,33,67,000	71,60,180	7,33,67,000	71,60,180		
Furniture & Fixture	2,46,487	-	-	-	2,46,487	-	2,28,259	-	2,28,259	-	18,228	-	18,228	-		
Building	1,58,02,131	33,56,209	2,94,498	-	1,60,96,629	33,56,209	40,28,394	26,27,493	5,00,934	96,288	45,29,328	27,23,781	1,15,67,301	6,32,428	1,17,73,737	
Plant & Machinery	4,31,28,286	69,14,353	70,83,385	-	5,02,11,671	69,14,353	2,34,54,194	69,14,353	24,39,978	-	2,58,94,172	69,14,353	2,43,17,499	1,96,74,092		
Office Equipment	7,31,044	-	-	-	7,31,044	-	6,14,570	-	39,921	-	6,54,491	-	76,551	1,16,472		
Computer	7,07,367	-	9,200	-	7,16,567	-	6,56,530	-	23,225	-	6,79,755	-	36,812	50,837		
Vehicles	73,39,101	-	-	-	73,39,101	-	32,03,654	-	8,34,577	-	40,38,231	-	33,00,870	41,35,447		
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
F.A.Rolls	1,42,07,683	-	15,26,961	-	1,57,34,644	-	1,37,91,485	-	10,00,259	-	1,47,91,744	-	9,42,900	4,16,198		
Cycle	3,120	-	-	-	3,120	-	1,908	-	325	-	2,233	-	887	1,212		
TOTAL	15,55,32,220	1,74,30,742	99,41,979	-	16,54,74,199	1,74,30,742	4,59,78,994	95,41,846	48,39,219	96,288	5,08,18,213	96,38,134	11,46,55,983	77,92,608	10,95,53,223	78,88,896
PREVIOUS YEAR	15,41,11,582	1,74,30,742	15,65,523	1,44,885	15,55,32,220	1,74,30,742	4,13,72,829	94,45,558	47,20,289	96,288	4,59,78,994	95,41,846	10,95,53,223	78,88,896		



NOTES TO FINANCIAL STATEMENTS

PARTICULARS	(Amount in Rs)		
	31-Mar-19	31-Mar-18	
4 Investments			
(i) Non Current Investments			
Quoted equity instruments			
- Equity Share of Kay Power & Papers Ltd.			
700 (P.Y. 700) equity shares of Rs. 10/- each.	1,792	34,370	
2,550(P.Y NILL) equity shares of Rs. 343.20 each in The Andhra Sugar Ltd.	8,75,160	-	
Total Quoted Equity Instruments	8,76,952	34,370	
Unquoted equity instruments			
- Equity Share of Modi Asset Management Pvt. Ltd.			
14,09,600 (P.Y. 14,09,600) Class 'A' Equity Share of Rs. 10/- each.	1,88,66,000	1,88,66,000	
63,600 (P.Y. 63,600) Class 'B' Equity Share of Rs. 75/- each.			
- Equity Share of Peacon Properties & Encalve Pvt. Ltd.			
4,00,755 (P.Y. 4,00,755) Equity shares of Rs. 10/- each.	8,18,110	8,18,110	
- Equity Share of Modi Metal & Allied Industries Pvt. Ltd.			
3,23,580 (P.Y. 3,23,580) Equity shares of Rs. 10/- each.	45,10,705	45,10,705	
- Equity Share of Southern Iron & Steel Co. Ltd.			
2 (P.Y. 2) equity shares of Rs. 10/- each.	76	76	
Total Unquoted Equity Instruments	2,41,94,891	2,41,94,891	
Quoted Mutual Funds			
	Units (Current Year)	Units (Previous Year)	
Franklin India Smaller Co. Fund-Gr.	-	107188.625	63,10,280
Franklin India Prima Plus-D. Gr.	5923.043	5923.043	37,87,331
HDFC Equity Fund	38607.736	38607.736	2,28,39,256
Total Quoted Mutual Funds			3,00,87,384
			3,26,56,278
Total (i)			5,51,59,226
(ii) Current Investments			
	Units (Current Year)	Units (Previous Year)	
Templeton India Ultra Short Bond Fd	1297869.048	1563518.394	3,40,93,666
Estee Advisors Pvt. Ltd.			3,76,07,610
			1,03,78,445
Total (ii)			4,44,72,111
Total Investments (i) + (ii)			9,96,31,337
Total Investments (i) + (ii)			9,44,93,149

**NOTES TO FINANCIAL STATEMENTS**

PARTICULARS	(Amount in Rs)	
	31-Mar-19	As at 31-Mar-18
5 Other non-current assets		
Security Deposit	25,80,051	24,80,051
	25,80,051	24,80,051
6 Inventories		
Raw Materials	1,41,00,354	1,52,64,123
Finished goods	1,74,68,909	92,98,748
Stores & Spares	11,01,156	16,41,541
Loose Tools	29,528	25,528
Others	23,73,895	12,86,645
	3,50,73,842	2,75,16,585
7 Trade receivables		
(Unsecured, Considered Good)	1,74,10,242	2,69,53,081
	1,74,10,242	2,69,53,081
8 Cash and cash equivalents		
Balances with Banks	1,24,281	(9,656)
Cash on hand	31,769	49,175
	1,56,050	39,518
9 Other current assets		
Balance with Statutory / Government Authorities	1,05,94,859	1,44,48,951
Prepaid Expenses	92,984	69,489
Advance to Suppliers & Others	2,12,645	2,00,612
Advance to Staff	3,16,010	1,11,040
TDS	14,16,019	11,76,879
Income Tax Refundable	8,98,641	13,66,942
	1,35,31,158	1,73,73,913

**NOTES TO FINANCIAL STATEMENTS**

PARTICULARS	(Amount in Rs)	
	As at	
	31-Mar-19	31-Mar-18
10 Share Capital		
AUTHORISED SHARES		
12,000,000 (P.Y. 12,000,000) Equity Shares of Rs.10/- each	12,00,00,000	12,00,00,000
ISSUED AND SUBSCRIBED SHARES		
5,530,259 (P.Y. 5,530,259) Equity Shares of Rs. 10/- each	5,53,02,590	5,53,02,590
	5,53,02,590	5,53,02,590
PAID UP SHARES		
5,530,259 (P.Y. 5,530,259) Equity Shares of Rs. 10/- each	5,53,02,590	5,53,02,590
Less: Call Money unpaid by other than Directors	86,07,000	86,07,000
1,147,600 (P.Y.1,147,600) Shares @ Rs. 7.50 each		
	4,66,95,590	4,66,95,590
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	55,30,259	55,30,259
Changes in Share capital during the year	-	-
Outstanding at the year end		
5,530,259 (P.Y. 5,530,259) Equity Shares of Rs. 10/- each	55,30,259	55,30,259

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 31st March 2019		As at 31st March 2018	
	Nos.	%	Nos.	%
Modi Asset Management Pvt Ltd	4,99,900	9.04	4,99,900	9.04
Vasu Modi	3,59,745	6.51	3,59,745	6.51
Manhar Modi	4,12,798	7.46	4,12,798	7.46
Madhur Modi	3,68,000	6.65	3,68,000	6.65



NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

PARTICULARS	As at	
	31-Mar-19	31-Mar-18
11 Other Equity		
Statement of Change in Equity		
Reserves & Surplus		
Capital Reserve		
Balance as per the last financial statements	2,47,64,460	2,47,64,460
Closing Balance	<u>2,47,64,460</u>	<u>2,47,64,460</u>
Security Premium		
Balance as per the last financial statements	1,42,35,000	1,42,35,000
Closing Balance	<u>1,42,35,000</u>	<u>1,42,35,000</u>
Revaluation Reserve		
Balance as per the last financial statements	13,53,074	14,49,362
Less: Depreciation on Revalued Assets	96,288	96,288
Closing Balance	<u>12,56,786</u>	<u>13,53,074</u>
General Reserve		
Balance as per the last financial statements	10,00,00,000	9,80,00,000
Add: Amount transferred from surplus balance in the of Profit & Loss	10,00,000	20,00,000
Closing Balance	<u>10,10,00,000</u>	<u>10,00,00,000</u>
Other Comprehensive Income/Loss		
Balance as per the last financial statements	1,81,28,177	1,48,49,036
Add: Amount transferred from surplus balance in the of Profit & Loss	39,56,337	32,79,140
Less : Transfer to PL Account- Realized Profit	52,38,394	
Closing Balance	<u>1,68,46,119</u>	<u>1,81,28,177</u>
Balance in Statement of Profit and Loss		
Balance as per the last financial statements	3,30,51,590	2,82,67,865
Profit for the year	30,17,090	67,83,725
	<u>3,60,68,680</u>	<u>3,50,51,590</u>
Less: Appropriations :		
Transfer to General Reserve	10,00,000	20,00,000
Total Appropriation	<u>10,00,000</u>	<u>20,00,000</u>
Surplus in the Statement of Profit and Loss	<u>3,50,68,680</u>	<u>3,30,51,590</u>
Total Other Equity	<u>19,31,71,046</u>	<u>19,15,32,301</u>
12 Borrowings		
Secured Borrowings		
Loan from HDFC Bank	62,463	8,20,819
Less: Current Maturity of Secured Long Term Borrowings	62,463	1,24,314
	<u>-</u>	<u>6,96,505</u>

Loan from HDFC Bank - Vehicle Loan of Rs. 24,00,000/- against hypothecation of Vehicle having repayment terms of 48 equated monthly instalments of Rs 63084 P.M. Loans are further secured by personal guarantee of Director of the Company.



NOTES TO FINANCIAL STATEMENTS

PARTICULARS	(Amount in Rs)	
	As at	
	31-Mar-19	31-Mar-18
13 Provisions		
Non Current		
Provision for Gratuity	7,95,555	7,16,315
	7,95,555	7,16,315
Current		
Provision for Gratuity	8,69,371	7,97,728
Provision for Doubtful Debts	30,35,041	31,27,124
	39,04,412	39,24,852
14 Deferred tax liabilities (Net)		
Deferred Tax Liability		
On Fixed Assets	27,36,995	28,71,566
On Current Investments	14,19,463	12,03,093
On Non-Current Investments	59,18,907	62,86,876
Deferred Tax Asset		
On provision for Gratuity	4,32,881	3,89,866
Net Deferred Tax Liability	96,42,484	99,71,669
15 Borrowings		
Secured Borrowings		
Working Capital Loan from Bank	1,99,07,347	2,09,42,057
Current Maturity of Long Term Secured Borrowings	62,463	1,24,314
	1,99,69,810	2,10,66,371
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.		
16 Other current liabilities		
Advance from Customers	68,064	1,51,991
Salary & Wages Payable	10,21,167	9,38,776
EPF Payable	26,074	21,917
Other Employee Benefit Liabilities	2,41,135	2,05,730
Other Tax Payable	1,66,252	1,02,744
Expenses Payable	9,58,324	16,40,789
	24,81,016	30,61,947

**NOTES TO FINANCIAL STATEMENTS**

PARTICULARS	(Amount in Rs)	
	For the year ended	
	31-Mar-19	31-Mar-18
17 Revenue from operations		
Sale of Finished Goods	11,26,21,277	11,82,94,310
Sale of Services-Conversion Charges	6,15,54,738	5,43,67,041
Other Operating Revenue	26,85,077	89,36,555
Revenue from Operations (Gross)	17,68,61,092	18,15,97,906
Details of Finished Goods sold		
Iron & Steel Bar	11,26,21,277	11,82,94,310
Details of Sale of Services		
Job Work charges on Re - rolling	6,15,54,738	5,43,67,041
Details of Other Operating Revenue		
Sale of By Product, viz. Scrap	20,40,346	11,22,050
Handling charges	6,44,731	78,14,505
	26,85,077	89,36,555
18 Other Income		
Interest on Security Received	95,864	1,36,102
Interest and Trading Income on Investment	4,18,767	-
Unclaimed Creditors Written back	32,890	55,907
Income from Dividend	25,500	-
STCG on Current Investments	12,87,444	5,23,756
LTCG on Current / Trade Investments	16,07,789	-
LTCG on Long Term / Trade Investments	53,66,581	-
Investment revalue through FVTPL	4,08,823	20,80,407
Interest on income tax refund	26,442	-
Other Income	2,01,204	-
	94,71,305	27,96,172



NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

PARTICULARS	For the year ended	
	31-Mar-19	31-Mar-18
19 Cost of Raw Material and Components Consumed		
Raw Material Consumed		
Opening Stock	1,52,64,123	61,30,610
Purchases	11,27,96,811	11,53,60,273
	12,80,60,934	12,14,90,883
Less: Closing Stock	1,41,00,354	1,52,64,123
	11,39,60,580	10,62,26,760
Details of raw material and components		
Raw material and components Consumed		
Raw material	11,39,60,580	10,62,26,760
	11,39,60,580	10,62,26,760
Details of closing inventory of raw material		
Raw material	1,37,50,357	1,49,14,126
Scrap	3,49,997	3,49,997
	1,41,00,354	1,52,64,123
Details of opening inventory of raw material		
Raw material	1,49,14,126	57,80,613
Scrap	3,49,997	3,49,997
	1,52,64,123	61,30,610
Furnace Oil Consumed		
Opening Stock	4,461	7,79,846
Add: Purchase/Tfd.during the year	-	93,02,085
	4,461	1,00,81,931
Less: Closing Stock		4,461
	4,461	1,00,77,470
Steam Coal Consumed		
Opening Stock	5,23,105	-
Add: Purchase/Tfd.during the year	3,02,65,998	1,10,02,838
	3,07,89,103	1,10,02,838
Less: Closing Stock	6,64,859	5,23,105
	3,01,24,244	1,04,79,733
Other Manufacturing Expenses		
Power Expenses	1,01,54,142	1,07,32,689
Engine Expenses	30,60,060	13,42,996
Weighing & Stalking	63,050	39,640
Consumable Store	5,57,799	7,02,805
	1,38,35,051	1,28,18,130
	15,79,24,336	13,96,02,092



NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

PARTICULARS	For the year ended	
	31-Mar-19	31-Mar-18
20 (Increase)/Decrease in Inventories		
Work-in-progress and Stock-in-Trade		
Inventories at the end of the year		
Finished goods	1,89,61,435	94,39,040
Traded goods	-	-
Waste	2,16,563	1,34,750
	1,91,77,998	95,73,790
Inventories at the opening of the year		
Finished goods	94,39,040	79,14,163
Traded goods	-	1,36,152
Waste	1,34,750	4,40,910
	95,73,790	84,91,225
Others		-
	95,73,790	84,91,225
(Increase)/Decrease in Inventories	(96,04,208)	(16,81,954)
Details of Inventories		
Finished Goods		
N.A.IRON & STEELS BAR	1,70,57,696	83,40,011
Ingots	-	38,628
Casting	-	5,08,896
Runner & Risser	4,11,213	4,11,213
	1,74,68,909	92,98,748
21 Employee Benefit Expenses		
Salaries & Wages	1,41,31,252	1,23,10,352
Bonus & Ex-Gratia	2,23,351	3,50,827
Employer's Cont.to P.F.	1,54,821	1,49,087
Employer's Cont.to E.S.I.	1,45,213	1,12,362
Gratuity	2,88,706	4,21,467
Staff Welfare	4,40,877	1,52,679
Leave encashment	1,09,033	54,841
	1,54,93,253	1,35,51,615
22 Financial costs		
Bank Interest	18,17,215	15,08,379
Interest on Car Loan	61,736	1,38,286
	18,78,951	16,46,665



NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

PARTICULARS	For the year ended	
	31-Mar-19	31-Mar-18
23 Other expenses		
Travelling & Conveyance		
Including Foreign Travel C. Y. 4,28,157/- (P.Y. 3,63,098./-)	7,65,565	7,06,424
Printing & Stationary	68,021	54,072
Postage & Telegram	97,069	52,134
Telephone Expenses	1,48,325	2,09,102
Electricity Expenses	7,21,154	7,70,129
Legal & Professional Charges	7,67,652	10,65,488
Listing & Custodial Fees	3,10,000	3,14,252
Rates & Taxes	3,39,340	4,82,603
Bank Charges	2,24,543	3,78,673
Insurance Charges	1,65,989	1,80,662
Rent	1,03,500	1,26,000
Vehicle Running & Maintenance	6,70,022	5,67,527
Security & Vigilance	11,66,111	11,45,793
Repair & maintenance - Building	1,26,739	24,533
Repair & maintenance - Plant & Machinery	31,18,494	42,23,834
Repair & maintenance - Others	1,44,389	4,06,004
Business promotion	3,34,325	4,10,361
Rebate, Discount & commission	12,96,451	12,02,568
Advertisement & Publicity	1,71,768	1,70,388
Provision for Doubtful Debt	16,458	2,58,354
Freight Charges	4,316	1,83,065
Loading & Unloading Charges	70,523	11,45,313
Watch & Guard	3,64,000	5,04,000
Loss on sales of Fixed Assets	-	19,761
Interest on Income Tax	71,561	-
Income tax demand	2,77,344	-
Other Miscellaneous Expenses	3,78,766	2,74,526
	1,19,22,424	1,48,75,567
Payment to Auditor		
- Audit fee	3,75,000	3,75,000
- Limited Review	48,000	47,000
	4,23,000	4,22,000

24 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.)	30,17,090	67,83,725
Weighted average number of equity shares in calculating basic and diluted EPS	55,30,259	55,30,259
Basic and diluted earning per share (Rs.)	0.55	1.23



25. 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 & Others		Services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE								
Sales / Revenue	17,62,16,361	17,43,84,290	94,71,305	27,96,172	6,44,731	78,13,005	18,63,32,397	18,49,93,467
Less: Inter Segment Sales	-	-	-	-	-	-	-	-
Net Sales / Revenue	17,62,16,361	17,43,84,290	94,71,305	27,96,172	6,44,731	78,13,005	18,63,32,397	18,49,93,467
Less: GST/Excise Duty	-	-	-	-	-	-	-	-
Total Revenue	17,62,16,361	17,43,84,290	94,71,305	27,96,172	6,44,731	78,13,005	18,63,32,397	18,49,93,467
SEGMENT RESULTS								
Operating Profit / (Loss) before interest & tax	(7,97,765)	63,86,079	72,17,278	13,57,651	(6,62,140)	21,08,828	57,57,373	98,52,558
Less: Interest Expenses	-	-	-	-	-	-	18,78,951	16,46,665
Profit / (Loss) from operating activity (Before tax)							38,78,422	82,05,893
OTHER INFORMATION								
Segment Assets	16,50,47,260	16,13,67,310	8,06,40,651	7,63,22,881	2,90,32,154	2,87,54,262	27,47,20,065	26,58,45,064
Segment Liabilities	173,89,923	107,80,373	1,05,79,947	120,54,013	1,50,624	7,28,809	2,81,20,494	2,35,63,195
Capital Employed	14,76,57,338	15,05,86,937	7,00,60,704	6,42,68,867	2,88,81,530	2,80,25,453	24,65,99,571	24,22,81,869
Capital Expenditure	99,41,979	15,65,523	-	-	-	-	99,41,979	15,65,523
Depreciation/Amortization	38,78,122	37,35,073	8,64,304	8,81,846	96,792	1,03,370	48,39,218	47,20,289
Other non-cash expenses	-	-	-	-	-	-	-	-

26. Related Party Disclosures

Names of Related Parties

A. Parties under common control

Modi Asset Management 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
Mrs. 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	
	2019	2018	2019	2018	2019	2018
Rent Paid						
J.P.Modi & Sons HUF	-	-	42,000	42,000	42,000	42,000
Shakuntla Modi	61,500	84,000	-	-	61,500	84,000
Total	61,500	84,000	42,000	42,000	103,500	126,000

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

Particulars	March 31, 2019	March 31, 2018
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Capital advances)	Nil	Nil

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

Particulars	March 31, 2019	March 31, 2018
Bank Guarantee in favour of Sales Tax Department	Nil	Nil
Bills discounted liability	Nil	Nil



29. There are no Micro, Small and Medium Enterprises to whom company owes dues which are outstanding for more than 45 days as on 31.03.2019. 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.

30. The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013 during financial year 2018-19.

31. 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, 2019	March 31, 2018
Current service cost	4,30,514	3,81,368
Interest cost on benefit obligation	1,15,521	1,14,718
Net actuarial (gain)/ loss recognized in the year	(3,30,248)	(74,619)
Past service cost	-	-
Net benefit expense	2,15,787	4,21,467

Balance Sheet

Details of Provision for Gratuity

(Amounts in Rs.)

Particulars	March 31, 2019	March 31, 2018
Defined benefit obligation	16,64,926	15,14,043
Fair value of plan assets	-	-
Surplus/(Deficit)	(16,64,926)	(15,14,043)
Less: Unrecognized Past service cost	-	-
Plan asset / (liability)	(16,64,926)	(15,14,043)

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

(Amounts in Rs.)

Particulars	March 31, 2019	March 31, 2018
Defined benefit obligation at the beginning of year	15,14,043	15,58,672
Current service cost	4,30,514	3,81,368
Interest cost	1,15,521	1,14,718
Actuarial (gain)/loss on obligation	(3,30,248)	(74,619)
Benefits paid	(64,904)	(4,66,096)
Defined benefit obligation as at the end of the year	16,64,926	15,14,043

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

Particulars	March 31, 2019	March 31, 2018
	%	%
Discount rate	7.66	7.63
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, 2019	March 31, 2018
Defined benefit obligation	16,64,926	15,14,043
Plan assets	-	-
Surplus / (deficit)	(16,64,926)	(15,14,043)
Experience adjustments on plan liabilities (loss)/gain	(3,28,324)	(63,769)
Experience adjustments on plan assets (loss)/gain	-	-

Contribution to Defined Contribution plans:

Particulars	(Amounts in Rs)	
	March 31, 2019	March 31, 2018
Provident Fund	1,54,821	1,49,087

32. Supplementary Statutory Information

32.1 Earnings in foreign currency (on accrual basis)

Particulars	(Amounts in Rs.)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Exports at F.O.B. Value	-	-

32.2 Expenditure in foreign currency (on accrual basis)

Particulars	(Amounts in Rs.)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Travelling	4,28,157	3,63,098

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

Particulars	(Amounts in Rs.)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw Materials	-	-

**32.4 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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Indigenous	100.00	100.00	11,39,60,580	10,62,26,760
Imported	-	-	-	-
	100.00	100.00	11,39,60,580	10,62,26,760
Stores and Spares				
Indigenous	100.00	100.00	6,20,849	7,42,445
Imported	-	-	-	-
	100.00	100.00	6,20,849	7,42,445

33. The previous period figure have been rearranged/ regrouped wherever necessary to make them comparable with those of current period classification & disclosure. The figure's has been rounded off to nearest of rupees.

As per our report of even date

For N. R. & Company

Chartered Accountants

FRN – 015095C

Sd/-

Naveen Sawhney

Partner

Membership NO.- 073713

Place: New Delhi

Date : 30/05/2019

For and on behalf of Board of Directors

NATIONAL GENERAL INDUSTRIES LIMITED

Sd/-

Ashok Kumar Modi

Chairman cum

Managing Director

DIN:00051647

Sd/-

Pawan Kumar Modi

Jt. Managing Director

cum CFO

DIN : 00051679

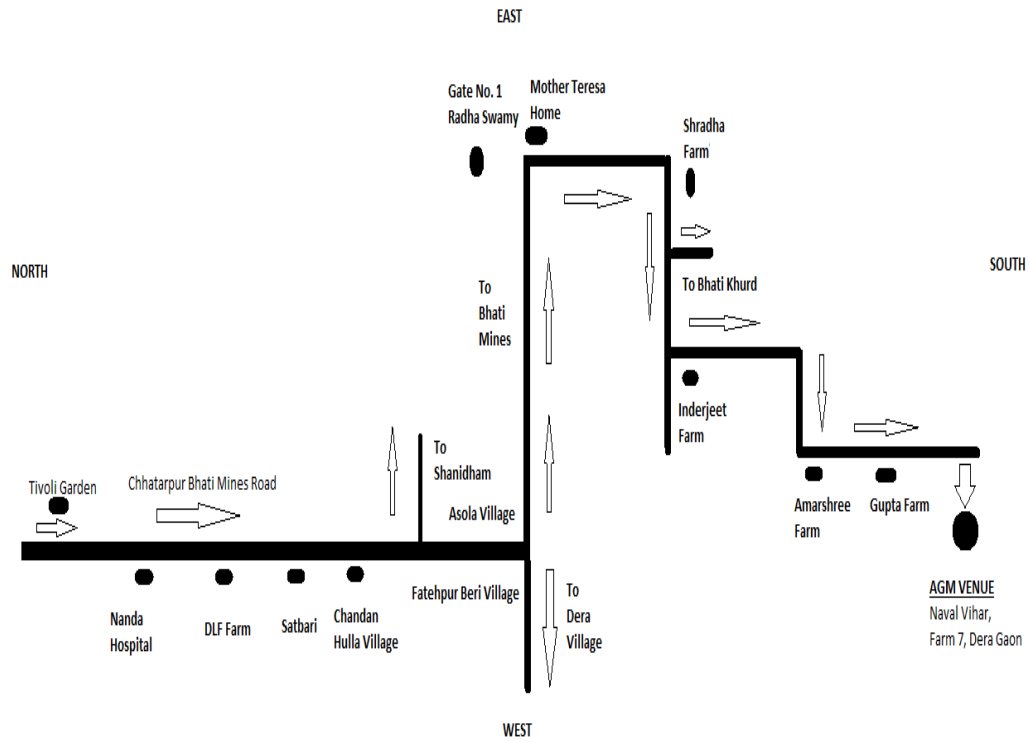
Sd/-

Vandana Gupta

Company Secretary

Mem. 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 33rd Annual General Meeting of the Company held on Monday, 30th September, 2019 at 11.30 a.m. at Nawal Vihar, Farm 7, Dera Gaon, New Delhi – 110030.

.....
Signature of Shareholder/Proxy



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 33rd Annual General Meeting of the Company to be held on Monday, 30th September, 2019 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, 2019.			
2.	Re-appointment of Mr. Vasu Modi, who retires by rotation			
3.	To appoint Mr. Anirudh Vimalkumar Goenka as Director			
4.	To appoint Mr. Anantshri Gupta as Director			
5.	To appoint Mrs. Sanjana Bharat as Director			

Signed this _____ day of _____ 2019

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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If undelivered please return to:

National General Industries Ltd.

3rd Floor, Surya Plaza, K-185/1 Sarai Julena,
New Friends Colony, New Delhi-110025 (INDIA)