



“श्री जी”

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
ACM	✓	✓	SHI	✓
YE	✓	✓		

T W E L F T H
ANNUAL REPORT
1 9 9 7 - 9 8

NATIONAL GENERAL INDUSTRIES LIMITED



BOARD OF DIRECTORS

Shri Ashok Kumar Modi
Shri Pawan Kumar Modi
Shri Pankaj Kumar Aggarwal

Chairman-cum-Managing Director
Joint Managing Director
Director

COMPANY SECRETARY

Shri C.J. Kalra

AUDITORS

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

Registered Office

E-39, Kalindi Colony,
New Delhi-110 065.

WORKS/DIVISIONS

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

BANKERS

State Bank of Patiala



NATIONAL GENERAL INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 12th Annual General Meeting of the **National General Industries Limited** will be held on Friday, 25th September, 1998 at Nawal Vihar, Farm-7, Dera Goan, New Delhi -110 030 at 11.00 A.M. to transact the following business:-

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 1998 and the Balance Sheet as at that date and the reports of directors and auditors.
- 2) To appoint a director in place of Sh.Pawan Kumar Modi, who retires by rotation and is eligible for reappointment.

SPECIAL BUSINESS:

- 3) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:-

"RESOLVED that the company do hereby accord its consent under Section 293(1)(a) of the Companies Act, 1956, to mortgaging and/or charging by the Board of Directors of the Company all or any of the movable or immovable properties both present and future or the whole or substantially the whole of the undertaking or the undertakings of the Company for securing any loan obtained or as may be obtained from any Financial institution/Bank or person or persons together with interest, costs, charges, expenses and any other money payable by the company."
- 4) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:-

"Resolved that the consent under Section 293 (1)(d) of the Companies Act, 1956 and the Articles of Association of the company be and is hereby accorded to the Board of Directors of the company to borrow any sum or sums of money from time to time which together with the monies already borrowed by the company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed at any time, the aggregate of paid up capital of the company and its free reserves (that is to say, reserves not set apart for any specific purpose) by a sum not exceeding Rs.15.00 crores (Rupees fifteen crores only) and that the directors be and are hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to the interest, repayment, security or otherwise as they may think fit."
- 5) To consider and, if thought fit, to pass the following resolution as a special resolution:-

"RESOLVED that subject to the provisions contained in the Companies Act, 1956 (as amended and prevalent including any statutory modification or reenactment thereof and any ordinance as may be enacted/promulgated from time to time), subject to approval of Financial Institution, if required, and subject to such other necessary approval as may be considered, desirable and required, and also subject to such condition and modification as may be prescribed or imposed, while granting such approval, which may be agreed to or accepted by the Board of directors of the company (hereinafter called as the board which expression shall also include a committee thereof), the consent of the company be and is hereby accorded to the Board for application of funds of the company in Purchase/Buy-back in such quantity or quantities either in fully or partly paid up shares of the company from existing holders of shares and/ or other securities as may be specified by the Govt. or in such proportion and manner as may be permitted by the law, at such rate and on such terms and conditions as the board may deem proper and as may be prescribed by the law from time to time."

"FURTHER resolved that for the purpose of giving effect to this resolution the board be and is hereby authorised to do all such acts and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the said Purchase/Buy back of shares or other securities."

For and on behalf of Board of Directors

Place : New Delhi
 Date : 24th August, 1998

(C.J.Kalra)
 Company Secretary



NATIONAL GENERAL INDUSTRIES LIMITED

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT TIME OF THE MEETING.
- b) Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto.
- c) The Register of Members and Transfer Books of the Company will remain closed from 18th September, 1998 to 25th September, 1998 (both days inclusive).
- d) Members desiring any information as regard the Accounts are requested to write to the Company atleast 15 days before the meeting so as to keep the information ready.
- e) **Those members who have not paid their allotment money till date are requested to remit the due allotment money on or before 31st October, 1998 with interest for the delayed period. The payment shall be made by way of demand draft/pay order payable at New Delhi in favour of National General Industries Limited and send the demand draft/payorder at the registered office of the company. After the aforesaid date, it may be noted that the Board of directors shall start the proceeding for the forfeiture of the shares in case the default for payment of allotment continues.**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item (3) & (4)

As a security for the loans to be sanctioned by the financial institutions for its project in the form of term loan, the company would be required to give first mortgage of all immovable and movable properties of the company, present and/or future. Section 293(1)(a) of the Companies Act, 1956, provides, inter alia, that the Board of Directors of a public company shall not, without the consent of the members of the company, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company. Since the mortgaging by the Company of its movable and immovable properties can be considered as disposal of the company's properties, it is necessary to pass a resolution under section 293(1)(a) of the Companies Act, 1956 before creation of the said mortgage/charge.

Keeping in mind the future prospects of the company, your directors propose to increase the borrowing limit under Section 293(1)(d) from the present level of Rs.5,00,00,000.00 (Rupees five crores only) to Rs.15,00,00,000.00 (Rupees fifteen crores only).

None of the director is in any way concerned or interested in this resolution.

Item (5)

Presently buy back/purchase of its own shares by the company is not allowed under the Indian laws. The Companies bill, 1997 contains the enabling provisions for buy back of its own shares by the company. The said bill however, is yet to become a law.

However, it is expected that the buy back/purchase of its own securities may be permitted in near future either as a part of the Companies bill, 1997 or by promulgation of an ordinance for Buy back of shares. Subject to the buy back of securities becoming legally permissible, it is proposed to enable to the company to buy back/purchase its own shares in such manner as may be specified/ permitted.

Since the existing companies Act does not permit the buy back/purchase of its own securities by a company, this resolution shall be treated as enabling one and shall be effective only after the buy back/purchase shall become legally permissible.

None of the director is in any way concerned or interested in this resolution.

for and on behalf of the board

Place : New Delhi
Date : 24th August, 1998

(C.J.Kalra)
Company Secretary



NATIONAL GENERAL INDUSTRIES LIMITED

DIRECTORS' REPORT

Your Directors are pleased to present the 12th annual report on the business and operations of the Company and the financial accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS AND OPERATIONS

	<u>31.3.1998</u>	<u>31.3.1997</u>
Gross Income	1745.05	1566.74
Profit before depreciation	87.61	79.02
Depreciation	18.34	23.58
Tax provision	<u>23.10</u>	<u>23.22</u>
Profit after taxes	<u>46.17</u>	<u>32.22</u>
Transfer to General Reserve	2.30	30.00
Balance c/f to Balance Sheet	<u>49.64</u>	<u>5.62</u>

Due to sluggish market condition prevailing during the whole previous year the projections as stated in the prospectus could not be achieved. In spite of the bad economical conditions which adversely effected the steel industry's growth, the profit after tax of your company has increased by over 43% as compare to the previous year. This was possible with the adoption of prudent management policies relating to better utilisation of available resources of manufacturing unit. Keeping in mind the future requirement of funds, your directors are not recommending any dividend this year.

FUTURE OUTLOOK

Your directors are pleased to inform you that the progress on the setting up of the forging unit is satisfactory. The civil construction on the site is in full swing and the major part of the imported machineries have been finalised. Your directors are expecting that the commercial production of the new unit shall start by the end of this year.

DIRECTORS

Sh. Pawan Kumar Modi, director of the company, who retires at the forthcoming Annual General Meeting is eligible for reappointment.

STATUTORY STATEMENTS

Your Company has not accepted any deposits within the meaning of Section 58 A of the Companies Act, 1956 and rules made thereunder.

Details of energy conservation, and research and development activities undertaken by the company alongwith the information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure 'A' to the Directors' Report in the Balance Sheet and Profit and Loss Account.

None of the employees, during the year under review, have drawn salary in excess of the limits as provided in the Companies (Particulars of Employees) Rules, 1975, as amended, read with Section 217(2A) of the Companies Act, 1956.

AUDITORS AND THEIR REPORT

The Auditors M/s R.K. Govil & Company retire at the conclusion of the forthcoming Annual General Meeting and have offered themselves for reappointment. The company has received a certificate from them to the effect that their appointment if made will be within the prescribed limits as mention under Section 224(1B) of the Companies Act, 1956.