

“श्री जी”



**FOURTEENTH
ANNUAL REPORT**

1999 - 2000

Report Junction.com

NATIONAL GENERAL INDUSTRIES LIMITED



NATIONAL GENERAL INDUSTRIES LIMITED

BOARD OF DIRECTORS

Shri Ashok Kumar Modi
Chairman-cum-Managing Director

Shri Pawan Kumar Modi
Joint Managing Director

Shri Pankaj Kumar Aggarwal
Director

Shri Vasu Modi
Additional Director

COMPANY SECRETARY

Shri C.J. Kalra

AUDITORS

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

REGISTERED OFFICE

3rd Floor, Surya Plaza
K-185/1, Sarai Julena
New Friends Colony,
New Delhi - 110 025

WORKS/DIVISIONS

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

BANKERS

State Bank of Patiala
Standard Chartered Bank

COMPANY'S SHARES ARE LISTED AT

Mumbai Stock Exchange
Delhi Stock Exchange
Ahmedabad Stock Exchange
Jaipur Stock Exchange



NATIONAL GENERAL INDUSTRIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of the Members of **National General Industries Limited** will be held at Nawal Vihar, Farm 7, Dera Gaon, New Delhi - 110 030, on Saturday, the 30th day of September, 2000 at 11.30 a.m. for the transaction of the following business

ORDINARY BUSINESS

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March, 2000, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr Pawan Kumar Modi who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution** :-

"RESOLVED THAT Messrs. R.K. Govil & Company, Chartered Accountants, the retiring auditors be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of fourteenth Annual General Meeting until the conclusion of next Annual General Meeting of the Company and the Board of Directors be and is hereby authorised to fix their remuneration for the said period."

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution** :-

"RESOLVED THAT subject to the provisions of section 257 of the Companies Act, 1956, and in terms of Article 92 of the Articles of Association of the Company, Mr Vasu Modi be and is hereby appointed as a Director of the Company whose period of the office will be liable to determination by retirement by rotation."

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution** :-

"RESOLVED THAT pursuant to the section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Mr Ashok Kumar Modi as Chairman cum Managing Director of the Company for a period of 5 (five) years with effect from 4th July, 2000 on the following remuneration, terms and conditions agreed to between the Board of Directors and Mr Ashok Kumar Modi and with the liberty to Board of Directors to alter, vary the terms and conditions of the said appointment and/or remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, (including any statutory modification or enactment thereof, for the time being in force) of the said re-appointment in such manner as may be agreed to between the Board of Directors of the Company and acceptable to Mr Ashok Kumar Modi.

- i. Basic Salary - Rs. 8,000/- per month.
- ii. Medical reimbursement - expenses incurred for Chairman cum Managing Director and his family, subject to the ceiling of one month's salary in a year or three months salary over a period of three years.
- iii. Leave Travel Concession - for the Chairman cum Managing Director and his family once in a year incurred in accordance with any rules specified by the Company.
- iv. Club Fees - fees of Clubs subject to a maximum of two Clubs. This will not include admission and life membership fees.
- v. Personal Accident insurance - premium not to exceed Rs. 4000/- per annum. For the purpose of this part, family means Spouse, dependent children and dependent parents of the Chairman cum Managing Director.
- vi. Provision of Car with driver for use on Company's business and telephone at the residence and reimbursement of expenses thereof.

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution** :-

"RESOLVED THAT pursuant to the section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Mr Pawan Kumar Modi as Joint Managing Director of the Company, for a period of 5 (five) years with effect from 4th July, 2000, subject to his term of directorship liable to retirement by rotation, on the following remuneration, terms and conditions agreed to between the Board of Directors and Mr Pawan Kumar Modi and with the liberty to Board of Directors to alter, vary the terms and conditions of the said appointment and/or remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, (including any statutory modification or enactment thereof, for the time being in force) of the said re-appointment in such manner as may be agreed to between the Board of Directors of the Company and acceptable to Mr Pawan Kumar Modi.



NATIONAL GENERAL INDUSTRIES LIMITED

- i. Basic Salary - Rs. 8,000/- per month.
- ii. Medical reimbursement - expenses incurred for Joint Managing Director and his family, subject to the ceiling of one month's salary in a year or three months salary over a period of three years.
- iii. Leave Travel Concession - for the Joint Managing Director and his family once in a year incurred in accordance with any rules specified by the Company.
- iv. Club Fees - fees of Clubs subject to a maximum of two Clubs. This will not include admission and life membership fees.
- v. Personal Accident insurance - premium not to exceed Rs. 4000/- per annum. For the purpose of this part, family means Spouse, dependent children and dependent parents of the Joint Managing Director.
- vi. Provision of Car with driver for use on Company's business and telephone at the residence and reimbursement of expenses thereof.
7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution** :-

"RESOLVED THAT the consent be and is hereby accorded to the commencement of the business by the Company as mentioned in the following Sub-Clause (C) (5) of Clause 4 of the Memorandum of Association of the Company :

" To carry on business as importers and exporters of goods or merchandise of any description or to act as shipper, underwriters, commission agents, advertising agents, travelling agents, transport agents, forwarding and clearing agents, brokers, estate agents and hardware merchants."

RESOLVED FURTHER that pursuant to sub-section (2A) of the section 149 of the Companies Act, 1956, consent be and is hereby accorded to the Board of Directors of the Company to commence the business as mentioned in the Sub-Clause (C) (5) of Clause 4 of the Memorandum of Association of the Company."

Place : New Delhi
Date : 31st July, 2000

By order of the Board,
C.J. Kaira
Company Secretary

NOTES

- 1) A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a Member of the Company.
Proxy in order to be effective must be received at the registered office of the Company not less than 48 hours before the commencement of the meeting.
- 2) Members/Proxies are requested to bring their attendance slip along with their copies of Report and Accounts to the Meeting.
- 3) The Register of Members and Share transfer Books of the Company will remain closed from 17th September, 2000 to 24th September, 2000 (both days inclusive).
- 4) The registered office of the Company has been shifted to 3rd Floor, Surya Plaza, K-185/1, Sarai Julena, New Friends Colony, New Delhi - 110 025. Members are requested to make all future correspondence with the Company at the abovementioned address.
- 5) An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to Special Business to be transacted at the Annual General Meeting is annexed hereto.
- 6) The Securities of the Company are listed at the Ahmedabad, Delhi, Jaipur and Mumbai Stock Exchanges and the Company has paid the annual listing fees for the financial year 1999-2000.
- 7) Those Members who have not paid their allotment money till date are requested to remit the due allotment money on or before 31st October, 2000, with interest for the delayed period by means of Demand Draft in favour of the Company payable at New Delhi. It may be noted that in case default in payment of allotment money continues after the abovementioned date the Board of Directors of the Company shall start the proceedings for the forfeiture of the Shares.

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

Item No. 4

Mr Vasu Modi was appointed as an Additional Director of the Company by the Board of Directors on April 10, 2000, under section 260 of the Companies Act, 1956 and Article 92 of the Articles of Association of the Company. Accordingly he holds office upto the date of ensuing Annual General Meeting. The Company has received a notice from a member under section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Mr Vasu Modi for the office of the Director.



NATIONAL GENERAL INDUSTRIES LIMITED

The board considers it desirable that the Company should continue to avail itself of the services of Mr Vasu Modi as Director of the Company. Yours Directors commend the adoption of the resolution as set out under item no. 4 of the accompanying notice.

None of the Directors except Mr Vasu Modi is in any way concerned or interested in the said resolution.

Item No. 5

The term of Mr Ashok Kumar Modi expired on 3rd July, 2000. The Board of Directors of the Company has re-appointed him for a further period of 5 (Five) years from the date of expiry of his term. The details of remuneration payable to Mr Ashok Kumar Modi are set out in the resolution at serial no.5 of the notice, is submitted for shareholders' approval.

The terms and conditions and/or payment of remuneration as set out for re-appointment may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956, (including any statutory modification or enactment thereof, for the time being in force) or any amendments made thereto.

The above may be treated as an abstract of the terms of re-appointment of Mr Ashok Kumar Modi as the Chairman cum Managing Director of the Company, as required under section 302 of the Companies Act, 1956.

None of the Directors except Mr Ashok Kumar Modi is in any way concerned or interested in the said resolution.

Item No. 6

The term of Mr Pawan Kumar Modi expired on 3rd July, 2000. The Board of Directors of the Company has re-appointed him as Joint Managing Director, for a further period of 5 (Five) years from the date of expiry of his term, subject to his term of directorship liable to retirement by rotation. The details of remuneration payable to Mr Pawan Kumar Modi are set out in the resolution at serial no.5 of the notice, is submitted for shareholders' approval.

The terms and conditions and/or payment of remuneration as set out for re-appointment may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956, (including any statutory modification or enactment thereof, for the time being in force) or any amendments made thereto.

The above may be treated as an abstract of the terms of re-appointment of Mr Pawan Kumar Modi as Joint Managing Director of the Company, as required under section 302 of the Companies Act, 1956.

None of the Directors except Mr Pawan Kumar Modi is in any way concerned or interested in the said resolution.

Item No.7

The Clause 4 of the Memorandum of Association of the Company sets out the objects for which the Company is established and the lines of business that it is empowered to carry on. The Company has been planning to diversify in the field of export of goods as merchant exporter. Your Directors are of the view that the proposed line of business will prove beneficial to the Company. The Sub-Clause (C) (5) of the Clause 4 of the Memorandum of Association of the Company empowers the Company to carry on the business as exporters of goods or merchandise of any description. However this new line of business is not germane to the existing business of the Company.

As per the provisions of section 149 (2A) and other related provisions of the Companies Act, 1956, a Company having share capital shall not at any time commence any business in relation to any of the 'other objects' stated in the "Object Clause" of its Memorandum of Association unless the Company has approved of the Commencement of any such business by a special resolution passed in that behalf by it at general meeting. It is therefore, in this context, the enabling resolution under section 149 (2A) of the Companies Act, 1956, placed before you for approval.

None of the director has any interest in the resolution except as a member of the Company.

The Board commends the special resolution for your approval.

By order of the Board,

Place : New Delhi
Date : 31st July, 2000

C.J. Kalra
Company Secretary



NATIONAL GENERAL INDUSTRIES LIMITED

DIRECTORS' REPORT

To, The Members,

Your Directors have the pleasure in presenting herewith the Fourteenth Annual Report together with Audited Statement of Accounts for the year ended on 31st march, 2000.

FINANCIAL RESULTS

	1998-2000	(Rs. in lacs) 1998-1999
Gross Income	2181.71	1789.90
Profit before depreciation	75.43	36.91
Less : Depreciation	8.25	14.69
Provision for Tax	23.02	8.50
Profit after taxes	44.16	13.72
Transfer to General Reserve	35.00	21.00
Balance c/f to balance sheet	51.00	41.35

DIRECTORS

Mr Vasu Modi joined the Board as an additional director w.e.f. 10th April, 2000. He will hold office up to the date of forthcoming Annual General Meeting of the Company. The Company has received a notice from a member proposing the name of Mr Vasu Modi for appointment as a director of the Company. In accordance with the Companies Act, 1956, Mr Pawan Kumar Modi retires by rotation and being eligible, offers himself for re-appointment.

AUDITORS AND THEIR REPORT

M/s R.K. Govil & Company, Chartered Accountants, the auditors of the Company retires at the forthcoming Annual General Meeting and eligible offers themselves for re-appointment. The Company has received a certificate from them to the effect that their appointment if made will be within the prescribed limits as mentioned under section 224(1B) of the Companies Act, 1956.

The comments in the Auditors Report read with notes on accounts in Schedule 18 are self explanatory and do not call for further explanation.

PARTICULARS OF EMPLOYEES, CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The Company does not have any employee whose remuneration falls under the limits prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975. The information under section 217(1)(e) of the said act read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is set out in annexure "A" and forms part of this report.

PERSONNEL

The directors wish to place on records their deep appreciation for the services rendered by all the employees of the Company. It is gratifying to note that the industrial relations remained cordial and peaceful.

ACKNOWLEDGEMENT

Yours directors also wish to thank and deeply acknowledge the continued valuable assistance, co-operation and support extended by the central and state government authorities and banks. The Board also gratefully acknowledges the support and the goodwill extended by the dealers, customers, suppliers and shareholders of the Company.

For and on behalf of the Board

Place : New Delhi
Date : 31st July, 2000

(Ashok Kumar Modi)
Chairman cum Managing Director