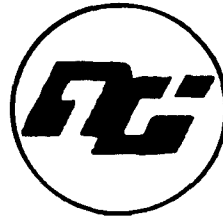


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**SIXTEENTH
ANNUAL REPORT**

Report **2001-2002**

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
Director

COMPANY SECRETARY

Shri Vineet Bansal

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 **Sixteenth 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 Wednesday, the 31st day of July, 2002 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 on 31st March, 2002, 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. Vasu Modi who retires by rotation and being eligible, offers himself for re-appointment.
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 Sixteenth Annual General Meeting until the conclusion of next Annual General Meeting of the Company and the Board of Directors be and is hereby authorized to fix their remuneration for the said period."

Further notice is hereby given that the approval of the members of National General Industries Ltd. is sought by way of Postal Ballot in respect of the item as enclosed herewith.

By order of the Board,
For **NATIONAL GENERAL INDUSTRIES LTD.**

Place: New Delhi
Date: 27th May, 2002

Vineet Bansal
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 alongwith 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 22nd July, 2002 to 24th July, 2002 (both days inclusive).

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 2001-2002.

By order of the Board,
For **NATIONAL GENERAL INDUSTRIES LTD.**

Place: New Delhi
Date: 27th May, 2002

Vineet Bansal
Company Secretary



NATIONAL GENERAL INDUSTRIES LIMITED

DIRECTORS' REPORT

To,
The Members,
Your Directors have the pleasure in presenting herewith the Sixteenth Annual Report together with Audited Statement of Accounts for the year ended on 31st march, 2002.

FINANCIAL RESULTS	Rs. in lacs	
Year Ended March 31	2001-2002	2000-2001
Gross Income after interest	135.52	84.43
Profit/(loss) before depreciation and tax	55.69	(15.74)
Less : Depreciation	7.19	8.40
Provision for Tax	10.68	-
Profit/ (loss) after taxes	37.82	(24.14)
Transfer to General Reserve	10.00	-
Balance c/f to balance sheet	52.22	23.72

DIRECTORS

Mr Vasu 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 17 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.

DIRECTORS' RESPONSIBILITY

Pursuant to sub section (2AA) of section 217 of the Companies Act, 1956, your Directors' give statement that :

- I) in preparation of the annual accounts for the Financial year 2001-2002, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- II) the Directors' had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended on March 31, 2002 and of the Profit of the Company for that period;
- III) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV) annual accounts had been prepared on a going concern basis.

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 : 27th May, 2002

(Ashok Kumar Modi)
Chairman cum Managing Director



NATIONAL GENERAL INDUSTRIES LIMITED

ANNEXURE "A" TO DIRECTORS' REPORT

Particulars as required under the Companies (Disclosure of the particulars in the report of Board of Directors) Rules 1988, and forming part of the Directors' Report for the year ended 31st March, 2002.

I. CONSERVATION OF ENERGY

During the year under review, wherever possible, energy conservation measures have been taken and there are no major areas where further energy conservation can be taken. However, efforts to conserve and optimise the use of energy through improved operational methods and other means will continue.

II. RESEARCH AND DEVELOPMENT (R & D)

a) Specific areas in which R & D carried out by Company

The Company has been continuously carrying on Research & Development activities for improving the quality production process and development of new products.

b) Benefits derived as a result of above R & D

The R & D has helped the Company to achieve raw material efficiency, better quality consistency and develop new products.

c) Further plan of action

Product upgradation, identification and development of new products to meet Company's requirement of growth and sustenance.

d) Expenditure on R & D

Expenditure charged under respective primary heads of accounts.

III. TECHNOLOGY ABSORPTION , ADAPTION & INNOVATION

a) Efforts made towards technology absorption adaption & innovation

The Company is using latest techniques for production.

b) Benefits derived as a result of the above efforts.

Improved productivity, better quality and yield resulting into cost savings.

c) Particulars relating to imported technology.

Nil

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Earnings

Nil

b) Outgo by way of other expenditure

1.55Lacs
(1.89) Lacs



NATIONAL GENERAL INDUSTRIES LIMITED

AUDITOR'S REPORT

To:

The Members of
NATIONAL GENERAL INDUSTRIES LTD.

Sub. : Auditor's Report on the Accounts for the period ended on 31st March, 2002 in compliance with sec. 227 of the Companies Act, 1956.

We have audited the attached Balance Sheet of NATIONAL GENERAL INDUSTRIES LTD. as at 31st March 2002 and also the Profit & Loss Account of the Company for the Period ended on that date, annexed thereto.

WE REPORT THAT :-

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988, read with Companies (Amendment) Act 1999, issued by the Company Law Board in terms of section 227 (4A) of the Companies Act 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we attach herewith an Annexure on the matters specified in the said order.
2. Further to our Comments in the Annexure referred to in paragraph 1 above :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion proper books of accounts as required by the law have been kept by the company so far as it appears from our examination of the books.
 - (c) The Balance Sheet and Profit & Loss account of the company dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion, the Balance Sheet and Profit & Loss Account comply with the accounting standards referred to in Sub-Section 3(C) of Section-211 of the Companies Act, 1956.
 - (e) On the basis of written representations received by us from the directors of the company as at March 31, 2002 and taken on record by the Board of Directors. We report that no director is disqualified from being appointed as director of the company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
3. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the schedules & notes thereon, give the information as required under the Companies' Act, 1956, in the manner so required and give a true and fair view :
 - i) in the case of Balance Sheet of the state of affairs of the company as at 31st March, 2002 and
 - ii) in the case of Profit & Loss account of the Profit of the company for the Period ended on that date.

Place : Ghaziabad
Date : 21.05.2002

For R. K. GOVIL & CO.
CHARTERED ACCOUNTANTS

(RAJESH K. GOVIL)
PARTNER

ANNEXURE TO THE AUDITORS' REPORT

Annexure to our Report of even date.

- I) The company has maintained proper records showing the full particulars including the quantitative details and situation of its fixed assets. The fixed assets have been physically verified by the management at reasonable intervals during the year and we are informed by the management that no material discrepancies were noticed on such verification as per the records maintained and submitted by the company.
- II) None of the Fixed Assets have been revalued during the year.
- III) Physical verification has been conducted by the management at reasonable period in respect of finished goods, stores, spare parts & raw materials.