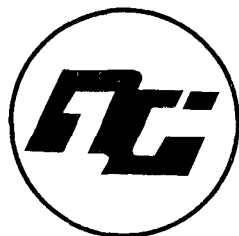


“श्री जी”



**National General Industries Ltd.**

An ISO 9001 : 2000 Certified Company

Report  junction.com

**23<sup>rd</sup> Annual Report  
2008-09**

**Board of Directors**

Ashok Kumar Modi, Chairman &amp; Managing Director

Pawan Kumar Modi, Joint Managing Director

Pankaj Kumar Agarwal

Chaitanya Dalmia

Vasu Modi

Anshuman Goenka

**Company Secretary**

Gyan Sheel

**Auditors**

R. K. Govil &amp; 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

Ph. No. : 011-26829517, 19

Fax No.: 011-26920584

E-mail : [ngil@vsnl.com](mailto:ngil@vsnl.com)**Works**

9th Mile Stone, G.T. Road,

Mohan Nagar,

Ghaziabad – 201 007

**Bankers**

State Bank of Patiala

Standard Chartered Bank

Punjab National Bank

**Registrar & Transfer Agents**246, 1<sup>st</sup> Floor,

Sant Nagar, East of Kailash,

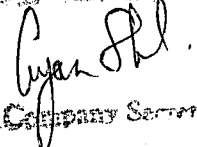
New Delhi – 110065

Tel.: 011-26292682, 26292683

Fax : 011 – 26292681

Email: [admin@skylinertta.com](mailto:admin@skylinertta.com)**Contents**

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By   
 Gyan Sheel  
 Company Secretary



# National General Industries Ltd.

## NOTICE

**NOTICE** is hereby given that the TWENTY THIRD ANNUAL GENERAL MEETING of the Members of National General Industries Limited will be held on Wednesday, the 30th September, 2009 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 Balance Sheet as at 31 March, 2009, the Profit and Loss Account for the year ended on that date, together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Anshuman Goenka who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s R. K. Govil & Company, Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** M/s R. K. Govil & Company, Chartered Accountants, the retiring auditors be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of Twenty Third Annual General Meeting until the conclusion of next Annual General Meeting of the Company and the Board of Directors be and are hereby authorized to fix their remuneration for the said period.”

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

Place : New Delhi  
Date : 03.09.2009

Sd/-  
**Gyan Sheel**  
Company Secretary

### **NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF ONLY ON A POLL AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
3. Members / proxies are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 25<sup>th</sup> September, 2009 to 30<sup>th</sup> September, 2009 (both days inclusive).
5. Members who are holding shares in physical form are requested to notify the change in their respective addresses 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 or Bank details to their respective Depository Participants.



## National General Industries Ltd.

6. 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.
7. Relevant details, in terms of Clause 49 of the Listing Agreement, in respect of Director retiring by rotation and proposed to be reappointed are given hereunder.

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

Place : New Delhi  
Date : 03.09.2009

Sd/-  
**Gyan Sheel**  
Company Secretary

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**Details of Directors seeking re-appointment in the Annual General Meeting  
(Pursuant to Clause 49 of the Listing Agreement)**

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Name of the Director	: Mr. Anshuman Goenka
Date of Birth	: 28/04/1981
Date of Appointment	: 20/03/2003
Expertise in specific functional areas	: Market Research & Brand Management
Qualifications	: Post Graduate Diploma in Business Mgt. B. Com (H)
Company in which Directorship held	: Not Applicable
Membership of Committee of the Board	: Not Applicable
Shareholding in the Company	: Nil

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# National General Industries Ltd.

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Third Report of your Company along with the Audited Statement of Accounts for the year ended 31 March, 2009.

### FINANCIAL RESULTS (Rs. In Lacs)

Particulars	31.03.2009	31.03.2008
Total Income	1776.21	1601.43
Operating profit before interest and depreciation	39.85	151.39
Interest	14.02	23.88
Depreciation	22.06	26.13
Profit before Tax (PBT)	3.76	101.38
Provision for Taxation	0.00	12.00
Provision for Fringe Benefit Tax (FBT)	1.37	1.55
Security Transaction Tax	0.02	0.49
Deferred Tax Liabilities	-0.97	-1.71
Minimum Alternate Tax Credit Availed	0.00	1.56
Profit after Tax (PAT)	3.34	87.49
Balance Brought Forward	116.99	95.11
Prior year adjustment	0.81	9.39
Profit available for appropriatin	121.14	191.99
Transfer to General Reserve	34.00	75.00
Balance carried to Balance Sheet	87.14	116.99

### PERFORMANCE DURING THE YEAR UNDER REVIEW

During the year under review, the turnover of your Company increased to 1608.40 lakhs from 1446.64 lakhs last year, registering an increase of 11.18%. However the net profit before tax from steel division decreased to 33.11 lakhs from 72.97 lakhs in the last year. This was due to recession faced by the industry during the year under review. The Company is emphasizing to improve the same in the years to come. The other income comprises only the return on investments. The company incurred net loss from its investments activity of Rs. 29.35 lakhs as compared to profit of Rs. 28.41 lakhs in the last year. The sharp fall in the income is due to fall in capital market.

### QUALITY MANAGEMENT

The Management System of your Company are in compliance with the requirement of international quality standard ISO 9001 : 2000 and it has been duly certified by the JAS-ANZ, an International Certification Agency.



# National General Industries Ltd.

Annual Report  
2008-09

## FUTURE OUTLOOK

The Directors are pleased to report that an industrial plot at Industrial Area Kahrani (Bhiwadi Extension), Distt. Alwar, Rajasthan, has been allotted to the Company by Rajasthan State Industrial Development & Investment Corporation Limited (RIICO Ltd.), Bhiwadi, Rajasthan. Your Board of Directors has planned to set up a steel casting facility at the said industrial plot.

## DIRECTORS

Mr. Anshuman Goenka, Director of the Company retires by rotation and being eligible, offer himself for re-appointment. Your directors recommend his re-appointment.

## DIVIDEND

Due to expansion of operations, your Directors have not recommend dividend for the year ended 31<sup>st</sup> March, 2009.

## FIXED DEPOSITS

Your Company did not invite / accept any Fixed Deposits from the public and is therefore not required to furnish information in respect of outstanding deposits under Non-Banking Non-Financial Companies (Reserve Bank) Directions, 1966 and Companies (Acceptance of Deposits) Rules, 1975.

## AUDITORS & AUDITORS' REPORT

M/s R. K. Govil & Co., Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and have given their consent for being re-appointed as Statutory Auditors of the Company, if appointed. They have further confirmed that the said appointment would be in conformity with the provisions of Section 224 (1B) of the Companies Act, 1956.

As regard the observation made by the Statutory Auditors in their Report dated 3<sup>rd</sup> September, 2009, in respect of appeal pending against sales tax authority, it is clarified that the Company has filed the appeal before Hon'ble High Court at Allahabad against imposition of Entry Tax on Job Work. While accepting appeal the Hon'ble High Court at Allahabad has stayed the said imposition of Entry Tax on Job Work and further directed the Company to submit Bank Guarantee to the sales tax authority for an amount equivalent to Entry Tax on Job Work, if applicable, due upto the date of such order. The Company has accordingly submitted a Bank Guarantee of Rs. 5,28,000/- to the sales tax authority, which has been stated under contingent liability vide point no. 1(a) of notes to accounts annexed to the Balance Sheet for the year under review.

The other observations of Statutory Auditors and Notes to the Accounts are self explanatory.

## COMPLIANCE WITH THE ACCOUNTING STANDARDS

The Company prepares its accounts and other financial statements in accordance with the relevant Accounting Principles and also complies with the Accounting Standards issued by the Institute of Chartered Accountants of India.



## National General Industries Ltd.

### AUDIT COMMITTEE

The Audit Committee comprises of three directors namely Shri Pankaj Kumar Agarwal, Shri. Anshuman Goenka and Shri Vasu Modi, fully meets the requirement of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchange.

### AMALGAMATION OF MODI METAL UDYOG PRIVATE LTD. WITH THE COMPANY

Your Company has submitted a petition before Hon'ble High Court at Delhi u/s. 391 and 394 for approval of Scheme of Amalgamation of Modi Metal Udyog Pvt. Ltd. with the Company from Appointed date i.e. 1<sup>st</sup> April, 2008. Earlier, the said Scheme has been approved by the shareholders at the High Court convened shareholders meeting held on 30<sup>th</sup> June, 2009. Upon receipt of statutory approvals, the Scheme will be given effect to in the financial statements for the year ended 31<sup>st</sup> March, 2009.

### DEMATERIALISATION OF SHARES

Your company has entered into a tripartite agreement with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and Skyline Financial Services Pvt. Limited for maintaining a common share transfer agency, i.e. both in physical and electronic form. The ISIN Number of the Company is INE654H01011.

### STOCK EXCHANGE LISTING

All equity shares issued by your Company are listed at Bombay Stock Exchange Ltd. (BSE) under Scrip Code No. 531651. The Company has paid annual listing fees due to BSE for the year 2009-2010.

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

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo for the year ended 31<sup>st</sup> March, 2009 are annexed as Annexure 'A' and form an integral part of this report.

### PARTICULARS OF EMPLOYEES

Provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, are not applicable to your Company as no employee of the Company is drawing remuneration equal to or more than the limit specified under Companies (Particulars of Employees) Rules, 1975.

### CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the requirement set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the prescribed stipulations.



## National General Industries Ltd.

A Report on Corporate Governance and Management Discussion & Analysis Report, in terms of Clause 49 of the Listing Agreement together with a Certificate from the Auditors confirming compliance with the conditions of Corporate Governance are annexed and form part of the Annual Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors in respect of the Audited Annual Accounts for the year ended 31<sup>st</sup> March, 2009, hereby state and confirm:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That 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 at the end of the financial year ended on March 31, 2009 and of the profit of the Company for that period;
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors had prepared the annual accounts on a going concern basis.

### APPRECIATION & ACKNOWLEDGEMENT

Your Directors take this opportunity to express their appreciation for the co-operation and assistance received from the Central Government, the State Government, the Financial Institutions, Banks as well as the Shareholders during the year under review. Your Directors also with the place on record their appreciation of the devoted and dedicated service rendered by all the employees of your Company.

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

Place : New Delhi  
Date : 03.09.2009

Sd/-  
**Ashok Kumar Modi**  
Chairman and Managing Director





# National General Industries Ltd.

## ANNEXURE 'A' TO DIRECTORS' REPORT

Information as per Section 217 (1) (e) read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2009.

### I. CONSERVATION OF ENERGY

#### a) Energy conservation measures taken:

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.

#### b) Additional Investment and proposals being implemented for reduction of consumption of energy:

During the year under review, no additional investment was made. If required, the measures can be taken and investment may be made.

#### c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

However, efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

#### d) Total energy consumption and energy consumption per unit of production as Form-A of the Annexure to the Rules in respect of Industries in the Schedule thereto:

				2008-2009	2007-2008
<b>A) Power &amp; Fuel Consumption</b>					
<b>1.</b>	<b>Electricity</b>				
	<b>a)</b>	<b>Purchased</b>			
		Units (in thousands)		792130	881294
		Total Amount (Rs.)		6233687.00	5242742.00
		Rate/Unit (Rs.)		7.87	5.95
	<b>b)</b>	<b>Own Generation through Diesel Generator</b>			
		Litres		21600	13200
		Total amount (Rs.)		750232.00	443098.00
		Cost / Ltr.		34.73	33.57
	<b>c)</b>	<b>Through engine (LDO)</b>			
		Litres		77040	65730
		Total Amount (Rs.)		2502381.00	2093004.00
		Cost / Ltr.		32.48	31.84
<b>2.</b>	<b>Furnace Oil</b>				
		Qty. (K. Ltr.)		641.675	630.395
		Total Amount		16483193	13465834
		Average Rate		25.69	21.36
<b>B) Consumption per unit production</b>					
			<b>Unit</b>	<b>2008-2009</b>	<b>2007-2008</b>
		Electricity	Units	86.00	86.00
		Diesel Oil	Ltrs.	3.788	3.868
		LDO	Ltrs.	16.796	16.996
		Furnance Oil	Ltrs.	46.201	46.181



# National General Industries Ltd.

## II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form-B of the Annexure to the Rules.

1. Research and Development (R&D)
  - a) Specific areas in which R&D carried out by the Company:  
During the year under review, no R&D carried out.
  - b) Benefits derived as a result of above R&D: Not Applicable
  - c) Future Plan of action:  
If required, Research and Development activities shall be carried out in future to achieve grater efficiency in production techniques.
  - d) Expenditure on R&D: No capital as well as recurring expenditure made on R&D.
2. Technology absorption, adaptation & innovation.
  - a) Efforts, in brief, made towards technology absorption, adaptation and innovation:  
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.
  - b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc:  
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.
  - c) In case of imported technology (import during the last 5 years reckoned from the beginning of the financial year) : Nil

## III. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Export Activities: There was no export activity in the Company during the year under review as well as in the previous year and hence there was no foreign exchange earning.
- b) Outgo by way of other expenditure
 

Rs. 135370.00  
 (P.Y. - Rs.173050.00) -

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

Place : New Delhi  
Date : 03.09.2009

Sd/-  
**Ashok Kumar Modi**  
Chairman and Managing Director