

“श्री जी”



National General Industries Ltd.

An ISO 9001 : 2008 Certified Company

**31st Annual Report
2016-17**

Board of Directors

Ashok Kumar Modi	Chairman cum Managing Director
Pawan Kumar Modi	Joint Managing Director cum Chief Financial Officer
Pankaj Kumar Agarwal	Independent Director
Chaitanya Dalmia	Independent Director
Vasu Modi	Non-executive Director
Abhilasha Goenka	Independent Director
Vandana Gupta	Company Secretary

Statutory Auditors

R. K. Govil & Co.
Chartered Accountants
4, Kiran Enclave, Behind Hotel Samrat,
G.T. Road, 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 Patiala
HDFC Bank Limited

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NOTICE

NOTICE is hereby given that the **THIRTY FIRST ANNUAL GENERAL MEETING** of the Members of National General Industries Limited (CIN : L74899DL1987PLC026617) will be held on Tuesday, the 26th September, 2017 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, 2017, 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.
3. **Ratification of appointment of Statutory Auditors and fixing their remuneration:**
To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution :

"RESOLVED THAT pursuant to provisions of section 139 of Companies Act, 2013 and the rules and regulations made thereunder, M/s. N. R. & Company, Chartered Accountants (Firm Regn. No. 015095C) be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of 36th Annual General Meeting in the year 2022, subject to ratification of the appointment by the members at every Annual General Meeting, and that the Board of Directors of the Company be and is hereby authorised to fix their remuneration in consultation with them."

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

Place : New Delhi
Date : 31.08.2017

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

NOTES :

1. **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.
2. 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.
3. 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.
4. This Notice is also being sent with Annual Report alongwith attendance slip, proxy and route map of the venue of the Meeting.

5. Members / proxies are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
6. 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.
7. 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.
8. 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.

Details of Directors retiring by rotation, 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 are as follows :

Name of Director	Mr. Vasu Modi
DIN Number	00051696
Date of Birth	11-06-1980
Date of Appointment	10-04-2000
Expertise in Specific functional area	Wide experience in business development and marketing.
Qualification	B.B.A.
Directorship in other Public Limited Company (As on 31.03.2017)	Avlokiteshvar Valinv Ltd.
Chairman/Member of Committee in other public limited company (As on 31.03.2017)	Not Applicable
Shareholding in the Company (As on 31.03.2017)	3,59,745 (6.51%)

9. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 16th September, 2017 to Tuesday, 19th September, 2017 (both days inclusive).
10. 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.
11. 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.
12. 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.
13. 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.

14. Keeping in view the requirements set out in the Act, the Audit Committee and Board of Directors of the Company have recommended appointment of M/s. N. R. & Company, Chartered Accountants (Registration No. 015095C) as Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the sixth Annual General Meeting from this Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company. The first year of Audit by the aforesaid Auditors will be of the financial statement of the Company for the financial year ending March 31, 2018.
15. M/s. N. R. & Company, Chartered Accountants have consented to and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have also confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014. The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.
16. 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.
17. 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 31st 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 31st 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 Friday, 22nd September, 2017 (10.00 a.m. IST) and ends on Monday, 25th September, 2017 (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 Wednesday, 20th September, 2017, 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	<p>* Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* 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.</p> <p>* 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.</p>
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	<p>Enter the Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>* 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)</p>

- (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.

18. Other Instructions:

- a. The e-voting period commences on Friday, 22nd September, 2017 (10.00 a.m. IST) and ends on Monday, 25th September, 2017 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Wednesday, 20th September, 2017, 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 Wednesday, 20th September, 2017.
- 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.

19. **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.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty First Report of your Company along with the Audited Statement of Accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS (Rs. in Lacs)

The financial performance of the Company for the financial year ended on 31st March, 2017 and 31st March, 2016 are summarized below:-

Particulars	31.03.2017	31.03.2016
Total Income	1602.64	1850.32
Operating profit before interest and depreciation	127.71	355.08
Interest	17.09	31.33
Depreciation	53.46	52.46
Profit before Tax (PBT)	57.16	271.29
Provision for Taxation	-7.10	123.18
Security Transaction Tax	0.00	0.00
Deferred Tax Liabilities	-4.24	-1.96
Minimum Alternate Tax Credit Availed	0.00	0.00
Profit after Tax (PAT)	68.49	150.07
Balance Brought Forward	216.27	116.20
Profit available for appropriation	284.76	266.27
Transfer to General Reserve	20.00	50.00
Balance carried to Balance Sheet	264.77	216.27

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the year under review, the total income of your Company decreased to Rs. 1602.64 lakhs from Rs. 1850.32 lakhs as compared to previous year. The said total income includes contribution of turnover from handling services division of the Company of Rs. 136.06 lakhs as compared to Rs. 401.42 lakhs during the previous year.

During the year, the net profit before interest and tax from steel manufacturing division decreased to Rs. 41.37 lakhs from Rs. 105.38 lakhs as compared from the previous year. The decrease in profitability as compared to previous year is, *inter-alia*, due to intense competitive pressure resulting in fall of margin.

The handling services business had contributed net profit before interest and tax of Rs. 63.66 lakhs from Rs. 191.78 lakhs as compared to previous year. The other income comprising the return from investments activities has registered a net loss before interest and tax of Rs. 30.78 lakhs as compared to net profit of Rs. 5.45 lakhs during the previous year.

The Management System of your Company is in compliance with the requirement of international quality standard ISO 9001 : 2008 and it has been duly certified by the JAS-ANZ, an International Certification Agency.

Your Directors continued to carry on the handling services business and foresees the activities as profitable venture for future year business of the Company as well. Your directors are hopeful to record growth in the profitability by enhanced earnings from handling services business as well as steel manufacturing business in the current financial year.

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, 2017.

TRANSFER TO RESERVES

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

Particulars	F.Y. 2016-17	F.Y. 2015-16
General Reserve	Rs. 20,00,000/-	Rs. 50,00,000/-
Decrease in Revaluation Reserve	Rs. 1,06,392/-	Rs. 3,37,190/-
Surplus in Statement of Profit and Loss	Rs. 48,49,210/-	Rs. 100,07,049/-

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.

NUMBER OF BOARD MEETINGS & ATTENDANCE OF DIRECTORS

During the Financial Year 2016-17, 4 (Four) Board Meetings were held and the gap between two meetings did not exceed four months. The Board Meetings were held on 30.05.2016, 13.08.2016, 14.11.2016 and 13.02.2017.

The details of composition of the Board, the attendance record of the Directors at the Board Meetings held during the financial year ended on 31.03.2017 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	4	Yes	-	-
	Shri Pawan Kumar Modi	4	Yes	-	-
Non-Executive Non-independent Directors	Shri Vasu Modi	4	Yes	1	-
Non-Executive Independent Directors	Shri Pankaj Agarwal	4	Yes	-	-
	Shri Chaitanya Dalmia	4	No	3	1
	Smt. Abhilasha Goenka	4	No	-	-

Number of Equity Shares held by Directors as on 31st March, 2017 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	Independent Director	-
Shri Chaitanya Dalmia	Independent Director	-
Smt. Abhilasha Goenka	Independent Director	-