FORM A

COVRERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGE

1	Name of the Company	NATIONAL GENERAL INDUSTRIES LTD.
2	Annual Financial Statements for the year ended	31st March, 2015
3	Type of Audit observation	Un-qualified / ~~Matter of Emphasis~~
4	Frequency of observation	Whether appeared first time/repetitive/since how long period – NOT APPLICABLE
5	Signed by	
	Managing Director	
	CFO	
	Auditor of the Company	
	Audit Committee Chairman	

"श्री जी"

National General Industries Ltd.

An ISO 9001 : 2008 Certified Company

29th Annual Report
2014-15

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

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

Works – I : Re-rolling unit

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

Works – II : Casting unit

Plot No. SP-242, RIICO Ind. Area
Kaharani (Bhiwadi Extension)
District : Alwar, Rajasthan.

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

Bankers

State Bank of Patiala

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NOTICE

NOTICE is hereby given that the **TWENTY NINTH ANNUAL GENERAL MEETING** of the Members of National General Industries Limited (CIN : L74899DL1987PLC026617) will be held on Wednesday, the 30th September, 2015 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, 2015, 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, the appointment of M/s. R. K. Govil & Company, Chartered Accountants (Firm Regn. No. 000748C) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 30th Annual General Meeting in the year 2016, be and is hereby ratified and that the Board of Directors of the Company be and is hereby authorised to fix their remuneration in consultation with them."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

   "RESOLVED THAT pursuant to provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force), and in terms of recommendation by Nomination & Remuneration Committee of the Company, consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Ashok Kumar Modi (DIN : 00051647), as Managing Director of the Company for a period of five years effective from July 4, 2015 to July 3, 2020, without any remuneration, with the liberty to the Board of Directors of the Company to alter and vary the terms and conditions thereof in such manner as may be agreed between the Board and Mr. Ashok Kumar Modi subject to applicable provision of the Act, or any amendment thereto or any re-enactment thereof.

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

   "RESOLVED THAT pursuant to provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force), and in terms of

recommendation by Nomination & Remuneration Committee of the Company, consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Pawan Kumar Modi (DIN : 00051679), as Managing Director of the Company for a period of five years effective from July 4, 2015 to July 3, 2020, without any remuneration, with the liberty to the Board of Directors of the Company to alter and vary the terms and conditions thereof in such manner as may be agreed between the Board and Mr. Pawan Kumar Modi subject to applicable provision of the Act, or any amendment thereto or any re-enactment thereof.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable.**"**

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

Sd/-
Ashok Kumar Modi
Managing Director

Place : New Delhi
Date : 03.09.2015

NOTES :

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in regard to the business as set out in Item Nos. 4 to 5 above, are annexed hereto.
2. **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.
3. 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.
4. 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.
5. Brief resume of Directors those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, name of companies in which they hold directorships and memberships, chairmanship of the Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are annexed to the notice.
6. Members / proxies are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
7. 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.
8. 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.

9. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 18th September, 2015 to Tuesday, 22th September, 2015 (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. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, and Clause 35B of the Listing Agreement, the companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to M/s. Skyline Financial Services Pvt. Ltd. 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. 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, 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.
15. 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 29th 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 29th 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 Saturday, 26th September, 2015 (10.00 a.m. IST) and ends on Tuesday, 29th September, 2015 (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 24th September, 2015, 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	* Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * 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. * 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.
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	Enter the Bank Details as recorded in your demat account or in the company records for the said demat account or folio. * 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)

(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.

16. Other Instructions:

a. The e-voting period commences on Saturday, 26th September, 2015 (10.00 a.m. IST) and ends on Tuesday, 29th September, 2015 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 24th September, 2015, 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 24th September, 2015.

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 witness not in the employment of the company and make, not later than three days 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 within three days of the passing of the resolutions at the 29th AGM of the Company on September 30, 2015 and communicated to the BSE Limited, where shares of the Company are listed.

17. **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 three days from the date of AGM of the Company.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Statements sets out all material facts relating to the Special Business mentioned in the accompanying notice.

ITEM NO. 4

Mr. Ashok Kumar Modi (DIN : 00051647) aged 59 years has served the Company as Managing Director cum Chairman of the Company since the year 2000. He is a commerce graduate having working experience of more than 30 years in the steel and allied industries.

The terms of Mr. Ashok Kumar Modi as Managing Director expired on 3rd July, 2015. The Board of Directors of the Company at its meeting held on 3rd July, 2015 has re-appointed him for a further period of 5 (Five) Years from the date of expiry of his term i.e. upto 3rd July, 2020. On the recommendation of Nomination and Remuneration Committee, no remuneration will be paid to Mr. Ashok Kumar Modi. 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 to be within the parameters of the applicable provisions of the Companies Act, 2013.

As Managing Director, Mr. Ashok Kumar Modi will have requisite powers and authorities to enable him to manage the Company on a day-to-day basis.

The appointment will be for a period of five years, which may be terminated by either party by giving to the other ninety days' notice in writing to other.

Except Mr. Ashok Kumar Modi, being an appointee, and holding 2,71,770 numbers of shares equivalent to 4.91 % of voting power, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board commends the resolution for approval of shareholders by ORDINARY RESOLUTION.

ITEM NOS. 5

Mr. Pawan Kumar Modi (DIN : 00051679) aged 58 years has served the Company as Joint Managing Director of the Company since the year 2000. He is a science graduate having working experience of more than 30 years in the steel and allied industries.

The terms of Mr. Pawan Kumar Modi as Managing Director expired on 3rd July, 2015. The Board of Directors of the Company at its meeting held on 3rd July, 2015 has re-appointed him for a further period of 5 (Five) Years from the date of expiry of his term i.e. upto 3rd July, 2020. On the recommendation of Nomination and Remuneration Committee, no remuneration will be paid to Mr. Pawan Kumar Modi. 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 to be within the parameters of the applicable provisions of the Companies Act, 2013.

As Joint Managing Director, Mr. Pawan Kumar Modi will have requisite powers and authorities to enable him to manage the Company on a day-to-day basis.

The appointment will be for a period of five years, which may be terminated by either party by giving to the other ninety days' notice in writing to other.

Except Mr. Pawan Kumar Modi, being an appointee, and holding 2,71,770 numbers of shares equivalent to 4.91 % of voting power, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

The Board commends the resolution for approval of shareholders by ORDINARY RESOLUTION.

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

Sd/-
Ashok Kumar Modi
Managing Director

Place : New Delhi
Date : 03.09.2015

INFORMATION OF DIRECTORS PROPOSED TO BE APPOINTED OR REAPPOINTED

Name of Director	**Mr. Ashok Kumar Modi**	**Mr. Pawan Kumar Modi**	**Mr. Vasu Modi**
DIN Number	00051647	00051679	00051696
Date of Birth	18-06-1956	01-10-1957	11-06-1980
Date of Appointment	08-01-1987	08-01-1987	10-04-2000
Expertise in Specific functional area	Wide experience in business management and finance field.	Wide experience in technical and finance field.	Wide experience in business development and marketing.
Qualification	B.Com (H)	B.Sc.(H)	B.B.A.
Directorship in other Public Limited Company (As on 31.03.2015)	Not Applicable	Not Applicable	Avalokiteshvar Valinv Ltd.
Chairman/Member of Committee in other public limited company (As on 31.03.2015)	Not Applicable	Not Applicable	Not Applicable
Shareholding in the Company (As on 31.03.2015)	2,71,770 (4.91%)	2,71,770 (4.91%)	3,59,745 (6.51%)

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Ninth Report of your Company along with the Audited Statement of Accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS (Rs. in Lacs)

The financial performance of the Company for the financial year ended on 31st March, 2015 and 31st March, 2014 are summarized below:-

Particulars	31.03.2015	31.03.2014
Total Income	**1795.87**	1701.16
Operating profit before interest and depreciation	**192.07**	89.33
Interest	**54.83**	55.72
Depreciation	**50.02**	24.69
Profit before Tax (PBT)	**87.22**	8.92
Provision for Taxation	**16.92**	6.07
Security Transaction Tax	**0.09**	0.06
Deferred Tax Liabilities	**-8.14**	2.04
Minimum Alternate Tax Credit Availed	**-2.14**	-0.84
Profit after Tax (PAT)	**80.49**	1.59
Balance Brought Forward	**55.71**	74.12
Profit available for appropriation	**136.20**	75.71
Transfer to General Reserve	**20.00**	20.00
Balance carried to Balance Sheet	**116.20**	55.71

STATEMENT OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the year under review, the total income of your Company increased to Rs. 1795.87 lakhs from Rs. 1701.16 lakhs as compared to previous year. The said total income includes an additional contribution of turnover from new venture of handling services division of the Company of Rs. 174.11 lakhs during the year. During the year, the net profit before interest and tax from steel manufacturing division decreased to Rs. 26.22 lakhs from Rs. 43.18 lakhs as compared from the previous year. However during the year, the new venture of handling services business had contributed an additional net profit before interest and tax of Rs. 84.27 lakhs. The other income comprising the return from investments activities has registered a net profit before interest and tax of Rs. 70.32 lakhs as compared to Rs. 22.57 lakhs in 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 has explored the handling services business and foresees the activities as profitable venture for future year business of the Company. Your directors are hopeful to record growth in the profitability by earning from handling services business as well as proper savings on account of overhead expenses 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, 2015.

TRANFER TO RESERVES

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

Particulars	**F.Y. 2014-15**	**F.Y. 2013-14**
General Reserve	**Rs. 20,00,000/-**	Rs. 20,00,000/-
Security Premium Account	**Rs. 24,750/-**	Rs. 7,500/-
Decrease in Revaluation Reserve	**Rs. 4,40,529/-**	Rs. 4,40,529/-
Surplus in Statement of Profit and Loss	**Rs. 60,48,885/-**	Rs. 18,40,691/-

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 form part of the Annual Report.

NUMBER OF BOARD MEETINGS

During the Financial Year 2014-15, 5 (Five) Board Meetings were held and the gap between two meetings did not exceed four months. The Board Meetings were held on 30.05.2014, 13.08.2014, 02.09.2014, 13.11.2014 and 12.02.2015.

DIRECTORS & KEY MANAGERIAL PERSONNEL

In terms of Section 149 of the Act, the Members, at their meeting held on 30th September, 2014, appointed the following as Independent Directors of the Company:

- Mr. Pankaj Aggarwal
- Mr. Chaitanya Dalmia
- Mrs. Abhilasha Goenka

The Company has received the declaration under section 149(6) of the Companies Act, 2013 from the Independent Directors of the Company.

In terms of Section 203 of the Act, the following were designated as Key Managerial Personnel of your Company by the Board:

- Mr. Ashok Kumar Modi, Managing Director
- Mr. Pawan Kumar Modi, Joint Managing Director cum Chief Financial Officer

In terms of section 196 of the Act, on recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 3rd July, 2015 extended the terms of Mr. Ashok Kumar Modi, Managing Director and Mr. Pawan Kumar Modi, Joint Managing Director of the Company for five year i.e. upto on 3rd July, 2020.

In accordance with the requirements of the Act and the Articles of Association of the Company, Mr. Vasu Modi retires by rotation and is eligible for re-appointment.

During the year under review Mr. Anshuman Goenka, an Independent Director of the Company, had resigned w.e.f. 2nd September, 2014. Also Mrs. Abhilasha Goenka was appointed as an Independent Director of the Company w.e.f. 2nd September, 2014.

AUDITORS & AUDITORS' REPORT

A. Statutory Auditors

M/s. R. K. Govil & Co., Chartered Accountants, Statutory Auditor of the Company, holds office till the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment.

The Company has received letter from the auditor to the effect that their appointment, if made, would be within the prescribed limits under section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

B. Secretarial Auditors

M/s. Deepak Bansal & Associates, Company Secretaries, were appointed as Secretarial Auditors to conduct Secretarial Audit of records and documents of the Company for financial year 2014-15. The Secretarial Audit Report confirms that the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. The Secretarial Audit Report is given in **Annexure II** and form part of the Annual Report.

C. Cost Auditors

In terms of provision of section 148(1) of the Companies Act, 2013 read with rule 4 of the Companies (Cost Records and Audit) Amendment Rules, 2014, Company is not required to maintain cost records for the financial year 2014-15.

However, in terms of provision of section 209(1)(d) of the Companies Act, 1956, applicable for the financial year 2013-14 for the product manufactured by the Company, the Company has filed the Cost Audit Report for the financial year 2013-14 on 25th September, 2014, within the prescribed time during the year under review.

D. Internal Auditors

Your Company has appointed M/s. B.R.Maheswari & Co., Chartered Accountants, New Delhi as Internal Auditors of the Company for the financial year 2015-16.

EXPLANATIONS OR COMMENTS ON QUALIFICATION, RESERVATION OR ADVERSE REMARKS:

a) **By Statutory Auditors :**
There are no qualifications made by the Auditors in their Report which requires any explanation from the Board of Directors of the Company. The Notes to Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

b) **By Secretarial Auditors :**
There were no comments in the Secretarial Auditors Report which requires any explanation from the Board of Directors of the Company.

FRAUD

Neither the Auditors nor the Secretarial Auditors have brought to the notice of the Audit Committee or the Board of Directors or the Central Government the occurrence or brewing of any fraud in the Company.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments which can affect the financial position of the company between the end of the period under review and date of this report.

AUDIT COMMITTEE

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report which forms part of this report.

DETAILS OF SUBSIDIARY, JOINT VENTURES AND ASSOCIATE

The Company does not have any Subsidiary Company or Joint Venture Company. The detail of Associate Company is given in Extract of Annual Return under Annexure I of this report.

PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTY

All related party transactions done by the Company during the financial year were at arm's length and in ordinary course of business. All related party transactions were placed in the meetings of Audit Committee and the Board of Directors for their necessary review and approval. During the financial year your Company has not entered into any material transaction (as per Clause 49 of the Listing Agreement) with any of its related parties which may have potential conflict with the interest of the Company at large. Disclosures pursuant to Accounting Standards on related party transactions have been made in the notes to the Financial Statements.

PARTICULARS OF LOAN, GUARANTEES, SECURITIES AND INVESTMENTS

The Company has not given any loan, guarantee, securities or made any investments under Section 186 of the Companies Act, 2013

INTERNAL FINANCIAL CONTROLS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee and to the Chairman and Managing Director of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee and the Board.

RISK MANAGEMENT

The Board of Directors of your Company has, on recommendation of the Audit Committee framed and adopted a policy on Risk Management of the Company. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

WHISTLE BLOWER/VIGIL MECHANISM

Your Company has an effective Vigil Mechanism system which is embedded in its Code of Conduct to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Code of Conduct of your Company serves as a guide for daily business interactions, reflecting your Company's standard for appropriate behavior and living Corporate Values. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company.

NOMINATION & REMUNERATION POLICY

The broad terms of reference of the Nomination and Remuneration Committee ("NRC") of the Company are as under :

a) To identify suitable persons, interview them, if necessary, and recommend them as suitable candidates to fill up vacancies on the Board or augment the Board and Senior Management.

b) To develop a policy to ensure the optimum composition of the Board of Directors ensuring a mix of knowledge, experience and expertise from diversified fields of knowledge i.e. Policy on Board Diversity. The Policy also intends to add professionalism and objectivity in the process of deciding Board membership.
c) To lay down criteria for the evaluation of the Board.
d) To formulate a criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy thereon.
e) To formulate criteria for evaluation of Directors.

The company has adopted a Nomination and Remuneration Policy as recommended by "NRC" and the objective of Nomination and Remuneration Policy is to ensure rationale and objectivity in the remuneration of the Directors, Senior Management & employees of the Company. The Policy also intends to bring in a pragmatic methodology in screening of candidates who may be recommended to the position of Directors and to establish effective evaluation criteria to evaluate the performance of every Director and the overall Board of the Company.

The Policy also serves as a guiding principle to ensure good Corporate Governance as well as to provide sustainability to the Board of Directors of the Company

The policy as adopted is framed in accordance with provisions contained in sub–section (3) of Section 178 of the Companies Act, 2013.

Provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable to your Company as no Director of the Company is drawing remuneration from the Company during the year under review. None of the employees is related to any Director of the Company.

FORMAL EVALUATION OF BOARD, COMMITTEES & DIRECTORS' PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees.

CONSERVATION OF ENERGY, TECHNOLOGLY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo for the year ended 31st March, 2015 are annexed as **Annexure III** and form an integral part of this report.

PARTICULARS OF EMPLOYEES

The information required under Rule 5 (2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not required as there was no employee on the payroll of the Company receiving remuneration in excess of limit prescribed under the said rules.

CORPORATE GOVERNANCE

In terms of Circular Number CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, issued by SEBI, the provision of clause 49 is not mandatory as paid-up share capital of the Company is less than Rs. 10 crore and net-worth of the Company is less than Rs. 25 crore, as on the last day of the previous financial year. Your Directors has voluntarily done compliance to the requirement set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented the prescribed stipulations.

A Report on Corporate Governance annexed as **Annexure V** and Management Discussion & Analysis Report annexed as **Annexure IV**, in terms of Clause 49 of the Listing Agreement together with a Certificate from the Company Secretary in practice confirming compliance with the conditions of Corporate Governance form part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITIES

The provision of section 135 of the Companies Act, 2013 is not applicable on the Company as your Company did not meet any of the applicability criteria as specified under Companies (Corporate Social Responsibility Policy) Rules, 2014.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE, (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your company did not come across any complaints by any employees during the year under review relating to the sexual harassment.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost auditors, secretarial auditors and external consultants and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors in respect of the Audited Annual Accounts for the year ended 31st March, 2015, to the best of their knowledge and ability, hereby state and confirm that :

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) They have, 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, 2015 and of the profit of the Company for that period;

(iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) They have prepared the annual accounts on a going concern basis.

(v) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

APPRECIATION & ACKNOWLEGEMENT

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

Place : New Delhi
Date : 03.09.2015

Annexure I

Extract of Annual Return
As on the financial year ended on 31st March, 2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rule, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN : L74899DL1987PLC026617

ii) Registration Date : 8th January, 1987

iii) Name of the Company : National General Industries Limited

iv) Category / Sub-Category of the Company : Public Company limited by shares

v) Address of the Registered Office and contact details :
3rd Floor, Surya Plaza, K-185/1, Sarai Julena, New Friends Colony, New Delhi – 110025.
Tel. No. : 011-26829517,19 E-mail : cs@modisteel.net

vi) Whether Listed Company : Yes

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :
Skyline Financial Services Pvt. Ltd., D-153 A, 1st Floor, Okhla Industrial Area, Phase I, New Delhi – 110020 **Tel.:** 011-26812682, 83 **Fax :** 30857575 **Email:** admin@skylinerta.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 percent or more of the total turnover of the Company shall be stated:

S.No.	Name and Description of Main Product / Service	NIC Code of the Product / Services	% of total turnover of the Company
1.	Bars and Rods of Iron or Non-Alloy Steel	7214	100%

III. PARTICULAR OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY

S.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Modi Power Pvt. Ltd. 3rd Floor, Surya Plaza, K-185/1, Sarai Julena, New Friends Colony, New Delhi – 110025	U27310DL1991PTC165519	Associate	20.95% Equity Share – Class 'A'	Section 2(6)
2.	Modi Power Pvt. Ltd. 3rd Floor, Surya Plaza, K-185/1, Sarai Julena, New Friends Colony, New Delhi – 110025	U27310DL1991PTC165519	Associate	25.83% Equity Share – Class 'B'	Section 2(6)
3.	Pekon Properties & Enclave Pvt. Ltd. 4th Floor, Salkia, 70, Ashutosh Mukherjee Lane,Howrah - 711106	U70101WB1991PTC051763	Associate	26.43%	Section 2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2014)				No. of Shares held at the end of the year (as on 31.03.2015)				% of Change during the Year
	DEMAT	Physical	Total	% of Total Share	DEMAT	Physical	Total	% of Total Share	
A. Promoters (incl. Promoter Group)									
(1) Indian									
a) Individuals / HUF	445465	1304	446769	8.08	445465	1304	446769	8.08	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	876967	-	876967	15.86	876967	-	876967	15.86	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any Other (Director / Promoter & their relative & friends)	2295266	-	2295266	41.50	2305166	-	2305166	41.68	0.18
Sub-Total (A) (1):	**3617698**	**1304**	**3619002**	**65.44**	**3627598**	**1304**	**3628902**	**65.62**	**0.18**
(2) Foreign									
a) NRIs –Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A) (1)+(A)(2)	**3617698**	**1304**	**3619002**	**65.44**	**3627598**	**1304**	**3628902**	**65.62**	**0.18**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Cap. Fund	-	-	-	-	-	-	-	-	-
f) Insurance Co.	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	2405	508800	511205	9.24	2000	508800	510800	9.24	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i)Individual shareholders holding nominal share capital upto Rs. 1 lakh	12595	970200	982795	17.77	13000	960300	973300	17.60	-0.18
ii)Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	24500	392257	416757	7.54	24500	392257	416757	7.54	-
c) Others (NRI)	-	500	500	0.01	-	500	500	0.01	-
Sub-total (B) (2):	**39500**	**1871757**	**1911257**	**34.56**	**39500**	**1861857**	**1901357**	**34.38**	**-0.18**
Total Public Shareholding (B) =(B)(1)+(B)(2)	**39500**	**1871757**	**1911257**	**34.56**	**39500**	**1861857**	**1901357**	**34.38**	**-0.18**
C. Shares held by Custodians for GDR/ADR	-	-	-	-	-	-	-	-	-
TOTAL (A)+(B)+(C)	**3657198**	**1873061**	**5530259**	**100.00**	**3667098**	**1863161**	**5530259**	**100.00**	**-**

ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year (as on 01.04.2014)			Shareholding at the end of the year (as on 31.03.2015)			% of Change in shareholding during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Ashok Kumar Modi	2,71,770	4.91	-	2,71,770	4.91	-	-
2.	Pawan Kumar Modi	2,71,770	4.91	-	2,71,770	4.91	-	-
3.	Vasu Modi	3,59,745	6.51	-	3,59,745	6.51	-	-
4.	Madhur Modi	3,68,000	6.65	-	3,68,000	6.65	-	-
5.	Manhar Modi	4,02,898	7.29	-	4,02,898	7.46	-	0.18
6.	Shakuntala Modi	78,810	1.43	-	78,810	1.43	-	-
7.	Sangeeta Modi	2,70,976	4.90	-	2,70,976	4.90	-	-
8.	Nandini Modi	2,70,977	4.90	-	2,70,977	4.90	-	-
9.	Shivani Modi	320	0.01	-	320	0.01	-	-
10.	J.P.Modi & Sons - HUF	64,098	1.16	-	64,098	1.16	-	-
11.	Ashok K. Modi – HUF	1,83,253	3.31	-	1,83,253	3.31	-	-
12.	Pawan K. Modi – HUF	1,98,114	3.58	-	1,98,114	3.58	-	-
13.	Sharda Daga	16	0.00	-	16	0.00	-	-
14.	Mahendra Jain	16	0.00	-	16	0.00	-	-
15.	Indra Prakash Wahi	80	0.00	-	80	0.00	-	-
16.	Saroj Wahi	312	0.01	-	312	0.01	-	-
17.	Anil Wahi	216	0.00	-	216	0.00	-	-
18.	Manoj Diddee	176	0.00	-	176	0.00	-	-
19.	Saroj Diddee	200	0.00	-	200	0.00	-	-
20.	Usha Bharat	288	0.01	-	288	0.01	-	-
21.	Modi Power Pvt. Ltd.	4,99,900	9.04	-	4,99,900	9.04	-	-
22.	Modi Metal & Allied Industries Pvt. Ltd.	1,37,067	2.48	-	1,37,067	2.48	-	-
23.	Pekon Properties & Enclave Pvt. Ltd.	2,40,000	4.34	-	2,40,000	4.34	-	-
	TOTAL	**36,19,002**	**65.44**	**-**	**36,28,902**	**65.62**	**-**	**0.18**

iii) Change in Promoters' Shareholding*

S. No.	Name of Shareholder	Shareholding at the beginning of the year(as on 01.04.2014)		Cumulative Shareholding during the year(as on 01.03.2015)	
1.	Manhar Modi	No. of shares	% of total shares of Company	No. of shares	% of total shares of Company
	At the beginning of the year	4,02,898	7.29	4,02,898	7.29
	Purchase of Shares Date : 31-12-2014	9,900	0.18	9,900	0.18
	At the end of the year	4,12,798	7.46	4,12,798	7.46

* There is no change in shareholding of other shareholders in Promoter Group

iv) Shareholding Pattern of top ten Shareholders (Other than Directors and Promoter)

S. No.	Name of Top 10 Shareholders	Shareholding at the beginning of the year (as on 01.04.2014)*		Cumulative Shareholding during the year (as on 31.03.2015)*	
		No. of shares	% of total shares of Company	No. of shares	% of total shares of Company
1.	Mahan Syntex Pvt. Ltd.	247300	4.47	247300	4.47
2.	Sarla Credit & Securities Ltd.	151300	2.74	151300	2.74
3.	Yashman Marcantiles P. Ltd.	100000	1.81	100000	1.81
4.	Atul Bharat	43157	0.78	43157	0.78
5.	Vikas Mittal	41500	0.75	41500	0.75
6.	Puneet Mittal	41000	0.74	41000	0.74
7.	Amit Bharat	41000	0.74	41000	0.74
8.	Prithi Pal Singh	39800	0.72	39800	0.72
9.	Lov Kumar	37500	0.68	37500	0.68
10.	Deepak Bhargava	24500	0.44	24500	0.44

* There is no change in shareholding of top 10 shareholders during the year.

v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name of Directors and Key Managerial Personnel	Shareholding at the beginning of the year (as on 01.04.2014)*		Cumulative Shareholding during the year (as on 31.03.2015)*	
		No. of shares	% of total shares of Company	No. of shares	% of total shares of Company
1.	Ashok Kumar Modi	2,71,770	4.91	2,71,770	4.91
2.	Pawan Kumar Modi	2,71,770	4.91	2,71,770	4.91
3.	Vasu Modi	3,59,745	6.51	3,59,745	6.51

* There is no change in shareholding of Directors and KMP during the year.

V. INDEBTEDNESS

	Secured Loan excl. Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	85,09,524/-	1,23,00,000/-	-	**2,08,09,524/-**
(ii) Interest due but not paid	-	66,642/-	-	**66,642/-**
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**85,09,524/-**	**1,23,66,642**	-	**2,08,76,166/-**
Change in indebtedness during the financial year				
- Addition	-	66,642/-	-	**66,642/-**
- Reduction	46,01,809/-	90,66,642/-	-	**1,36,68,451/-**
Net Change	**46,01,809/-**	**90,00,000/-**	-	**1,36,01,809/-**
Indebtedness at the end of the financial year				
(i) Principal Amount	39,07,715/-	33,00,000/-	-	**72,07,715/-**
(ii) Interest due but not paid	-	66,642/-	-	**66,642/-**
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**39,07,715/-**	**33,66,642/-**	-	**72,74,357/-**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

There is no remuneration paid to Managing Directors, Whole-time Directors, Manager, Other Directors and Key Managerial Personnel during the financial year 2014-15, hence there is no information available for disclosures.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	APPEAL MADE, IF ANY
A. COMPANY					
- Penalty	NONE				
- Punishment					
- Compounding					
B. DIRECTORS					
- Penalty	NONE				
- Punishment					
- Compounding					
C. OTHER OFFICERS IN DEFAULT					
- Penalty	NONE				
- Punishment					
- Compounding					

Annexure II

Secretarial Audit Report
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015
(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
National General Industries Limited
3rd Floor, Surya Plaza,
K-185/1, Sarai Julena,
New Friends Colony,
New Delhi – 110025

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by National General Industries Limited (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March 2015 ('Audit Period')** generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of:

(i) The Companies Act, 2013 (the 'Act') and the rules made there under;
(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings were not applicable to the Company during the Audit Period;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
    (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 were not applicable to the Company during the Audit Period;
    (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014 were not applicable to the Company during the Audit Period;
    (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 were not applicable to the Company during the Audit Period;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client were not applicable to the Company during the Audit Period as the Company is not registered as Registrar to an issue and Share Transfer Agent;
(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 were not applicable to the Company during the Audit Period; and
(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 were not applicable to the Company during the Audit Period;

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the law applicable specifically to the Company.

We have also examined compliance with the applicable clauses of the following:
(i) Secretarial Standards issued by The Institute of Company Secretaries of India were not applicable to the Company during the Audit Period.
(ii) The Listing Agreement entered into by the Company with BSE Limited.

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through as there are no dissenting members' views.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had no significant events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For Deepak Bansal & Associates
Company Secretaries
Sd/-
(**Deepak Bansal)**
Proprietor
FCS : 3736
C.P. No. : 7433

Place : New Delhi
Dated : 13.08.2015

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

Annexure A

To,
The Members
National General Industries Limited
3rd Floor, Surya Plaza,
K-185/1, Sarai Julena,
New Friends Colony,
New Delhi – 110025

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.

4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Deepak Bansal & Associates
Company Secretaries

Sd/-

Place : New Delhi
Dated : 13.08.2015

(**Deepak Bansal)**
Proprietor
FCS : 3736
C.P. No. : 7433

Annexure III

Conservation of Energy and Technology Absorption

A. Conservation of Energy

(i) The steps taken or impact on conservation of energy

During the year under review, wherever possible, energy conservation measures have been taken.

(ii) The steps taken for utilizing alternate sources of energy

During the year under review, no major alternate source of energy was found for its utilization.

(iii) Capital Investment on energy conservation equipment

During the year under review, no capital investment was made on energy conservation equipment. However, efforts to conserve and optimize the use of energy through improved operational methods and other means will also continue.

B. Technology Absorption

(i) Efforts made for technology absorption

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.

(ii) Benefit derived

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.

(iii) Expenditure on Research & Development, if any

During the year under review, no expense was incurred by the Company on research and development.

(iv) Details of Technologies

The Company is using latest techniques for production.

C. FOREIGN EXCHANGE EARININGS AND OUTGO

The foreign exchange Earnings and Outgo during the year are as under:

Particulars	As on 31st March, 2015	As on 31st March, 2014
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Rs. 2,08,369/-	Rs. 1,42,235/-

Annexure IV

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

FORWARD LOOKING STATEMENT

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will, 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectation of projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could, thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events.

OVERVIEW OF FY 2014-15

National General Industries Limited ('The Company') is engaged in the production and selling of Steel. The Company has manufacturing facilities at Ghaziabad, Uttar Pradesh and Bhiwadi, Rajasthan. During the year under review the Company has explored an opportunity of handling services business for steel product in the State of Punjab.

During the year under review, the turnover of the Company from steel division decreased to Rs. 1631.85 lacs from Rs. 1775.75 lacs in previous year. The Company explored a new business of handling services division which had an additional turnover of Rs. 174.11 lakhs in the year under review. The Company achieved net profit before interest and tax from its steel division of Rs. 26.22 lakhs as compared to Rs. 43.18 lakhs during previous year. From the new venture of handling services division, the Company earned an additional net profit before interest and tax of Rs. 84.27 lakhs

GLOBAL ECONOMY

The world economic growth remained modest at 3.4% in the year 2014 as compared to 3.0% in the year 2013, amidst divergent growth trend in advance and emerging economies. While the developed economies led by the US & UK continued to strengthen the growth. Many oil exporting economies were under stress due to a sharp drop in oil prices. Despite their slower growth, emerging markets and developing economies still accounted for three-fourths of global growth in the year 2014.

The global steel industry continues to face problems of large surplus capacity. In the year 2014, global crude steel production growth slowed down to 1% and apparent finished steel demand growth grew by just 0.6%. This meagre demand growth was also recorded only due to some pickup in the demand from the advanced economies. The positive momentum in the global steel demand experienced in the second half of 2013 subsided in the year 2014 due to a weaker than expected demand growth in emerging and developing economies. Steel demand in the advanced economies grew by 6.2% in the year 2014 buoyed by growing the US economy and mild recovery in the Euro region.

INDIAN ECONOMY

In financial year 2014-15, the Indian economy supported by lower oil prices, improved FDI inflows and pro-growth economic reforms initiated by new Government saw a moderate improvement in growth momentum; some of the key macroeconomic indicators also strengthened over the year. The Indian economic growth improved to 7.3% in FY 2014-15 as compared to 6.9% in FY 2013-14. While the agriculture sector grew at 0.2%, it is manufacturing and service industry that leads the growth at 7.1% during FY 2014-15. Several policy measures taken by the Reserve Bank of India (RBI) and the Government, supported by lower global crude oil prices, resulted in decline in inflation

during the year; consumer price inflation is expected to be between 5.0 – 5.5% range during 2015-16 and narrowed down the Current Account Deficit to 1.3% of GDP during FY 2014-15 compared to 1.7% in FY 2013-14.

The steel industry contributes nearly 2% of GDP and employs more than six lakh people. Steel contributes 6.70% to country's industrial production. India is the 4th largest producer and 3rd largest consumer of crude steel globally in the year 2014. Production of crude steel grew by 8.0% to 88.25MT. Consumption of steel stood at 76.36MT, a growth of 3.1% compared to last year. Indian steel faced several challenges during the year. On the other had the finished steel imports surge by 71% a specially from the surplus economies of China, Korea, Japan and Russia. Korea & Japan reduced the import tariffs under the Free Trade Agreement with India. At the same time finished steel export from India also decreased by 8.10% to 5.5 MT. Despite a sharp 50% fall in global iron ore prices, between April 2014 and March 2015, prices in the domestic market experienced a mild correction of 15% due to shortages that arise due to restriction/ban on mining operations in the key producing states of Goa, Karnataka, Odisha and Jharkhand.

The Government in order to enhance is of doing business and attract new investment, took several policies measures. These includes hiking the foreign direct investment limits in defence, railways, and insurance, labour reforms, transparent and faster environment clearances, transparent auction-based natural resources allocation policy and rationalization/simplification of tax regime. The other important reform measures taken by the new Government such as deregulation of diesel and petrol prices, direct transfer of subsidies and initiatives for employment growth ("Make in India, Skill India and Digital India" campaigns) are the steps taken to create a framework for sustainable growth.

OUTLOOK

Global economic growth indicators are moderately positive, but the volatility in energy prices, currency adjustments threat of hike in interest rates in USA and swings in capital flow can potentially impact emerging economies. The IMF forecasts world economy to expand at 3.50% in 2015 and 3.80% in 2016, terming global growth prospects as moderate and uneven in its latest April 2015 World Economic Outlook. The growth in advanced economies, aided by fall in oil prices, is projected to strengthen, for the third year in aa row, to 2.40% in the year 2015 compared to 1.80% in the year 2014. The growth in emerging markets and developing economies, on the other hand is expected to weaken to 4.30% in the year 2015 compared to 4.60% in the year 2014.

Global steel demand in the year 2015 is expected to increase by 0.50% to 1,544MT, while in the year 2016 it is projected to grow by 1.40% to 1,566MT. Steel demand in the developed economies is projected to grow by 0.20% in the year 2015 and by 1.80% in the year 2016. Chinese steel demand is projected to record a negative growth of 0.50% in the year 2015 as well as in the year 2016.

The Indian economy is on a path of gradual recovery. The government has undertaken several steps to unplug the bottleneck and revive the business confidence. The Indian economy stands to benefit from the correction in global crude oil prices, will have positive impact on the macro economy in form of lower inflation, reduced current account deficit, healthier fiscal accounts, increased consumption and a stable INR. Indian economy is among a few economies globally for which economic growth forecast has been raise by the IMF. The IMF has raised its Indian GDP growth estimates for FY 2015-16 to 7.50%.

OPPORTUNITIES, THREATS AND RISKS

For the steel industry, the critical area of concern continues to be the restrictions on mining resulting in poor availability of iron ore and its inconsistent quality. Despite lifting of mining bans in Goa and Karnataka, continued restrictions have given inadequate relief to Indian steel companies. Another major area of concern is high import dependency of coking coal despite large domestic resources remaining unutilized. These are some areas where critical policy interventions are required from the

new government. The 'Quality Reformation' for Steel sector has continued to encounter a series of exemptions, exceptions, exclusions and omissions, impacting the development and growth prospects of Indian Steel Industry; while simultaneously depriving Indian steel consumers of their "Right to Quality". This could prove to be a major setback for a sustainable growth and development of Indian manufacturing and infrastructure sector. If the industry is pushed to improve its quality, it could overcome technical barriers to trade thereby not only ensuring that domestic customers get the highest quality but helping the industry in both import substitution of finished products as well as exports of value-added steel.

Despite some of the challenges outlined above, National General Industries Ltd. is ideally placed to benefit from the emerging opportunities because of combination of technology, dynamic product mix, production efficiency and market penetration. During the year 2014-15, the Company has successfully explored new opportunity in handling services business.

SEGMENT-WISE PERFORMANCE

A detailed note on the segment-wise performance is given under the Notes on Accounts, forming a part of annual accounts of the Company.

RISKS AND CONCERNS

Technology obsolescence is an inherent business risk in a fast changing world and speed of change and adaptability is crucial for survival of business. Though aggressive cost cutting and addition to the product mix to incorporate more value-added products are still the present strengths of the Company. The Company is taking utmost care to ensure very high quality of products.

INTERNAL CONTROL SYSTEM

A robust system of internal control, commensurate with the size and nature of its business, forms an integral part of the Company's corporate governance policies. The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. Internal control systems are integral to NGIL's corporate governance policy. The accounting records are adequate for preparation of financial statements and other financial information. The adequacy and effectiveness of internal controls across the various business, as well as compliance with laid down systems and policies are regularly monitored by your Company's internal audit process. The Audit Committee of Board, which met four times during the year, reviewed the financial disclosures.

FINANCIAL AND OPERATIONAL PERFORMANCE

The financial performance of the Company for the financial year ended on 31st March, 2015 and 31st March, 2014 are summarized below:-

Particulars	31.03.2015	31.03.2014
Total Income	**1795.87**	1701.16
Operating profit before interest and depreciation	**192.07**	89.33
Interest	**54.83**	55.72
Depreciation	**50.02**	24.69
Profit before Tax (PBT)	**87.22**	8.92
Provision for Taxation	**16.92**	6.07
Security Transaction Tax	**0.09**	0.06
Deferred Tax Liabilities	**-8.14**	2.04
Minimum Alternate Tax Credit Availed	**-2.14**	-0.84
Profit after Tax (PAT)	**80.49**	1.59
Balance Brought Forward	**55.71**	74.12
Profit available for appropriation	**136.20**	75.71
Transfer to General Reserve	**20.00**	20.00
Balance carried to Balance Sheet	**116.20**	55.71

During the year under review, the total income of your Company increased to Rs. 1795.87 lakhs from Rs. 1701.16 lakhs as compared to previous year. The said total income includes an additional contribution of turnover from new venture of handling services division of the Company of Rs. 174.11 lakhs during the year. During the year, the net profit before interest and tax from steel manufacturing division decreased to Rs. 26.22 lakhs from Rs. 43.18 lakhs as compared from the previous year. However during the year, the new venture of handling services business had contributed an additional net profit before interest and tax of Rs. 84.27 lakhs. The other income comprising the return from investments activities has registered a net profit before interest and tax of Rs. 70.32 lakhs as compared to Rs. 22.57 lakhs in the previous year.

INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT

Industrial relations during the year under review were cordial and peaceful. The management wishes to place on record, the excellent cooperation and contribution made by the employees, at all levels of the organization to the continued growth of the Company. There was constant focus on all round organizational development.

Considering human resources as most important resource, the major thrust was on recruiting highly qualified executives in various departments and also recruiting highly skilled workers to strengthen the production. Various training programs including visionary exercises were conducted for personal as well as professional development of the employees. The Company's industrial relations continued to be harmonious during the year under review.

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

Sd/-
Ashok Kumar Modi
Chairman and Managing Director

Place : New Delhi
Date : 13.08.2015

Annexure V

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2014-15

(Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange)

1. Company's Philosophy

Corporate Governance at National General Industries Limited has been a continuous journey and the business goals of the Company are aimed at the overall well being and welfare of all the constituents of the system. The Company's philosophy on corporate governance envisages an attainment of the highest level of transparency, accountability and equity in all facts of its operations and in all interactions with its stakeholders including the shareholders, employees, government and lenders.

At the heart of Company's corporate governance policy is the ideology of transparency and openness in the effective working of the management and Board. It is believed that the imperative for good corporate governance lies not merely in drafting a code of corporate governance but in practicing. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders value over a sustained period of time and at the same time protect the interest of stakeholders.

Your Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement, the details of which are given below.

2. Board of Directors

Composition, Meeting and attendance record of each Directors:

As on 31.03.2015, the Board of Directors comprises of 6 Directors, of which 4 are non-executive. As per Clause 49 of Listing Agreement, in case of Executive Chairman, at least one-half of the Board should comprise of independent Directors. The Board of Directors of the Company headed by Executive Chairman, has 3 Independent Directors.

The details of composition of the Board, the attendance record of the Directors at the Board Meetings held during the financial year ended on 31.03.2015 and 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	5	Yes	-	-
	Shri Pawan Kumar Modi	5	Yes	-	-
Non-Executive Non-independent Directors	Shri Vasu Modi	5	Yes	1	-
Non-Executive Independent Directors	Shri Pankaj Agarwal	4	Yes	-	-
	Shri Anshuman Goenka (upto 02.09.2014)	2	No	-	-
	Shri Chaitanya Dalmia	4	No	3	1
	Smt. Abhilasha Goenka (w.e.f. 02.09.2014)	3	Yes	-	-

During the Financial Year 2014-15, 5 Board Meetings were held and the gap between two meetings did not exceed four months. The Board Meetings were held on 30.05.2014, 13.08.2014, 02.09.2014, 13.11.2014 and 12.02.2015.

Number of Equity Shares held by Directors as on 31st March, 2015 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 Anshuman Goenka (upto 02.09.14)	Independent Director	-
Shri Chaitanya Dalmia	Independent Director	-
Smt. Abhilasha Goenka (w.e.f. 02.09.14)	Independent Director	

3. Code of Conduct

The Board of Directors has laid down a Code of Conduct for all Board members and senior management personnel of the Company. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect, duly signed by the Managing Director is annexed and forms part of this report.

4. Audit Committee

During the financial year 2014-15, the Audit Committee comprises of 3 Non-executive Directors viz. Shri Pankaj Agarwal and Shri Anshuman Goenka (upto 02.09.2014) and Smt. Abhilasha Goenka (w.e.f. 02.09.2014), Independent Directors and Shri Vasu Modi, Non-independent Director. Mr. Pankaj Agarwal is the Chairman of the Audit Committee. The Members of the Audit Committee possess adequate knowledge of Accounts, Audit, Finance, etc. The Compliance Officer of the Company acts as the Secretary to the Audit Committee. The constitution of Audit Committee also meets the requirements under Section 177 of the Companies Act, 2013.

The Broad terms of reference and power of Audit Committee are in keeping with those contained under Clause 49 of the Listing Agreement and the Companies Act, 2013. The power of Audit Committee, inter-alia, are as under:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if necessary.

The scope and activities of the Audit Committee include the areas prescribed under clause 49 III (D) of the listing agreement with the stock exchanges. The Audit Committee has been granted powers as prescribed under the clause 49 III (C).

The Audit Committee invites representatives of the Statutory Auditors to be present at its meetings. The Compliance Officer acts as the Secretary to the Audit Committee.

Four meetings of the Audit Committee were held during the financial year 2014-15, on 30.05.2014, 13.08.2014, 13.11.2014 and 12.02.2015. The constitution of the Committee as at 31.03.2015 and the attendance of each Member are as given below:

Sl. No.	Name of the Member	Category	No. of Meetings Attended
1	Shri Pankaj Agarwal	Non-Executive Independent	4
2	Shri Anshuman Goenka (upto 02.09.2014)	Non-Executive Independent	2
3	Shri Vasu Modi	Non-Executive Non-Independent	4
4	Smt. Abhilasha Goenka (w.e.f. 02.09.2014)	Non-Executive Independent	2

5. Remuneration Committee

During the financial year 2014-15, the Remuneration Committee of the Board comprises 3 Non-executive Directors viz. Shri Pankaj Agarwal and Shri Anshuman Goenka(upto 02.09.2014) and Smt. Abhilasha Goenka (w.e.f. 02.09.2014), Independent Directors and Shri Vasu Modi, Non-independent Director. Mr. Pankaj Agarwal is the Chairman of the Committee. The Committee has been constituted to recommend/review remuneration of the Managing Director and Whole time Directors.

a. Pecuniary Relationships: None of the Non Executive Directors of your Company have any pecuniary relationship or transactions with the Company.
b. Remuneration Policy : The following aspects are considered while determining the remuneration package of the senior management of the Company:
   - Industry Standards
   - Remuneration package of executives in the industry with similar skill sets.
c. No remuneration or sitting fees paid to the Non-executive directors.
d. The details of remuneration paid/payable to the Whole-time Directors for the financial year 2014-2015 : Nil

The Company has not issued Stock Options (ESOPs) to any of its directors.

6. Stakeholders Relationship Committee

The erstwhile Shareholders'/Investors' Grievance Committee now renamed as Stakeholders Relationship Committee on 2nd September, 2014, comprised of 3 directors as its Member. The Committee has been constituted, inter-alia, to consider transfer and transmission of shares, rematerialisation of shares, transposition of names, consolidation of shares, issue of duplicate share certificates, etc. and to look into redressal of shareholders' complaints. During the year Committee met four times on 30.05.2014, 13.08.2014, 13.11.2014 and 12.02.2015 and the attendance of the Members at the meeting was as follows:

Name of the Members	Status	No. of meetings attended
Shri Pankaj Agarwal	Chairman	4
Shri Anshuman Goenka (upto 02.09.2014)	Member	2
Shri Vasu Modi	Member	4
Smt. Abhilasha Goenka (w.e.f. 02.09.2014)	Member	2

The Board has designated Mr. Vasu Modi, Director of the Company as Compliance Officer of the Company.

No. of shareholders' complaints received upto 31st March, 2015 : Nil
No. of complaints not solved to the satisfaction of the shareholders : Nil
No. of pending complaints : Nil

7. Risk Management

The Company manages risks as an integral part of its decision making process. The Audit Committee and the Board of Directors are apprised regarding key risk assessment and risk mitigation mechanism.

8. CEO Certification

In terms of the requirements of Clause 49(v) of the Listing Agreement, the Managing Director and Jt. Managing Director have submitted certificate to the Board of Directors stating the particulars specified under the said clause. The certificate has been reviewed and taken on record by the Board of Directors at its meeting held on 13th August, 2015.

9. General Body Meetings

The details of last three Annual General Meetings are given below:

Year	Location	Date	Time
2011 – 2012	Nawal Vihar, Farm 7, Dera Gaon, New Delhi – 110 030	29.09.2012	11.30 a.m.
2012 – 2013		30.09.2013	11.30 a.m.
2013 – 2014		30.09.2014	11.30 a.m.

During last three AGMs, no Special Resolution was passed.

During the year under review, no resolution was passed through Postal Ballot.

10. Disclosures

i) There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, or their relatives, etc. that may have potential conflict with the interest of the Company at large. The related party transactions are duly disclosed in the Notes to the Accounts.

ii) There were no cases of non-compliance by the Company and no penalties imposed, stricture passed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

iii) No treatment different from the Accounting Standards, prescribed by the Institute of Chartered Accountants of India, has been followed in the preparation of Financial Statements.

iv) In terms of Circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, issued by SEBI, the provision of clause 49 is not mandatory as paid-up share capital of the Company is less than Rs. 10 crore and net-worth of the Company is less than Rs. 25 crore, as on the last day of the previous financial year. The Company has voluntarily done compliance of the requirements of clause 49 of the Listing Agreement.

11. Means of Communication

The unaudited quarterly & half yearly financial results are sent to the Bombay Stock Exchange, where the equity shares of the Company are listed. The results of the Company are published in the daily newspaper viz., Financial Express in English and Jansatta in Hindi.

12. Management Discussion & Analysis Report

The Management Discussion and Analysis Report form part of the Annual Report.

13. Compliance Officer

Mr. Vasu Modi, Director of the Company is the compliance officer who may be contacted at the Registered Office of the Company at:

Address	3rd Floor, Surya Plaza, K-185/1, Sarai Julena, New Friends Colony, New Delhi - 110025
E-mail	cs@modisteel.net
Phone	011-26829517, 19
Fax	011-26920584

14. Compliance Certificate

A Compliance Certificate on Corporate Governance dated 13th August, 2015 issued by Deepak Bansal & Associates, Company Secretary in practice is annexed and forms part of the Annual Report.

15. Green Initiative

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA), by its recent Circulars, enabling electronic delivery of documents including the Annual Report to shareholders at their e-mail address registered with the Depository Participants(DPs)/Company/Registrars & Share Transfer Agents.

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in DEMAT form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with Skyline Financial Services Pvt. Ltd., by sending a letter duly signed by the first/sole holder quoting details of Folio Number.

16. General Shareholders' Information

i. 29th Annual General Meeting

Date and Time	:	30th September, 2015 at 11.30 a.m.
Venue	:	Nawal Vihar, Farm 7, Dera Gaon, New Delhi – 110 030.

ii. Financial Year : 1st April to 31st March

iii. Adoption of results for the quarter (Tentative)

Quarter ending June 30, 2015 (unaudited)	:	By 14th August, 2015
Quarter ending September, 2015 (unaudited)	:	By 14th November, 2015
Quarter ending December, 2015 (unaudited)	:	By 14th February, 2015
Quarter/Year ending on March 2016 (audited)	:	By 30th May, 2016

iv. Date of Book Closure : 18th Sept. 2015 to 22nd Sept. 2015 (both days inclusive)

v. Listing on Stock Exchange : Bombay Stock Exchange Ltd.
The Company has paid listing fees for the financial year 2015-16. Annual Custodial Fees for the year 2015-16 has not been paid as NSDL and CDSL has not generated their respective invoices.

vi. Stock Code : 531651
ISIN : INE654H01011
CIN : L74899DL1987PLC026617

vii. Registrar and Share Transfer Agent : Skyline Financial Services Pvt. Ltd.
D-153 A, 1st Floor, Okhla Industrial Area, Phase I, New Delhi - 110020
Tel.: 011-26812682,83 **Fax :** 30857575
Email: admin@skylinerta.com

viii Stock Market Price Data at Bombay Stock Exchange Ltd.

Month	Month's High Price	Month's Low Price
April, 2014	-	-
May, 2014	-	-
June, 2014	-	-
July, 2014	-	-
August, 2014	-	-
September, 2014	-	-
October, 2014	-	-
November, 2014	-	-
December, 2014	33.50	33.50
January, 2015	-	-
February, 2015	-	-
March, 2015	31.85	31.85

ix. Share Transfer System

The Company's share transfers are handled by Skyline Financial Services Pvt. Ltd., Registrar and Transfer Agents (RTA). The shares received in physical mode by the Company / RTA are transferred expeditiously provided the documents are complete and shares under transfer are not under dispute. Confirmations in respect of the request for dematerialization of shares are expeditiously sent to the respective depositories i.e. NSDL and CDSL.

x. Distribution of Shareholding as on 31.03.2015

Holdings	Shareholders		Shares	
	Number	% of Total	Number	% of Total
1 – 500	1118	66.99	339935	6.15
501 – 1000	454	27.20	438089	7.92
1001 – 2000	29	1.74	49800	0.90
2001 – 3000	22	1.32	64800	1.17
3001 – 4000	3	0.18	10500	0.19
4001 – 5000	4	0.24	20000	0.36
5001 – 10000	7	0.42	64500	1.17
10001 & above	32	1.92	4542635	82.14
TOTAL	**1669**	**100.00**	**5530259**	**100.00**

xi. Shareholding Pattern as on 31.03.2015

Category	No. of Shares held	%age of Total Shares
Promoter and Promoter Group		
- Indian	3628902	65.62
- Foreign	-	-
Public Shareholding		
Non Institution		
Private Corporate Bodies	510800	9.24
Indian Public		
- Nominal Share upto Rs. 1 lac	973300	17.60
- Nominal Share in excess of Rs. 1 lac	416757	7.54
NRI and OCBs	500	0.01
Any others	-	-

xii.	**Dematerialisation of Shares & Liquidity**	:	The Company has obtained electronic connectivity with National Securities Depository Ltd. (NSDL) and the Central Depository Services India Ltd. (CDSL) for demat facility. As on 31st March, 2015, 36,67,098 equity shares, being 66.31% of the Company's total shares had been dematerialized.
xiii.	**Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date & likely impact on equity**	:	Not Applicable
xiv.	**Plant Location**	:	**Works – I** 9th Mile Stone, G.T. Road, Mohan Nagar, Sahibabad, Ghaziabad, Uttar Pradesh. **Works – II** Plot No. SP-242, RIICO Industrial Area, Kaharani (Bhiwadi Extension) District : Alwar, Rajasthan.

For and behalf of the Board of Directors
For **NATIONAL GENERAL INDUSTRIES LIMITED**
Sd/-
Ashok Kumar Modi
Chairman and Managing Director

Place : New Delhi
Date : 13.08.2015

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Directors and Senior Management, as approved by the Board for the financial year ended 31st March, 2015.

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

Place : New Delhi
Date : 13.08.2015

Sd/-
Ashok Kumar Modi
Chairman and Managing Director

Certification by Managing Director and Chief Financial Officer of the Company
(Pursuant to clause 49(IX) of the Listing Agreement)

We hereby certify that :

1. for the financial year ending 31st March, 2015 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that :
   a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
   b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.

3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of such internal control systems, if any, and that we have taken the required steps to rectify these deficiencies.

4. We have indicated to the Auditors and Audit Committee that :
   a) There have been no significant changes in internal control over financial reporting during the year.
   b) There have been no significant changes in accounting policies during the year.
   c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

For **NATIONAL GENERAL INDUSTRIES LTD.**

	Sd/-	Sd/-
Place : New Delhi	**Ashok Kumar Modi**	**Pawan Kumar Modi**
Dated : 13.08.2015	Chairman and Managing Director	Chief Financial Officer

Auditors' Certificate on Compliance with the conditions of Corporate Governance Pursuant to Clause 49 of the Listing Agreement

To the Members of National General Industries Limited

We have examined the compliance of conditions of Corporate Governance by National General Industries Limited ('the Company') for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the BSE Ltd. In terms of Circular Number CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, issued by SEBI, the provisions of clause 49 are not mandatorily applicable as the paid-up share capital of the Company is less than Rs. 10 crore and net-worth of the Company is less than Rs. 25 crore, as on the last day of the previous financial year. The Company has voluntarily done compliance of the requirements of clause 49 of the Listing Agreement.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company, for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deepak Bansal & Associates
Company Secretaries

Sd/-

Place : New Delhi
Dated : 13.08.2015

(**Deepak Bansal)**
Prop.
FCS : 3736 C.P. No. : 7433

Independent Auditors' Report

To,
The Members of
M/s NATIONAL GENERAL INDUSTRIES LTD.
New Delhi.

Report on the Financial Statements

We have audited the accompanying financial statements of M/s NATIONAL GENERAL INDUSTRIES LTD. which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;

b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
   f) On the basis of information and explanation provided to us, in our opinion, Company has adequate internal financial controls system in place which is commensurate with the size of the Company and the nature of its business and is operating effectively.

3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies(Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
   b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
   c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For R.K GOVIL & Co.
Chartered Accountants
FRN – 000748C

Sd/-

Rajesh Kumar Govil
Partner
Membership No.013632

Place: New Delhi
Dated: 28.05.2015

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our Report of even date)

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

I. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information. As explained to us all the fixed assets were physically verified by the management at reasonable interval during the year. We have been informed that no material discrepancies were noticed on such physical verification.

II. The Inventory has been physically verified during the year by the management at reasonable intervals except stock lying with third parties. The Company in most of the cases has obtained confirmation of such stocks with third parties. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company &nature of its business. The Company is maintaining proper records of inventory. As explain to us the discrepancies noticed on physical verification of stocks as compared to book records were not material, however, the same have been properly dealt with the books of account.

III. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

IV. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and also for the sale of goods and services. In our opinion, there is no continuing failure to correct major weaknesses in internal control.

V. The Company has not accepted deposits from the public. In our opinion, the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, were not applicable to the Company.

VI. In our opinion, Company is not required to maintain cost records under section148(1) of the Companies Act,2013 read with rule 4 of the Companies (Cost Records and Audit) Amendment Rules, 2014.

VII.

(a) In our opinion and according to the record of Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues with appropriate authorities applicable to it and further there is no such arrear of outstanding statutory dues as at 31st March, 2015, for a period of more than six months from the date they became payable.

(b) In our opinion and according to the record of Company, there are no dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues with appropriate authorities, which have not been deposited on account of any dispute.

(c) In our opinion and according to the record of the Company, no amount was required to be transferred to Investor Education and Protection Fund in accordance with relevant provisions of the Companies Act, 1956 and rules made thereunder.

VIII. The Company does not have accumulated losses at the end of financial year. The Company has not incurred cash loss during the financial year covered by the audit and in the immediately preceding financial year.

IX. According to the information and explanations given to us, we are of the opinion that Company has not defaulted in repayment of dues to financial institutions or banks and debenture holders.

X. In our opinion, and according to the explanations given to us, the Company has not given any guarantee for loans taken by others from bank, financial institutions, which is prejudicial to the interest of the Company.

XI. In our opinion, and according to the explanations given to us, the term loans were applied by the Company for the purpose for which the loans were obtained.

XII. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the period under report.

For R.K GOVIL & Co.
Chartered Accountants
FRN – 000748C

Sd/-

Rajesh Kumar Govil
Partner
Membership No.013632

Place: New Delhi
Dated: 28.05.2015

BALANCE SHEET AS ON 31ST MARCH 2015

(Amount in Rs)

Particulars	Notes	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3	**4,66,95,590**	4,66,21,340
Reserves and Surplus	4	**14,35,13,075**	13,58,79,969
Non-Current Liabilities			
Long-term borrowings	5	**35,25,539**	1,30,74,216
Deferred tax liabilities (Net)	6	**39,81,865**	47,96,169
Long term provisions	7	**5,35,085**	6,93,166
Current Liabilities			
Short-term borrowings	8	**2,61,05,246**	4,13,09,009
Trade payables		**93,48,822**	92,39,646
Other current liabilities	9	**40,83,302**	58,22,456
Short-term provisions	7	**22,98,708**	5,25,696
		24,00,87,232	25,79,61,667
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	**12,81,82,820**	13,26,88,484
Non-current investments	11	**2,84,30,371**	3,55,38,279
Long term loans and advances	12	**72,16,183**	83,33,482
Current assets			
Current investments	11	**57,40,175**	93,26,486
Inventories	14	**2,15,61,519**	2,45,07,375
Trade receivables	15	**1,91,15,825**	1,73,55,296
Cash and cash equivalents	16	**15,48,943**	1,68,694
Short-term loans and advances	12	**2,38,86,020**	2,82,95,748
Other current assets	13	**44,05,377**	17,47,822
		24,00,87,232	25,79,61,667

Notes 1 to 16, 26 To 34 and Cash Flow Statement form part of this Balance Sheet
As per our report of even date

For R.K. Govil & Co.
Chartered Accountants

Sd/-

Rajesh Kumar Govil
Partner
FRN.: 000748C
Membership NO. 013632
Place: New Delhi
Date : 28.05.2015

For and on behalf of Board of Directors

Sd/-

Ashok Kumar Modi
Managing Director

Sd/-

Pawan Kumar Modi
Jt. Managing Director

Sd/-
Vasu Modi
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

Particulars	Notes	As at 31.03.2015	As at 31.03.2014
INCOME:			
Revenue from operations	17	**16,83,56,766**	16,32,73,461
Other Income	18	**1,12,30,514**	68,42,288
		17,95,87,279	17,01,15,749
EXPENSES:			
Cost of materials consumed	19	**13,10,21,474**	14,25,92,607
Purchase of Stock-in-Trade			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	**(4,91,682)**	46,55,973
Employee benefit expense	21	**62,28,211**	59,24,795
Financial costs	22	**54,83,272**	55,72,311
Depreciation and amortization expense	23	**50,01,903**	24,69,447
Other expenses	24	**1,97,45,874**	78,97,873
		16,69,89,051	16,91,13,006
Profit before exceptional and extraordinary items and tax		**1,25,98,228**	10,02,743
Exceptional Items		**(38,76,670)**	(1,10,998)
Profit before extraordinary items and tax		**87,21,558**	8,91,745
Extraordinary Items		-	-
PROFIT BEFORE TAX		**87,21,558**	8,91,745
TAX EXPENSES:			
Current tax		**16,59,859**	1,63,882
Current tax - Prior Year		**32,213**	4,43,379
MAT Credit		**(2,17,416)**	(48,684)
MAT Credit - Prior Year		**3,805**	(35,323)
Others Tax Expenses		**8,515**	5,506
Deferred tax		**(8,14,304)**	2,03,676
Profit from the perid from continuing operations		**80,48,886**	1,59,309
Profit from discontinuing operations		-	-
Tax expense of discounting operations		-	-
Profit from Discontinuing operations		-	-
PROFIT AFTER TAX		**80,48,886**	1,59,309
EARNING PER EQUITY SHARE			
(Nominal Value of Share Rs. 10 each)			
Basic and diluted	25	**1.46**	0.03

Notes 1,2, 17 to 34 and Cash Flow Statement form part of this Statement of Profit and Loss
As per our report of even date

For R.K. Govil & Co.
Chartered Accountants

Sd/-

Rajesh Kumar Govil
Partner
FRN.: 000748C
Membership NO. 013632
Place: New Delhi
Date : 28.05.2015

For and on behalf of Board of Directors

Sd/-

Ashok Kumar Modi
Managing Director

Sd/-

Pawan Kumar Modi
Jt. Managing Director

Sd/-
Vasu Modi
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(Amount in Rs)

Particulars	For the Year ended March 31, 2015	For the Year ended March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	**87,21,558**	10,02,743
Adjustments for:		
Depreciation and amortisation expense	**50,01,903**	24,69,447
Exceptional Items	**38,76,670**	
(Profit)/loss on sale of Assets	**(6,53,997)**	6,19,706
(Profit)/loss on sale of Shares / Mutual Fund	**(90,31,414)**	(47,54,969)
Interest & Finance Charges	**54,83,272**	55,72,311
Interest Income	**(9,99,596)**	(11,69,542)
Dividend Income	**(10,673)**	(31,694)
Operating Profit before Working Capital Changes	**1,23,87,723**	37,08,003
Adjustments for:		
Decrease/(Increase) in Inventories	**29,45,857**	14,13,976
Decrease/(Increase) in Receivables	**(17,60,529)**	(22,53,758)
Decrease/(Increase) in other current and non current ass	**48,00,822**	(79,32,168)
Increase/(Decrease) in Payables	**1,09,176**	40,69,716
Increase/(Decrease) in Other Current Liabilities	**6,35,640**	4,53,124
Increase/(Decrease) in Provision	**(44,928)**	1,40,992
Total Adjustment for working capital change	**66,86,038**	(41,08,118)
Cash generated from operations	**1,90,73,761**	(4,00,115)
Income Tax (paid) refund	**(17,58,466)**	(9,92,292)
Other Cash Infolws (Outflows)	**(10,37,026)**	(1,10,998)
Net Cash flow from Operating activities before extraordina	**1,62,78,269**	(15,03,405)
Proceeds from extraordinary items	-	-
Net Cash flow from Operating activities	**1,62,78,269**	(15,03,405)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	**(39,10,795)**	(98,85,226)
Sale of Fixed Assets	**7,88,381**	75,00,000
Purchase of Mutual Fund	**(1,05,75,000)**	(1,36,43,000)
Sale of Mutual Fund	**2,02,01,000**	61,17,500
Sale of Shares	**1,00,99,632**	-
Sale of CIG Reality Fund	-	94,30,000
Interest Income	**9,99,596**	11,69,542
Dividend Income	**10,673**	31,694
Net Cash used in Investing activities	**1,76,13,486**	7,20,510

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

Particulars	For the Year ended March 31, 2015	For the Year ended March 31, 2014
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term Borrowings	-	47,74,216
Repayment of Long term Borrowings	**(1,19,23,471)**	(1,07,36,844)
Repayment of Short term Borrowings	**(1,52,03,763)**	-
Proceeds from Short term Borrowings	-	1,23,59,772
Interest paid	**(54,83,272)**	(55,72,311)
Proceeds from Arrear Share Issued	**99,000**	-
Net Cash used in financing activities	**(3,25,11,506)**	8,24,833
Net increase in cash & Cash Equivalents	**13,80,249**	41,938
Cash and Cash equivalents as at beginning	**1,68,694**	1,26,756
Cash and Cash equivalents as at end	**15,48,943**	1,68,694

Note: Cash Flow Statement is prepared using the indirect method, wherby profit before tax is adjusted for effect of transactions of a non cash nature and deferrals or accruals of past or future operating cash receipts of payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

As per our report of even date

For R.K. Govil & Co.
Chartered Accountants

Sd/-

Rajesh Kumar Govil
Partner
FRN.: 000748C
Membership NO. 013632

Place: New Delhi
Date : 28.05.2015

For and on behalf of Board of Directors

Sd/-

Ashok Kumar Modi
Managing Director

Sd/-

Pawan Kumar Modi
Jt. Managing Director

Sd/-

Vasu Modi
Director

1. Corporate information

National General Industries Limited ('The Company') is engaged in the production and selling of Steel. The Company has manufacturing facilities at Ghaziabad, Uttar Pradesh and Bhiwadi, Rajasthan. During the year under review the Company has explored an opportunity of handling services business for steel product in the State of Punjab.

2. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

(a) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price (net of CENVAT Credit), borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

(b) Depreciation on tangible fixed assets

Depreciation on fixed assets is provided on Straight Line Method as per rates computed based on useful life prescribed in schedule II of the Companies Act, 2013. Depreciation on revalued fixed assets is directly charged to Revaluation Reserve. No depreciation is being provided on leasehold land. Effective from 1st April, 2014, the Company has charged depreciation based on following useful life of the assets as per the requirement of Schedule II of Companies Act, 2013 read with Guidance note issued by ICAI on Depreciation:-

Sl.No.	Nature of Assets	Useful life (in no. of Years)
1	Building	30
2	Plant & Machinery	15
3	Furniture & Fittings	10
4	Motor Vehicles	8
5	Office Equipment	5
6	Computers	3
7	Cycle	10

Due to above, additional amount of depreciation is debited to profit and loss account by Rs. 15.56 lacs during the year and carrying amount of assets has accordingly been revised.

(c) Impairment

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

An impairment loss is recognized in the Statement of Profit and Loss if the carrying amount of an asset exceeds its recoverable amount.

(d) Use of estimates

The preparation of financial statements is in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(e) Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit and Loss on a straight-line basis over the lease term.

(f) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost.

(g) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(h) Inventories

Finished and semi-finished products produced and purchased by the Company are carried at lower of cost and net realizable value.
Work-in-progress is carried at lower of cost and net realizable value.
Raw materials purchased are carried at cost.
Store and spare parts are carried at cost.
Cost has been determined by using the FIFO method.

(i) Revenue Recognition

(i) Sale of goods: Revenue from sale of goods is recognized net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer. Sale of goods is recognized gross of excise duty but net of sales tax and value added tax.
(ii) Income from Services: Revenue from services is accounted for in accordance with the terms of contracts, as and when these services are rendered.
(iii) Interest: Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
(iv) Dividend: Dividend Income is recognized when right to receive is established.

(j) Retirement and other benefits

(i) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contributions to respective funds are due. There are no other obligations other than the contribution payable to the fund.

(ii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each financial year.

(k) Income taxes

Tax expense comprises of current and deferred taxes. Current income tax is measured at the amount expected to be paid to the income tax authorities in accordance with Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward tax losses, entire deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

Minimum Alternate Tax (MAT) paid in during a year is charged to the statement of profit and loss as current tax. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period i.e. for the period for which MAT credit is allowed to be carried forward.

(l) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(m) Contingent liability

Contingent liability is not provided for in the accounts and is recognized by way of notes.

(n) Amortization of Misc. Expenditure

Miscellaneous expenditure is amortized over a period of five years.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in Rs)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
3. Share Capital		
AUTHORISED SHARES		
12,000,000 (P.Y. 12,000,000) Equity Shares of Rs.10/- each	**12,00,00,000**	12,00,00,000
ISSUED AND SUBSCRIBED SHARES		
5,530,259 (P.Y. 5,530,259) Equity Shares of Rs. 10/- each	**5,53,02,590**	5,53,02,590
	5,53,02,590	5,53,02,590
PAID UP SHARES		
5,530,259 (P.Y. 5,530,259) Equity Shares of Rs. 10/- each	**5,53,02,590**	5,53,02,590
Less: Call Money unpaid by other than Directors	**86,07,000**	86,81,250
1,147,600 (P.Y.1,157,500) Shares @ Rs. 7.50 each		
	4,66,95,590	4,66,21,340
a. Reconciliation of the Equity shares outstanding at the beginning and at the end of reporting period		
Outstanding at the beginning of the year		
5,530,259 (P.Y. 5,530,259) Equity Shares of Rs. 10/- each	**5,53,02,590**	5,53,02,590
Outstanding at the year end		
5,530,259 (P.Y. 5,530,259) Equity Shares of Rs. 10/- each	**5,53,02,590**	5,53,02,590

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs 10 per share. The holder of each fully paid equity share is entitled to one vote. Each share is entitled to equal dividend if any declared by the Company and approved by the Share holders of the Company.

In the event of liquidation of the company, holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the company

Name	As at 31.03.2015		As at 31.03.2014	
	No.	% of Holding	No.	% of Holding
Modi Power Pvt. Ltd.	4,99,900	9.04	**4,99,900**	9.04
Vasu Modi	3,59,745	6.51	**3,59,745**	6.51
Manhar Modi	4,12,798	7.46	**4,12,798**	7.46
Madhur Modi	3,68,000	6.65	**3,68,000**	6.65

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in Rs.)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
4. Reserves & Surplus		
Capital Reserve		
Balance as per the last financial statements	**2,47,64,460**	2,47,64,460
Closing Balance	**2,47,64,460**	2,47,64,460
Security Premium Account :		
Balance as per the last financial statements	**1,42,10,250**	1,42,10,250
Add : Unpaid Call Money Received	**24,750**	-
Closing Balance	**1,42,35,000**	1,42,10,250
Revaluation Reserve		
Balance as per the last financial statements	**23,33,473**	27,74,002
Less: Depreciation on Revalued Assets	**4,40,529**	4,40,529
Closing Balance	**18,92,944**	23,33,473
General Reserve		
Balance as per the last financial statements	**8,90,00,000**	8,70,00,000
Add: Amount transferred from surplus balance in the statement of Profit & Loss	**20,00,000**	20,00,000
Closing Balance	**9,10,00,000**	8,90,00,000
Surplus Balance in Statement of Profit and Loss		
Balance as per the last financial statements	**55,71,785**	74,12,476
Profit for the year	**80,48,886**	1,59,309
	1,36,20,671	75,71,786
Less: Appropriations :		
Prior Year Expenditure	-	-
Transfer to General Reserve	**20,00,000**	20,00,000
Total Appropriation	**20,00,000**	20,00,000
Surplus in the Statement of Profit and Loss	**1,16,20,671**	55,71,786
Total Reserves & Surplus	**14,35,13,075**	13,58,79,969
5. Long-term borrowings		
Secured Borrowings		
Loan from RIICO Ltd.	-	26,84,202
Loan from HDFC Bank	**5,34,947**	7,74,216
Unsecured Borrowings		
Loan from Body Corporates - Repayable on demand	**33,00,000**	33,00,000
Loan from Related Party - Repayable on demand	-	90,00,000
	38,34,947	1,57,58,418
Less: Current Maturity of Long Term Borrowings	**3,09,408**	26,84,202
	35,25,539	1,30,74,216

Loan from HDFC Bank - Vehicle Loan against hypothecation of Vehicle having repayament terms of 36 equated monthly instalments starting from March, 2014 and ending on February, 2017 at rate of interest @ 10.52% p.a. The Loan is further secured by personal guarantee of Director of the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in Rs.)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
6. Deferred tax liabilities (Net)		
Deferred Tax Liability		
On Fixed Assets: Difference in depreciation and amortisation for accounting and income tax purposes	**43,44,611**	51,72,797
Deferred Tax Asset		
On provision for Gratuity	**3,62,746**	3,76,628
Net Deffered Tax Liabaility	**39,81,865**	47,96,169
7. Provisions		
Long Term		
Provision for Gratuity	**5,35,085**	6,93,166
	5,35,085	6,93,166
Short Term		
Provision for Gratuity	**6,38,849**	5,25,696
Provision for Taxation	**16,59,859**	-
	22,98,708	5,25,696
8. Short-term borrowings		
Secured Borrowings		
Working Capital Loan from Bank	**2,27,32,478**	3,62,57,903
Term Loan from Bank	**33,72,768**	50,51,106
	2,61,05,246	4,13,09,009

Working Capital loans from State Bank of Patiala are secured by first charge on all current assets of company, both present & future, including stocks of raw materials, finished and semi-finished goods and book debts of the Company. These facilities are further secured by collateral security of land of the company situated at 9th Milestone, Ghaziabad. The managing director and director have given personnel guarantee to the bank for the facility. The working capital loan are repayable on demand and carry interest @ 12.50% p.a.

Term loan from State Bank of Patiala of Rs 50 lakh for purchase and installation of Plant & Machinery against hypothecation of said Plant & Machinery having repayament terms of 36 Equated Monthly Instalments starting from May, 2014 and ending on April, 2017 and carry interest @ 12.50% p.a.

9. Other current liabilities		
Current Maturity of Long Term Secured Borrowings	**3,09,408**	26,84,202
Interest accrued but not due on borrowings	**66,642**	66,642
Advance from Customers	**1,09,648**	2,62,622
Salary & Wages Payable	**4,80,271**	3,77,432
EPF Payable	**24,616**	24,324
Other Accrued Payroll Liabilities	**1,08,622**	4,95,480
Other Tax Payable	**8,74,638**	6,22,084
Expenses Payable	**20,89,582**	12,89,670
Creditors for Capital Expenditures	**19,875**	-
	40,83,302	58,22,456

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE NO. 10 : TANGIBLE FIXED ASSETS.

PARTICULARS	GROSS BLOCK						DEPRECIATION						NET BLOCK			
	As on 01.04.2014		DURING THE YEAR ORIGINAL		AS ON 31.03.2015		As on 01.04.2014		DURING THE YEAR		DEP ON DED	AS ON 31.03.2015		AS ON 31.03.2014		
	ORIGINAL	REVALUED	ADDITION	DELETION	ORIGINAL	REVALUED	ORIGINAL	REVALUED	ORIGINAL	REVALUED		ORIGINAL	REVALUED	ORIGINAL	REVALUED	
LAND	7,33,67,000	71,60,180	-	-	7,33,67,000	71,60,180	-	-	-	-	-	-	-	7,33,67,000	71,60,180	71,60,180
FURNITURE & FIXTURE	2,37,327	-	-	-	2,37,327	-	1,31,834	-	31,454	-	-	1,63,288	-	74,039	-	-
BUILDING	1,40,92,230	33,56,209	-	-	1,40,92,230	33,56,209	21,52,405	12,06,324	4,40,782	1,12,097	-	25,93,187	23,18,421	1,14,99,043	10,37,788	11,49,885
PLANT & MACHINERY	4,15,11,404	69,14,353	74,21,813	1,72,672	4,87,60,545	69,14,353	1,47,87,289	63,55,123	35,41,009	3,28,432	38,288	1,82,90,010	66,83,555	3,04,70,535	2,30,798	5,59,230
OFFICE EQUIPMENT	5,33,608	-	11,745	-	5,45,353	-	2,40,222	-	2,16,928	-	-	4,57,150	-	88,203	-	-
COMPUTER	6,20,219	-	3,500	-	6,23,719	-	6,03,294	-	11,422	-	-	6,14,716	-	9,003	-	-
VEHICLES	58,72,866	-	25,11,000	18,00,000	65,83,866	-	41,30,600	-	5,72,669	-	18,00,000	29,03,269	-	36,80,597	-	-
CAPITAL WORK IN PROGRESS	66,28,105	-	-	66,28,105	-	-	-	-	-	-	-	-	-	-	-	-
F.A.ROLLS	1,02,05,002	-	5,90,842	-	1,07,95,844	-	1,00,45,082	-	1,87,314	-	-	1,02,32,396	-	5,63,448	-	-
CYCLE	3,120	-	-	-	3,120	-	608	-	325	-	-	933	-	2,187	-	-
TOTAL	15,30,70,881	1,74,30,742	1,05,38,900	86,00,777	15,50,09,004	1,74,30,742	3,20,91,334	85,61,447	50,01,903	4,40,529	18,38,288	3,52,54,949	90,01,976	11,97,54,056	84,28,766	88,69,295
PREVIOUS YEAR	15,33,14,100	1,74,30,742	98,85,226	1,01,28,445	15,30,70,881	1,74,30,742	2,87,90,981	76,80,389	24,69,447	4,40,529	20,08,739	3,20,91,334	85,61,447	12,38,19,189	88,69,295	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in Rs)

PARTICULARS			As at 31.03.2015	As at 31.03.2014
11. Investments				
Non Current Investments				
Trade Investments				
Quoted equity instruments				
700 (P.Y. 700) equity shares of Rs. 10 each in Kay Pulp & Papers Ltd.			**7,000**	7,000
2 (P.Y. 2) equity shares of Rs. 10 each in Southern Iron & Steel Co. Ltd.			**76**	76
Total Quoted Equity Instruments			**7,076**	7,076
Unquoted equity instruments				
15,18,600 & 84500 (P.Y. 21,20,250 & 84500 @Rs10 & Rs75 each) equity shares of Rs. 10 & Rs 75 each respectively in Modi Power Pvt. Ltd.			**2,15,23,500**	2,75,40,000
557,300(P.Y. 557,300) equity shares of Rs. 10 each in Peacon Properties & Enclave. Pvt. Ltd.			**11,31,200**	11,31,200
Total Unquoted Equity Instruments			**2,26,54,700**	2,86,71,200
Quoted Mutual Funds	**Units (C.Y.)**	**Units (P. Y.)**		
Franklin India Smaller Company Fund-Gr.	1,07,189	1,50,000	**10,71,886**	15,00,000
HDFC Equity Fund	38,608	50,719	**46,96,710**	53,60,004
Total Quoted Mutual Funds			**57,68,596**	68,60,004
Total Non Current Investments			**2,84,30,371**	3,55,38,279
Current Investments				
Templeton India Ultra Short Bond Fund-SIP	3,20,379	4,93,521	**57,40,175**	78,06,214
Investment in Shares through ING Portfolio Manag	-	3,507	-	15,20,272.24
Total Current Investments			**57,40,175**	93,26,486
Total Investments			**3,41,70,546**	4,48,64,765

	Book Value as at		Market Value as at	
	31.03.15	31.03.14	**31.03.15**	31.03.14
Quoted	1,15,15,846	1,46,73,293	**2,82,04,760**	2,84,13,040
	1,15,15,846	**1,46,73,293**	**2,82,04,760**	**2,84,13,040**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in Rs)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
12. Loans and advances (Unsecured, Considered Good)		
Non Current		
Advance recoverable in cash or in kind	**50,00,000**	-
Security Deposit	**22,16,183**	83,33,482
	72,16,183	83,33,482
Current		
Balance with Statutory / Government Authorities	**1,69,52,742**	1,82,79,527
Prepaid Expenses	**78,467**	1,46,224
Advance to Suppliers & Others	**12,113**	12,113
Advance to Staff	**1,10,900**	1,44,100
Advance recoverable in cash or in kind	-	50,00,000
Interest Receivable	**1,27,833**	41,167
TDS (2014-15)	**17,49,951**	-
Minimum Alternative Tax Adjustable	**30,86,844**	29,05,446
Income Tax Refundable	**17,67,171**	17,67,171
	2,38,86,020	2,82,95,748
13. Other assets		
Current		
Conversion Charges Receivable	**9,82,320**	4,96,069
Handling Charges Receivable	**34,23,057**	-
Accrued Interest on Security Deposit	-	12,51,753
	44,05,377	17,47,822
14. Inventories		
Raw Materials	**90,89,695**	1,04,32,101
Finished goods	**89,65,840**	84,82,953
Stock-in-Trade	**1,36,152**	1,36,152
Stores & Spares	**16,46,376**	36,82,750
Loose Tools	**47,874**	2,71,288
Others	**16,75,582**	15,02,132
	2,15,61,519	2,45,07,375
15. Trade receivables (Unsecured, Considered Good)		
Exceeding Six Months	**36,65,061**	51,22,406
Others	**1,54,50,764**	1,22,32,890
	1,91,15,825	1,73,55,296
16. Cash and Bank Balances		
Cash and cash equivalents		
Balances with Banks	**14,56,282**	75,405
Cash on hand	**92,661**	93,289
	15,48,943	1,68,694

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in Rs)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
17. Revenue from operations		
Sale of Finished Goods	**10,92,34,102**	12,71,09,595
Sale of Services	**5,12,19,330**	4,74,11,428
Other Operating Revenue	**2,01,42,162**	30,54,190
Revenue from Operations (Gross)	**18,05,95,594**	17,75,75,213
Less: Excise Duty	**1,22,38,828**	1,43,01,752
Revenue from Operations (Net)	**16,83,56,766**	16,32,73,461
Details of Finished Goods sold		
Iron & Steel Bar	**10,92,34,102**	12,71,09,595
Details of Sale of Services		
Job Work charges on Re - rolling	**5,12,19,330**	4,74,11,428
Details of Other Operating Revenue		
Sale of By Product, viz. Scrap	**27,31,359**	30,54,190
Handling charges	**1,74,10,803**	-
	2,01,42,162	30,54,190
18. Other Income		
Interest Received	**9,99,596**	11,69,542
Refund of Entry Tax	**56,225**	-
Income from Dividend	**10,673**	31,694
STCG on Current / Trade Investments	**17,91,322**	2,80,714
LTCG on Current / Trade Investments	-	1,11,874
LTCG on Long Term / Trade Investments	**72,15,308**	44,30,000
Profit on Sale of Fixed Asset	**6,53,997**	-
Miscellaneous Income	-	23,581
Unclaimed Creditors Written back	**5,03,393**	7,94,883
	1,12,30,514	68,42,288

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in Rs)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
19. Cost of Raw Material and Components Consumed		
Raw Material Consumed		
Opening Stock	**1,04,32,101**	78,44,502
Purchases	**8,93,83,902**	10,53,76,773
	9,98,16,003	11,32,21,275
Less: Inventory at the end of the year	**90,89,695**	1,04,32,101
	9,07,26,308	10,27,89,174
Details of raw material and components Raw material and components Consumed		
MS Ingot	**9,07,26,308**	10,27,89,174
	9,07,26,308	10,27,89,174
Details of closing inventory of raw material		
MS Ingot	**87,39,698**	1,00,82,104
Scrap	**3,49,997**	3,49,997
	90,89,695	**1,04,32,101**
Details of opening inventory of raw material		
MS Ingot	**1,00,82,104**	74,94,505
Scrap	**3,49,997**	3,49,997
	1,04,32,101	78,44,502
Furnace Oil Consumed		
Opening Stock	**1,12,415**	2,10,718
Add: Purchase/Tfd.during the year	-	2,71,11,716
	1,12,415	2,73,22,434
Less: Closing Stock	**1,12,415**	1,12,415
	-	2,72,10,019
Steam Coal Consumed		
Opening Stock	**5,74,625**	-
Add: Purchase/Tfd.during the year	**2,31,93,911**	5,74,625
	2,37,68,536	5,74,625
Less: Closing Stock	**6,89,984**	5,74,625
	2,30,78,552	-
Other Manufacturing Expenses		
Power Expenses	**1,14,14,824**	95,37,438
Engine Expenses	**31,57,640**	25,03,380
Weighing & Stalking	**30,700**	18,590
Consumable Store	**26,13,450**	5,34,005
	1,72,16,614	1,25,93,413
	13,10,21,474	14,25,92,607

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in Rs)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
20. (Increase)/Decrease in Inventories Work-in-progress and Stock-in-Trade		
Inventories at the end of the year		
Finished goods	**89,65,840**	84,82,953
Traded goods	**1,36,152**	1,36,152
Waste	**2,10,753**	2,01,958
	93,12,745	88,21,063
Inventories at the opening of the year		
Finished goods	**84,82,953**	1,31,17,658
Traded goods	**1,36,152**	1,36,152
Waste	**2,01,958**	2,23,226
	88,21,063	1,34,77,036
Others		-
	88,21,063	1,34,77,036
(Increase)/Decrease in Inventories	**(4,91,682)**	46,55,973
Details of Inventories		
Finished Goods		
N.A.IRON & STEELS BAR	**80,07,103**	75,24,216
Ingots	**38,628**	38,628
Casting	**5,08,896**	5,08,896
Runner & Risser	**4,11,213**	4,11,213
	89,65,840	84,82,953
21. Employee Benefit Expenses		
Salaries & Wages	**54,47,592**	51,67,789
Bonus & Ex-Gratia	**1,86,333**	1,56,852
Employer's Cont.to P.F.	**1,61,241**	1,72,600
Employer's Cont.to E.S.I.	**60,116**	72,725
Gratuity	**1,83,469**	1,86,622
Staff Welfare	**1,25,222**	1,07,167
Leave encashment	**64,238**	61,040
	62,28,211	59,24,795
22. Financial costs		
Bank Interest	**36,93,868**	31,98,263
Other Borrowing Cost	**17,89,404**	23,74,048
	54,83,272	55,72,311
23. Depreciation and amortization expense		
Depreciation Expense	**50,01,903**	24,69,447
	50,01,903	24,69,447

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in Rs)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
24. Other expenses		
Travelling & Conveyance	**5,81,180**	1,92,346
Printing & Stationery	**46,326**	50,693
Postage & ,Telegram	**5,598**	25,713
Telephone Expenses	**3,61,311**	3,05,411
Electricity Expenses	**6,06,438**	5,42,676
Keyman Insurance	**95,693**	95,693
Auditor's Remuneration	**3,77,000**	3,48,100
Legal & Professional Charges	**6,74,954**	5,07,144
Filing Fees & Subscription	**33,097**	7,280
Listing & Custodial Fees	**1,30,000**	55,000
Rates & Taxes	**20,753**	38,869
Bank Charges	**1,54,289**	3,35,187
General Expenses	**49,114**	44,326
Insurance Charges	**37,525**	32,778
Rent	**61,500**	61,500
Vehicle Running & Maintenance	**6,47,940**	5,20,280
Security & Vigilance	**10,18,125**	7,92,562
Repair & maintenance - Building	**15,866**	26,890
Repair & maintenance - Plant & Machinery	**39,23,646**	14,52,079
Repair & maintenance - Others	**89,202**	31,258
Business promotion	**3,76,192**	3,49,945
Rebate, Discount & commission	**9,96,773**	10,98,230
Advertisement & Publicity	**1,09,832**	93,744
Sales Tax / Excise Expenses	**66,099**	14,244
Bad Debt written off	**14,45,207**	23,545
Short Term Capital Loss	-	14,150
Interest on TDS	-	173
Interest on Car Loan	**74,073**	-
Computer Expenses	**18,637**	8,350
Freight Charges	**34,07,268**	-
Loading & Unloading Charges	**40,68,746**	-
Weighment Charges	**2,08,790**	-
Loss on sales of Fixed Assets	-	6,19,706
Service charges paid to RIICO	**44,702**	2,10,000
	1,97,45,874	78,97,873
Payment to Auditor		
- Audit fee	**3,00,000**	2,75,000
- Limited Review	**27,000**	23,100
- For Taxation matters	**50,000**	50,000
	3,77,000	3,48,100
Cost audit fees (included in Legal & Professional Charges)	-	60,000
25. Earning per Share		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net profit for calcilation of basic and diluted EPS (Rs.)	**80,48,886**	1,59,309
Weighted average number of equity shares in calculating basic and diluted EPS	**55,30,259**	55,30,259
Basic and diluted earning per share (Rs.)	**1.46**	0.03

26. Segment Information

Business Segments:

The Company operates in three segments i.e. manufacturing of steel, handling services of steel products and investing.

Geographical Segments:

The Company operates in India and all assets of the Company are located within India only and hence secondary segment by geographical region is not applicable for the company.

Segment Information

Primary Segments Reporting (by Business Segments)

Segment Revenues, Results and Other Information

(Amounts in Rs.)

Particulars	Steel Manufacturing		Investments		Handling Services		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
REVENUE								
Sales / Revenue	**16,31,84,791**	17,75,75,213	**1,12,30,514**	68,42,288	**1,74,10,803**	-	**19,18,26,107**	18,44,17,501
Less : Inter Segment Sales	-	-		-				-
Net Sales / Revenue	**16,31,84,791**	17,75,75,213	**1,12,30,514**	68,42,288	**1,74,10,803**	-	**19,18,26,107**	18,44,17,501
Less: Excise Duty	**1,22,38,828**	1,43,01,752	-	-	-		**1,22,38,828**	1,43,01,752
Total Revenue	**15,09,45,963**	16,32,73,461	**1,12,30,514**	68,42,288	**1,74,10,803**	-	**17,95,87,279**	17,01,15,749
SEGMENT RESULTS								
Operating Profit / (Loss) before interest & tax	**26,21,958**	43,17,711	**70,32,165**	22,57,343	**84,27,377**	-	**1,80,81,500**	65,75,054
Less : Interest Expenses							**54,83,272**	55,72,311
Profit /(Loss) from Operating Activity (before Tax)							**1,25,98,228**	10,02,743
OTHER INFORMATION								
Segment Assets	**17,98,57,050**	19,67,44,370	**4,67,75,923**	6,12,17,296	**78,95,503**	-	**23,45,28,476**	**25,79,61,666**
Segment Liabilities	**1,03,09,621**	1,51,33,474	**66,05,852**	1,07,17,874	**22,87,099**	-	**1,92,02,572**	**2,89,06,317**
Capital Employed	**16,85,02,220**	18,15,85,920	**4,50,18852**	5,53,11,645	**63,13,145**	-	**21,98,34,217**	**23,68,97,565**
Capital Expenditure	**39,10,796**	87,90,280	**25,11,000**	10,94,946	**4,27,115**	-	**68,48,911**	**98,85,226**
Depreciation/Amortization	**42,97,159**	18,48,321	**6,92,769**	6,21,126	**11,975**	-	**50,01,903**	**24,69,447**
Other non-cash expenses	**28,39,644**	-	-	-	-	-	**28,39,644**	-

27. Related Party Disclosures

Names of Related Parties

A. Parties under common control

Modi Power Pvt. Ltd.
Modi Metal & Allied Industries Pvt. Ltd.
J.P.Modi& Sons – HUF
A.K.Modi – HUF
P.K.Modi – HUF

B. Key Managerial personnel & their relatives	Relationship
Mr Ashok Kumar Modi	Managing Director
Mr Pawan Kumar Modi	Jt. Managing Director
Mr VasuModi	Director
Mr MadhurModi	Vice President
Mrs ShakuntalaModi	Relative of Managing Director

Transactions with related parties during the year **(Amounts in Rs.)**

Particulars	Key managerial personnel and their relatives		Parties under common control		Total	
	2015	2014	**2015**	2014	**2015**	2014
Advance Taken						
J.P.Modi & Sons HUF	-	-	-	40,00,000	-	40,00,000
Total	-	-	**40,00,000**	40,00,000	**40,00,000**	40,00,000
Repayment of Loan						
J.P.Modi & Sons HUF	-	-	**90,00,000**	-	**90,00,000**	-
Rent Paid						
J.P.Modi& Sons HUF	-	-	**24,000**	24,000	**24,000**	24,000
ShakuntlaModi	**36,000**	36,000	-	-	**36,000**	36,000
Total	**36,000**	36,000	**24,000**	24,000	**60,000**	60,000
Remuneration Paid						
Madhur Modi	**96,000**	192,000	-	-	**96,000**	192,000
Total	**96,000**	192,000	-	-	**96,000**	192,000
Sale of Investments						
Modi Power Pvt. Ltd.	-	-	-	94,30,000	-	94,30,000
Mrs. Nandni Modi	**3,80,380**	-	-	-	**3,80,380**	-
Mr. Vasu Modi	**14,25,760**	-	-	-	**14,25,760**	-
Mr. Madhur Modi	**35,40,460**	-	-	-	**35,40,460**	-
Mr. Manhar Modi	**26,55,345**	-	-	-	**26,55,345**	-
Total	**80,01,945**	-	-	94,30,000	**80,01,945**	94,30,000
Trade Payable						
J.P.Modi& Sons HUF	-	-	-	90,00,000	-	90,00,000
MadhurModi	-	16,000	-	-	-	16,000
Total	-	16,000	-	90,00,000	-	90,16,000

28. Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Capital advances)

Particulars	March 31, 2015	March 31, 2014
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Capital advances)	**Nil**	Nil

29. Contingent liabilities (not provided for) in respect of:

Particulars	March 31, 2015	March 31, 2014
Bank Guarantee in favour of Sales Tax Department	**Nil**	Rs. 5,28,000/-
Bills discounted liability	**Nil**	Nil

30. There are no Micro, Small and Medium Enterprises to whom company owes dues which are outstanding for more than 45 days as on 31.03.2015. The information as required to be disclosed under MSMED Act, 2006, has been determined to the extent such parties has been identified on the basis of information available with the Company.

31. The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013 during financial year 2014-15.

32. Gratuity and other Post- employment benefit plans:

The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employees after completion of 5 years of service. At the end of accounting year actuarial valuation is done as per the Projected unit credit method and any shortfall is further provided for the following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the Gratuity.

Profit and Loss account

Net employee benefit expense (recognized in Employee Cost)

(Amounts in Rs.)

Particulars	March 31, 2015	March 31, 2014
Current service cost	**1,54,758**	1,46,478
Interest cost on benefit obligation	**1,03,603**	91,619
Net actuarial (gain)/ loss recognized in the year	**(74,892)**	(51,475)
Past service cost	**-**	-
Net benefit expense	**1,83,469**	1,86,622

Balance Sheet

Details of Provision for Gratuity

(Amounts in Rs.)

Particulars	March 31, 2015	March 31, 2014
Defined benefit obligation	**11,73,934**	12,18,862
Fair value of plan assets	**-**	-
Surplus/(Deficit)	**(11,73,934)**	(12,18,862)
Less: Unrecognized Past service cost	**-**	-
Plan asset / (liability)	**(11,73,934)**	(12,18,862)

Changes in the present value of the defined benefit obligation are as follows:

(Amounts in Rs.)

Particulars	**March 31, 2015**	March 31, 2014
Defined benefit obligation at the beginning of year	**12,18,862**	10,77,870
Current service cost	**1,83,469**	1,86,622
Benefits paid	**(2,28,397)**	(45,630)
Defined benefit obligation as at the end of the year	**11,73,934**	12,18,862

Changes in the fair value of plan assets for Gratuity are as follows:

(Amounts in Rs.)

	March 31, 2015	March 31, 2014
Fair value of plan assets at the beginning of the year	**-**	-
Transferred pursuant to demerger scheme	**-**	-
Expected return on plan assets	**-**	-
Contributions by employer	**-**	-
Benefits paid	**-**	-
Other adjustments*	**-**	-
Actuarial gains / (losses)	**-**	-
Fair value of plan assets at the end of the year	**-**	-

The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

Particulars	**March 31, 2015**	March 31, 2014
	%	%
Discount rate	**8.50**	8.50
Increase in Compensation cost	**6.00**	6.00
Expected rate of return on plan assets	**-**	-
Employee turnover – Age Group		
Up to 30 years	**3**	3
31 – 44 years	**2**	2
Above 44 years	**1**	1

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors on long term basis.

Amounts for the current and previous years are as follows:

(Amounts in Rs.)

	March 31, 2015	March 31, 2014
Defined benefit obligation	**11,73,934**	12,18,862
Plan assets	**-**	-
Surplus / (deficit)	**(11,73,934)**	(12,18,862)
Experience adjustments on plan liabilities (loss)/gain	**74,892**	51,214
Experience adjustments on plan assets (loss)/gain	**-**	-

Contribution to Defined Contribution plans: **(Amounts in Rs)**

Particulars	**March 31, 2015**	March 31, 2014
Provident Fund	**1,61,241**	**1,72,593**

33. **Supplementary Statutory Information**

33.1 Earnings in foreign currency (on accrual basis)

(Amounts in Rs.)

Particulars	**For the year ended March 31, 2015**	For the year ended March 31, 2014
Exports at F.O.B. Value	**-**	-

33.2 Expenditure in foreign currency (on accrual basis)

(Amounts in Rs.)

Particulars	**For the year ended March 31, 2015**	For the year ended March 31, 2014
Travelling	**2,08,369**	1,42,235

33.3 Value of imports calculated on CIF basis (on accrual basis)

(Amounts in Rs.)

Particulars	**For the year ended March 31, 2015**	For the year ended March 31, 2014
Raw Materials	**-**	-

33.4 Imported and Indigenous Raw Materials, Stores and Spares Consumed

Raw Materials	**% of total consumption For the year ended**		**Value (Amount in Rs.) For the year ended**	
	March 31, 2015	March 31, 2014	**March 31, 2015**	March 31, 2014
Indigenous	**100.00**	100.00	**9,07,26,308**	10,27,89,174
Imported	**-**	-	**-**	-
	100.00	100.00	**9,07,26,308**	10,27,89,174
Stores and Spares				
Indigenous	**100.00**	100.00	**26,44,150**	5,52,595
Imported	**-**	-	**-**	-
	100.00	100.00	**26,44,150**	5,52,595

34. Figures of the previous year have been rearranged/ regrouped wherever necessary to make them comparable. Figures have been rounded off to nearest of rupee.

As per our report of even date.

For R. K. Govil & Co.
Chartered Accountants

Sd/-

Rajesh Kumar Govil
Partner
FRN.: 000748C
Membership No. 13632

Place : New Delhi
Date : 28.05.2015

For and on behalf of the Board of Directors

Sd/-

Ashok Kumar Modi
Managing Director

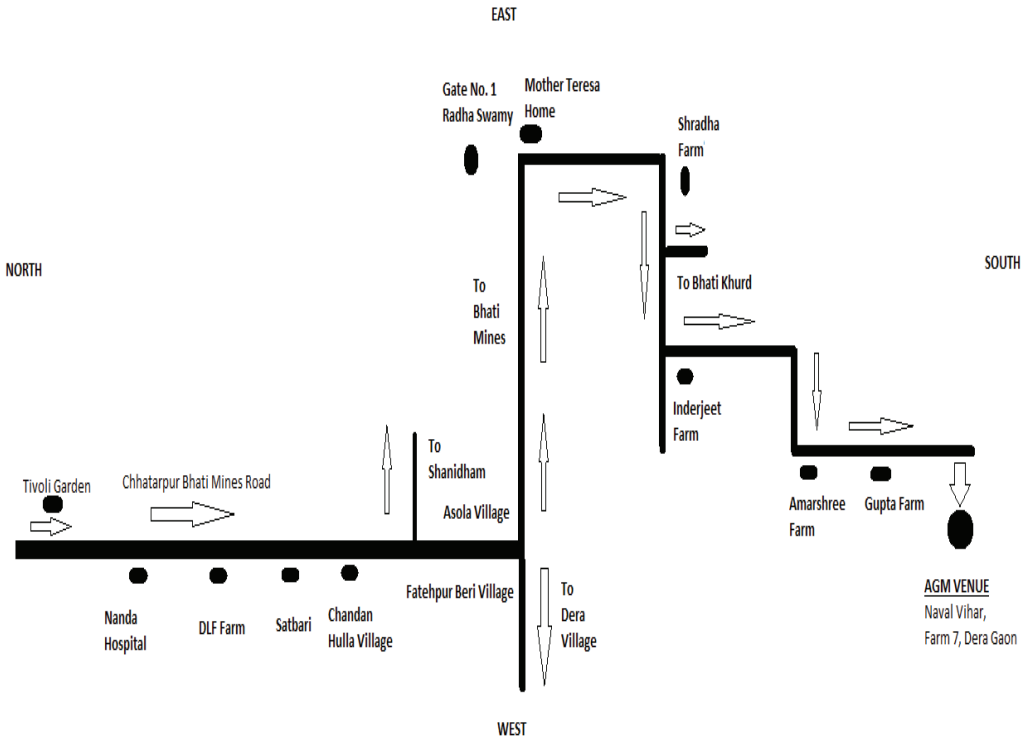
Sd/-

Pawan Kumar Modi
Jt. Managing Director

Sd/-

VasuModi
Director

ROUTE MAP FOR AGM VENUE



ATTENDANCE SLIP

NATIONAL GENERAL INDUSTRIES LIMITED

CIN : L74899DL1987PLC026617

Regd. Office : 3rd Floor, Surya Plaza, K-185/1, Sarai Julena, New Friends Colony, New Delhi – 110025

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE
Joint shareholders may obtain additional Slip at the venue of the meeting

Name of Shareholder	
Address	
DP Id*	
Client Id*	
Folio No.	
No. of shares held	

*Applicable for investors holding shares in electronic form.

I certify that I am the registered shareholders / proxy for the registered shareholder of the Company.

I hereby record my presence at the 29th Annual General Meeting of the Company held on Wednesday, 30th September, 2015 at 11.30 a.m. at Nawal Vihar, Farm 7, Dera Gaon, New Delhi – 110030.

.....
Signature of Shareholder/Proxy

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FORM OF PROXY

NATIONAL GENERAL INDUSTRIES LIMITED

CIN : L74899DL1987PLC026617

Regd. Office : 3rd Floor, Surya Plaza, K-185/1, Sarai Julena, New Friends Colony, New Delhi – 110025

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name	
Registered Address	
Email ID	
DP Id*	
Client Id*	
Folio No.	

*Applicable for members holding shares in Electronic form.

I/We, being the member(s) of _____ shares of National General Industries Limited, hereby appoint :

1. _____ (Name) of _____(Address) having e-mail id _____ or failing him
2. _____ (Name) of _____(Address) having e-mail id _____ or failing him
3. _____ (Name) of _____(Address) having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held on Wednesday, 30th September, 2015 at 11.30 a.m. at Nawal Vihar, Farm 7, Dera Gaon, New Delhi – 110030 and at any adjournment thereof in respect of such resolutions as are indicated below:

**I wish my above Proxy to vote on the Resolutions in the manner as indicated below:

Sl.No.	Resolution	Number of shares held	For	Against
Ordinary Business				
1.	Consider and Adopt Audited Financial Statement, Reports of the Board of Directors and Auditors for the financial year ended March 31, 2015.			
2.	Re-appointment of Mr. Vasu.Modi, who retires by rotation			
3.	Appointment of Auditors and fixing their remuneration			
Special Business				
4.	Re-appointment of Mr. Ashok Kumar Modi, Managing Director for a term of five year			
5.	Re-appointment of Mr. Pawan Kumar Modi, Managing Director for a term of five year			

Signed this _____ day of _____ 2015

Affix Revenue Stamp of not less than Re. 0.15

Signature (s) of Member(s)

_____ _____ _____

Signature of first proxy holder Signature of second proxy holder Signature of third proxy holder

Notes:

1. **The Proxy to be effective should be deposited at the Registered office of the company not less than FORTY EIGHT HOURS before the commencement of the Meeting.**
2. **A Proxy need not be a member of the Company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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.
4. ** This is optional. Please put a tick mark (√) in the appropriate column against the resolutions indicated in the box. If a member leave the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate.
5. Appointing proxy does not prevent such member from attending the meeting in person if he wishes so.
6. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
7. The form of Proxy confers authority to demand or join in demanding a poll.
8. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.

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If undelivered please return to:

National General Industries Ltd.
3rd Floor, Surya Plaza, K-185/1 Sarai Julena,
New Friends Colony, New Delhi-110025 (INDIA)