

“ श्री जी ”



National General Industries Limited

An ISO 9001 : 2000 Certified Company

**25th Annual Report
2010-11**



Dear Shareholders,

We at National General Industries Ltd. (NGIL) have pleasure to celebrate the 25th year of its existence. Along the course of journey, NGIL crossed many milestones which made it the finest and the most reputed Engineering Quality Bars manufacturer in Northern India.

In 1987, NGIL started with a small rolling mill based at Ghaziabad in the State of Uttar Pradesh, with annual capacity of about 10,000 MT per annum. During the year's with the increasing expertise in the industry, operations of the Company was expanded and as on date the Company has three mills with an approximate capacity of 22,000 MT per annum. With the said setup Company has most versatile configuration in order to produce Quality Engineering Bars. The product range of the Company covers all grades of alloy and stainless steel in sizes from 20mm up to 200mm in any section whatsoever.

In the same spirit, in 2010, NGIL commenced a state of the art Steel Foundry in Bhiwadi, Rajasthan. We congratulate you for record time in which this plant was set up! The steel foundry has capacity of making world class casting of any grade and size which may vary from 50 Kg upto 15,000 Kg. The casting unit is getting geared to cater to the most demanding customers worldwide. World class infrastructures are being set up in order to meet the most challenging requirements of esteemed customers which inter-alia includes customers from power and infrastructure industry.

We are thankful for your continued support during the NGIL's 25 years journey.

We are committed to make all possible efforts to continuously enhance value for all shareowners of NGIL!

Ashok K. Modi
Chairman & Managing Director



BOARD OF DIRECTORS

Ashok Kumar Modi	Chairman cum Managing Director
Pawan Kumar Modi	Joint Managing Director
Pankaj Kumar Agarwal	Director
Chaitanya Dalmia	Director
Vasu Modi	Director
Anshuman Goenka	Director

COMPANY SECRETARY

Gyan Sheel

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 : ngil@vsnl.com

WORKS - I

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

WORKS – II

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

BANKERS

State Bank of Patiala
Standard Chartered Bank

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

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NOTICE

Notice is hereby given that the **TWENTY FIFTH ANNUAL GENERAL MEETING** of the Members of National General Industries Limited will be held on Friday, the 30th September, 2011 at 11.30 a.m. at Nawal Vihar, Farm 7, Dera Gaon, New Delhi – 110 030, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31 March, 2011, the Profit and Loss Account for the year ended on that date, together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Chaitanya Dalmia who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s R. K. Govil & Company, Statutory Auditors of the Company and fix their remuneration.

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

Sd/-
GYAN SHEEL
Company Secretary

Place : New Delhi
Date : 10.08.2011

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF ONLY ON A POLL AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
3. Members / proxies are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 26th September, 2011 to Friday, 30th September, 2011 (both days inclusive).
5. 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.
6. Members who are still holding shares in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization which include easy liquidity since trading is permitted only in dematerialized form, electronic transfer, savings in stamp duty, prevention of forgery, etc.
7. Relevant details, in terms of Clause 49 of the Listing Agreement, in respect of Director retiring by rotation and proposed to be reappointed are given hereunder.

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

Sd/-
GYAN SHEEL
Company Secretary

Place : New Delhi
Date : 10.08.2011



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

Name of the Director	: Mr. Chaitanya Dalmia
Date of Birth	: 20/07/1975
Date of Appointment	: 21/01/2007
Expertise in specific functional areas	: Mr. Chaitanya Dalmia having vast experience of Corporate Finance. His expertise lies in investing in the secondary market.
Qualifications	: M.B.A, B.Com (H)
Directorship in other Public Limited Companies As on 31.03.2011)	: Revathi Equipment Ltd. Utkal Investments Ltd. Renaissance Stocks Ltd. Revathi Drilling and Mining Ltd.
Chairman/Member of Committee in other Public Limited Companies (As on 31.03.2011)	: Not Applicable
Shareholding in the Company as on 31.03.2011	: Nil



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Fifth Report of your Company along with the Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

The financial performance of the Company for the financial year ended on 31st March, 2011 and 31st March, 2010 are summarized below:-

(Rs. in Lacs)

Particulars	31.03.2011	31.03.2010
Total Income	4103.00	2041.12
Operating profit before interest and depreciation	122.43	77.44
Interest	46.03	13.60
Depreciation	33.25	25.32
Profit before Tax (PBT)	43.15	38.52
Provision for Taxation & FBT	8.22	5.48
Security Transaction Tax	0.08	0.68
Deferred Tax Liabilities	17.66	6.50
Minimum Alternate Tax Credit Availed	-4.30	-5.48
Profit after Tax (PAT)	21.49	31.34
Balance Brought Forward	83.93	89.61
Prior year adjustment	0.61	-0.02
Profit available for appropriation	106.03	120.93
Transfer to General Reserve	40.00	37.00
Balance carried to Balance Sheet	66.03	83.93

PERFORMANCE DURING THE YEAR UNDER REVIEW

The expansion of the business of the Company took place by setting up a Steel Casting unit at Bhiwadi, Rajasthan, which commenced its commercial production on and from 5th April, 2010. The range of product manufactured at the new unit during the year includes backward integrated product for the unit of the Company at Ghaziabad, U.P. In view of such expansion the turnover of the Company has substantially increased to more than twice as compared to previous year. However, the new Casting unit being a very competitive industry in nature, is yet to become stable.

During the year under review, the turnover of your Company increased to 4064.76 lakhs from 1840.50 lakhs previous year, registering an increase of 121%. However the net profit before tax from steel division increased to 86.90 lakhs from 70.91 lakhs in the previous year. The other income comprising the return from investments activities has registered a net loss of Rs. 43.74 lakhs as compared to net loss of Rs. 32.38 lakhs in the previous year.

QUALITY MANAGEMENT

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

FUTURE OUTLOOK

Your Directors are pleased to report that your Company has increased the product range with diversification in product line, which *inter-alia* includes manufacturing of castings as per customer specification. Your Directors are confident that this diversification will help the Company to achieve better profitability in the current fiscal. The Company has taken effective steps to explore the domestic market in different industries and segments and has accordingly expanded its marketing activities so as to meet the demand of its engineered products of different industries. Hence, your Directors look forward to increase in market share of your Company in near future.

**DIRECTORS**

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

DIVIDEND

Due to expansion of operations, your Directors have not recommend dividend for the year ended 31st March, 2011.

FIXED DEPOSITS

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

AUDITORS & AUDITORS' REPORT

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

The comments in the Auditors Report dated 30th May, 2011 read with notes on accounts in Schedule 18 are self explanatory.

COMPLIANCE WITH THE ACCOUNTING STANDARDS

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

AUDIT COMMITTEE

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

DEMATERIALISATION OF SHARES

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

STOCK EXCHANGE LISTING

All equity shares issued by your Company are listed at Bombay Stock Exchange Ltd. under Scrip Code No. 531651. The Company has paid annual listing fees due to BSE for the year 2011-2012.

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

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo for the year ended 31st March, 2011 are annexed as Annexure 'A' and form an integral part of this report.

PARTICULARS OF EMPLOYEES

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



CORPORATE GOVERNANCE

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors in respect of the Audited Annual Accounts for the year ended 31st March, 2011, hereby state and confirm:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors had, selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on March 31, 2011 and of the profit of the Company for that period;
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors had prepared the annual accounts on a going concern basis.

APPRECIATION & ACKNOWLEDGEMENT

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

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

Sd/-

ASHOK KUMAR MODI

Chairman and Managing Director

Place : New Delhi

Date : 10.08.2011



ANNEXURE 'A' TO DIRECTORS' REPORT

Information as per Section 217 (1) (e) read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2011.

I. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

During the year under review, wherever possible, energy conservation measures have been taken and there are no major areas where further energy conservation can be taken.

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

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

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

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

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

	2010-2011	2009-2010
A) Power & Fuel Consumption		
1. Electricity		
I) For Casting unit		
Power purchased		
Units (in thousands)	8070525	-
Total Amount (Rs.)	38850879.00	-
Rate/Unit (Rs.)	4.81	-
II) For Re-rolling unit		
a) Power Purchased		
Units (in thousands)	1104577	918550
Total Amount (Rs.)	7210525.00	5925612.00
Rate/Unit (Rs.)	6.53	6.45
b) Own Generation through Diesel Generator		
Litres	32600	17900
Total amount (Rs.)	1260831.00	611033.00
Cost / Ltr.	38.68	34.14
c) Through engine (LDO)		
Litres	56685	82940
Total Amount (Rs.)	2514572.00	2620652.00
Cost / Ltr.	44.36	31.60
2. Furnace Oil for Re-rolling unit		
Qty. (K. Ltr.)	829.300	750.890
Total Amount	23927536	19981718
Average Rate	28.96	26.61



B) Consumption per unit production			
	Unit	2010-2011	2009-2010
Electricity – Casting unit	Units	1013.88	-
Electricity – Re-rolling unit	Units	60.91	61.16
Diesel Oil	Ltrs.	1.79	1.19
LDO	Ltrs.	3.13	5.52
Furnace Oil	Ltrs.	45.73	49.99

II. TECHNOLOGY ABSORPTION

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

1. Research and Development (R&D)

- Specific areas in which R&D carried out by the Company:
During the year under review, no R&D carried out.
- Benefits derived as a result of above R&D: Not Applicable
- Future Plan of action:
If required, Research and Development activities shall be carried out in future to achieve grater efficiency in production techniques.
- Expenditure on R&D: No capital as well as recurring expenditure made on R&D.

2. Technology absorption, adaptation & innovation.

- Efforts, in brief, made towards technology absorption, adaptation and innovation:
The Company is using latest techniques for production. Efforts are being made to make the maximum use of the available infrastructure, at the same time innovating new techniques to bring about efficiency as well as economy in different areas. Employees are given appropriate training of and on the job, to enable them to achieve the planned performance.
- Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc:
Through all these efforts benefits derived are better utilization of the available resources, product improvement and development, cost reduction, better overall efficiency on one side and clean environment and safety of employees on the other.
- In case of imported technology (import during the last 5 years reckoned from the beginning of the financial year) : Nil

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Export Activities: There was no export activity in the Company during the year under review as well as in the previous year and hence there was no foreign exchange earning.
- Outgo by way of other expenditure : Rs. 69625.00 (P.Y. Rs. 141761.00)

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 : 10.08.2011



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

CAUTIONARY STATEMENT

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statement' within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting global and domestic demand-supply, finished goods prices in the domestic and overseas markets in which the Company operates, raw-materials cost and availability, changes in Government regulations, tax regimes, economic developments and other factors such litigation and industrial relations. 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.

PROFILE

National General Industries Limited is manufacturing Company in steel products. It is a remarkable achievement for the company which began its life consisted of just one small rolling mill which had limited manufacturing capabilities 25 years back. Over the years the unit undergone a sea change & as a result of constant up-gradation and modernization, today it consists of two separate line of products with capabilities to roll sections used in a wide array of engineering, agricultural and automobile industry. During the year under review, expansion plan of the Company was also successfully implemented by setting up a Casting unit, which commences its commercial operation from 5th April, 2010. In today's global economy quality indicates the parameter of Company's success. Your Company's success is due to adoption of higher level of quality controls which now becomes the driving force of our success. Your Company succeeded in benchmarking quality and innovation standards by achieving the ISO 9001-2000. Your Company continues to be committed towards making quality products and at the same time ensuring human as well as environment safety and thus enhance value addition to the investors and to the society as a whole.

INDUSTRY STRUCTURE AND DEVELOPMENT

Company experienced a cutthroat competition from other established market players and unorganized sectors. The steel industry witnessed growth during the year under review. The Company has expanded its product range and is now capable of making steel casting product as per customer specification. The future is likely to see only those companies successful, which have their product priced competitively and maintaining quality. All possible efforts are being made by your Company to reduce costs without compromising on the quality of the product.

GLOBAL ECONOMY

As reported by International Monetary Fund, the world GDP, was on an upturn, growing by 5% in 2010 as compared to a negative growth of 0.5% in 2009. While the growth in the advanced economies was 3% in 2010, in contrast to -3.4% in 2009, the emerging and developing economies grew by 7.3% in 2010 when compared to the growth of 2.7% in 2009. The growth in the developing and emerging economies slowed down during the end of 2010 as stimulus measures were slowly removed and policies were tightened in response to rising inflation and overheating concerns.

The steel being at the core of economic progress witnessed Global crude steel production a new height during 2010 at 1,414 million metric tons, up by 15% over 2009. While China maintained the lead position in terms of volume and steel produced, with a growth of 9.3%, most of the negative growths seen in the steel producing nations hit by the economic downturn in 2009 reversed during 2010 and they record positive double digit growths during the year.

INDIAN ECONOMY

As reported in the Economic Survey of 2010-11, GDP is expected to grow by 8.6% in 2010-11 as compared to the growth of 8% in 2009-10. The agricultural output grew by 5.4% as compared to a nominal 0.4% growth in 2009-10 when the country was hit by a deficient monsoon. Manufacturing grew by 8.8% during the year being at par with the growth noticed in the last fiscal. Overall Growth in industry was 8.1% during 2010-11 compared to 8% in the last year. Service industry witnessed a decelerated growth of 9.6% as compared to a growth of 10.1% in 2009-10. Amongst the key macro-economic indicators, fiscal deficit was limited to 4.8% of GDP in 2010-11 as compared to 6.3% in 2009-10. Export and Import grew positively by 29.5% and 19% in contrast to the negative growths experienced in the previous year. Clouds of high inflation and temporary slowdown in the industrial growth are looming in the country as steps are being taken to mitigate such adversities.

The trend of crude steel production in India shows remarkable improvement over last 5 years. Indian being ranked 5th in terms of crude steel production in the steel producing countries, the country's production grew by around 6% in 2010 over 2009. The production of flat products and long products of major Indian companies is estimated to have grown by



around 12% and 8% respectively during the financial year 2010-11, when compared with the previous financial year. Steel consumption for FY 2010-11 for the flat products and long products grew by 6.7% and 10.6% respectively. The steel prices during the financial year 2010-11 have increased from the average prices prevailing in the previous financial year as well as the quarter ended March, 2010 driven primarily by the increase in the prices of input raw material during the same period.

OPPORTUNITIES, THREATS AND RISKS

India is the next frontier as it possesses the advantages of inherent cost competitiveness combined with a promising demand within the country, and, in addressable international markets. Further the Government is giving continuous thrust on housing and infrastructure sector. The government spending on infrastructure development is also expected to increase the demand of steel products in coming years. The steel industry is still highly fragmented and cyclical in nature as well as demand for steel products is generally affected by macroeconomic fluctuations in the global markets. The Company has undertaken several initiatives to insulate itself from volatility in steel prices by continuously enriching its product mix and moving up the value chain, weeding out low value addition products from its portfolio and planning backward integration and capacity expansion.

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. Aggressive cost cutting and addition to the product mix to incorporate more value-added products are the present strengths of the Company. The Company is taking utmost care to ensure very high quality of products. However a shift in the policy of the Government regarding import duty on steel, zinc etc. could adversely affect business of the Company.

INTERNAL CONTROL SYSTEM

Your Company remains committed to maintaining internal controls designed to provide adequate assurance on the efficiency of operations and security of its assets. 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, reviews the financial disclosures.

FINANCIAL AND OPERATIONAL PERFORMANCE

The financial performance of the Company for the financial year ended on 31st March, 2011 and 31st March, 2010 are summarized below:-

Particulars	31.03.2011	31.03.2010
Total Income	4103.00	2041.12
Operating profit before interest and depreciation	122.43	77.44
Interest	46.03	13.60
Depreciation	33.25	25.32
Profit before Tax (PBT)	43.15	38.52
Provision for Taxation & FBT	8.22	5.48
Security Transaction Tax	0.08	0.68
Deferred Tax Liabilities	17.66	6.50
Minimum Alternate Tax Credit Availed	-4.30	-5.48
Profit after Tax (PAT)	21.49	31.34
Balance Brought Forward	83.93	89.61
Prior year adjustment	0.61	-0.02
Profit available for appropriation	106.03	120.93
Transfer to General Reserve	40.00	37.00
Balance carried to Balance Sheet	66.03	83.93



During the year under review, upon implementation of expansion plan of the company increased to 4064.76 lakhs from 1840.50 lakhs previous year, registering an increase of 121%.

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**

Place : New Delhi
Date : 10.08.2011

Sd/-
ASHOK KUMAR MODI
Chairman and Managing Director



REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2010-11

(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 31.03.2011, 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 31.03.2011 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	7	Yes	-	-
	Shri Pawan Kumar Modi	8	Yes	-	-
Non-Executive Non-independent Directors	Shri Vasu Modi	7	Yes	1	-
Non-Executive Independent Directors	Shri Pankaj Kumar Agarwal	6	Yes	-	-
	Shri Anshuman Goenka	7	Yes	-	-
	Shri Chaitanya Dalmia	6	No	4	-

During the Financial Year 2010-11, 8 Board Meetings were held and the gap between two meetings did not exceed four months. The Board Meetings were held on 17.05.2010, 28.05.2010, 24.07.2010, 28.07.2010, 13.08.2010, 02.11.2010, 07.01.2011 & 10.02.2011.



Number of Equity Shares held by Directors as on 31st March, 2011 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 Kumar Agarwal	Independent Director	-
Shri Anshuman Goenka	Independent Director	-
Shri Chaitanya Dalmia	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

The Audit Committee comprises of 3 Non-executive Directors viz. Shri Pankaj Kumar Agarwal and Shri Anshuman Goenka, Independent Directors and Shri Vasu Modi, Non-independent Director. Mr. Pankaj Kumar Agarwal is the Chairman of the Audit Committee. The Members of the Audit Committee possess adequate knowledge of Accounts, Audit, Finance, etc. The Company Secretary of the Company acts as the Secretary to the Audit Committee. The constitution of audit Committee also meets the requirements under Section 292A of the Companies Act.

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, 1956. 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.

Four meetings of the Audit Committee were held during the financial year 2010-11, on 28.05.2010, 13.08.2010, 02.11.2010 and 10.02.2011. The constitution of the Committee as at 31.03.2011 and the attendance of each Member are as given below:

Name of Director	Category	No. of Meeting Attended
Shri Pankaj Kumar Agarwal	Non-Executive Independent	4
Shri Anshuman Goenka	Non-Executive Independent	4
Shri Vasu Modi	Non-Executive Non-Independent	4

5. Remuneration Committee

The Remuneration Committee of the Board comprises 3 Non-executive Directors viz. Shri Pankaj Kumar Agarwal and Shri Anshuman Goenka, Independent Directors and Shri Vasu Modi, Non-independent Director. Mr. Pankaj Kumar Agarwal is the Chairman of the Remuneration Committee. The Remuneration Committee has been constituted to recommend/review remuneration of the Managing Director and Wholetime 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 2010-2011 is as given below:

Name of the Directors	Salary (Rs.)
Shri Ashok Kumar Modi (Chairman cum Managing Director)	1,79,613
Shri Pawan Kumar Modi (Joint Managing Director)	1,79,613

Period of Contract (Shri Ashok Kumar Modi) : 5 years from 4th July, 2010 (upto 3rd July, 2015)

Period of Contract (Shri Pawan Kumar Modi) : 5 years from 4th July, 2010 (upto 3rd July, 2015)

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

6. Shareholders/ Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee 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 28.05.2010, 13.08.2010, 02.11.2010 and 10.02.2011, and the attendance of the Members at the meeting was as follows:

Name of the Members	Status	No. of meetings attended
Shri Pankaj Kumar Agarwal	Chairman	4
Shri Anshuman Goenka	Member	4
Shri Vasu Modi	Member	4

The Board has designated Mr. Gyan Sheel, Company Secretary as Compliance Officer of the Shareholders'/Investors'/Grievance.

No. of shareholders' complaints received upto 31st March, 2011 : 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 10th August, 2011.

9. General Body Meetings

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

Year	Location	Date	Time
2007 – 2008	Nawal Vihar, Farm 7, Dera Gaon, New Delhi – 110 030	30.09.2008	11.30 a.m.
2008 – 2009		30.09.2009	11.30 a.m.
2009 – 2010		30.09.2010	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) The Company has not adopted any whistle blower policy. However, the Employees are free to approach the Management or the Audit Committee on any issue.
- v) The Company has complied with the mandatory 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. Gyan Sheel, Company Secretary 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 : ngil@vsnl.com
Phone : 011-26829517, 19
Fax : 011-26920584

14. Compliance Certificate

A Compliance Certificate on Corporate Governance dated 10th August, 2011 issued by S. J. Patnaik & Co., 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. 25th Annual General Meeting Date and Time : 30th September, 2011 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
Quarter ending June 30, 2010 (unaudited) : 13th August, 2010



- Quarter ending September, 2010 (unaudited) : 2nd November, 2010
 Quarter ending December, 2010 (unaudited) : 10th February, 2011
 Quarter/Year ending on March 2011 (audited) : 30th May, , 2011
- iv. Date of Book Closure : 26th Sept. 2011 to 30th Sept. 2011(both days inclusive)
- v. Listing on Stock Exchange : Bombay Stock Exchange Ltd.
- 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, 2010	40.05	36.35
May, 2010	46.35	42.05
June, 2010	51.05	48.65
July, 2010	48.60	48.60
August, 2010	-	-
September, 2010	-	-
October, 2010	48.60	48.60
November, 2010	-	-
December, 2010	-	-
January, 2011	-	-
February, 2011	-	-
March, 2011	-	-

- ix. Share Transfer SystemThe 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 31.03.2011

Holdings	Shareholders		Shares	
	Number	% of Total	Number	% of Total
1 – 500	1100	66.55	340424	6.16
501 – 1000	454	27.47	438100	7.92
1001 – 2000	29	1.75	49800	0.90
2001 – 3000	23	1.39	67800	1.23
3001 – 4000	3	0.18	10500	0.19
4001 – 5000	4	0.24	20000	0.36
5001 – 10000	8	0.48	74400	1.35
10001 & above	32	1.94	4529235	81.89
TOTAL	1653	100.00	5530259	100.00



xi. Shareholding Pattern as on 31.03.2011

Catogory	No. of Shares held	%age of Total Shares
Promoters & Associates	3615502	65.38
Person Acting in Concert	-	-
Mutual Funds, Banks, FI & FII	-	-
Private Corporate Bodies	511900	9.26
Indian Public	1402357	25.35
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, 2011, 3410198 equity shares, being 61.66% 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 -**

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 : 10.08.2011

**DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49(ID)
OF THE LISTING AGREEMENT**

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 year ended 31st March, 2011.

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 : 10.08.2011



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, 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance conditions of Corporate Governance are the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. 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 the representation made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

For **S.J. PATNAIK & Co.**
Company Secretary

Sd/-
(Samarjeet Patnaik)

Proprietor
Membership No. FCS5420
C.P. No. : 4384

Place : New Delhi
Dated : 10.08.2011



AUDITOR'S REPORT

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

SUB: Auditor's Report on the Accounts for the year ended on 31st March 2011 in compliance with Section 227 of the companies Act, 1956

We have audited the attached Balance Sheet of **M/s NATIONAL GENERAL INDUSTRIES LTD.** as at 31st March 2011 and also the Profit & Loss Account of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on the audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to on paragraph (3) above, we report that:-

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books of the company.
3. The Balance Sheet and Profit & Loss Account referred to in this are in agreement with the books of account of the Company.
4. In our opinion, the accounts comply with the accounting standards referred to in Section 211(3C) of Companies Act, 1956.
5. On the basis of written representation received from the directors as on 31.03.2011, and taken on record by the Board of Directors, in our opinion, none of the directors are disqualified from being appointed as director u/s 274(1)(g) of Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account, together with other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - I. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011
 - II. In the case Profit & Loss Account, of the profit of the company for the year ended on that date.
 - III. In the case of Cash Flow statement, of the cash flow's for the year ended on that date.

For **R.K GOVIL & Co.**
Chartered Accountants

Sd/-
(Rajesh K. Govil)
Partner

Firm Registration No.: – 000748C
Membership No. 13632

Place : New Delhi
Dated : 30.05.2011



**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 during the year. We have been informed that no material discrepancies were noticed on such physical verification. Substantial part of fixed assets has not been disposed of during the year, which will affect its status as going concern.
- 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 the most of the case 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 taken unsecured loans from one company listed in the register maintained u/s 301 of the Companies Act. The Amount of loan outstanding as on the date of Balance Sheet is Rs. 105.50 Lacs. The said loan is non-interest bearing which is not prima-facie prejudicial to the interest of the Company.
- IV. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- V. 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.
- VI. (a) According to the information and explanations given to us, we are of the opinion that particulars of Contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section, wherever applicable.
(b) In Our opinion and according to the information and explanations given to us, the transactions made in pursuance of Contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at the prices, which are reasonable having regard to prevailing market prices at relevant time.
- VII. 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 58A, 58AA of the Act and the rules framed there under, where applicable, have been complied with. National Company Law Tribunal has not passed any order in respect of public deposits accepted by the Company.
- VIII. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- IX. The Central Government has prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 vide Cost Accounting Records (Steel Plant) Rules 1990. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion that prime facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records.
- X. a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other statutory dues applicable to it with the appropriate authorities.
b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Wealth-Tax, Service Tax, Sales Tax, Custom Duty and Excise Duty and Cess and other aforesaid statutory dues were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.



- c) According to the record of Company there are no dues sales tax, income tax, custom duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute.
- XI. The Company has no accumulated losses. The Company has not incurred cash loss during the financial year under report and in the financial year immediately preceding such financial year.
- XII. 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.
- XIII. In our opinion, and according to the explanations given to us, and based on the information, available the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIV. In our opinion, the Company is not a chit fund or Nidhi/ Mutual Benefit Fund/ Society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XV. In our opinion, and according to the information and explanation given to us the Company is dealing in/ or trading in Shares, Securities, Debentures and other investments. However the Company is maintaining the proper records of the transactions & contracts and timely entries are being made there in and also, all the investments are held in the name of the Company except to the extent of the exemption, if any, granted under section 49 of the Companies Act, 1956.
- XVI. 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.
- XVII. The term loans were applied for the purpose for which the loans were obtained.
- XVIII. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short terms basis that have been used for long term investment and vice versa.
- XIX. The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Act.
- XX. During the period covered by our Audit Report, the Company has not issued any debentures.
- XXI. During the period covered by our Audit Report, the Company has not raised any money by public issue.
- XXII. 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

Sd/-

(Rajesh K. Govil)

Partner

Firm Registration No.: – 000748C

Membership No. 13632

Place : New Delhi
Dated : 30.05.2011

**BALANCE SHEET AS AT 31ST MARCH, 2011**

PARTICULARS	Schedule	As at 31.03.2011	As at 31.03.2010
I. SOURCES OF FUNDS :			
(1) Shareholder's Funds :			
(a) Share Capital	1	46,598,840	41,374,800
(b) Equity Shares Suspense		-	4,717,040
(c) Reserve & Surplus	2	128,225,066	126,286,882
(2) Deferred Tax Liabilities		4,311,053	2,544,739
(3) Loan Funds :			
(a) Secured Loans	3	80,654,679	59,058,583
(b) Unsecured Loan	4	10,550,000	6,608,526
Total		270,339,638	240,590,570
II. APPLICATION OF FUNDS :			
(1) Fixed Assets			
Gross Block	5	164,599,723	125,990,252
Less: Depreciation		29,094,688	25,458,603
		135,505,035	100,531,649
Capital Work in Progress		1,068,916	29,415,177
(2) Investments	6	49,175,168	58,174,337
(3) Current Assets, Loans and Advances :			
(a) Inventories	7	33,968,297	21,094,646
(b) Sundry Debtors		43,187,413	15,425,309
(c) Cash and Bank Balance		2,922,355	6,075,559
(d) Loans and Advances		26,079,289	25,073,182
		106,157,356	67,668,697
Less: Current Liabilities and Provisions :	8		
(a) Liabilities		20,445,088	14,234,769
(b) Provisions		1,633,516	1,224,518
		22,078,604	15,459,287
Net Current Assets :		84,078,752	52,209,408
(4) Miscellaneous Expenditure		511,766	260,000
(To the extent not w/off or adjusted)			
Total		270,339,638	240,590,570
Significant Accounting Policies & Notes to Accounts 18			

For and on behalf of Board of Directors

For **R. K. Govil & Co.**
Chartered Accountants
Sd/-
(Rajesh K. Govil)
Partner
FRN.: 000748C
Membership No.: 13632

Sd/-
Ashok Kumar Modi
Chairman & Managing Director

Sd/-
Vasu Modi
Director

Sd/-
Gyan Sheel
Company Secretary

Place : New Delhi
Date : 30.05.2011


PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

PARTICULARS	Schedule	Year Ended 31.03.2011	Year Ended 31.03.2010
INCOME :			
Turnover	9	452,100,177	216,114,820
Less: Excise Duty		42,890,449	14,388,379
		409,209,728	201,726,441
Other Income	10	1,090,162	2,385,570
Total		410,299,890	204,112,011
ADD/(LESS) : Increase/(Decrease) in Stock		3,946,739	2,952,924
Total		414,246,629	207,064,935
EXPENDITURE :			
Raw Material Consumed	11	291,898,104	156,850,916
Manufacturing Expenses	12	18,740,703	3,295,976
Power & Fuel Consumption	13	74,433,907	27,911,002
Establishment Expenses	14	5,916,488	2,404,822
Administrative Expenses	15	6,842,463	6,197,573
Loss on Sale of Assets		75,115	40,165
Loss on Sale of investments		-	126,858
Financial Expenses	16	4,602,962	1,359,976
Selling & Distribution Expenses	17	3,721,706	2,243,725
Preliminary Expenses Written Off		374,718	249,421
Depreciation	5	3,325,138	2,532,723
		409,931,305	203,213,157
PROFIT FOR THE YEAR BEFORE TAXATION		4,315,324	3,851,779
ADD			
Balance brought forward from last year		8,393,083	8,960,579
Prior Year Adjustment		60,862	(1,477)
		12,769,269	12,810,881
LESS			
Provision for Tax- Current Tax		822,280	548,237
Minimum Alternative Tax Credit Availed		(430,180)	(548,237)
Security Transaction Tax		8,060	67,974
Deferred Tax Liabilities / (Asset)		1,766,313	649,824
Transferred to General Reserve		4,000,000	3,700,000
Balance Transferred to Balance Sheet		6,602,796	8,393,083
Significant Accounting Policies & Notes to Accounts	18		
EARNING PER SHARE (Face Value Rs. 10/-)			
Basic Earning Per Share (In Rs.)		0.40	0.68
Diluted Earning Per Share (In Rs.)		0.40	0.68

For and on behalf of Board of Directors

For **R. K. Govil & Co.**
Chartered Accountants
Sd/-
(Rajesh K. Govil)
Partner
FRN.: 000748C
Membership No.: 13632

Sd/-
Ashok Kumar Modi
Chairman & Managing Director

Sd/-
Vasu Modi
Director

Sd/-
Gyan Sheel
Company Secretary

Place : New Delhi
Date : 30.05.2011



SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET

PARTICULARS	As at 31.03.2011	As at 31.03.2010
SCHEDULE-1 :		
SHARE CAPITAL		
AUTHORISED CAPITAL		
12000000 Equity Shares of Rs.10/- each (P.Y. 6000000)	<u>120,000,000</u>	<u>60,000,000</u>
ISSUED,SUBSCRIBED & PAID UP CAPITAL		
5530259 (5058555) Equity Shares of Rs. 10/- each	55,302,590	50,585,550
Less: Call Money unpaid 1160500 Shares @ 7.50 (Prev. Yr.1228100 Shares)	8,703,750	9,210,750
(During the year 95-96 327551 Equity shares of Rs.10/- each fully paid up were issued as Bonus Shares out of General Reserve on 7/7/95)	<u>46,598,840</u>	<u>41,374,800</u>
SCHEDULE-2 :		
RESERVE & SURPLUS		
Share Premium Account :		
on 3420800 Equity share at Rs.5/- each		
Less: Premium on the Allotment Money unpaid on 1160500 Shares @ 2.50 (Prev. Yr. 1228100 Shares)	<u>17,104,000</u> <u>2,901,250</u>	14,033,750
Revaluation Reserve	<u>4,095,589</u>	
Less: Dep.on Revalued Assets	<u>440,529</u>	4,095,589
Capital Reserve	24,764,460	24,764,460
General Reserve	79,000,000	75,000,000
Profit & Loss A/c	6,602,796	8,393,083
	<u>128,225,066</u>	<u>126,286,882</u>
SCHEDULE-3		
SECURED LOANS		
State Bank of Patiala (Against hypothication of stock & personal guarantee of Directors)	45,476,248	12,864,545
Tata Capital Ltd. - Car Loan	283,697	562,460
RIICO Ltd. - Bhiwadi Land	34,894,734	45,631,578
	<u>80,654,679</u>	<u>59,058,583</u>
SCHEDULE-4		
UNSECURED LOANS		
From Body Corporates	<u>10,550,000</u>	6,608,526
	<u>10,550,000</u>	<u>6,608,526</u>

SCHEDULE - 5. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION								NET BLOCK			
	AS ON 01.04.2010		TOTAL AS ON 31.03.2011		AS ON 01.04.2009		DURING THE YEAR		AS ON 31.03.2011		AS ON 31.03.2011		AS ON 31.03.2010			
	ORIGINAL	REVALUED	ADDITION DURING THE YEAR	DEDUCTION ORIGINAL	ORIGINAL	REVALUED	ORIGINAL	REVALUED	ORIGINAL	REVALUED	ORIGINAL	REVALUED	ORIGINAL	REVALUED		
LAND	73,367,000	7,160,180	-	-	-	-	-	-	-	-	-	73,367,000	7,160,180	73,367,000	7,160,180	
BUILDING	1,820,456	3,356,209	10,255,696	-	464,139	1,757,936	384,026	112,097	-	848,165	1,870,033	11,227,887	1,486,176	1,356,317	1,598,273	
PLANT & MACHINERY	18,654,712	6,914,353	27,508,068	-	7,316,633	5,041,395	1,962,665	328,432	-	9,279,298	5,369,827	36,883,482	1,544,526	11,338,079	1,872,998	
VEHICLES	6,125,130	-	678,900	270,000	3,014,876	-	607,269	-	129,565	3,482,560	-	3,041,470	-	3,110,254	-	
FIRE & FIGHTING EQUIP.	203,663	-	50,423	-	58,542	-	11,573	-	-	70,115	-	183,961	-	145,111	-	
FURNITURE & FIXTURE	230,872	-	-	-	72,560	-	14,614	-	-	87,174	-	143,698	-	158,312	-	
OFFICE EQUIPMENT	204,877	-	-	-	71,063	-	14,485	-	-	85,548	-	119,329	-	133,817	-	
F.A. ROLLS	7,403,744	-	352,841	-	7,132,720	-	313,558	-	-	7,446,278	-	310,307	-	271,024	-	
COMPUTER	549,066	-	33,643	-	528,741	-	16,947	-	-	545,688	-	37,021	-	20,325	-	
TOTAL	108,559,510	17,430,742	38,879,471	270,000	18,659,274	6,796,331	3,325,138	440,529	129,565	21,854,828	7,239,860	125,314,154	10,190,882	89,900,238	10,631,411	
PREVIOUS YEAR	37,019,044	17,430,742	72,059,631	519,064	16,280,775	6,358,802	2,532,723	440,529	154,227	18,659,271	6,799,331	89,900,238	10,631,411			



SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET

PARTICULARS	No.of Shares/ Units	As at 31.03.2011	No.of Shares/ Units	As at 31.03.2010
SCHEDULE-6				
INVESTMENTS				
LONG TERM INVESTMENTS				
QUOTED SHARES				
Kay Pulp & Papers Ltd.	700	7,000	700	7,000
Shares Under ING PMS Accounts		1,476,889		1,276,057
Southern Iron & Steel Co. Ltd.	2	76	2	76
Total (A)		1,483,965		1,283,133
UNQUOTED SHARES				
Modi Power Pvt. Ltd.	2,420,750	29,700,000	3,340,750	38,900,000
Peacon Properties Encl. Pvt. Ltd.	557,300	1,131,200	557,300	1,131,200
Total(B)		30,831,200		40,031,200
MUTUAL FUND				
Franklin India Smaller Company Fund-Gr.	150,000	1,500,000	150,000	1,500,000
HDFC Equity Fund	50,718.500	5,360,004	50,718.500	5,360,004
CIG REALTY VENTURE FUND	1,000,000	10,000,000	1,000,000	10,000,000
Total(C)		16,860,004		16,860,004
CURRENT INVESTMENTS				
MUTUAL FUND				
Total(D)		-		
Total Investment(A+B+C+D)		49,175,168		58,174,336

Agreegate Market Value of Quoted Investments Rs.59,001,976/- (Previous Year Rs. 26,796,492/-)

PARTICULARS	As at 31.03.2011	As at 31.03.2010
SCHEDULE-7		
(i) CURRENT ASSETS :		
- Stock in trade (as valued & certified by the Management)	33,968,297	21,094,646
SUNDRY DEBTORS :		
(Unsecured, considered good)		
(a) Exceeding Six Months	2,576,207	2,661,996
(b) Others	40,611,206	12,763,313
CASH AND BANK BALANCES :		
(a) Cash in hand	107,053	87,373
(b) Balance with Scheduled Banks In Current Accounts	2,815,302	5,988,186
	80,078,065	42,595,513
(ii) LOANS & ADVANCES		
Advance Recoverable in cash or in kind for value to be received	14,032,358	14,296,315
Security Deposit	8,212,590	8,296,751
Advance to Staff	124,990	182,691
Advance Tax, TCS & TDS	1,125,994	861,999
Minimum Alternative Tax Adjustable	1,850,077	1,419,897
Advance to Suppliers & Others	733,280	15,530
	26,079,289	25,073,182



SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET

PARTICULARS	As at 31.03.2011	As at 31.03.2010
SCHEDULE-8		
CURRENT LIABILITIES & PROVISIONS		
A) CURRENT LIABILITIES		
Sundry Creditors		
— Micro, Small & Medium scale Enterprises	-	-
— Others	13,539,709	11,917,460
Advance from Customers	400,990	11,214
Interest Accrued (remaining unpaid)	-	750,018
Expenses Payable	6,504,389	1,556,077
	<u>20,445,088</u>	<u>14,234,769</u>
(B) PROVISIONS		
Provision for Taxation	822,280	548,237
Provision for Gratuity	811,236	676,281
	<u>1,633,516</u>	<u>1,224,518</u>
	<u>22,078,604</u>	<u>15,459,287</u>
MISC. EXPENDITURE		
Preliminary Expenses	260,000	509,421
Add: Expense during the year	626,484	-
Less: Written off during the year	374,718	249,421
	<u>511,766</u>	<u>260,000</u>

SCHEDULE ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT

PARTICULARS	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE- 9		
SALES		
Finished Goods	403,954,430	181,192,758
Conversion Charges	45,624,666	32,064,557
Melting Scrap	2,521,081	2,857,505
	<u>452,100,177</u>	<u>216,114,820</u>
SCHEDULE-10		
OTHER INCOME		
Income From Current Investment	208,892	-
Income From Long Term Investment	-	15,996
Income from Dividend	15,110	697,220
Sales Tax Refund	356,000	-
Agriculture Income	49,680	172,435
Interest Recd.	460,480	1,499,919
	<u>1,090,162</u>	<u>2,385,570</u>


SCHEDULE ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT

PARTICULARS	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE-11		
MATERIAL CONSUMPTION		
Opening Stock	7,434,713	6,554,705
Add: Purchase	297,119,418	157,867,076
	<u>304,554,131</u>	<u>164,421,781</u>
Less: Closing Stock	12,656,027	7,570,865
	<u><u>291,898,104</u></u>	<u><u>156,850,916</u></u>
 SCHEDULE - 12		
MANUFACTURING EXPENSES		
Wages & Labour Charges	3,080,539	2,070,936
Bonus & Ex-Gratia	70,097	60,611
Contribution to P.F.	163,921	104,742
Contribution to E.S.I.	93,147	38,765
Watch & Ward Expenses	892,082	345,408
Weighing & Stalking	263,395	179,535
Production Expenses	1,020,192	-
Consumable Store	13,157,330	495,979
	<u>18,740,703</u>	<u>3,295,976</u>
 SCHEDULE-13		
Furnace Oil Consumed		
Opening Stock	40,006	268,857
Add: Purchase/Tfd.during the year	24,933,534	18,311,965
	<u>24,973,540</u>	<u>18,580,822</u>
Less: Closing Stock	701,284	40,006
	<u>24,272,256</u>	<u>18,540,816</u>
Power Expenses	46,867,569	6,536,643
Engine Expenses	3,294,082	2,833,543
	<u>74,433,907</u>	<u>27,911,002</u>
 SCHEDULE-14		
ESTABLISHMENT EXPENSES		
Directors Remuneration	459,226	408,000
Salaries	4,857,835	1,575,132
Recruitment Expenses	42,877	8,500
Bonus & Ex-Gratia	98,746	18,001
Gratuity	231,480	255,091
Employer's Cont.to E.S.I.	18,347	13,891
Staff Welfare	154,989	85,183
Employer's Cont.to P.F.	52,988	41,024
	<u>5,916,488</u>	<u>2,404,822</u>


SCHEDULE ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT

PARTICULARS	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE - 15		
ADMINISTRATIVE EXPENSES		
Travelling & Conveyance (C/Y) (P/Y)	296,943	363,313
(Inclgd. Foreign Travel 112161 206748)		
Printing & Stationery	137,013	84,191
Postage & ,Telegram	54,958	29,400
Telephone Expenses	559,864	505,858
Electricity Expenses	433,737	423,015
Keyman Insurance	1,096,625	1,096,625
Auditor's Remuneration	275,000	192,500
Legal & Professional Charges	593,253	341,147
Filing Fees	104,025	48,050
General Expenses	102,999	82,191
Insurance Charges	71,889	101,877
Rent	85,415	52,000
Vehicle Running & Maintenance	893,070	457,646
Security & Vigilance	285,062	260,671
Repair & maintenance :		
a. Building	162,598	186,314
b. Plant & Machinery	1,584,525	1,842,023
c. Others	105,487	130,753
	6,842,463	6,197,573
SCHEDULE-16		
FINANCIAL EXPENSES		
Bank Charges	320,018	168,681
Bank Intt. & Other Expenses	4,282,944	1,191,295
	4,602,962	1,359,976
SCHEDULE-17		
SELLING & DISTRIBUTION EXPENSES		
Rebate, Discount & commission	3,066,897	1,567,456
Advertisement & Publicity	87,240	62,147
Sales Tax Expenses	81,766	47,734
Business promotion	485,803	566,388
	3,721,706	2,243,725

**SCHEDULE – 18****ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES****1. ACCOUNTING CONVENTION:**

The Company follows the Mercantile System of Accounting and recognizes Income & Expenditure on Accrual basis unless specifically stated. The Accounts are prepared on historical cost basis and follows the concept of going concern. Accounting Policies not referred to otherwise are consistent with generally accepted Accounting Principles.

2. FIXED ASSETS:

Fixed Assets are stated at cost net of CENVAT less accumulated depreciation.

3. DEPRECIATION:

Depreciation has been provided on original cost of the Assets including the amount of revaluation on the straight-line method basis at the rates prescribed by Sch.-XIV of the Companies Act, 1956 on daily pro-rata basis.

4. INVENTORIES :

- a) Raw Material & Stores and spares are valued at cost or market value whichever is lower
- b) Cost has been determined by using the FIFO method.
- c) Finished Goods & Scrap is valued at net realizable value.

5. 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 Investment. All Investments are carried at cost. However, provision for diminution in value is made to recognize any decline, other than temporary in the value of the investments.

6. RETIREMENT BENEFITS:

The Company provides for gratuity covering all the eligible employees in accordance of the payment of Gratuity Act, 1972. In addition, employee's benefits from provident fund, which is a defined contribution plan, both the employer and the employee make monthly contributions to this provident fund account.

7. TAXATION:

Income Tax expenses comprise current tax, deferred tax, securities transaction tax. The deferred tax assets or liabilities resulting from “timing difference” between the book profit and taxable profit is recognized using current tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each balance sheet date to reassess realization.

8. LEASE RENTAL PAYMENTS:

The Company has operating lease for the Registered Office premises that is renewable on a periodic basis. Operating lease payment is recognized as expense in the Profit & Loss Account on a straight-line basis over the lease term.

9. IMPAIRMENT OF ASSETS:

An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value. All fixed assets as at the date of Balance Sheet are not more than its recoverable value; hence no provision is required to be made for impairment losses.

10. CONTINGENT LIABILITIES:

Contingent Liabilities are not provided for and are disclosed by way of notes.

11. AMORTIZATION OF MISCELLANEOUS EXPENDITURE:

Miscellaneous Expenditure is amortized over a period of 5 years.

12. BORROWING COSTS:

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

B. NOTES ON ACCOUNTS:

1. Modi Metal Udyog Pvt. Ltd. (MMUPL), (the amalgamating company) has been amalgamated with the company. The Scheme of Amalgamation (the Scheme) was sanctioned by the Hon'ble High Court of Judicature at Delhi vide its Order dated 26th February, 2010. The Scheme became effective on 20th April, 2010 with the appointed date of the Scheme of 1st April, 2008.



- a. In accordance with the said approved Scheme 4,71,704 Equity shares of Rs 10/- each fully paid up were pending for allotment as on 31st March, 2010. Pending allotment, the face value of such shares has been shown as “Equity Share Suspense”. The Company has since allotted the shares on 17th May, 2010.
- b. From the effective date the Authorised Share Capital will stand increased to Rs.12, 00, 00,000/- consisting of, 1,20,00,000 Equity Shares of Rs. 10/- each.

2. CONTINGENT LIABILITIES:

- (a) Bank Guarantee in favour of Sales Tax Dept. Rs. 5.28 Lac (P.Y. Rs.5.28 Lac).
- (b) Bills discounted liability is Nil. (P.Y. Nil)
- (c) Estimated amount of contract is Nil. (P.Y. Nil)
3. (a) Valuation of Purchases and inventories is made exclusive of excise duty and sale tax paid, which is being claimed as CENVAT & MODVAT respectively.
- (b) Sales have been shown as inclusive of excise duty paid.
4. Fall in market value of Shares / units are considered to be of temporary nature therefore all Investments are valued at cost.
5. The current assets (read with Note No.4 of Accounting Policies) have been taken at their approximately realizable value and the realizable value of the same in the ordinary course of the business is not less than amount as shown in the financial accounts as certified by the management.
6. Expenses under primary heads such as salary, wages, consumption of fuel and raw material etc. are being shown as usual in their respective heads.
7. Certain balances of Debtors, Creditors & Loans & Advances are subject to confirmation.
8. There are no Micro, Small and Medium Enterprises to whom company owes dues which are outstanding for more than 45 days as on 31.03.2011. 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.
9. Depreciation aggregating to Rs. 440529/- on revalued amount of Fixed Assets has been directly charged to Revaluation Reserve.
10. The Casting unit at Bhiwadi has commenced its commercial production from 05.04.2010

11. ADDITIONAL INFORMATION REQUIRED UNDER PART-II OF SCHEDULE-VI OF THE COMPANIES ACT, 1956

(i) Re-Rolling Units: Particulars of Capacity, Stock, Production, Purchase and Sale for the year.

A. CAPACITY:

Particulars	Current Year Qty. (M.T.)	Previous Year Qty. (M.T.)
i. Licensed & Installed Capacity	22200.000	22200.000
ii. Actual Production (Incl. Job Work)	18133.015	15019.045

B. RAW MATERIAL:

Particulars	Current Year		Previous Year	
	Qty. (M.T.)	Value (Rs.)	Qty. (M.T.)	Value (Rs.)
Consumed	7003.385	183369393	6734.680	156850916

C. FINISHED GOODS (Manufacturing)

Particulars	Current Year		Previous Year	
	Qty. (M.T.)	Value (Rs.)	Qty. (M.T.)	Value (Rs.)
Opening Stock	432.670	13348230	323.560	9706800
Rejection (Opening)	—	—	—	—
Production	6583.455	—	6305.110	—
Sales (Incl. Rejection)	6667.925	222012680	6196.000	181192758
Rejection (Closing)	—	—	—	—
Closing Stock	348.200	11503315	432.670	13348230



D. FINISHED GOODS (TRADING):

Particulars	Current Year		Previous Year	
	Qty. (M.T.)	Value (Rs.)	Qty. (M.T.)	Value (Rs.)
Opening Stock	3.660	136152	3.660	136152
Purchase	—	—	—	—
Sales	—	—	—	—
Closing Stock	3.660	136152	3.660	136152

E. MELTING SCRAP:

Particulars	Current Year		Previous Year	
	Qty. (M.T.)	Value (Rs.)	Qty. (M.T.)	Value (Rs.)
Opening Stock	6.250	110994	30.050	601100
Recovering	192.710	—	192.200	—
Sales	180.110	610047	216.000	2857505
Closing Stock	18.850	382844	6.250	110994

F. During the year conversion charges Received/ Receivable was Rs. 45624666 (P.Y. Rs. 32064557) for Production/Manufacturing/Conversion of 11549.560 M.T. (P.Y. 8813.165 M.T.)

(ii) Casting Unit: Particulars of Capacity, Stock, Production, Purchase and Sale for the year.

A. CAPACITY:

Particulars	Current Year Qty. (M.T.)	Previous Year Qty. (M.T.)
i. Licensed & Installed Capacity	29000.000	—
ii. Actual Production	7960.036	—

B. RAW MATERIAL:

Particulars	Current Year		Previous Year	
	Qty. (M.T.)	Value (Rs.)	Qty. (M.T.)	Value (Rs.)
Consumed	8608.636	158868309	—	—

C. FINISED GOODS (Manufacturing)

Particulars	Current Year		Previous Year	
	Qty. (M.T.)	Value (Rs.)	Qty. (M.T.)	Value (Rs.)
Opening Stock	—	—	—	—
Rejection (Opening)	—	—	—	—
Production	7960.036	—	—	—
Sales (Incl.Rejection)	7773.550	234192382	—	—
Rejection (Closing)	—	—	—	—
Closing Stock	186.486	5519304	—	—

12. REMUNERATION TO AUDITORS:

Particulars	Current Year	Previous Year
i. As Statutory Auditor	165000.00	110000.00
ii. Taxation	75000.00	55000.00
iii. In other capacity	35000.00	27500.00
	275000.00	192500.00



13. EXPENDITURE IN FOREIGN CURRENCY

Expenditure in foreign currency on account of Foreign Travel was:

Current Year	Previous Year
Rs. 69625/-	Rs. 141761/-

14. Managerial remuneration paid/payable (in accordance with Section II of Part II of Schedule XIII of the Companies Act, 1956) to Managing Director & Joint Managing Director during the year are as under:

	Current Year	Previous Year
Salary	Rs. 359226/-	Rs. 288000/-

15. Provision of Gratuity has been provided as per actuarial valuation.

16. Earning Per Share (EPS) Basis / Diluted Earning Per Share has been calculated and shown as under:

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
- Profit/(Loss) attributable to the equity shareholders(Rs.Lacs)-A	22.10	31.34
- Basic/weighted average number of equity shares outstanding during the year – (B)	5530259	4609184*
- Nominal value of equity shares (Rs.)	10	10
- Basic/Diluted earning per share (A)/ (B)	0.40	0.68

* Includes 471704 equity shares issued to erstwhile MMUPL shareholders.

17. The deferred tax assets or liabilities resulting from “timing difference” between the book profit and taxable profit is recognized using current tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax liabilities related to fixed assets of Rs. 17, 66,313/- (P.Y. 6, 49,824/-) has been provided. The Company has recognized cumulative deferred tax liabilities, of Rs. 43, 11,053/- as on 31.03.2011.

18. RELATED PARTY DISCLOSURES:

Revenue Transaction:

a) Remuneration paid/payable to key managerial personnel:

Amount in Lacs

Name of the related party	Relationship	Year Ended 31.03.2011	Year Ended 31.03.2010
Ashok Kumar Modi	Chairman & Managing Director	1.80	1.44
Pawan Kumar Modi	Jt. Managing Director	1.80	1.44

b) Lease Rent :

Name of the related party	Relationship	Year Ended 31.03.2011	Year Ended 31.03.2010
J.P. Modi & Sons HUF	Relative of Director	0.24	0.28
Shakuntla Modi	Relative of Director	0.24	0.24

c) Salary paid/payable:

Name of the related party	Relationship	Year Ended 31.03.2011	Year Ended 31.03.2010
Madhur Modi	Relative of Director	1.44	1.20



19. SEGMENT INFORMATION (PRIMARY)

Amount (in Lacs)

Segments	Casting & Steel Re-Rolling		Others	
	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue	4521.00	2161.15	10.90	23.70
Segment Results (before Intt.)	132.60	83.93	-43.41	-31.80
Interest Expenses	45.70	13.02	0.33	0.58
Net Profit before Tax	86.90	70.91	-43.74	-32.38
SEGMENT RESULTS	86.90	70.91	-43.74	-32.38
OTHER INFORMATION				
Capital Employed (Segment Assets/ Segment Liabilities)	2069.13	623.058	586.04	1754.88
Depreciation	26.97	18.88	6.29	6.45
Non-Cash Expenses Other than Depreciation	---	---	---	---

Type of products and services in each business segment:

- Casting & Steel Re-rolling - Steel Ingots, Casting, Non Alloy Iron & Steel bars, S.S. & A.S. bars & rods
- Others - Investment

20. Figures of the previous year have been rearranged/ regrouped wherever necessary to make them comparable.

21. Figures of the previous years and current years have been rounded off to nearest rupee.

For and on behalf of Board of Directors

For **R. K. Govil & Co.**

Chartered Accountants

Sd/-

(Rajesh K. Govil)

Partner

FRN.: 000748C

Membership No.: 13632

Place : New Delhi

Date : 30.05.2011

Sd/-

Ashok Kumar Modi

Chairman & Managing Director

Sd/-

Vasu Modi

Director

Sd/-

Gyan Sheel

Company Secretary

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****1. REGISTRATION DETAIL**

Registration No.	55-26617 (86-87)	State Code	55
Balance Sheet Date	31.03.2011		

2. CAPITAL RAISED DURING THE YEAR (AMOUNT RS. IN THOUSAND)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

3. POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS (AMOUNT RS. IN THOUSANDS)

Total Liabilities	270340	Total Assets	270340
Sources of Fund		Application of Funds	
Paid up Capital	46599	Net Fixed Assets	136574
Secured Loans	80655	Net Current Assets	84079
Reserve & Surplus	128225	Investment	49175
Unsecured Loan	10550	Misc. Expenditure	512
Deferred Tax(Net)	4311	Accumulated Losses	—

4. PERFORMANCE OF COMPANY (AMOUNT RS. IN THOUSANDS)

Turnover (Net)	414247	Total Expenditure	409931
Profit/ (Loss) Before Tax	4315	Profit/ (Loss) After Tax & STT	2210
Earning Per Share (in Rs.)	0.40	Dividend Rate	Nil

5. GENERIC NAMES OF PRINCIPAL PRODUCT/SERVICE OF COMPANY (AS PER MONETARY TERMS)

Item Code No.	Product Description
7214.1090	N.A. Iron & Steel Bars
7221.0090	S.S. Bars & Rods
7228.3029	A.S. Bars & Rods
7206.1090	Steel Ingots
7325.9920	Steel Castings

As per our separate report of even date attached

For and on behalf of Board of Directors

For **R. K. Govil & Co.**
Chartered Accountants
Sd/-
(Rajesh K. Govil)
Partner
FRN.: 000748C
Membership No.: 13632

Sd/-
Ashok Kumar Modi
Chairman & Managing Director

Sd/-
Vasu Modi
Director

Place : New Delhi
Date : 30.05.2011

Sd/-
Gyan Sheel
Company Secretary



To
The Board of Directors
National General Industries Ltd.
3rd Floor, Surya Plaza,
K-185/1, Sarai julena,
New friends Colony ,
New Delhi – 110025

We have examined the attached Cash Flow Statement of **NATIONAL GENERAL INDUSTRIES LTD.** for the year ended on 31st March, 2011. The Statement has been prepared by the company in accordance with the requirement of clause 32 of listing agreement, with the corresponding Profit & Loss Account and Balance Sheet of the Company by our report dated 30.05.2011, to Members of the Company.

For **R.K GOVIL & Co.**
Chartered Accountants

Place : New Delhi
Dated : 30th May, 2011

Sd/-
(Rajesh K. Govil)
Partner
Firm Registration No.: – 000748C
Membership No. 13632



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011

(Rs. in Lacs)

PARTICULARS	Current Year	Previous Year
A. CASH FLOW STATEMENT FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before Tax and extra ordinary Items	43.15	38.52
ADJUSTMENT FOR :		
Depreciation	33.25	25.32
Interest/Dividend Recd.	(4.76)	(21.97)
Interest on Borrowed Capital	42.83	11.91
Loss/(Profit) on sale of Assets	0.75	0.40
Misc.Expenditure W/Off	3.75	2.49
	<u>75.82</u>	<u>18.15</u>
Operating Profit before working capital change :	118.97	56.67
ADJUSTMENT FOR :		
Trade and other Receivable	(287.68)	(20.15)
Inventories	(128.74)	(35.63)
Investment	89.99	543.95
Trade Payables & other Liabilities	<u>66.19</u>	<u>55.10</u>
Cash Generated from operations	(141.27)	599.94
Direct Tax paid	(4.00)	1.06
Preliminary Expenses Paid	(6.26)	-
Excess Prov.W/Back	0.61	(0.01)
Prior year adjustment	-	-
Net Cash from Operating Activities (A)	<u>(150.93)</u>	<u>600.99</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(105.33)	(1014.75)
Sale of Fixed Assets	0.65	1.52
Interest/Dividend Recd.	4.76	21.97
Net cash used in Investing Activities (B)	<u>(99.92)</u>	<u>(991.26)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceed from Issue of Share Capital/Share Premium	6.76	-
Interest paid	(42.83)	(11.91)
Proceed from Long Term Borrowings	255.38	451.18
Net cash from Financing Activities (C)	<u>219.31</u>	<u>439.27</u>
Net Increase in cash and cash Equivalents (A+B+C)	<u>(31.54)</u>	<u>49.00</u>
Cash & Cash Equivalents as at 31.3.2010	60.76	11.76
Cash & Cash Equivalents as at 31.3.2011	29.22	60.76

NOTES :-

- Figure in Brackets represent out flows.
- Figures of Previous year have been rearranged/regrouped wherever necessary.

For and on behalf of Board of Directors

Sd/-
Ashok Kumar Modi
 Chairman & Managing Director

Sd/-
Vasu Modi
 Director

Sd/-
Gyan Sheel
 Company Secretary

Place : New Delhi
 Date : 30.05.2011



NATIONAL GENERAL INDUSTRIES LIMITED

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

PROXY FORM

I/We.....of.....
in the district of.....being a Member(s) of the above named
Company hereby appoint Sh./Smt.....of.....
in the district of.....or failing him/her.....
of.....in the district of.....

As my/our proxy to attend and vote for me/us on my/our behalf at the 25th Annual General Meeting of the Company to be held on Friday, 30th September, 2011 at 11.30 a.m. at Nawal Vihar, Farm 7, Dera Gaon, New Delhi – 110030 or at any adjournment thereof.

Signed at.....this.....day of.....2011.

Client ID & DP ID* :

Registered Folio No. :

No. of Shares held :

*Applicable for investors holding shares in electronic form.

Note:

1. The Proxy need not be a member.
2. The form of proxy, duly signed across Re. 1 revenue stamp should reach the Company, not less than 48 hours before the time fixed for the meeting.

Affix
Re. 1/-
Revenue
Stamp



NATIONAL GENERAL INDUSTRIES LIMITED

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

ATTENDANCE SLIP

Name of Shareholder / Proxy*

Client ID & DP ID** / Registered Folio No.....

If Proxy, Full Name of Shareholder.....

No. of Shares held.....

I hereby record my presence at the 25th Annual General Meeting of the Company held on Friday, 30th September, 2011 at 11.30 a.m. at Nawal Vihar, Farm 7, Dera Gaon, New Delhi – 110030.

.....
Signature of Shareholder/Proxy*

* Strike out whichever is not applicable.

** Applicable for investors holding shares in electronic form.

Note : Please handover the slip at the entrance of the Meeting venue.



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