"श्री जी"

National General Industries Ltd.

An ISO 9001 : 2015 Certified Company
CIN No. : L74899DL1987PLC026617

8th September, 2020

To
The Manager
Department of Corporate Services
Bombay Stock Exchange Ltd.
25, P.J. Towers,
Dalal Street,
Mumbai - 400 001.

Ref. : Scrip Code No.: 531651
Sub.: Annual Report for the Financial Year ended on 31st March, 2020.

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for the Financial Year 2019-20 alongwith Notice for 34th Annual General Meeting of the Company to be held on 30th September, 2020.

The above Annual Report has been sent to the shareholders today and uploaded on the Company's website www.modisteel.com

Please take the above on your record.

Thanking You.
Yours faithfully,
For **NATIONAL GENERAL INDUSTRIES LTD.**

Gupta

VANDANA GUPTA
COMPANY SECRETARY
Memb. No. : ACS 24012
Encl.: As above.

"श्री जी"

National General Industries Ltd.

An ISO 9001 : 2008 Certified Company

34th Annual Report

2019-20

Board of Directors

Ashok Kumar Modi	Chairman cum Managing Director
Pawan Kumar Modi	Joint Managing Director cum Chief Financial Officer
Anirudh Vimalkumar Goenka	Independent Director
Anantshri Gupta	Independent Director
Vasu Modi	Non-executive Director
Sanjana Bharat	Independent Director
Vandana Gupta	Company Secretary

Statutory Auditors

N R & Company
Chartered Accountants
C-93, IIIrd Floor,
RDC, Raj Nagar, Ghaziabad, U.P.

Works : Re-rolling unit

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

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

Stockyard : Handling unit

Behind Focal Point,
Vill.: Ajnali, Mandi Gobindgarh,
District : Fatehgarh Sahib,
Punjab - 147301

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 India
HDFC Bank Limited

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NOTICE

NOTICE is hereby given that the **THIRTY FOURTH ANNUAL GENERAL MEETING** of the Members of National General Industries Limited (CIN : L74899DL1987PLC026617) will be held on Wednesday, the 30th September, 2020 at 01.30 p.m. through Video Conferencing (VC) or Other Audio Visual Means (OAVM), 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, 2020, the Report of the Board of Directors' and Auditors' thereon.

2. To appoint a Director in place of Mr. Pawan Kumar Modi (DIN : 00051679) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. 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, 2020 to July 3, 2025, 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.**"**

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. Pawan Kumar Modi (DIN : 00051679), as Managing Director of the Company for a period of five years effective from July 4, 2020 to July 3, 2025, 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/-
Vandana Gupta
Company Secretary
Memb. No. : ACS 24012

Place : New Delhi
Date : 05.09.2020

NOTES :

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. **Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this notice.**
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.modisteel.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

8. 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. 3 to 4 above, are annexed hereto.
9. The requirement to place the matter relating to appointment of Statutory Auditors for ratification by members at every Annual General Meeting is done away with vide The Companies (Amendment) Act, 2017 (No. 1 of 2018) readwith notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors of the Company, who were appointed at the Annual General Meeting, held on 26th September, 2017 to hold office from the conclusion of said Annual General Meeting till the conclusion of 36th Annual General Meeting in the year 2022.
10. In terms of Section 152 of the Companies Act, 2013, Shri Pawan Kumar Modi, (DIN : 00051679), Director of the Company, retires by rotation at the Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company, commends his re-appointment.
11. Details of Directors retiring by rotation recommended for reappointed as Directors as well as Managing Directors proposed to be reappointed, as required to be provided pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meeting (SS-2), issued by the Institute of Company Secretaries of India, has been provided elsewhere, which form part of this report.
12. 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.
13. 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.
14. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 25th September, 2020 to Wednesday, 30th September, 2020 (both days inclusive).
15. SEBI has in its Board meeting held on March 28, 2018 decided that except in case of transmission or transposition, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in dematerialised form with a Depository with effect from 5th December, 2018. In view of the above, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
16. 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 through electronic mode by the members at the AGM.
17. 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.

The instructions for shareholders for remote e-voting are as under:

(i) The voting period begins on on Saturday, 26th September, 2020 (10.00 a.m. IST) and ends on Tuesday, 29th September, 2020 (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, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.
(iv) Click on "Shareholders" module.
(v) Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

   OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.
(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
(viii) If you are a first time user follow the steps given below:

	For Shareholders 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) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.
(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
(xii) Click on the EVSN for the relevant National General Industries Limited on which you choose to vote.
(xiii) 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.
(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
(xv) 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.
(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting".** The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id at cs@modisteel.net / info@skylinerta.com**.
2. For Demat shareholders -, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id at cs@modisteel.net / info@skylinerta.com**.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. The Skyline Financial Services Private Limited, Registrar and Share Transfer Agent, of the Company will be providing VC/OAVM Services.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non – Individual Shareholders and 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 in the "Corporates" module.
- ⇨ 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 a Compliance User 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 linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts 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.
- ⇨ Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@modisteel.net, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

18. Other Instructions:
    a. The e-voting period commences on Saturday, 26th September, 2020 (10.00 a.m. IST) and ends on Tuesday, 29th September, 2020 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Thursday, 24th September, 2020, 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 Tuesday, 24th September, 2019.
    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 in a fair and transparent manner.

d. The Scrutinizer shall, immediately after conclusion of voting at the annual general meeting, make, not later than 48 hours from the conclusion of the meeting, scrutinizer's report of the total vote cast in favour and against, if any, to the Chairman, or an authorized person by him, of the Company.
e. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.modisteel.com and on the website of CDSL and communicated to the BSE Limited, where shares of the Company are listed.

DETAILS OF DIRECTORS PURSUANT TO THE PROVISIONS OF (I) THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND (II) SECRETARIAL STANDARD ON GENERAL MEETING (SS-2), ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

Name of Director	**Mr. Vasu Modi**	**Mr. Ashok Kumar Modi**	**Mr. Pawan Kumar Modi**
DIN Number	00051696	00051647	00051679
Date of Birth	11-06-1980	18-06-1956	01-10-1957
Date of Appointment	10-04-2000	08-01-1987	08-01-1987
Expertise in Specific functional area	Experience in business development and marketing.	Wide experience in business management and finance field.	Wide experience in technical and finance field.
Qualification	B.B.A.	B.Com (H)	B.Sc.(H)
Directorship in other Public Limited Company (As on 31.03.2020)	Avlokiteshvar Valinv Ltd.	Not Applicable	Not Applicable
Chairman/Member of Committee in other public limited company (As on 31.03.2020)	Not Applicable	Not Applicable	Not Applicable
Shareholding in the Company (As on 31.03.2020)	3,59,745 (6.51%)	2,71,770 (4.91%)	2,71,770 (4.91%)

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. 3

Mr. Ashok Kumar Modi (DIN : 00051647) aged 64 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 35 years in the steel and allied industries.

The terms of Mr. Ashok Kumar Modi as Managing Director expired on 3rd July, 2020. The Board of Directors of the Company at its meeting held on 2nd June, 2020 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, 2025. 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. 3.

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

ITEM NOS. 4

Mr. Pawan Kumar Modi (DIN : 00051679) aged 63 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 35 years in the steel and allied industries.

The terms of Mr. Pawan Kumar Modi as Managing Director expired on 3rd July, 2020. The Board of Directors of the Company at its meeting held on 2nd June, 2020 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, 2025. 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. 4.

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

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

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

Place : New Delhi
Date : 05.09.2020

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Fourth Annual Report of your Company along with the Audited Statement of Accounts for the year ended 31st March, 2020.

FINANCIAL RESULTS

The financial performance of the Company for the financial year ended on 31st March, 2020 and 31st March, 2019 are summarized below:-

(Amount in Rupees)

Particulars	For the year ended	
	31-Mar-20	31-Mar-19
INCOME:		
Revenue from operations	**196,014,089**	176,861,092
Other Income	**3,600,803**	9,471,305
	199,614,892	186,332,397
EXPENSES:		
Cost of materials consumed	**171,369,516**	157,924,336
Purchase of Stock-in-Trade		
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	**4,294,556**	(9,604,208)
Employee benefit expense	**15,211,640**	15,493,253
Financial costs	**2,418,708**	1,878,951
Depreciation and amortization expense	**5,025,921**	4,839,219
Other expenses	**10,572,766**	11,922,424
	208,893,106	182,453,975
Profit before exceptional items and tax	**(9,278,214)**	3,878,421
Exceptional Items	**-**	-
PROFIT BEFORE TAX	**(9,278,214)**	3,878,421
TAX EXPENSES:		
Current tax	**-**	850,000
Current tax - Prior Year	**(36,362)**	(27,453)
MAT Credit	**-**	-
MAT Credit - Prior Year	**-**	-
Deferred tax	**(333,762)**	38,784
Profit for the period from continuing operations	**(8,908,090)**	3,017,090
PROFIT AFTER TAX	**(8,908,090)**	3,017,090
Other Comprehensive Income/(Loss)		
(A)Items that will be reclassified to profit or loss	-	-
(B)Items that will not be reclassified to profit or loss	**(10,206,549)**	3,588,368
Income tax relating to this	**(2,653,703)**	(367,969)
Total Other Comprehensive Income/(loss) for the year	**(7,552,846)**	3,956,337
Total Comprehensive Income/(loss) for the year	**(16,460,936)**	6,973,427

RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

The Highlights of the Company's performance for the year ended on March 31, 2020 are as under:

- ⇨ Value of Sales and Services increased by 7.13% to Rs. 1996.15 lakhs.
- ⇨ PBDIT decreased by 148.78% to (Rs. 92.78 lakhs).
- ⇨ PBT decreased by 339.23% to (Rs. 92.78 lakhs).
- ⇨ Net Profit decreased by 395.25% to (Rs. 89.08 lakhs).

BUSINESS IMPACT OF COVID – 19

Coronavirus 2019 (COVID-19), an infectious disease which leads to acute respiratory symptoms and can also lead to loss of life, was first identified in December 2019. Since then the health hazard spread to most parts of the world, with the World Health Organisation terming it as an ongoing pandemic.

The growing influence of the disease led to nationwide lockdowns across the globe, which in turn severely impacted economic activity. The International Monetary Fund has drastically slashed the global economic growth forecast for 2020 and even alluded that the economic downturn induced by the pandemic. It has particularly drawn attention to the fallout in emerging and developing countries, which are expected to be the hardest hit.

Following the COVID-19 outbreak in India, the government announced the first phase of the nationwide lockdown for 21 days from March 25, 2020 to contain the spread of the infection.

Under the circumstances, the Company forthwith decided to temporarily suspend operations at its production facility to support government efforts. Since steel is a continuous flow process industry and steel is classified as an essential service under the Essential Services and Management Act (ESMA), the guidelines issued by Ministry of Home Affairs (MHA) permitted steel plants to continue their operation during lockdown. However, the constrained movement of people and materials, the shutting down of operations in supplier plants and customer business, affected the Company's plant operations.

After announcement of unlock Part 1 by Government of India starting from 1st June, 2020, the Company started making all efforts to expand capacity utilisation. The domestic demand is expected to remain subdued in the near term with a vast majority of its customers across the automotive, construction, engineering and capital goods sector still unable to resume full operation. The Company intends to focus more on the improving capacity utilisation, defray fixed costs over a higher base, generate cash flows and liquidate stocks. The Company is also working on multiple initiatives to boost liquidity through tie-up of additional term debt and short-term loans to strengthen working capital.

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, 2020.

TRANFER TO RESERVES

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

Particulars	**F.Y. 2019-20**	**F.Y. 2018-19**
General Reserve	**Rs. Nil**	Rs. 10,00,000/-
Decrease in Revaluation Reserve	**Rs. 96,288/-**	Rs. 96,288/-
Surplus in Statement of Profit and Loss	**Rs. (89,08,090/-)**	Rs. 30,17,090/-
Other Comprehensive Income	Rs. **(75,52,846/-)**	Rs. 12,82,057/

DEPOSITS FROM PUBLIC

During the year under review, your Company did not invite / accept any Deposits from the public under section 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 1975.

EXTRACT OF ANNUAL RETURN

Pursuant to the Section 92(3) of the Companies Act, 2013 extract of the Annual Return is annexed to this report as **Annexure I** and forms part of this Annual Report and is also available at the website of the company www.modisteel.net

NUMBER OF BOARD MEETINGS & ATTENDACE OF DIRECTORS

During the Financial Year 2019-20, 5 (Five) Board Meetings were held and the gap between two meetings did not exceed four months. The Board Meetings were held on 02.05.2019, 30.05.2019, 13.08.2019, 14.11.2019 and 14.02.2020.

The details of composition of the Board, the attendance record of the Directors at the Board Meetings held during the financial year ended on 31.03.2020 and at the last Annual General Meeting (AGM), and the details of their other Directorships and Committee Chairmanships and Memberships are given below:

Category	Name of Director	No. of Board Meeting attended	Attendance at last AGM	No. of Directorships in other Public Limited Companies	No. of Chairmanship / Memberships of Committees in other Public Limited Companies
Executive Directors	Shri Ashok Kumar Modi	5	Yes	-	-
	Shri Pawan Kumar Modi	5	Yes	-	-
Non-Executive Non-independent Directors	Shri Vasu Modi	5	Yes	1	-
Non-Executive Independent Directors	Shri Anirudh Vimalkumar Goenka	4	No	-	-
	Shri Anantshri Gupta	4	No	-	-
	Smt. Sanjana Bharat	4	No	-	-

Number of Equity Shares held by Directors as on 31st March, 2020 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 Anirudh Vimalkumar Goenka	Independent Director	-
Shri Anantshri Gupta	Independent Director	-
Smt. Sanjana Bharat	Independent Director	

DIRECTORS & KEY MANAGERIAL PERSONNEL

In terms of Section 149 of the Act, the Board of Directors, at their meeting held on 30th March, 2019, appointed the following as Independent Directors of the Company, who were regularized as Director in the Annual General Meeting held on 30th September, 2019:

- Mr. Anirudh Vimalkumar Goenka
- Mr. Anantshri Gupta
- Mrs. Sanjana Bharat

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 are 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
- Mr. Vandana Gupta, Company Secretary

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 2nd June, 2020 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, 2025.

In terms of section 152 of the Act and applicable provisions of Articles of Association of the Company, Mr. Pawan Kumar Modi, Director retires by rotation and is eligible for re-appointment. The Board recommends his re-appointment as Director of the Company.

AUDITORS & AUDITORS' REPORT

A. Statutory Auditors

M/s. N. R. & Company, Chartered Accountants, (Firm Registration No. : 015095C) were appointed as statutory auditors of the Company from the conclusion of the 31st Annual General Meeting (AGM) of the Company held on September 26, 2017 till the conclusion of the 36th Annual General Meeting to be held in the year 2022, subject to ratification of their appointment at every Annual General Meeting.

Since, the requirement to place the matter relating to appointment of Statutory Auditors for ratification by members at every Annual General Meeting is done away with vide The Companies (Amendment) Act, 2017 (No. 1 of 2018) readwith notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi, no resolution is proposed for ratification of appointment of Statutory Auditors of the Company, who were appointed at the Annual General Meeting held on 26th September, 2017 to hold office from the conclusion of said meeting till the conclusion of Annual General Meeting to be held in the year 2022.

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 2019-20. The Secretarial Audit Report is annexed to this Report as **Annexure II** and forms 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) Rules, 2014, Company was not required to maintain cost records for the financial year 2019-20.

D. Internal Auditors

M/s. B.R.Maheswari & Co., Chartered Accountants, (FRN 001035N), were Internal Auditors of the Company for the financial year 2019-20. Your Company has appointed M/s. B.R.Maheswari & Co., Chartered Accountants, as Internal Auditors of the Company for the financial year 2020-21.

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 :

The observation of Secretarial Auditors in their Report is self-explanatory.

FRAUD REPORTING

Neither the Statutory 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.

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Your Company has adopted the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which, inter alia, prohibits purchase or sale of securities of the Company by Directors, employees and other connected persons while in possession of unpublished price sensitive information in relation to the Company.

AUDIT COMMITTEE

The Audit Committee is constituted under compliance of provision of Section 177 of the Companies Act, 2013. The Broad terms of reference and power of Audit Committee are in line with the provisions contained under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The role of Audit Committee, inter-alia, includes following:

a) Reviewing the financial reporting process which includes reviewing the quarterly, half yearly, annual financial results and auditors report thereon, director's responsibility statement.
b) Reviewing changes, if any, in accounting policies and practices and ensures compliance with legal and statutory requirements and integrity of the Company's financial statements with proper disclosures of related party transactions.
c) Recommendation for appointment, remuneration and terms of appointment of auditors and approval for their payments and also reviewing and monitoring their independence and performance, and effectiveness of audit process.
d) Evaluation of internal control systems and its effectiveness and reviewing its adequacy.
e) Reviewing internal audit and discussion with the internal auditors of any significant findings.
f) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
g) Review Whistle Blower mechanism and its effectiveness.
h) Evaluating inter-corporate loans and investments and valuation of assets of the Company and ensuring effective risk management systems.

During the financial year 2019-20, the Audit Committee comprises of 3 Non-executive Directors viz. Shri Anirudh Vimalkumar Goenka and Smt. Sanjana Bharat, Independent Directors and Shri Vasu Modi, Non-independent Director. Mr. Anirudh Vimalkumar Goenka 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.

Four meetings of the Audit Committee were held during the financial year 2019-20, on 30.05.2019, 13.08.2019, 14.11.2019, and 14.02.2020. Further, the member of the Audit Committee as at 31.03.2020 and their attendance of each member during the year are as given below:

Sl. No.	Name of the Member	Category	No. of Meetings Attended
1	Shri Anirudh Vimalkumar Goenka	Non-Executive Independent	4
2	Smt. Sanjana Bharat	Non-Executive Independent	4
3	Shri Vasu Modi	Non-Executive Non-Independent	4

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted under compliance of provision of Section 178 of the Companies Act, 2013. The Broad terms of reference and power of Nomination and Remuneration Committee are in line with the provisions contained under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The role of Nomination and Remuneration Committee, inter-alia, includes following:

a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.
b) Formulation of the criteria for evaluation of performance of independent directors and the board of directors;
c) devising a policy on diversity of board of directors;
d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
e) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

During the financial year 2019-20, the Nomination and Remuneration Committee of the Board comprises of 3 Non-executive Directors viz. Shri Anirudh Vimalkumar Goenka and Smt. Sanjana Bharat, Independent Directors and Shri Vasu Modi, Non-independent Director. Mr. Anirudh Vimalkumar Goenka is the Chairman of the Committee. Further, the member of the Audit Committee as at 31.03.2020 and their attendance of each Member during the year are as given below. The Compliance Officer acts as the Secretary to the Nomination and Remuneration Committee.

One meeting of the Nomination and Remuneration Committee were held during the financial year 2019-20 on 30.05.2019. The attendance of each Members of the Committee is as given below:

Sl. No.	Name of the Member	Category	No. of Meetings Attended
1	Shri Anirudh Vimalkumar Goenka	Non-Executive Independent	1
2	Smt. Sanjana Bharat	Non-Executive Independent	1
3	Shri Vasu Modi	Non-Executive Non-Independent	1

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is constituted under compliance of provision of Section 178 of the Companies Act, 2013. The Broad terms of reference and power of Stakeholders' Relationship Committee are in line with the provisions contained under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The role of Stakeholders Relationship Committee, inter-alia, is to resolve the grievances of the security holders of the Company including complaints related to transfer and transmission of shares, dematerialization / rematerialisation of shares, transposition of names, consolidation of shares, issue of duplicate share certificates, non-receipt of annual report and non-receipt of declared dividends, if any, etc.

The Stakeholders Relationship Committee, comprised of 3 directors as its Member viz. Shri Anirudh Vimalkumar Goenka and Smt. Sanjana Bharat, Independent Directors and Shri Vasu Modi, Non-

independent Director. Further, the member of the Stakeholders Relationship as at 31.03.2020 and their attendance of each Member during the year are as given below. The Compliance Officer acts as the Secretary to the Stakeholders Relationship Committee.

During the year Committee met four times on 30.05.2019, 13.08.2019, 14.11.2019, and 14.02.2020 and the attendance of the Members at the meeting was as follows:

Name of the Members	Status	No. of meetings attended
Shri Anirudh Vimalkumar Goenka	Non-Executive Independent	4
Smt. Sanjana Bharat	Non-Executive Independent	4
Shri Vasu Modi	Non-Executive Non-Independent	4

The Board has designated Ms. Vandana Gupta, Company Secretary of the Company as Compliance Officer of the Company.

No. of shareholders' complaints received upto 31st March, 2020 : Nil
No. of complaints not solved to the satisfaction of the shareholders : Nil
No. of pending complaints : Nil

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.

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.

RISK MANAGEMENT COMMITTEE

In terms of regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance under regulations 21 is not applicable to the Company 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 financial year ended on 31st March, 2020, hence Risk Management Committee has not been constituted.

However, 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 SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company, Associate Company or Joint Venture Company. The Company is not a Subsidiary Company of any other Company.

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 mentioned in the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 note no. 26 to the Financial Statements.

PARTICULARS OF LOAN, GUARANTEES, SECURITIES AND INVESTMENTS

The Company has not given any loan, guarantee or provided any security under Section 186 of the Companies Act, 2013. Disclosure on details of investments made during the financial years which are covered under provisions of section 186 of the Companies Act, 2013, have been made in the note no. 30 to the Financial Statements.

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.

FORMAL EVALUATION OF BOARD, COMMITTEES & DIRECTORS' PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has through mutual discussions carried out an annual evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee ("NRC") evaluated the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was reviewed, taking into account the views of executive directors and non-executive directors of the company.

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, 2020 is annexed to this report as **Annexure III** and forms part of this report.

CORPORATE GOVERNANCE

In terms of provision of regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the Corporate Governance provisions as specified under regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 , 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V is not applicable to the Company 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 financial year ended on 31st March, 2020. However, in view of provision of regulation 15(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has made compliances with the applicable provisions under the Companies Act, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of regulation 34(2)(e) and para B of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Management Discussion & Analysis Report is annexed to this report as **Annexure IV** and forms part of this Annual 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.

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

DISCLOSURE OF RATIO OF REMUNERATION OF DIRECTOR'S & KEY MANAGERIAL PERSONNEL ETC.

In terms of provision of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of the ratio of the remuneration of each director to the median employee's remuneration and such other details as prescribed therein is annexed to this report as **Annexure V** and forms part of this Annual Report.

During the financial year 2019-20, the company did not pay any remuneration to the Managing Director and other directors of the company.

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

In accordance with the provision of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. Hence, the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year Company has not received any complaint of harassment.

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.

INTERNAL FINANCIAL CONTROLS

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 2019-20.

SECRETARIAL STANDARDS

Your Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

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, 2020, to the best of their knowledge and ability, hereby state 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, 2020 and of the profit of the Company for the year ended on that date;

(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
DIN : 00051647

Place : New Delhi
Date : 05.09.2020

Annexure I

Form MGT-9
Extract of Annual Return
As on the financial year ended on 31st March, 2020
[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:

1.	CIN	L74899DL1987PLC026617
2.	Registration Date	08/01/1987
3.	Name of the Company	National General Industries Limited
4.	Category/Sub-category of the Company	Company limited by shares Indian Non-Government Company
5.	Address of the Registered office & contact details	3rd Floor, Surya Plaza, K-185/1, Sarai Juelna, New Friends Colony, New Delhi - 110025 Tel. No- 011-49872442 Email ID : cs@modisteel.net Website : www.modisteel.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & 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 : 011-26812682 Email: admin@skylinerta.com Website : www.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

As on 31st March, 2020, there is no Holding, Subsidiary and Associate Company of the Company.

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				No. of Shares held at the end of the year				% 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)	2305166	-	2305166	41.68	2305166	-	2305166	41.68	-
Sub-Total (A) (1):	**3627598**	**1304**	**3628902**	**65.62**	**3627598**	**1304**	**3628902**	**65.62**	**-**
(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)	**3627598**	**1304**	**3628902**	**65.62**	**3627598**	**1304**	**3628902**	**65.62**	**-**
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	2100	508800	510900	9.24	2126	508800	510926	9.24	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i)Individual shareholders holding nominal share capital upto Rs. 1 lakh	15810	957290	973100	17.60	14084	958990	973074	17.60	-
ii)Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	24600	392257	416857	7.54	24600	392257	416857	7.54	-
c) Others (NRI)	-	500	500	0.01	-	500	500	0.01	-
Sub-total (B) (2):	**42510**	**1855847**	**1901357**	**34.38**	**40810**	**1860547**	**1901357**	**34.38**	**-**
Total Public Shareholding (B) =(B)(1)+(B)(2)	**42510**	**1855847**	**1901357**	**34.38**	**40810**	**1860547**	**1901357**	**34.38**	**-**
C. Shares held by Custodians for GDR/ADR	-	-	-	-	-	-	-	-	-
TOTAL (A)+(B)+(C)	**3670108**	**1860151**	**5530259**	**100.00**	**3668408**	**1861851**	**5530259**	**100.00**	**-**

ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	4,12,798	7.46	-	4,12,798	7.46	-	-
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 Asset Management P 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**	**65.62**	**-**	**36,28,902**	**65.62**	**-**	**-**

iii) Change in Promoters' Shareholding

There is no change in shareholding of 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*		Cumulative Shareholding during the year*	
		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*		Cumulative Shareholding during the year*	
		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	**1,99,69,810/-**	--	--	**1,99,69,810/-**
(ii) Interest due but not paid	-	--	--	--
(iii) Interest accrued but not due	-	--	--	--
Total (i+ii+iii)	**1,99,69,810/-**	--	--	**1,99,69,810/-**
Change in indebtedness during the financial year				
⇨ Addition	--	--	--	--
⇨ Reduction	**(22,48,528/-)**	--	--	**(22,48,528/-)**
Net Change	**(22,48,528/-)**	--	-	**(22,48,528/-)**
Indebtedness at the end of the financial year				
(i) Principal Amount	**1,77,21,281/-**	--	--	**1,77,21,281/-**
(ii) Interest due but not paid	**--**	--	--	--
(iii) Interest accrued but not due	**--**	--	--	--
Total (i+ii+iii)	**1,77,21,281/-**	--	--	**1,77,21,281/-**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER- NIL

B. REMUNERATION TO OTHER DIRECTORS – NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Amount (in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Vandana Gupta (Company Secretary)	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,50,000	1,50,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	- -	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	- -	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	Others, specify…	-	-
5	Others, please specify	-	-
	Total	1,50,000	1,50,000

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NIL

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

Sd/-
Ashok Kumar Modi
Chairman and Managing Director
DIN : 00051647

Place : New Delhi
Date : 05.09.2020

Annexure II

Secretarial Audit Report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020
(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 (CIN : L74899DL1987PLC026617)
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 2020 ('Audit Period')** 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 alongwith Annexure-A enclosed to this report:

Due to unprecedented lockdown imposed in the country caused by COVID-19 at a crucial time when the audit was underway limiting the availability of physical access to the records of the Company, and which lockdown continues even on the date of signing this report, We have examined in the best possible manner, through virtual platform, 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 2020 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, 2015;
    (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 no applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the Audit period;
(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;
(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 complied with the following laws and rules made thereunder, as applicable specifically to the Company.

1) Air (Prevention and Control of Pollution) Act, 1981;
2) Water (Prevention and Control of Pollution) Act, 1974;
3) Environment Protection Act, 1986;
4) Factories Act, 1948 and allied State Laws.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards SS-1 and SS-2 issued and notified by The Institute of Company Secretaries of India;
(ii) 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 complied with the provisions of the Act, Rules, Regulations and Guidelines 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. However, it is observed that a separate resolution for appointment of independent directors was not put up for consideration of shareholders at the General Meeting where their appointment as Director was regularized.

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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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
UDIN : F003736B000671326
FCS : 3736
C.P. No. : 7433

Place : New Delhi
Dated : 05.09.2020

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
(CIN : L74899DL1987PLC026617)
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/-
(**Deepak Bansal)**
Proprietor
UDIN : F003736B000671326
FCS : 3736
C.P. No. : 7433

Place : New Delhi
Dated : 05.09.2020

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, the Company is using furnace oil for the steel manufacturing activities of the Company and no steps were taken for utilizing alternate source of energy.

(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 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, 2020	As on 31st March, 2019
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Rs. 4,28,157/-

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 2019-20

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 continues to be engaged in the handling services business for steel product in the State of Punjab.

GLOBAL ECONOMY

The world economy grew by 2.9% in CY 2019, at its slowest pace since the global financial crisis in 2008-09 and much below 3.6% expansion in CY 2018. The first half remained sluggish, as the sentiments prevalent in Q4 CY 2018 spilled over, which was aggravated by higher tariffs and uncertain trade environment. This led to a broad-based slowdown in manufacturing and global trade, aided by disruptions in the automobile industry from new emission standards in the Euro area and a slowing economic growth in China. Consequently, global merchandise trade also weakened, largely due to protectionist trade policies. The fourth quarter witnessed a bottoming out of growth, which fuelled expectations of a recovery on the backdrop of a softening US-China trade tensions.

Growth in Emerging Market and Developing Economies moderated to 3.7% in CY 2019 from 4.5% in CY 2018, as growing trade restrictions impaired business confidence and delayed investment plans. China, reeling under the trade war with the US and persistently high inflation, recorded growth at 6.1% in CY 2019. Growth was largely muted in rest of the Emerging Market and Developing Economies due to domestic factors.

The global steel industry faced a challenging CY 2019, as demand growth in a few markets was largely offset by declines in the rest of the world. An uncertain economic environment, coupled with continued trade tensions, slowdown in global manufacturing notably auto sector and intensifying geopolitical issues, weighed on investment and trade. Similarly, production growth was only visible in Asia and the Middle East and to some extent in the US, while the rest of the world witnessed a contraction.

Global demand for finished steel products grew by 2.2% y-o-y in CY 2019 to 1,766.5 MnT. Global crude steel output in CY 2019 grew by 3.4% y-o-y to 1,869.9 MnT. The global steel industry faced pricing pressure for most parts of CY 2019, in the wake of a protective market environment in key economies, including the imposition of Section 232 in the US. This was further aggravated due to country-specific demand slowdown that fuelled market imbalances. In line with a conservative trade sentiment, consumer industries of steel undertook active destocking. This led to stunted capacity utilisation and resulted in net excess capacity globally. This was further complemented by addition of new capacities and resulted in downward pressure on steel prices.

Chinese demand and production levels constitute more than half the global steel industry, making world steel trade significantly reliant on demand-supply drivers of the country's economy. In CY 2019, China produced 996.3 MnT of crude steel, up 8.3% y-o-y; demand for finished steel products was estimated at 907.5 MnT, up 8.6% y-o-y. Steel demand for real estate remained buoyant, due to strong growth in Tier-II, Tier-III and Tier-IV markets, led by relaxed controls. However, the growth was partially offset by muted auto sector performance.

INDIAN ECONOMY

India's economic growth moderated in FY 2019-20 to 4.2% from 6.1% a year earlier due to weak domestic consumption, sluggish manufacturing, subdued investments, and extended monsoon, among others. In addition, continued stress in the banking sector, especially non-banking financial companies (NBFCs), weighed heavily on system credit growth. The central government announced a slew of counter-cyclical measures, with the Reserve Bank of India (RBI) staying largely accommodative in its monetary policy stance. The RBI halted the rate cut cycle in December 2019, due to increasing upward pressure on inflation expectations. The central bank also indicated that for further monetary policy actions the growth-inflation dynamics will have to turn favourable.

Returning to power with an even bigger mandate, the National Democratic Alliance (NDA) government reiterated its commitment to continue structural reforms. This was evidenced by a steep cut in corporate tax rates; continued rationalisation of the GST structure; speeding up of insolvency proceedings; financial restructuring of public sector banks (PSBs); boost to real estate, auto, housing and export industries; and easing funding pressure for NBFCs.

With the target of making India a US$ 5 trillion economy by FY 2024-25, the National Infrastructure Pipeline (NIP) was announced in the Union Budget 2020-21 with a spending commitment of US$ 1.4 trillion. The NIP will create jobs, enhance ease of living, and provide equitable access to infrastructure. Of the total outlay, 42% projects by value are under implementation, 32% are at the conceptualisation stage and the rest are under development. The core sectors to benefit from the NIP are Energy (24% of total spending), Roads (19%), Urban (16%), and Railways (13%), while irrigation, rural infrastructure and others are to receive single-digit allocation. However, while formulating these policy actions, the government was mindful not to indulge in fiscal indiscipline. Although the budget fiscal deficit overshot the target, the deviation was within the upper limit laid down under the Fiscal Responsibility and Budget Management Act (FRBMA).

In CY 2019, the RBI made a cumulative 135 basis points (bps) cut in policy rates, with inflation staying within its comfort range. In view of the COVID-19 pandemic and following the nationwide lockdown, RBI in its advanced monetary policy cut repo rates by an additional 75 bps in March 2020. Furthermore, the RBI undertook a series of measures to keep rates lower for longer periods of time. 'Operation Twist', which involved simultaneous purchase and sale of government securities, was carried out in three tranches. In the first tranche, under Open Market Operations (OMOs), the central bank purchased securities worth Rs. 10,000 crore and sold securities for Rs. 6,825 crore. In the second special OMO, the RBI bought Rs. 10,000 crore of long-term government securities and sold Rs. 8,501 crore of three short-term bonds. In January 2020, the RBI followed up by purchasing long-term bonds worth Rs. 10,000 crore and selling short-term debt maturing in FY 2019-20 of the same amount. This move from the RBI was aimed at lowering longer-term yields, after a review of the prevalent liquidity and market situation and an assessment of the evolving financial conditions. Additionally, it implemented other measures like cash reserve ratio (CRR) exemption, external benchmarking of interest rates and long-term repo operations (LTROs) to infuse liquidity in the system. The liquidity injection was to the tune of 3.2% of GDP between February and March 2020.

The outbreak and spread of the COVID-19 pandemic during the fourth quarter dealt a severe blow to any prospects of an economic recovery. The government was quick to announce a Rs. 1.7 lakh crore interim relief package (Pradhan Mantri Garib Kalyan Yojana) primarily aimed at the bottom of the economic pyramid and frontline healthcare workers fighting the pandemic. This was followed up with a comprehensive package, in coordination with the RBI, of Rs. 20 lakh crore (equivalent to 10% of GDP) aimed at softening the blow to the domestic industry and setting the foundation for a self-reliant India movement. Titled 'Aatma Nirbhar Bharat Abhiyan', the movement rests on the five pillars of Economy, Infrastructure, System, Vibrant Demography and Demand. The post-COVID revival strategy lays renewed thrust on agriculture and micro, small and medium enterprises (MSMEs), along with preference for domestically manufactured products.

India became the second-largest consumer of finished steel products in the world, surpassing the US in CY 2019. While the government's thrust on infrastructure development provided a boost, it was largely offset by the continued weakness in the auto and real estate sectors. Finished steel consumption grew by 1.4% to 100.01 MnT during FY 2019-20, non-alloy steel accounting for 94% (94.06 MnT) and the rest being alloy steel (5.95 MnT). Within the non-alloy, non-flat segment, bars and rods consumption was up 9.6% y-o-y to 39.72 MnT, while the non-alloy flats were led by hot rolled coils (HRCs) which was 40.63 MnT, down by 2.7% during FY 2019-20.

India's per capita steel consumption, which has a direct correlation with economic growth, grew at a CAGR of 4.12% to 68.9 kg between FY 2007-08 and FY 2017-18, driven by rapid growth in the industrial sector and robust infrastructure development (railways, roads and highways). However, compared with the global average of 208 kg, there exists a significant growth potential. Keeping this in mind, the National Steel Policy (NSP) was introduced in CY 2017 to increase per capita steel consumption to 160 kg by FY 2030-31. The NSP also set a target of achieving 300 MnT of production capacity, which translates into additional investments of Rs. 10 lakh crore.

According to the Joint Plant Committee, crude steel production declined by 1.5% y-o-y to 109.22 MnT in FY 2019-20, with a sharp contraction of 20% in March 2020 due to COVID-19 containment measures. Finished steel production grew 0.8% y-o-y to 102.06 MnT; non-alloy steel India remained a net exporter of finished steel during FY 2019-20, with exports of 8.36 MnT, up 31.4% y-o-y.

OUTLOOK

Just as CY 2020 started on a good note with the US and China reaching phase-1 agreement and uncertainty around Brexit waning, the world was hit hard by the COVID-19 pandemic. The virus spread rapidly across the world, compelling governments to impose national lockdowns to break the chain of transmission, which brought economic activities to a near halt.

The International Monetary Fund (IMF) has warned that the coronavirus-induced downturn could snowball into a global recession, which could see the world economy record its steepest decline since the Great Depression of the 1930s. The impact is expected to be more pronounced in low income households, threatening to roll back the progress made in poverty alleviation in the past few decades. Towards this end, the IMF has called for strong multilateral cooperation on various fronts to help the world navigate through this 'crisis like no other'. It has also provided blanket guidelines in terms of financial assistance, healthcare support, and economic policy.

The IMF estimates the global economy to contract by 4.9% in CY 2020. The recovery is expected to be gradual, with growth estimated at 5.4% in CY 2021, which reflects the disruptions to economic activity, policy countermeasures and commodity prices. The IMF estimates Indian GDP to contract by 4.5% in FY 2020-21. However, the economy is likely to rebound by 6.0% in FY 2021-22, supported by the synchronised fiscal and monetary policy stimulus.

The World Steel Association (worldsteel) forecasts steel demand to decline by 6.4% y-o-y to 1,654 MnT in CY 2020, due to the COVID-19 impact. However, it has asserted that the global steel demand could rebound to 1,717 MnT in CY 2021 and witness a 3.8% rise on a y-o-y basis. Chinese demand is likely to recover faster than in the rest of the world. The forecast assumes that lockdown measures will be eased by June and July, with social distancing continuing and major steelmaking countries not witnessing a second wave of the pandemic.

Steel demand is expected to decline sharply across most countries, especially in the second quarter of CY 2020, with a likely gradual recovery from the third quarter. However, risks to the forecast remain on the downside as economies make a graded exit from the lockdowns, without any particular cure or vaccine for COVID-19.

Chinese steel demand is expected to grow by 1% y-o-y in CY 2020, with improved outlook for CY 2021, given that it was the first country to lift the lockdown (February 2020). By April, its construction sector had achieved 100% capacity utilisation.

Steel demand in developed economies are expected to decline 17.1% y-o-y in CY 2020, due to the COVID-19 impact with businesses struggling to stay afloat and high unemployment levels. Thus, recovery in CY 2021 is expected to be muted at 7.8% y-o-y. Steel demand recovery in the EU markets is likely to get delayed beyond CY 2020. The US market is also likely to witness a slight recovery in CY 2021. Meanwhile, Japanese and Korean steel demand will witness double-digit declines in CY 2020, with Japan being impacted by reduced exports and halted investments in automobiles and machinery sectors, and Korea being impacted by lower exports and weak domestic industry. Steel demand in developing countries excluding China is expected to decline by 11.6% in CY 2020, followed by a 9.2% recovery in CY 2021.

Government Initiatives for Steel Industry

One of the designated core industries, steel is key to the government's focus on driving growth in the infrastructure segment. Towards this end, the following initiatives have been rolled out in support of the steel industry:

- ⇨ Implemented Steel Import Monitoring System (SIMS), which aids in monitoring real-time import data on quantity, quality and value; the system helps detect misclassification and mis-declaration regarding over/ under-invoicing, preventing import of defective steel.
- ⇨ Imposed anti-dumping duty on galvalume products, ranging from US$ 28-200/tonne; imports from China, South Korea and Vietnam are subject to duties.
- ⇨ To ensure iron ore availability for domestic manufacturing, it introduced a 30% export duty on export of high grade iron ore (lumps and fines).
- ⇨ Other measures are underway like the proposed steel scrap policy, safety codes, proposal to reduce royalty to 5% on low grade iron ore fines; Remission of Duties or Taxes on Export Products (RoDTEP) to replace existing Merchandise Export from India Scheme (MEIS); and engagement with international agencies to promote steel intensive design for roads, bridges and commercial and residential housing.

The World Steel Association (worldsteel) expects Indian steel demand to contract by 18% in CY 2020 on the back of pandemic induced abrupt halt of economic activities. CY 2021 demand is expected to sharply recover and expand by 15%.

While the domestic steel industry is likely to witness a decline in demand in the near term as the economy heads towards near normalcy level in the coming months. But a gradual recovery, especially in the second half of FY 2020-21 is expected, mainly led by the government's thrust on infrastructure and construction related projects with improving consumer sentiment in other sectors.

India is looking to modernise, expand and accommodate the aspirations of a growing population where industrialisation, urbanisation, and access to technology are the key pillars of economic growth. Thus, steel consumption growth is expected to rise on account of government expenditures on infrastructure and fiscal stimulus to manufacturing industries in the long run.

OPPORTUNITIES, THREATS AND RISKS

According to the IMF, risks to the above forecasts remain on the downside, and are likely to be influenced by how the pandemic is contained. Health, economic and trade risks remain prevalent. Development of vaccines, norms of social distancing, and productivity gains from the emergence of differentiated models will determine the actual outcomes.

Post-COVID world: India's influence could increase in global supply chain

The COVID-induced near halt in economic activities is expected to result in demand-side issues for all the major sectors, including the steel industry which can lead to pressure on steel spreads.

That said, the government, along with the RBI, has been bold, proactive and decisive in combating the crisis. It stepped in to ease compliance burden on companies and boost domestic production and consumption with a clarion call for being 'vocal for local'.

Notwithstanding the ensuing risks to the economy, India has the capacity and scale to expand its share in the global supply chain, which has been disrupted by COVID-19. Industry leaders see significant opportunities for Indian manufacturers to corner a fair share in the world trade, as global corporations look for alternative sourcing destinations to lower their dependence on China.

SEGMENT-WISE PERFORMANCE

A detailed note on the segment-wise performance is given under note no. 25 of the Financial Statement 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 policies. The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. 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.

The Company has appointed M/s B.R.Maheswari & Co., Chartered Accountants, (FRN 001035N), New Delhi to oversee and carry out internal audit of its activities. The internal audit reports are reviewed by the Audit Committee periodically. Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Regulations 2015), the audit committee has concluded that as on March 31, 2019, your internal financial controls were adequate and operating effectively.

FINANCIAL AND OPERATIONAL PERFORMANCE

The financial performance of the Company for the financial year ended on 31st March, 2020 and 31st March, 2019 are summarized below:-

(Amount in Rupees)

Particulars	For the year ended	
	31-Mar-20	31-Mar-19
INCOME:		
Revenue from operations	**196,014,089**	176,861,092
Other Income	**3,600,803**	9,471,305
	199,614,892	186,332,397
EXPENSES:		
Cost of materials consumed	**171,369,516**	157,924,336
Purchase of Stock-in-Trade		
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	**4,294,556**	(9,604,208)
Employee benefit expense	**15,211,640**	15,493,253
Financial costs	**2,418,708**	1,878,951
Depreciation and amortization expense	**5,025,921**	4,839,219
Other expenses	**10,572,766**	11,922,424
	208,893,106	182,453,975
Profit before exceptional items and tax	**(9,278,214)**	3,878,421
Exceptional Items	**-**	-
PROFIT BEFORE TAX	**(9,278,214)**	3,878,421
TAX EXPENSES:		
Current tax	**-**	850,000
Current tax - Prior Year	**(36,362)**	(27,453)
MAT Credit	**-**	-
MAT Credit - Prior Year	**-**	-
Deferred tax	**(333,762)**	38,784
Profit for the period from continuing operations	**(8,908,090)**	3,017,090
PROFIT AFTER TAX	**(8,908,090)**	3,017,090
Other Comprehensive Income/(Loss)		
(A)Items that will be reclassified to profit or loss	-	-
(B)Items that will not be reclassified to profit or loss	**(10,206,549)**	3,588,368
Income tax relating to this	**(2,653,703)**	(367,969)
Total Other Comprehensive Income/(loss) for the year	**(7,552,846)**	3,956,337
Total Comprehensive Income/(loss) for the year	**(16,460,936)**	6,973,427

RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

The Highlights of the Company's performance for the year ended on March 31, 2020 are as under:

- ⇨ Value of Sales and Services increased by 7.13% to Rs. 1996.15 lakhs.
- ⇨ PBDIT decreased by 148.78% to (Rs. 92.78 lakhs).
- ⇨ PBT decreased by 339.23% to (Rs. 92.78 lakhs).
- ⇨ Net Profit decreased by 395.25% to (Rs. 89.08 lakhs).

INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT

Industrial relations during the year under review were cordial and peaceful with all the employees on the payroll of the Company as at end of the financial year 2019-20. 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
DIN : 00051647

Place : New Delhi
Date : 05.09.2020

Annexure V

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year cannot be ascertained as no remuneration was paid to any of the Directors of the company.
ii) There was no percentage increase in the remuneration paid to Director, Chief Financial Officer and Company Secretary in the financial year.
iii) There was approximately 5.50% increase in the median remuneration of employees in the financial year.
iv) There were 44 (Forty Four) permanent employees on the rolls of the Company.
v) Since no managerial remuneration was paid toward, hence information with respect to average percentile increase made in the salaries of employees others than the managerial personnel is not available.

It is hereby affirmed that the remuneration during the year ended 31st March, 2020 is paid as per the Remuneration Policy of the Company.

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

Sd/-
Ashok Kumar Modi
Chairman and Managing Director
DIN : 00051647

Place : New Delhi
Date : 05.09.2020

Independent Auditors' Report

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

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **M/s NATIONAL GENERAL INDUSTRIES LTD.** (the Company),which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss(including Other Comprehensive Income),the Cash Flow Statement and the Statement of Change in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 Ind AS accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, its Loss including Other Comprehensive Income, its Cash Flows and the Statement of Change in Equity for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Company Act 2013, Our responsibilities under those Standard are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Emphasis of Matter

We draw attention to Note 35 & 36 to the standalone financial results which explains COVID-19 that has caused significant accounting and auditing challenges. One such challenge being inability for the Company to conduct a physical verification of inventories and cash in hand for the year-end 31st March, 2020 due to Government having imposed restrictions during the lockdown on account of health, travel and safety concerns. The Company's management, however, conducted physical verification of inventories and cash in hand on dates other than the date of financial statements but prior to the date of the board meeting for the purpose of adopting the financial results at certain locations (factories and warehouses) and has made available the documents in confirmation thereof. Inventories, being material to the financial statements/results of the Company, the Standard on Auditing (SA) 501, Audit Evidence - Specific Considerations for Selected items, cast a duty on us to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories. We have performed alternate audit procedures based on documents and other information made available to us, to audit the existence of inventories as per the Guidance provided by the Standard on Auditing (SA) 501, Audit Evidence - Specific Considerations for Selected items, and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these standalone financial results. Our opinion is not modified in respect of this matter.

The Debtors and Creditors balances are subject to Confirmation from the Parties, although mails have been sent for confirming the same.

Other Matter

Due to the continuous spreading of COVID-19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till June 30, 2020 across the India to contain the spread of the virus which is still going on. This has resulted in restriction on physical visit to client locations and the need for carrying alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of users that the audit of the financial statements has been performed in the aforesaid conditions.

Information Other than the Financial Statement and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statement and our auditor's report thereon.

Our opinion on the financial statement does not cover the other information and we do not express and form of assurance conclusion thereon.

In connection with our audit of financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistence with the financial statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 including Other Comprehensive Income, Cash flows and the Statement of Change in Equity of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Accounting Standards) Rule, 2015, as amended.

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, which have been used for the purpose of preparation of the Standalone Ind AS financial statement by the Directors of the Company, as aforesaid.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

A further description of the auditor's responsibilities for the audit of the Standalone Ind AS financial statement is included in **Annexure A**. This description forms part of our auditor's report.

Our Opinion on the Standalone Ind AS financial statement, and our report on Other Legal and Regulatory Requirement below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the others auditors and the financial statement / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 B** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable:

2. As required by section 143(3) of the Act, based on our audit 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 of our audit of the aforesaid Standalone Ind AS financial statement;
   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone Ind AS financial Statement have been kept by the Company so far as it appears from our examination of those books;
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid Standalone Ind AS financial statement comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   e) On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure C**; our report express an unmodified opinion on the adequacy and operative effectiveness of the company's internal financial controls over financial reporting and

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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 no pending litigations having impact on its financial statements.
   b) The Company did not have any long-term contract including derivative contracts which may lead to any foreseeable loss.
   c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For N R & Company
Chartered Accountants
FRN – 015095C
Sd/-
Naveen Sawhney
Partner
Membership No. 073713

Place: New Delhi
Dated: 31.07.2020

Annexure 'A' to Auditors Report
Responsibilities for Audit of Ind AS Financial Statement

As part of an audit in accordance with SAs we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements whether due to fraud or error design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion forgery intentional omissions misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Financial Statement in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation structure and content of the Standalone Ind AS financial statements including the disclosures and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities to express an opinion on the Standalone Ind AS financial statement. We are responsible for the direction, supervision and performance of the audit of the financial statement of such entries included in the financial statement of which we are the independent auditors. For the other entity included in the Standalone Ind AS financial Statement.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding among other matters the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For N R & Company
Chartered Accountants
FRN – 015095C
Sd/-
Naveen Sawhney
Partner
Membership No. 073713

Place: New Delhi
Dated: 31.07.2020

ANNEXURE 'B'TO THE AUDITORS' REPORT

(Referred to in our Report of even date)

The Annexure referred to in independent Auditor's report to the members of the Company on the financial statements for the year ended 31st March 2020, we report that :

1. (a) The Company has maintained proper records though to be updated, showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, the management has physically verified all the fixed assets during the year, in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company. We have been informed that no material discrepancies were noticed on such physical verification during the year.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(2) (a) The inventory has been physically verified during the year by the management in phased manner.
(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company has maintained proper records of inventories. As explained to us, the discrepancies noticed on physical verification as compared to book records were not material and have been dealt with in the books of account.

(3) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register required to be maintained under section 189 of the Act. Accordingly paragraph 3 (iii) of the order is not applicable.

(4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments and providing guarantees and securities, as applicable.

(5) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.

(6) 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.

(7) (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities.
(b) According to the information and explanations given to us, no amounts payable in respect of Income-tax, Service Tax, Sales-tax, Duty of Custom, Duty of Excise, Cess and other aforesaid statutory dues were outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable.

(8) Based on our audit procedures and as per the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of loan to any bank or government, debenture holder or any financial institutional borrowing during the year.

(9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(10) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(11) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(14) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For N R & Company
Chartered Accountants
FRN – 015095C
Sd/-
Naveen Sawhney
Partner
Membership No. 073713

Place: New Delhi
Dated: 31.07.2020

Annexure - C to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of National General Industries Ltd ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and
(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N R & Company
Chartered Accountants
FRN – 015095C
Sd/-
Naveen Sawhney
Partner
Membership No. 073713
UDIN : 20073713AAAAAN3466

Place: New Delhi
Dated: 31.07.2020

BALANCE SHEET AS AT 31st MARCH, 2020

(Amount in Rs)

Particulars	Note No	As At 31-Mar-20	As At 31-Mar-19
(I) ASSETS			
Non-current assets			
Property,Plant and Equipment	3	**12,11,86,821**	12,24,48,591
Capital Work in Progress		**-**	-
Investment Properties		**-**	-
Intangible Assets		**-**	-
Financial assets			
(i) Investments	4	**4,49,52,677**	5,51,59,226
(ii) Loans			
(iii) Other Financial Assets		**-**	-
Deferred tax assets(net)		**-**	-
Other non-current assets	5	**26,41,799**	25,80,051
Current assets			
Inventories	6	**2,39,23,117**	3,50,73,842
Financial Assets			
(i) Trade Receivables	7	**1,71,97,203**	1,43,75,201
(ii) Cash and Cash Equivalents	8	**2,61,859**	1,56,049
(iii) Bank balances other than cash and cash equivalents		**-**	-
(iv) loans		**-**	-
(v) Investments	4	**4,47,58,468**	4,40,93,666
(vi) Other Financial Assets		**-**	-
Current tax assets(net)		**-**	-
Other current assets	9	**74,77,190**	1,39,09,603
Total Assets		**26,23,99,134**	**28,77,96,230**
(II) EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	10	**4,66,95,590**	4,66,95,590
Other Equity	11	**17,66,13,822**	19,31,71,046
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	12	**-**	-
(ii) Other financial liabilities		**-**	-
Provisions	13	**9,29,690**	7,95,555
Deferred Tax Liabilities (Net)	14	**66,55,019**	96,42,484
Other Non Current Liabilities		**-**	-
Current Liabilities			
Financial Liabilities			
(i) Borrowings	15	**1,77,21,281**	1,99,69,810
(ii)(a) Trade Payables (Due of Creditors other than MSME)		**1,14,48,103**	1,32,53,334
(ii)(b) Trade Payables (Due of MSME)			68,027
(iii) Other Financial Liabilities		**-**	-
Provisions	13	**96,312**	8,69,371
Other Current Liabilities	16	**22,39,317**	24,81,014
Current Tax Liability(net)		**-**	8,50,000
Total Equity and Liablilites		**26,23,99,134**	**28,77,96,230**

Notes to Financial statement 1 to 39

As per our report of even date

For N R & Company
Chartered Accountants
FRN – 015095C
Sd/-
Naveen Sawhney
Partner
Membership NO – 073713
Place: New Delhi
Date : 31/07/2020
UDIN : 20073713AAAAAN3466

For and on behalf of Board of Directors
NATIONAL GENERAL INDUSTRIES LIMITED

Sd/-	Sd/-	Sd/-
Ashok Kumar Modi	**Pawan Kumar Modi**	**Vandana Gupta**
Chairman Cum	CFO Cum	Company Secretary
Managing Director	Jt Managing Director	Mem. No. ACS24012
DIN:00051647	DIN : 00051679	

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in Rs)

Particulars	Notes	For the year ended	
		31-Mar-20	31-Mar-19
INCOME:			
Revenue from operations	17	**19,60,14,089**	17,68,61,092
Other Income	18	**36,00,803**	94,71,305
		19,96,14,892	**18,63,32,397**
EXPENSES:			
Cost of materials consumed	19	**17,13,69,516**	15,79,24,336
Purchase of Stock-in-Trade		**-**	-
Changes in inventories of finished goods, work-in-progress and	20	**42,94,556**	(96,04,208)
Employee benefit expense	21	**1,52,11,640**	1,54,93,253
Excise Duty Expense		**-**	-
Financial costs	22	**24,18,708**	18,78,951
Depreciation and amortization expense	3	**50,25,921**	48,39,219
Other expenses	23	**1,05,72,766**	1,19,22,424
		20,88,93,106	**18,24,53,975**
Profit before exceptional items and tax		**(92,78,214)**	**38,78,421**
Exceptional Items		**-**	**-**
PROFIT BEFORE TAX		**(92,78,214)**	**38,78,421**
TAX EXPENSES:			
Current tax		**-**	8,50,000
Current tax - Prior Year		**(36,362)**	(27,453)
MAT Credit		**-**	-
MAT Credit - Prior Year		**-**	-
Deferred tax		**(3,33,762)**	38,784
Profit for the perid from continuing operations		**(89,08,090)**	30,17,090
Profit from discontinuing operations		**-**	**-**
Tax expense of discounting operations		**-**	**-**
Profit from Discontinuing operations		**-**	**-**
PROFIT AFTER TAX		**(89,08,090)**	**30,17,090**
Other Comprehensive Income/(Loss)			
(A)Items that will be reclassified to profit or loss		**-**	**-**
Income Tax relating to items that will be reclassified to Profit and Loss		**-**	**-**
(B)Items that will not be reclassified to profit or loss		**(1,02,06,549)**	35,88,368
Income Tax relating to items that will not be reclassified to Profit and Loss		**(26,53,703)**	(3,67,969)
Total Other Comprehensive Income/(loss) for the year		**(75,52,846)**	**39,56,337**
Total Income/(loss) for the year		**(1,64,60,936)**	**69,73,427**
EARNING PER EQUITY SHARE			
(Nominal Value of Share Rs. 10 each)			
Basic and diluted	24	**-1.91**	**0.65**

Notes to Financial statement 1 to 39

As per our report of even date

For N R & Company
Chartered Accountants
FRN – 015095C
Sd/-
Naveen Sawhney
Partner
Membership NO – 073713
Place: New Delhi
Date : 31/07/2020
UDIN : 20073713AAAAAN3466

For and on behalf of Board of Directors
NATIONAL GENERAL INDUSTRIES LIMITED

Sd/-	Sd/-	Sd/-
Ashok Kumar Modi	**Pawan Kumar Modi**	**Vandana Gupta**
Chairman Cum	CFO Cum	Company Secretary
Managing Director	Jt Managing Director	Mem. No. ACS24012
DIN : 00051647	DIN : 00051679	

A. EQUITY SHARE CAPITAL

(Amount in Rs)

Particulars	Balance at the end of the reporting period i.e 31st March 2018	Changes in Equity share capital during the 2018-19	Balance at the end of the reporting period i.e 31st March 2019	Changes in Equity share capital during the 2019-20	Balance at the end of the reporting period i.e 31st March 2020
ISSUED AND SUBSCRIBED SHARES CAPITAL	**5,53,02,590**	-	**5,53,02,590**	-	**5,53,02,590**
LESS: CALLS IN AREARS	**-86,07,000**	-	**-86,07,000**	-	**-86,07,000**
PAID UP SHARES CAPITAL	**4,66,95,590**	-	**4,66,95,590**	-	**4,66,95,590**

B. OTHER EQUITY

(Amount in Rs)

Particulars	Capital Reserve	Security Premium	Revaluation Reserve	General Reserve	Other Comprehensive Income/Loss	Profit & Loss	Total
AS ON 31st MARCH, 2019							
Balance at the beginning of the reporting period i.e 31st March 2018	2,47,64,460	1,42,35,000	13,53,074	10,00,00,000	1,81,28,177	3,30,51,590	**19,15,32,301**
Depreciation on Revalued Assets	-	-	-96,288	-	-	-	**-96,288**
Profit for the year	-	-	-	-	-	30,17,090	**30,17,090**
Total Other Comprehensive Income/(Loss) for the year	-	-	-	-	39,56,337	-	**39,56,337**
Dividend	-	-	-	-	-	-	**-**
Tax on Dividend	-	-	-	-	-	-	**-**
Transfer to/(from) Profit & loss	-	-	-	10,00,000	-52,38,394	-10,00,000	**-52,38,394**
Balance at the end of the reporting period i.e 31st March 2019	**2,47,64,460**	**1,42,35,000**	**12,56,786**	**10,10,00,000**	**1,68,46,119**	**3,50,68,680**	**19,31,71,046**

(Amount in Rs)

Particulars	Capital Reserve	Security Premium	Revaluation Reserve	General Reserve	Other Comprehensive Income/Loss	Profit & Loss	Total
AS ON 31st MARCH, 2020							
Balance at the beginning of the reporting period i.e 31st March 2019	2,47,64,460	1,42,35,000	12,56,786	10,10,00,000	1,68,46,119	3,50,68,680	**19,31,71,046**
Depreciation on Revalued Assets	-	-	-96,288	-	-	-	**-96,288**
Profit for the year	-	-	-	-	-	-89,08,090	**-89,08,090**
Total Other Comprehensive Income/(Loss) for the year	-	-	-	-	-75,52,846	-	**-75,52,846**
Dividend	-	-	-	-	-	-	**-**
Tax on Dividend	-	-	-	-	-	-	**-**
Transfer to/(from) Profit & loss	-	-	-	-	-		**-**
Balance at the end of the reporting period i.e 31st March 2020	**2,47,64,460**	**1,42,35,000**	**11,60,498**	**10,10,00,000**	**92,93,273**	**2,61,60,590**	**17,66,13,822**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in Rs)

Particulars	For the Year Ended 31-Mar-20	31-Mar-19
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	**(92,78,214)**	38,78,421
Adjustments for:		
Depreciation and amortisation expense	**50,25,921**	48,39,219
(Profit)/loss on sale of Assets	**-**	-
(Profit)/loss on sale of Shares / Mutual Fund	**(26,67,938)**	(86,80,581)
Interest & Finance Charges	**24,18,708**	18,78,951
Dividend Income	**(76,500)**	(25,500)
Investment revalue through FVTPL	**(1,64,545)**	(4,08,823)
Operating Profit before Working Capital Changes	**(47,42,568)**	**14,81,687**
Adjustments for:		
Decrease/(Increase) in Inventories	**1,11,50,725**	(75,57,257)
Decrease/(Increase) in Receivables	**(28,22,002)**	95,42,839
Decrease/(Increase) in other current and non current a	**76,58,344**	35,13,594
Increase/(Decrease) in Payables	**(18,73,258)**	65,88,492
Increase/(Decrease) in Other Current Liabilities	**(10,91,697)**	(5,80,931)
Increase/(Decrease) in Provision	**(6,38,924)**	58,800
Total Adjustment for working capital change	**1,23,83,189**	**1,15,65,537**
Cash generated from operations	**76,40,621**	**1,30,47,224**
Income Tax (paid) refund	**36,362**	(16,03,065)
Net Cash flow from Operating activities	**76,76,983**	**1,14,44,159**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	**(38,60,438)**	(99,41,979)
Sale of Fixed Assets	**-**	-
Purchase of Mutual Fund	**(50,00,000)**	(1,66,88,000)
Sale of Mutual Fund	**58,80,000**	1,99,44,467
Sale of Shares		
Interest Income		
Purchase of Shares		(9,95,600)
Dividend income	**76,500**	25,500
Net Cash used in Investing activities	**(29,03,938)**	**(76,55,612)**

C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term Borrowings	-	-
Repayment of Long term Borrowings	-	(6,96,505)
Repayment of Short term Borrowings	**(22,48,528)**	(10,96,561)
Proceeds from Short term Borrowings	-	-
Interest paid	**(24,18,708)**	(18,78,951)
Net Cash used in financing activities	**(46,67,236)**	**(36,72,017)**
Net increase in cash & Cash Equivalents	**1,05,808**	1,16,530
Cash and Cash equivalents as at beginning	**1,56,049**	39,518
Cash and Cash equivalents as at end	**2,61,859**	1,56,049

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 N R & Company
Chartered Accountants
FRN – 015095C
Sd/-

Naveen Sawhney
Partner
Membership NO – 073713
Place: New Delhi
Date : 31/07/2020
UDIN : 20073713AAAAAN3466

-

For and on behalf of Board of Directors
NATIONAL GENERAL INDUSTRIES LIMITED

Sd/-

Ashok Kumar Modi
Chairman Cum
Managing Director
DIN : 00051647

Sd/-

Pawan Kumar Modi
CFO Cum
Jt Managing Director
DIN : 00051679

Sd/-
Vandana Gupta
Company Secretary
Mem. No. ACS24012

NOTES TO FINANCIAL STATEMENT

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 having a handling services business for steel product in the State of Punjab.

2. Basis of preparation

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have beenmeasured at fair value amount

a) Certain financial assets and liabilities

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), includingthe rules notified under the relevant provisions of the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees (`), which is also its functional currency.

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) Property, Plant and Equipment

Property, Plant and Equipment (PPE) 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 its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

(b) Depreciation/Amortization

Depreciation 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 appreciation upon Property, Plant and Equipment (PPE) is directly charged to Revaluation Reserve. No Amortization is being provided on leasehold land.

(c) Impairment

Property, Plant and Equipment (PPE) 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 (INDAS) 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.

(e) Leases

(i) In respect of Operating leases, lease rent is expensed on Straight Line Basis with reference to the term of lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and except for lease rent pertaining to the period up to the date of commencement of commercial operations, Which is capitalized.

(ii) 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.

(iii) In respect of finance leases, the lower of the fair value of the assets and present value of the minimum lease rentals is capitalized as PPE with corresponding amount shown as the liabilities for the leased assets. The principal component in lease rental in respect of the above is adjusted against the liabilities for the lease assets and interest component is recognized as an expense in the year in which the same is incurred except in case of the assets used for capital projects where it is capitalized.

(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 Non-Current investments. Current and Non-Current investments are carried at fair value determined on an individual investment basis. Where Current investment are recognized at fair value its difference with cost is routed through profit and Loss a/c and Where Non-Current investment are recognized at fair value its difference with cost is routed through Other Comprehensive Income/(Loss).

(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 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. 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.

(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.

(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) Tax Expenses:

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognized in other comprehensive income or equity.

- Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

- Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Minimum Alternate Tax (MAT) payable for the 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 is 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) Financial Instruments

(I) FINANCIAL ASSETS

A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

D. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(II) FINANCIAL LIABILITIES

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to theshort maturity of these instruments.

(III) FIRST TIME ADOPTION OF IND AS

The Company has adopted Ind AS with effect from 1st April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2015. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

a) Exemptions from retrospective application

(i) Business combination exemption

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2015 (the "Transition Date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in subsidiaries / associates / joint ventures consummated prior to the Transition Date.

(ii) Share-based payment transactions

Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based Payment to equity instruments that were vested before the date of transition to Ind AS. The Company has elected not to apply Ind AS 102 to options that vested prior to April 1, 2015.

(iii) Fair value as deemed cost exemption

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets which are measured at fair value as deemed cost.

(iv) Decommissioning liabilities

The Company has elected to apply the transitional provision with respect to recognition of Decommissioning, Restoration and Similar Liabilities

3. PROPERTY, PLANT AND EQUIPMENT

(Amount in Rs)

PARTICULARS	GROSS BLOCK						DEPRECIATION						NET BLOCK			
	As on 1-Apr-19		DURING THE YEAR ORIGINAL		As on 31-Mar-20		As on 1-Apr-19		DURING THE YEAR		DEP ON	As on 31-Mar-20			As on 31-Mar-19	
	ORIGINAL	ADDITION ON ACCOUNT OF REVALUATION	ADDITION	DELETION	ORIGINAL	REVALUED	ORIGINAL	REVALUED	ORIGINAL	ON ACCOUNT OF REVALUATION	DED	ORIGINAL	REVALUED		ORIGINAL	REVALUED
Capital WIP	10,27,935	-	21,40,639	-	31,68,574	-	-	-	-	-	-	-	-		10,27,935	-
Land	7,33,67,000	71,60,180	-	-	7,33,67,000	71,60,180	-	-	-	-	-	7,33,67,000	71,60,180		7,33,67,000	71,60,180
Furniture & Fixture	2,46,487	-	-	-	2,46,487	-	2,28,259	-	-	-	-	18,228	-		18,228	-
Building	1,60,96,629	33,56,209	-	-	1,60,96,629	33,56,209	45,29,328	27,23,781	5,04,312	96,288	-	1,10,62,989	5,36,140		1,15,67,301	6,32,428
Plant & Machinery	5,02,11,671	69,14,353	17,19,799	-	5,19,31,470	69,14,353	2,58,94,172	69,14,353	26,98,073	-	-	2,33,39,225	-		2,43,17,499	-
Office Equipment	7,31,044	-	-	-	7,31,044	-	6,54,491	-	34,402	-	-	42,149	-		76,551	-
Computer	7,16,567	-	-	-	7,16,567	-	6,79,755	-	20,751	-	-	16,061	-		36,812	-
Vehicles	73,39,101	-	-	-	73,39,101	-	40,38,231	-	8,25,158	-	-	24,75,712	-		33,00,870	-
F.A.Rolls	1,57,34,644	-	-	-	1,57,34,644	-	1,47,91,744	-	9,42,900	-	-	-	-		9,42,900	-
Cycle	3,120	-	-	-	3,120	-	2,233	-	325	-	-	562	-		887	-
TOTAL	16,54,74,199	1,74,30,742	38,60,438	-	16,93,34,637	1,74,30,742	5,08,18,213	96,38,134	50,25,921	96,288	-	5,58,44,134	97,34,422		11,46,55,983	77,92,608
PREVIOUS YEAR	15,55,32,220	1,74,30,742	99,41,979	-	16,54,74,199	1,74,30,742	4,59,78,994	95,41,846	48,39,219	96,288	-	5,08,18,213	96,38,134		11,46,55,983	77,92,608

NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

PARTICULARS			As At 31-Mar-20	As At 31-Mar-19
4 Investments				
(i) Non Current Investments				
Quoted equity instruments				
- Equity Share of Kay Power & Papers Ltd.				
700 (P.Y. 700) equity shares of Rs. 10/- each.			**889**	1,792
2,550(P.Y 2550) equity shares of Rs. 10 each in The Andhra Sugar Ltd.			**4,51,478**	8,75,160
Total Quoted Equity Instruments			**4,52,367**	**8,76,952**
Unquoted equity instruments				
- Equity Share of Modi Asset Management Pvt. Ltd.				
14,09,600 (P.Y. 14,09,600) Class 'A' Equity Share of Rs. 10/- each.			**1,88,66,000**	1,88,66,000
63,600 (P.Y. 63,600) Class 'B' Equity Share of Rs. 75/- each.				
- Equity Share of Peacon Properties & Encalve Pvt. Ltd.				
4,00,755 (P.Y. 4,00,755) Equity shares of Rs. 10/- each.			**8,18,110**	8,18,110
- Equity Share of Modi Metal & Allied Industries Pvt. Ltd.				
3,23,580 (P.Y. 3,23,580) Equity shares of Rs. 10/- each.			**45,10,705**	45,10,705
- Equity Share of Southern Iron & Steel Co. Ltd.				
2 (P.Y. 2) equity shares of Rs. 10/- each.			**76**	76
Total Unquoted Equity Instruments			**2,41,94,891**	**2,41,94,891**
Quoted Mutual Funds	**Units (Current Year)**	**Units (Previous Year)**		
Franklin India Smaller Co. Fund-Gr.	-	-	**-**	-
Franklin India Prima Plus-D. Gr.	5,923.04	5,923.04	**26,33,308**	37,87,331
HDFC Equity Fund	38,607.74	38,607.74	**1,76,72,112**	2,63,00,053
Total Quoted Mutual Funds			**2,03,05,420**	**3,00,87,384**
Total (i)			**4,49,52,677**	5,51,59,226
(ii) Current Investments				
Quoted Mutual Funds	**Units (Current Year)**	**Units (Previous Year)**		
Templeton India Ultra Short Bond Fd	10,81,233.45	12,97,869.05	**2,97,40,335**	3,40,93,666
SBI Liquid Fund	1,614.06	-	**50,18,133**	-
Estee Advisors Pvt. Ltd.			**1,00,00,000**	1,00,00,000
Total (ii)			**4,47,58,468**	**4,40,93,666**
Total Investments (i) + (ii)			**8,97,11,145**	**9,92,52,892**

NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

PARTICULARS	As At 31-Mar-20	As At 31-Mar-19
5 Other non-current assets		
Security Deposit	**26,41,799**	25,80,051
	26,41,799	**25,80,051**
6 Inventories		
Raw Materials	**76,07,467**	1,41,00,354
Finished goods	**1,23,26,412**	1,74,68,909
Stores & Spares	**3,37,056**	11,01,156
Loose Tools	**29,528**	29,528
Others	**36,22,654**	23,73,895
	2,39,23,117	**3,50,73,842**
7 Trade receivables		
(Unsecured, Considered Good)	**1,71,97,203**	1,43,75,201
Unsecured,considered doubtful	**30,35,041**	30,35,041
Less: Provision for doubtful debts	**(30,35,041)**	(30,35,041)
	1,71,97,203	**1,43,75,201**

Trade Receivable includes a sum of Rs. 28,68,770 for which legal case is decided in favour of NGIL in FY 2019-20. We have therefore included such amount in Total Trade Receivable as recoverable.

8 Cash and cash equivalents		
Balances with Banks	**1,82,162**	1,24,281
Cash on hand	**79,697**	31,769
	2,61,859	**1,56,050**
9 Other current assets		
Balance with Statutory / Government Authorities	**31,72,360**	1,05,94,859
Prepaid Expenses	**70,367**	92,984
Advance to Suppliers & Others	**2,39,207**	2,12,645
Advance to Staff	**2,07,533**	3,16,010
TDS	**10,79,949**	14,16,019
Income Tax Refundable	**10,41,649**	8,98,641
Receivable from Estee Advisors	**16,66,125**	3,78,445
	74,77,190	**1,39,09,603**

NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

PARTICULARS	As At 31-Mar-20	As At 31-Mar-19
10 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**	86,07,000
1,147,600 (P.Y.1,147,600) Shares @ Rs. 7.50 each		
	4,66,95,590	**4,66,95,590**

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	**55,30,259**	55,30,259
Changes in Share capital during the year	**-**	-
Outstanding at the year end		
5,530,259 (P.Y. 5,530,259) Equity Shares of Rs. 10/- each	**55,30,259**	**55,30,259**

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 31st March 2020		As at 31st March 2019	
	Nos.	%	Nos.	%
Modi Asset Management 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

(Amount in Rs)

PARTICULARS	As At 31-Mar-20	As At 31-Mar-19
11 Other Equity		
Statement of Change in Equity		
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		
Balance as per the last financial statements	**1,42,35,000**	1,42,35,000
Closing Balance	**1,42,35,000**	**1,42,35,000**
Revaluation Reserve		
Balance as per the last financial statements	**12,56,786**	13,53,074
Less: Depreciation on Revalued Assets	**96,288**	96,288
Closing Balance	**11,60,498**	**12,56,786**
General Reserve		
Balance as per the last financial statements	**10,10,00,000**	10,00,00,000
Add: Amount transferred from surplus balance in the statement of Profit & Loss		10,00,000
Closing Balance	**10,10,00,000**	**10,10,00,000**
Other Comprehensive Income/Loss		
Balance as per the last financial statements	**1,68,46,119**	1,81,28,177
Add: Amount transferred from surplus balance in the statement of Profit & Loss	**(75,52,846)**	39,56,337
Less : Transfer to PL Account- Realized Profit		52,38,394
Closing Balance	**92,93,273**	**1,68,46,119**
Balance in Statement of Profit and Loss		
Balance as per the last financial statements	**3,50,68,680**	3,30,51,590
Profit for the year	**(89,08,090)**	30,17,090
	2,61,60,591	**3,60,68,680**
Less: Appropriations :		
Transfer to General Reserve	**-**	10,00,000
Total Appropriation	**-**	10,00,000
Surplus in the Statement of Profit and Loss	**2,61,60,591**	3,50,68,680
Total Other Equity	**17,66,13,822**	19,31,71,046
12 Borrowings		
Secured Borrowings		
Loan from HDFC Bank	**-**	62,463
Less: Current Maturity of Secured Long Term Borrowings	**-**	62,463
	-	-

NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

PARTICULARS	As At 31-Mar-20	As At 31-Mar-19
13 Provisions		
Non Current		
Provision for Gratuity	**9,29,690**	7,95,555
	9,29,690	**7,95,555**
Current		
Provision for Gratuity	**96,312**	8,69,371
	96,312	**8,69,371**
14 Deferred tax liabilities (Net)		
Deferred Tax Liability		
On Fixed Assets	**24,90,011**	27,36,995
On Current Investments	**13,63,885**	14,19,463
On Non-Current Investments	**32,65,204**	59,18,907
Deferred Tax Asset		
On provision for Gratuity	**4,64,081**	4,32,881
Net Deffered Tax Liabaility	**66,55,019**	**96,42,484**
15 Borrowings		
Secured Borrowings		
Working Capital Loan from Bank (SBI)	**1,77,21,281**	1,99,07,347
Current Maturity of Long Term Secured Borrowings	**-**	62,463
	1,77,21,281	**1,99,69,810**

Working Capital loans from State Bank of India 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.

16 Other current liabilities		
Advance from Customers	**25,446**	68,064
Salary & Wages Payable	**10,13,981**	10,21,167
EPF Payable	**24,772**	26,074
Other Employee Benefit Liabilities	**10,474**	2,41,135
Other Tax Payable	**1,25,032**	1,66,252
Expenses Payable	**10,39,612**	9,58,324
	22,39,317	**24,81,016**

NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

PARTICULARS	For the year ended 31-Mar-20	31-Mar-19
17 Revenue from operations		
Sale of Finished Goods	**14,38,64,649**	11,26,21,277
Sale of Services-Conversion Charges	**4,90,64,192**	6,15,54,738
Other Operating Revenue	**23,21,149**	26,85,077
Revenue from Operations (Gross)	**19,52,49,989**	17,68,61,092
Details of Finished Goods sold		
Iron & Steel Bar	**14,38,64,649**	11,26,21,277
Details of Sale of Services		
Job Work charges on Re - rolling	**4,90,64,192**	6,15,54,738
Details of Other Operating Revenue		
Sale of By Product, viz. Scrap	**23,21,149**	20,40,346
Handling charges		6,44,731
	23,21,149	26,85,077
18 Other Income		
Interest on Security Received	**1,15,193**	95,864
Interest and Trading Income on Investment	**15,31,102**	4,18,767
Rebate & Discount Received	**1,27,008**	-
Unclaimed Creditors Written back	**-**	32,890
Income from Dividend	**76,500**	25,500
STCG on Current Investments	**13,80,256**	12,87,444
LTCG on Current / Trade Investments	**-**	16,07,789
LTCG on Long Term / Trade Investments	**-**	53,66,581
Investment revalue through FVTPL	**1,64,545**	4,08,823
Interest on income tax refund	**84,878**	26,442
Other Income	**1,21,321**	2,01,204
	36,00,803	94,71,305

NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

PARTICULARS	For the year ended 31-Mar-20	31-Mar-19
19 Cost of Raw Material and Components Consumed		
Raw Material Consumed		
Opening Stock	**1,41,00,354**	1,52,64,123
Purchases	**12,67,59,377**	11,27,96,811
	14,08,59,731	12,80,60,934
Less: Closing Stock	**76,07,467**	1,41,00,354
	13,32,52,263	**11,39,60,580**
Details of raw material and components		
Raw material and components Consumed		
Raw material	**13,32,52,263**	11,39,60,580
	13,32,52,263	**11,39,60,580**
Details of closing inventory of raw material		
Raw material	**76,07,467**	1,37,50,357
Scrap		3,49,997
	76,07,467	**1,41,00,354**
Details of opening inventory of raw material		
Raw material	**1,37,50,357**	1,49,14,126
Scrap	**3,49,997**	3,49,997
	1,41,00,354	**1,52,64,123**
Furnace Oil Consumed		
Opening Stock	-	4,461
Add: Purchase/Tfd.during the year	-	-
	-	4,461
Less: Closing Stock	-	-
	-	**4,461**
Steam Coal Consumed		
Opening Stock	**6,64,859**	5,23,105
Add: Purchase/Tfd.during the year	**2,44,14,467**	3,02,65,998
	2,50,79,326	3,07,89,103
Less: Closing Stock	**4,61,296**	6,64,859
	2,46,18,031	**3,01,24,244**
Other Manufacturing Expenses		
Power Expenses	**1,00,11,676**	1,01,54,142
Engine Expenses	**29,09,720**	30,60,060
Weighing & Stalking	**74,860**	63,050
Consumable Store	**5,02,966**	5,57,799
	1,34,99,222	**1,38,35,051**
	17,13,69,516	**15,79,24,336**

NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

PARTICULARS	For the year ended	
	31-Mar-20	31-Mar-19
20 (Increase)/Decrease in Inventories		
Opening Stock of FG	**2,00,31,390**	1,04,27,182
Closing Stock of FG	**1,57,36,834**	2,00,31,390
work-in-progress and Stock-in-Trade	**42,94,556**	**(96,04,208)**
21 Employee Benefit Expenses		
Salaries & Wages	**1,49,55,482**	1,41,31,252
Bonus & Ex-Gratia	**94,268**	2,23,351
Employer's Cont.to P.F.	**1,66,046**	1,54,821
Employer's Cont.to E.S.I.	**1,18,993**	1,45,213
Gratuity	**(5,32,192)**	2,88,706
Staff Welfare	**3,59,043**	4,40,877
Leave encashment	**50,000**	1,09,033
	1,52,11,640	**1,54,93,253**
22 Financial costs		
Bank Interest	**24,18,087**	18,17,215
Interest on Car Loan	**621**	61,736
	24,18,708	**18,78,951**

NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

PARTICULARS	For the year ended 31-Mar-20	31-Mar-19
23 Other expenses		
Travelling & Conveyance		
Including Foreign Travel of Directors C. Y. Nill (P.Y. 4,28,157/	**1,70,644**	7,65,565
Printing & Stationary	**22,035**	68,021
Postage & Telegram	**1,769**	97,069
Telephone Expenses	**1,13,350**	1,48,325
Electricity Expenses	**6,55,295**	7,21,154
Legal & Professional Charges	**8,07,906**	7,67,652
Listing & Custodial Fees	**3,45,000**	3,10,000
Rates & Taxes	**-**	3,39,340
Bank Charges	**1,75,872**	2,24,543
Insurance Charges	**88,334**	1,65,989
Rent	**96,000**	1,03,500
Vehicle Running & Maintenance	**8,06,564**	6,70,022
Security & Vigilance	**12,05,761**	11,66,111
Repair & maintenance - Building	**57,496**	1,26,739
Repair & maintenance - Plant & Machinery	**20,40,229**	31,18,494
Repair & maintenance - Others	**65,682**	1,44,389
Business promotion	**4,76,166**	3,34,325
Rebate, Discount & commission	**12,59,963**	12,96,451
Advertisement & Publicity	**1,65,768**	1,71,768
Bad debts	**16,20,854**	16,458
Freight Charges	**-**	4,316
Loading & Unloading Charges	**-**	70,523
Watch & Guard	**-**	3,64,000
Interest on Income Tax	**-**	71,561
Income tax demand	**-**	2,77,344
Other Miscellaneous Expenses	**3,98,078**	3,78,766
	1,05,72,766	**1,19,22,424**
Payment to Auditor		
Audit fee	**2,00,000**	2,00,000
Limited Review	**48,000**	48,000
	2,48,000	**2,48,000**
24 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.)	**(89,08,090)**	30,17,090
Weighted average number of equity shares in calculating basic and diluted EPS	**46,69,559**	46,69,559
Basic and diluted earning per share (Rs.)	**(1.91)**	0.65

25. 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 onlyand 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& Others		Services		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
REVENUE								
Sales/ Revenue	**19,52,49,989**	17,62,16,361	**36,00,803**	94,71,305	-	6,44,731	**19,88,50,793**	18,63,32,397
Less: Inter Segment Sales	-	-	-	-	-	-	-	-
Net Sales / Revenue	**19,52,49,989**	17,62,16,361	**36,00,803**	94,71,305	-	6,44,731	**19,88,50,793**	18,63,32,397
Less: GST/Excise Duty	-	-	-	-	-	-	-	-
Total Revenue	**19,52,49,989**	17,62,16,361	**36,00,803**	94,71,305	-	6,44,731	**19,88,50,793**	18,63,32,397
SEGMENT RESULTS								
Operating Profit / (Loss) before interest & tax	**(64,40,030)**	(7,97,765)	**5,67,751**	72,17,278	**(9,87,227)**	(6,62,140)	**68,59,507**	57,57,373
Less: Interest Expenses							**24,18,708**	18,78,951
Profit /(Loss) from operating activity (Before tax)							**92,78,215**	38,78,422
OTHER INFORMATION								
Segment Assets	**15,79,78,437**	16,50,47,260	**7,12,71,272**	8,06,40,651	**2,77,31,604**	2,90,32,154	**25,72,04,420**	27,47,20,065
Segment Liabilities	**1,47,25,262**	1,73,,89,923	**67,22,724**	1,05,79,947	**86,727**	1,50,264	**1,88,15,527**	2,81,20,494
Capital Employed	**14,32,53,175**	14,76,57,338	**6,45,48,548**	7,00,60,704	**2,76,44,877**	2,88,81,530	**23,83,88,893**	24,65,99,571
Capital Expenditure	**38,60,437**	99,41,979	-	-	-		**38,60,437**	99,41,979
Depreciation/Amortization	**41,75,380**	38,78,122	**8,55,499**	8,64,304	**91,329**	96,792	**51,22,207**	48,39,218
Other non-cash expenses	-	-	-	-	-	-	-	-

26. Related Party Disclosures

Names of Related Parties

A. Parties under common control

Modi Asset Management 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 and their relatives

Mr. Ashok Kumar Modi	Managing Director
Mr. Pawan Kumar Modi	Jt. Managing Director
Mr. Vasu Modi	Director
Mr. Madhur Modi	Vice President
Mrs. Shakuntala Modi	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	
	2020	2019	**2020**	2019	**2020**	2019
Rent Paid						
J.P.Modi& Sons HUF		-	**24,000**	42,000	**24,000**	42,000
ShakuntlaModi	**72,000**	61,500	-	-	**72,000**	61,500
Total	**72,000**	61,500	**24,000**	42,000	**96,000**	103,500

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

Particulars	March 31, 2020	March 31, 2019
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Capital advances)	**Nil**	Nil

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

Particulars	March 31, 2020	March 31, 2019
Bank Guarantee in favour of Sales Tax Department	**Nil**	Nil
Bills discounted liability	**Nil**	Nil

29. There are no Micro, Small and Medium Enterprises to whom company owes dues which are outstanding for more than 45 days as on 31.03.2020. 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.

30. The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013 during financial year 2019-20.

31. 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, 2020	March 31, 2019
Current service cost	**393,261**	4,30,514
Interest cost on benefit obligation	**127,533**	1,15,521
Net actuarial (gain)/ loss recognized in the year	**(1,052,986)**	(3,30,248)
Past service cost	**-**	-
Net benefit expense	**(5,32,192)**	2,15,787

Balance Sheet

Details of Provision for Gratuity

(Amounts in Rs.)

Particulars	March 31, 2020	March 31, 2019
Defined benefit obligation	**1,026,002**	16,64,926
Fair value of plan assets	**-**	-
Surplus/(Deficit)	**(1,026,002)**	(16,64,926)
Less: Unrecognized Past service cost	**-**	-
Plan asset / (liability)	**1,026,002**	16,64,926

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

(Amounts in Rs.)

Particulars	March 31, 2020	March 31, 2019
Defined benefit obligation at the beginning of year	**16,64,926**	15,14,043
Current service cost	**393,261**	4,30,514
Interest cost	**127,533**	1,15,521
Actuarial (gain)/loss on obligation	**(1,052,986)**	(3,30,248)
Benefits paid	**(106,732)**	(64,904)
Defined benefit obligation as at the end of the year	**1,026,002**	16,64,926

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

Particulars	March 31, 2020	March 31, 2019
	%	%
Discount rate	**6.77**	7.66
Increase in Compensation cost	**5.50**	5.50
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, 2020	March 31, 2019
Defined benefit obligation	**1,026,002**	16,64,926
Plan assets	**-**	-
Surplus / (deficit)	**(1,026,002)**	(16,64,926)
Experience adjustments on plan liabilities (loss)/gain	**(11,27,729)**	(3,28,324)
Experience adjustments on plan assets (loss)/gain	**-**	-

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

Particulars	**March 31, 2020**	March 31, 2019
Provident Fund	**1,66,046**	1,54,821

32.Supplementary Statutory Information

32.1Earnings in foreign currency (on accrual basis)

(Amounts in Rs.)

Particulars	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Exports at F.O.B. Value	**-**	-

32.2Expenditure in foreign currency (on accrual basis)

(Amounts in Rs.)

Particulars	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Travelling	**-**	4,28,157

32.3Value of imports calculated on CIF basis (on accrual basis)

(Amounts in Rs.)

Particulars	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Raw Materials	**-**	-

32.4 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, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Indigenous	**100.00**	100.00	**13,32,52,263**	11,39,60,580
Imported	**-**	-		
	100.00	100.00	**13,32,52,263**	11,39,60,580
Stores and Spares				
Indigenous	**100.00**	100.00	**5,77,826**	6,20,849
Imported	**-**	-		
	100.00	100.00	**5,77,826**	6,20,849

33. Company has liquid funds of Rs. 50,18,133 in the form of Current Investment. The same is held for the purpose of Investment in Debt Oriented fund so it is classified under Current Investment instead of Cash & Cash Equivalent.

34. Going concern assessment has been performed by management based on sufficient liquid funds with Current, Non Current Investment, Inventories and Trade Receivables to meet out future Obligations if any.

35. Due to COVID-19 Pandemic Situation and lockdown implemented by the Central Government, the management was not able to conduct Physical counting of Inventory as on the Balance Sheet date, however the physical counting was conducted post lockdown period, prior to the date of board meeting.

36. COVID-19 has caused significant disruptions to businesses across India. The management has considered the possible effects, if any, that may impact the carrying amounts of property, plant and equipment, investments, inventories, receivables, other current assets. In making the assumptions and estimates relating to the uncertainties as at the balance sheet date in relation to the recoverable amounts, the management has considered subsequent events, internal and external information and evaluated economic conditions prevailing as at the date of approval of these financials results. The management expects no impairment to the carrying amounts of these assets. The management will continue to closely monitor any changes to future economic conditions and assess its impact on the operations.

37. The Basic and diluted earnings per share is 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. However EPS for F.Y 2018-19 was calculated on the basis of average number equity shares outstanding during the year.

38. The previous period figure have been rearranged/ regrouped wherever necessary to make them comparable with those of current period classification & disclosure.

39. The figure's has been rounded off to nearest of rupees.

As per our separate report of even date attached

For N R& Company
Chartered Accountants
FRN – 015095C
Sd/-
Naveen Sawhney
Partner
Membership No.– 073713
Place : New Delhi
Date : 31/07/2020
UDIN :20073713AAAAAN3466

For and on behalf of the Board Directors

Sd/-
Ashok Kumar Modi
Chairman cum
Managing Director
DIN : 00051647

Sd/-
Pawan Kumar Modi
CFO Cum
Jt. Managing Director
DIN : 00051679

Sd/-
Vandana Gupta
Company Secretary
Mem. No. ACS24012

Book - Post

"श्री जी"

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)