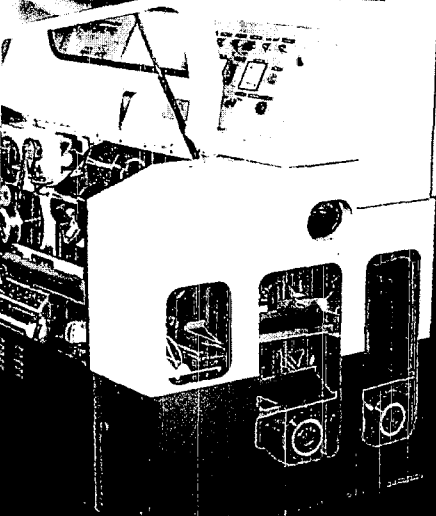
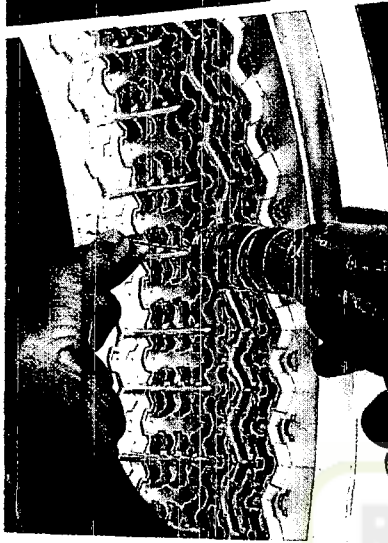
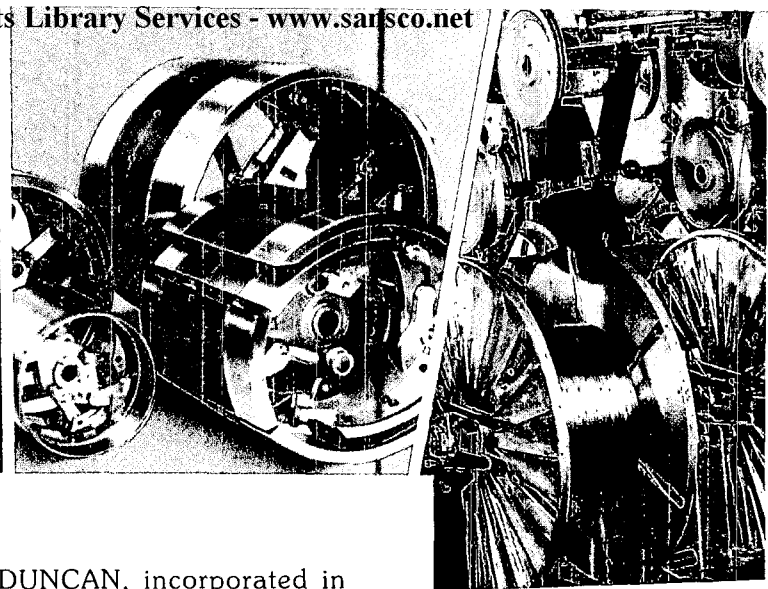
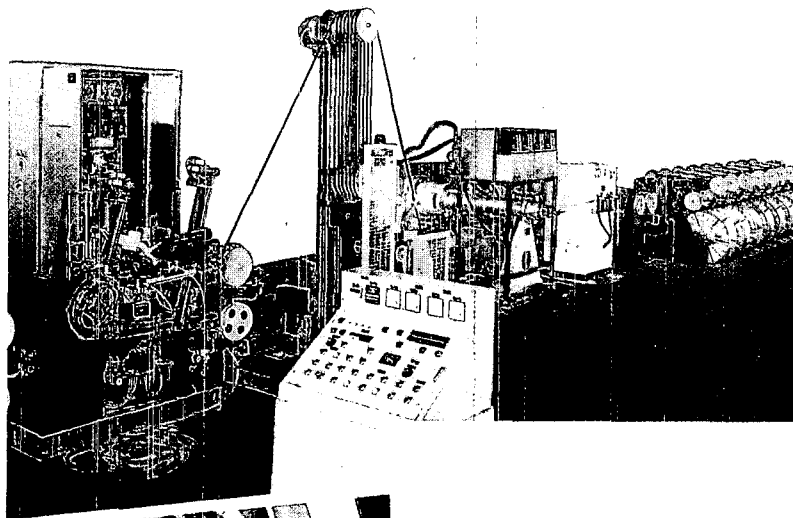




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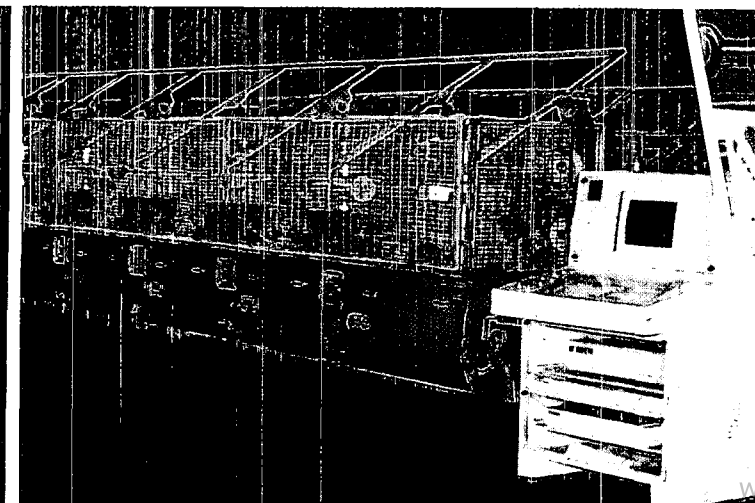
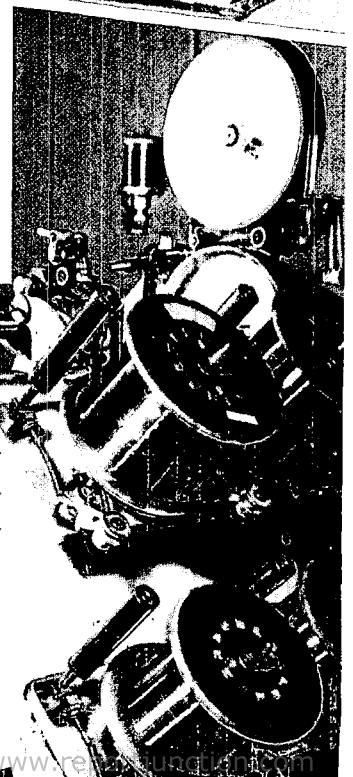
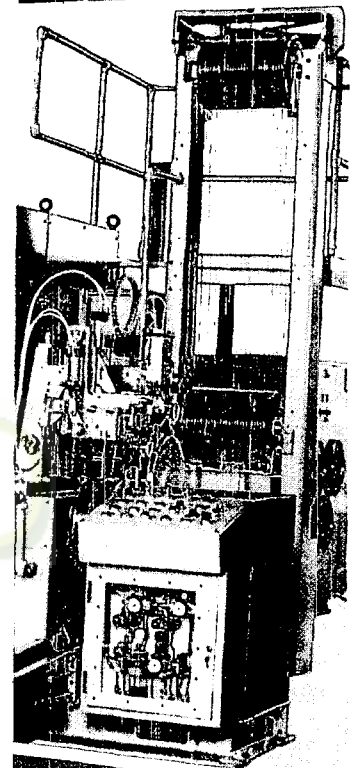
NATIONAL-STANDARD DUNCAN, incorporated in 1962, is to-day, a diversified manufacturer of engineering materials and machinery for, essentially, the Tyre Industry.

The Wire Division of the Company with plants at Thane (about 50 km north of Mumbai), Doddaballapura (about 35 km north of Bangalore) and Baddi (about 45 km east of Chandigarh) produces Tyre Beadwire, High-pressure Hose Reinforcement Wire, and, Speciality Wires.

The Machinery Division, from its plants at Thane and Hosakote (about 30 km east of Bangalore), supplies Tyre Bead Making Machinery Systems, Tyre Retread Systems, Tyre Building Drums, Custom-built Tyre Machinery, and, Moulds for Tyres, Tubes, Bladders, Air-bags and Flaps. This Division also produces Wire-drawing machinery including fully automatic machinery for the drawing of fine diameter ferrous wires.

National-Standard Duncan has, over the years, built itself a reputation as a dependable supplier of quality products to the Tyre Industry, both at home and overseas.

National-Standard Duncan continuously strives to attain and maintain a position of leadership in the Industrial markets it has elected to operate in. The pre-requisite to this — Customer Satisfaction with the Company's products and services — is sought by offering quality products backed by most efficient and effective Customer Service.





## NATIONAL-STANDARD DUNCAN LIMITED

### Directors' Report and Statement of Accounts for the year ended March 31, 1998

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## NATIONAL-STANDARD DUNCAN LIMITED

### Directors

Mr. G. P. Goenka, *Chairman*  
Mr. M. A. Bakre  
Mr. A. C. Chakrabortti  
Mr. Pravinchandra V. Gandhi  
Mr. A. S. Gupta  
Mr. Pramod Khaitan  
Mr. Shrenik K. Lalbhai  
Dr. R. Srinivasan  
Mr. Sanjay Badri  
Mr. S. P. Mahajan, *Managing Director*

### Auditors

Price Waterhouse

### Bankers

Bank of India  
Bank of Bahrain & Kuwait B.S.C.  
IDBI Bank Ltd.

### Registered Office

31, Netaji Subhas Road, Calcutta 700 001.

### Branch Offices

Mumbai, Calcutta and New-Delhi.

### Plants

Thane, Hosakote, Doddaballapura and Baddi.



## NATIONAL-STANDARD DUNCAN LIMITED

### Seven Years' Financial Summary

(All Rupees figures are in thousands, except per Share data)

		Year ending March 31						
		1998	1997	1996	1995	1994	1993	1992
<b>Operations</b>								
Income	Rs.	<b>433,027</b>	478,873	515,131	347,895	321,463	307,051	285,414
Gross Profit	Rs.	<b>11,983</b>	41,015	37,867	30,781	28,753	19,046	25,986
Pre-tax Profit/(Loss)	Rs.	<b>(9,209)</b>	21,553	22,902	16,157	12,516	6,124	15,007
Net Profit/ (Loss)	Rs.	<b>(9,227)</b>	18,753	14,702	9,757	6,016	4,224	12,107
Net Profit to Income	%	—	3.9	2.9	2.8	1.9	1.4	4.2
Net Profit per Share	Rs.	—	7.61	7.92 *	6.47	3.99	2.80	8.03
<b>Financial Position</b>								
Net Current Assets	Rs.	<b>241,763</b>	190,368	119,907	127,729	104,332	78,010	92,809
Ratio of Current Assets	—	<b>2.4</b>	2.4	2.1	2.4	2.6	2.0	2.0
Shares	'000 Nos.	<b>2,463</b>	2,463	2,463	1,508	1,508	1,508	1,508
	Rs.	<b>24,630</b>	24,630	24,630	15,080	15,080	15,080	15,080
Shareholders' Equity	Rs.	<b>143,278</b>	152,506	141,068	83,620	77,934	75,537	74,480
Return on Investment	%	—	12.3	10.9 *	11.7	7.7	5.6	16.3
Book Value per Share	Rs.	<b>58.17</b>	61.92	76.05 *	55.45	51.68	50.09	49.39
<b>Dividends</b>								
Dividends per Share	Rs.	—	2.70	2.70 *	2.70	2.40	2.10	2.10
Total Dividends	Rs.	—	6,650	5,009 *	4,071	3,619	3,167	3,167
<b>Other Data</b>								
Depreciation	Rs.	<b>21,192</b>	19,462	14,965	14,624	16,238	12,922	10,979
Provision for Taxation	Rs.	<b>18</b>	2,800	8,200	6,400	6,500	1,900	2,900
Additions to Plant and Machinery	Rs.	<b>31,702</b>	113,863	9,212	7,787	6,529	18,255	4,152
Exports (F.O.B.)	Rs.	<b>103,040</b>	102,258	107,430	61,116	45,958	20,529	70,316

\*Based on existing equity capital plus equity shares allotted as Rights on pro-rata basis from the date of allotment. During the years ending March 31, 1991 and March 31, 1996, 507,950 Equity Shares of Rs. 10 each and 955,092 Equity Shares of Rs. 10 each, respectively, were allotted under Rights Issues.



## NATIONAL-STANDARD DUNCAN LIMITED

### Notice of Annual General Meeting

NOTICE is hereby given that the Thirty-Sixth Annual General Meeting of the Members of National-Standard Duncan Limited will be held at the "Williamson Magor Hall" of the Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Calcutta 700 001 at 11.30 A.M. on Thursday, 17th September, 1998 to transact the following business:

#### As Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 1998, the Profit and Loss Account for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. G. P. Goenka who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shrenik K. Lalbhai who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S. P. Mahajan who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint auditors and to fix their remuneration.

#### As Special Business

To consider and, if thought fit, to pass with or without modification the following as Ordinary Resolutions:

6. "RESOLVED that Mr. Sanjay Badri be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation".

7. "RESOLVED that approval pursuant to Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 be and is hereby accorded to the re-appointment of and the remuneration payable to Mr. G. P. Goenka as a whole-time Director of the Company for a period of three years from 12th September, 1998 as set out in the Explanatory Statement attached hereto.

"RESOLVED FURTHER that the terms and conditions of the said re-appointment be altered and/or varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable in accordance with Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard.

The Register of Members and Share Transfer Books shall remain closed from 4th September, 1998 to 17th September, 1998 both days inclusive.

Registered Office  
31, Netaji Subhas Road  
Calcutta 700 001.

June 25, 1998.

By Order of the Board

S. P. Mahajan

Managing Director





## NATIONAL-STANDARD DUNCAN LIMITED

### NOTES :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll in his stead. A proxy need not be a Member of the Company. Proxy Forms, duly completed, should be deposited at the Company's Registered Office at least 48 hours before the commencement of the meeting.
2. Pursuant to the provisions of Section 205A of the Companies Act, 1956 read with Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 as amended all unclaimed dividends upto and including the financial year ended 31.03.1994 have been transferred to the General Revenue Account of Central Government. Any Member claiming any such dividend so transferred may apply to the Registrar of Companies, West Bengal, Multistoreyed Office Building II, 234/4, Lower Circular Road, Calcutta 700 020 in the prescribed form in duplicate. Members desiring any assistance in the matter can get in touch with the Share Department of the Company at "Duncan House", Third Floor, 31, Netaji Subhas Road, Calcutta 700 001.

The Schedule for transfer of subsequent unclaimed dividends to the credit of the Central Government is as follows :

Financial Year ended	Due for Transfer on
31.03.95	03.11.1998
31.03.96	04.11.1999
31.03.97	09.11.2000

Members who have not, till 31st March, 1998 encashed their warrants pertaining to the 31st March, 1995 dividend, have been advised individually at their registered addresses to arrange for revalidation and encashment of their warrants forthwith.

3. Members are requested to notify immediately change in their addresses, if any, to the Company's Registered Office.
4. Members are requested to bring their copies of the Annual Report to the Meeting.
5. Members desiring any information as regards the Accounts are requested to write to the Company at least ten days before the meeting so as to enable the Management to keep the information ready at the Meeting.

### Explanatory Statement

#### Pursuant to Section 173 (2) of the Companies Act, 1956

#### Item No. 6

Mr. Sanjay Badri was appointed on 25th June, 1998 by the Board of Directors ("the Board") as an Additional Director. In compliance with Article 93(1) of the Company's Articles of Association, he holds office only until the ensuing Annual General Meeting.

Notice in terms of Section 257(1) of the Companies Act, 1956 has been received from a member alongwith the requisite deposit signifying his intention to propose the candidature of Mr. Sanjay Badri for appointment as Director of the Company at the aforesaid meeting.

The Board considers that having regard to the knowledge and experience of Mr. Badri his continuance as Director would be beneficial to the Company and accordingly recommends that the resolution as proposed be passed .

Mr. Badri may be deemed concerned or interested in the Resolution set out under item No. 6 of the Notice. No other Director has any concern or interest in the same.



## NATIONAL-STANDARD DUNCAN LIMITED

### Item No. 7

The Board has approved the re-appointment of Mr. G. P. Goenka as Whole-time Director for a further three years term from 12th September, 1998 upon the following terms as to remuneration :

- I. Salary : Rs. 40,000 per month.
- II. Commission : At the rate of one per cent of the net profits of the Company in respect of each financial year, computed in the manner laid down in Section 309(5) of the Act, subject to a ceiling of fifty per cent of annual salary.
- III. Perquisites: Perquisites in the form of residential accommodation including gas, electricity and furnishings, Medical Expenses, Club Fees, Leave Travel Assistance and Personal Accident Insurance will be admissible to Mr. Goenka but will be restricted to an amount equivalent to his annual salary. For computing the foregoing ceiling, all perquisites will be evaluated as per the Income Tax Rules. In the absence of any such Rule, the valuations would be at actual cost. The following will not, however, be included for computing the ceiling on perquisites as aforesaid :
  - a) Provision of car with driver
  - b) Residential telephone
  - c) Company's contribution to Provident Fund and Super Annuity or Annuity Fund to the extent that these either singly or in the aggregate are not taxable under the provisions of the Income Tax Act, 1961.
  - d) Gratuity and encashment of leave at the end of tenure.

In the absence or inadequacy of profits, Mr. Goenka would be entitled to the remuneration set out above excepting commission as may be determined and allocated by the Board in accordance with Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof.

Mr. Goenka is presently the Chairman of the Board in which position he will continue in his capacity as a whole-time director.

The Board considers that the continued association of Mr. Goenka with the Company will benefit the Company given his vast fund of expertise and accordingly recommends that the Resolutions as proposed be passed.

Mr. Goenka may be deemed interested in the Resolutions concerning his appointment. No other Director has any concern or interest therein.

This should be considered also as an abstract of the terms of re-appointment of Mr. Goenka and a memoranda as to the nature of concern or interest of a Director in the said re-appointment in terms of Section 302 of the Companies Act, 1956.

Registered Office :  
31, Netaji Subhas Road,  
Calcutta 700 001.

June 25, 1998.

By Order of the Board  
S. P. Mahajan

Managing Director





## NATIONAL-STANDARD DUNCAN LIMITED

### Directors' Report

The Directors of National-Standard Duncan Limited present their thirty-sixth Annual Report and Audited Accounts for the year ended March 31, 1998, which show result of the Company's working as follows:

	Rupees thousand
Gross Profit	11,982
Less : Depreciation	<u>21,192</u>
Loss prior Taxation	(9,209)
Provision for Taxation	<u>18</u>
Net Loss	(9,227)
Less : Balance brought from previous year	<u>6,699</u>
Balance carried to Balance Sheet	<u>(2,528)</u>

#### Dividend :

The Directors recommend that no dividend be paid owing the loss sustained during the year under review.

#### Operations :

The year ending March 31, 1998, has been most unsatisfactory. The Company's new wire plant at Baddi (Himachal Pradesh) came into full production during the year which witnessed an unexpected drop in the Wire Division's sales, both domestic and exports. The home sales suffered due the general recession in the domestic tyre demand and, more so, owing the virtual closure of a large tyre company which has always been a major buyer of the Company's products. The economic problems of the Asean countries, in particular those of Indonesia - a major export market for the Company - and the total ban imposed on bead-wire imports by a country in the middle east - a major tyre bead-wire importer for the Company - severely reduced the exports of the Wire Division. These unfortunate events coupled with the general world-wide recession in the automobile industry resulted in the bead-wire production capacity exceeding the demand and consequently also exerting downward pressure on the prices.

The Company ended the year with large unsold inventory of tyre bead-wire and had to close down operations at one of its wire plants. The current year

is not expected to be significantly better. The Company has initiated steps to diversify its exports markets and these actions should enable a gradual increase in the export demand for the Company's products.

The Machinery Division of the Company increased its production and sales, both at home and overseas. The improvement in the working of this division is expected to continue during the current year.

During the year under review, the exports of the Company totalled Rs. 103.0 million FOB (previous year Rs. 102.2 million FOB) comprising those of Wire Division at Rs. 38.3 million (Rs. 80.8 million for the previous year) and of the Machinery Division at Rs. 64.7 million (Rs. 21.4 million for the previous year). The export performance of the Company continues to be recognized by the Engineering Export Promotion Council of India which has, as usual, awarded the Certificate of Export Excellence to the Company.

#### Expansion & Diversification :

The Company's expansion plans have been kept on hold owing the present difficult conditions prevailing in the automobile, and consequently the tyre industry, the world over.

#### Finance :

The Company's bankers have been fully supportive and have helped the Company tide over the difficulties experienced in the management of working capital needs. Industrial Development Bank of India sanctioned a long term loan of Rs. 60 million for working capital requirement.

#### Personnel :

The information required under Section 217 (2A) of the Companies Act, 1956, (as amended) read with the Companies (particulars of employees) Rules, 1975 is appended.

#### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo :

The information required under the Companies (Disclosure of Particulars in the Report of Directors) Rule, 1988, is annexed and forms part of this report.



## NATIONAL-STANDARD DUNCAN LIMITED

### Directors' Report

#### Projected & Actual Results :

As required under Clause 41 of the Listing Agreement with Stock Exchange, the comparison of actual results for the year under review with projections given in the Letter of Offer for the Rights Issue of 1995-96 is as follows :

	Projected	Actual
	(Rupees Thousands)	
Income	682,200	433,027
Profit before Interest, Depreciation and Tax	108,200	62,649
Profit/(Loss) before Tax	36,400	(9,209)
Profit/(Loss) after Tax	21,700	(9,227)

The reasons for the variation are explained in the item titled "Operations" above.

#### Subsidiary :

The Accounts of NSD Investments Limited, as required by Section 212(3) of the Companies Act, 1956 are annexed. The Company has taken requisite action for the winding up of its subsidiary.

#### Auditors' Report :

Note 10 on Schedule 14 relates to technical know-how fees specified in collaboration agreement entered into by the Company. It has been the Company's practice in the past, upon actual payment of any technical fee, to reflect such payment in "Miscellaneous Expenditure" in the Balance Sheet and to charge 1/6th of such fee to Profit & Loss Account every year for six years. The technical know-how fees referred to in the note has so far not been paid and hence, consistent with past practice, has not been provided.

Note 11 of Schedule 14 regarding non-provision of overdue book debts relates to debts, which as of now, appear to be fully realizable.

#### Directors :

Mr. Kawaljit Singh Broca resigned from the Board on January 31, 1998. The Board placed on record its sincere appreciation of the services rendered by Mr. Broca during his tenure as a Director of the Company. Mr. Sanjay Badri was appointed as Additional Director with effect from June 25, 1998. He holds office till the date of ensuing Annual General Meeting. The Company has received notice from a member signifying his intention to propose the appointment of Mr. Sanjay Badri as Director of the Company at the Annual General Meeting.

Mr. G. P. Goenka, Mr. S. K. Lalbhai and Mr. S. P. Mahajan retire by rotation and being eligible offer themselves for re-appointment.

#### Auditors :

Messrs. Price Waterhouse retire at the Annual General Meeting and are eligible for re-appointment.

On behalf of the Board of Directors

**G. P. Goenka**  
Chairman

Mumbai, June 25, 1998.