



**NATIONAL-STANDARD
DUNCAN LIMITED**

Report  junction.com

**ANNUAL REPORT
1999-2000**

**NATIONAL-STANDARD DUNCAN LIMITED**

**Directors' Report and Statement of Accounts
for the period ended September 30, 2000.**

Contents	Page
Board of Directors, etc.	3
Seven Years' Financial Summary	4
Notice of Annual General Meeting	5
Directors' Report	9
Auditors' Report	14
Balance Sheet	17
Profit and Loss Account	18
Schedules forming part of the Accounts	19
Notes forming part of the Balance Sheet and Profit and Loss Account	29



NATIONAL-STANDARD DUNCAN LIMITED

Directors

Mr. V. Anantaraman
Mr. Raghuvir Bhandari
Mr. N. Y. Gupte
Mr. Deepak Jain
Mr. Pramod Khaitan

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 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)

		1st April 1999 to September 30th 2000	1999	1998	1997	1996	1995	1994
Operations								
Income	Rs.	395,368	382,216	433,027	478,873	515,131	347,895	321,463
Gross Profit/(Loss)	Rs.	(190,379)	(55,328)	11,983	41,015	37,867	30,781	28,753
Pre-tax Profit/(Loss)	Rs.	(235,701)	(67,458)	(9,209)	21,553	22,902	16,157	12,516
Net Profit/(Loss)	Rs.	(235,701)	(67,468)	(9,227)	18,753	14,702	9,757	6,016
Net Profit to Income	%	—	—	—	3.9	2.9	2.8	1.9
Net Profit per Share	Rs.	—	—	—	7.61	7.92	*6.47	3.99
Financial Position								
Net Current Assets	Rs.	(27,147)	158,442	241,763	190,368	119,907	127,729	104,332
Ratio of Current Assets	—	—	2.6	2.4	2.4	2.1	2.4	2.6
Shares '000	Nos.	2,463	2,463	2,463	2,463	2,463	1,508	1,508
	Rs.	24,630	24,630	24,630	24,630	24,630	15,080	15,080
Shareholders' Equity	Rs.	73,646	75,810	143,278	152,506	141,068	83,620	77,934
Return on Investment	%	—	—	—	12.3	10.9	*11.7	7.7
Book Value per Share	Rs.	—	30.78	58.17	61.92	76.05	*55.45	51.68
Dividends								
Dividends per Share	Rs.	—	—	—	2.70	2.70	*2.70	2.40
Total Dividends	Rs.	—	—	—	6,650	5,009	*4,071	3,619
Other Data								
Depreciation	Rs.	36,398	12,130	21,192	19,462	14,965	14,624	16,238
Provision for Taxation	Rs.	—	10	18	2,800	8,200	6,400	6,500
Additions to Plant and Machinery	Rs.	27,051	35,286	31,702	113,863	9,212	7,787	6,529
Exports (F.O.B.)	Rs.	63,839	79,676	103,040	102,258	107,430	61,116	45,958

* 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 to the members that the Thirty-Eighth Annual General Meeting of the Members of National-Standard Duncan Limited will be held at the Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Calcutta 700 001 at 12 noon on Wednesday, 28th March, 2001 to transact the following business :

As Ordinary Business

1. To receive, consider and adopt the Balance Sheet of the Company as at 30th September 2000, the Profit and Loss Account for the period ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pramod Khaitan, who retires by rotation and, being eligible, offers himself for re-appointment.
3. 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 resolutions as an Ordinary Resolutions :

4. "RESOLVED that Mr. Raghuvir Bhandari be and is hereby appointed a Director of the Company whose period of office is liable to retirement of directors by rotation".
5. "RESOLVED that Mr. Deepak Jain be and is hereby appointed a Director of the Company whose period of office is liable to retirement of directors by rotation."
6. "RESOLVED that Mr. V. Anantaraman be and is hereby appointed a Director of the Company, RESOLVED FURTHER that pursuant to Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, and subject to such other approvals, if any, that may be required or necessary consent be and is hereby accorded to the remuneration payable to Mr. V. Anantaraman as a Wholtime director of the Company from 24th July 2000 till 31st March 2004 as set out in the Explanatory Statement attached hereto, with liberty to the Board of directors of the Company ("the Board") to alter and/or vary such terms and conditions of appointment as may be agreed by and between the Board and Mr. V. Anantaraman."
7. "RESOLVED that Mr. N. Y. Gupte be and is hereby appointed a Director of the Company, RESOLVED FURTHER that pursuant to Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, and subject to such other approvals, if any, that may be required

or necessary consent be and is hereby accorded to the remuneration payable to Mr. N. Y. Gupte as a Wholtime director of the Company from 24th July 2000 till 31st March 2001 as set out in the Explanatory Statement attached hereto, with liberty to the Board to alter and/or vary such terms and conditions of appointment as may be agreed by and between the Board and Mr. N. Y. Gupte."

8. To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution :

"RESOLVED that pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, and subject to such other approvals, consents and compliances, if any, as may be required in terms of any other relevant legislations, rules, regulations, guidelines etc and/or from other competent authorities, the consent of the Company be and is hereby accorded to the Board for the issue and allotment of 490,000 Equity Shares of Rs. 10 each at par fully paid up aggregating to Rs. 49,00,000 (Rupees Forty Nine Lacs only) in the Equity Share Capital of the Company to ICICI Ltd., ICICI Towers, Bandra Kurla Complex, Mumbai 400 007 by way of conversion into Equity Share Capital of such of their dues representing loan principal of Rs. 49,00,000."

"RESOLVED FURTHER that the said new Equity Shares as and when issued shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank in all respect pari passu with the then existing Equity Share Capital of the Company and they shall rank for dividend for the full financial year in which they are allotted."

"RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be required and to settle any question or difficulties whatsoever that may arise for the implementation of the aforesaid Resolution."

The Register of Members and Share Transfer Books of the Company shall remain closed from 26th March, 2001 to 28th March, 2001, both days inclusive.

Registered Office
31, Netaji Subhas Road
Calcutta 700 001.

February, 27, 2001.

By Order of the Board

V. Anantaraman
N. Y. Gupte
Directors



NATIONAL-STANDARD DUNCAN LIMITED

NOTES :

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the items of Special Business mentioned above is annexed to and forms part of this Notice.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and, on a poll, to vote instead of himself. A Proxy need not be a Member of the Company.
3. The instrument(s) appointing Proxy, duly completed, should be lodged at the Company's Registered Office at 31, Netaji Subhas Road, Calcutta - 700 001 not less than forty-eight hours before commencement of the Meeting.
4. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 read with Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, all unclaimed dividends upto and including the financial year ended 31.03.1995 have been transferred to the general Reserve Account of Central Government. Any member claiming any such dividend so transferred should apply to the Registrar of Companies, West Bengal, Multistoried Office Building II, 234/4, A. J. C. Bose Road, Calcutta - 700 020 in the prescribed form in duplicate quoting the Company Registration No. 021-025605.

Section 205A(5) of the Companies Act 1956 has been amended from the 31st October, 1998 pursuant to which dividend for the financial year ended 31st March, 1996 and thereafter remaining unclaimed for a period of seven years from the date of transfer in accordance with Section 205A (1) of the Companies Act 1956 will need to be transferred to the Investor Education and Protection Fund of the Central Government. Amounts once transferred to the said fund can no longer be claimed. Members who have not, till 30th September, 2000 encashed their dividend warrants pertaining to the years ended 31st March, 1996 and 31st March, 1997 have been individually advised to revalidate and encash their warrants.
5. Members are requested to produce the enclosed attendance slip at the entrance to the hall and bring their copies of the Annual Report to the Meeting.

6. Members are requested to notify any change of address to the Company's Registered Office.
7. Nomination form : Members are encouraged to complete the attached Nomination Form and return the same to the Company at the Registered Office at Duncan House, 3rd floor, 31, Netaji Subhas Road, Calcutta - 700 001.
8. 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. 4 & 5

The Board of Directors of the Company ("the Board") appointed Mr. Raghuvir Bhandari and Mr. Deepak Jain as Additional Directors on 24th July 2000 and 27th February 2001 respectively in accordance with Section 260 of the Companies Act, 1956 ("the Act") read with Article 93(1) of the Articles of Association. They hold office only until the forthcoming Annual General Meeting.

Notices under Section 257(1) of the Companies Act, 1956, alongwith a deposit of Rs. 500/- each has been received from members of Company signifying their intentions to propose the candidatures of Mr. Raghuvir Bhandari and Mr. Deepak Jain as Directors of the Company at the aforesaid meeting.

The Board considers that having regard to the knowledge and experience of M/s. Bhandari and Jain their continuance as Directors would be beneficial to the Company and accordingly recommends adoption of the Resolutions in the interest of the Company.

M/s. Bhandari and Jain may be deemed concerned or interested in their respective resolutions. No other director except M/s. Bhandari and Jain is concerned or interested in their respective resolutions.

Item No. 6

Mr. V. Anantaraman was appointed as an Additional Director of the Company on 24th July 2000 in accordance with Section 260 of the Companies Act, 1956 read with Article 93(1) of the Articles of Association. He holds office only until the forthcoming Annual General Meeting.



NATIONAL-STANDARD DUNCAN LIMITED

Notice under Section 257(1) of the Companies Act, 1956 along with a deposit of Rs. 500 has been received from a member of Company signifying his intention to propose the candidature of Mr. V. Anantaraman as Director of the Company.

Mr. V. Anantaraman is in the whole time employment of the Company.

The principal terms and conditions of his appointment are as under.

- I. Salary and Allowances : Rs. 10,00,000 per annum.
- II. Commission : As approved by the Board and Directors of the Company ("the Board") from time to time subject to the existence of profit.
- III. Perquisites :
 - a) Housing : Company leased accommodation with basic utilities subject to the Rules of the Company.
 - b) Medical/Insurance : Upto Rs. 50,000 per annum plus medical insurance for self & family.
 - c) Leave Travel Assistance : Rs. 50,000 per annum.
 - d) Club Fees : Admission fee for one club and subscription for two clubs.
 - e) Provident Fund/Superannuation Fund : The Company's contributions to the Provident Fund and Superannuation Fund in accordance with the rules and regulations of the Company. Such contribution will not be included in the computation of the ceiling on perquisites to the extent these either singly or jointly are not taxable under the Income Tax Act, 1961.
 - f) Gratuity : At the rate not exceeding half a month's salary for each completed year of service.
 - g) Car/Telephone : Car for use on Company's business and telephone at residence provided that use of car for private purposes as well as for personal long distance calls shall be billed by the Company. The provision of car and telephone will not be considered as a perquisite.
 - h) Minimum remuneration : In the event of loss or inadequacy of profits in any financial year during the terms of his appointment, Mr. Anantaraman shall be entitled to the salary and perquisites as per I and III above.

Pursuant to part III of Schedule XIII of the Companies Act, 1956 the appointment and remuneration of Mr. Anantaraman require the approval of members in general meeting.

Save and except Mr. Anantaraman no director is concerned or interested in the resolution.

The Board considers that having regard to the knowledge and experience of Mr. Anantaraman his appointment as Whole-time Director would be beneficial to the Company and accordingly recommends adoption of the Resolution.

This may also be treated as compliance under Section 302 of the Companies Act, 1956.

Item No. 7

Mr. N. Y. Gupte was appointed as an Additional Director of the Company on 24th July 2000 in accordance with Section 260 of the Companies Act, 1956 read with Article 93(1) of the Articles of Association. He holds office only until the forthcoming Annual General Meeting.

Notice under Section 257(1) of the Companies Act, 1956 along with a deposit of Rs. 500 has been received from a member of Company signifying his intention to propose the candidature of Mr. N. Y. Gupte as Director of the Company.

Mr. N. Y. Gupte is in the whole time employment of the Company.

The principal terms and conditions of his appointment are as under.

- I. Salary and Allowances : Rs. 3,62,400 per annum.
- II. Commission : As approved by the Board from time to time subject to the existence of profit.
- III. Perquisites :
 - a) Medical : Reimbursement of expenses incurred for self and family subject to a ceiling of 3 months' salary over a period of 3 years.
 - b) Leave Travel Assistance : As per the rules of the Company.
 - c) Club Fees : Club subscription subject to a minimum of two Clubs.
 - d) Provident Fund/Superannuation Fund : The Company's contributions to the Provident Fund and Superannuation Fund in accordance with the rules and regulations of the Company. Such contribution will not be included in the computation of the ceiling on perquisites to the



NATIONAL-STANDARD DUNCAN LIMITED

extent these either singly or jointly are not taxable under the Income Tax Act, 1961.

e) Gratuity : At the rate not exceeding half a month's salary for each completed year of service.

f) Car/Telephone : Car for use on Company's business and telephone at residence provided that use of car for private purposes as well as for personal long distance calls shall be billed by the Company. The provision of car and telephone will not be considered as a perquisite.

g) Minimum remuneration : In the event of loss or inadequacy of profits in any financial year during the terms of his appointment, Mr. Gupte shall be entitled to the salary and perquisites as per I and III above.

Pursuant to part III of Schedule XIII of the Companies Act, 1956 the appointment and remuneration of Mr. Gupte require the approval of members in general meeting.

Save and except Mr. Gupte no director is concerned or interested in the resolution.

The Board considers that having regard to the knowledge and experience of Mr. Gupte his appointment as Whole-time Director would be beneficial to the Company and accordingly recommends adoption of the Resolution.

This may also be treated as compliance under Section 302 of the Companies Act, 1956.

Item No. 8

ICICI Ltd., have issued to the Company a notice in terms of their loan covenants opting for converting Rs. 49 lakhs out of the loan principal outstanding as at 31st March, 2000 into equity at par.

Accordingly, the company is obliged to propose a Resolution in terms of Section 81(1A) of the Companies Act, 1956, ("the Act") for issue and allotment of 4,90,000 Equity shares to the said ICICI Ltd.

In terms of the provisions of Section 81(1A) of the Companies Act, 1956, a company not offering further shares to its present holders on a proportionate basis needs the approval of members in general meeting through special resolution. Accordingly, the resolution incorporated in item 8 of the attached notice convening the thirty eighth Annual General Meeting is being proposed for member's sanction through special resolution.

The allotment of these 490,000 shares to ICICI Ltd., at par as and when made would amount to a preferential allotment in terms of Chapter XIII of the SEBI (Disclosure & Investor Protection) Guidelines 2000 ("the Guidelines"). However, in terms of paragraph 13.7(iii) of the Guidelines, since the conversion into equity shares arises out of relative loan covenants prior to 4th August, 1994, Guidelines have no application to the facts and circumstances of the present case.

Nevertheless in compliance with Resolution 3(1)(c) of the Securities & Exchange Board of India (Substantial Acquisition & Takeover) Resolutions, 1997, it is clarified that the shareholding pattern of the Company consequent upon implementation of this resolution would be as under :-

	Existing Equity Shares/Lacs	%	Proposed Equity Shares/Lacs	%
Promoter Group	14.80	60.08	14.80	50.11
Banks	0.00	0.01	0.00	0.01
UTI	1.00	4.06	1.00	3.38
ICICI Ltd.	-	-	4.90	16.60
Public	8.83	35.85	8.83	29.90
	<u>24.63</u>	<u>100.00</u>	<u>29.53</u>	<u>100.00</u>

The allotment of 490,000 shares to ICICI Ltd. notwithstanding, there would be no change either in the constitution of the Board or in the control of the company.

The Board recommends adoption of the Resolution in the interest of the Company. No Director has any concern or interest in the Resolution.

Inspection of Documents

Documents pertaining to the items of Special Business would be available for inspection on all working days (excepting Saturdays) between 11 A.M. and 1 P.M. at the Registered Office of the Company and will also be available for inspection at the Meeting.

Registered Office
31, Netaji Subhas Road
Calcutta 700 001.

By Order of the Board

V. Anantaraman
N. Y. Gupte

Directors

February, 27, 2001.



NATIONAL-STANDARD DUNCAN LIMITED

Directors' Report

The Directors of National-Standard Duncan Limited present their Thirty-eighth Annual Report and Audited Accounts for the eighteen month period ended September 30, 2000, which show result of the Company's working as follows :

	Rupees Lakhs
Loss before depreciation	1,879.77
Add: Depreciation	363.98
Add: Prior period expenses including depreciation	113.26
Loss after depreciation	2,357.01
Add :	
Loss brought forward from previous year	699.96
	<u>3,056.97</u>

Dividend :

Owing to the loss sustained during the period under review the Directors are unable to recommend payment of dividend.

Change of Financial Year

The Company's financial year has been changed with all necessary approvals to end on 30th September, 2000. Consequently, the accounts under review have been prepared for a period of eighteen months ended 30th September, 2000.

Directors Responsibility Statement :

As required under the provisions of Section 217(2AA), a Directors Responsibility Statement on the preparation and presentation of these Accounts appears in Annexure to the Report.

Operations :

The operations of the Company suffered during the

period under review owing to recessionary market conditions and inadequate working capital. Production at the wire plants at Baddi and Doddaballapura had to be kept below normal capacity and finally suspended. The Thane wire plant also operated below the installed capacity.

The Machinery division booked sufficient orders for moulds. An order for supply of Bead Making Machinery System received against stiff international competition was fully executed by January, 2001.

Steps taken in earlier years to increase exports yielded good results in terms of orders during the period under review but the export turnover reached only Rs. 694.71 lakhs due to financial constraints.

Finance :

Liquidity was under severe strain during the period under review. The Company was, consequently, under pressure to meet commitments to banks and institutions.

The lead financial institutions ICICI Ltd., has exercised its option to convert a portion of its loans into equity in terms of its loan covenants and the conversion is awaiting necessary approvals.

ICICI Ltd., has recalled its entire loan and has made an application to the Debt Recovery Tribunal for recovery of its dues.

Banks and Financial Institutions have been approached with a revival and restructuring proposal for certain reliefs and concessions. "

Reference to the Board of Industrial & Financial Reconstruction :

In view of the losses sustained during the period under review the Company has become a sick industrial company within the meaning of Section 3(1)(0) of the Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA") and a reference is being made to the Board of Industrial & Financial Reconstruction ("BIFR") in terms of Section 15(1) of SICA.



NATIONAL-STANDARD DUNCAN LIMITED

Directors' Report

Personnel :

The Board wishes to express its deep appreciation of the co-operation and support received from employees at all levels despite intense operational pressures.

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

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

The information required under Section (217(1)(e) of the Companies Act, 1956 and the Companies (Disclosure of Particulars in the Report of Directors) Rule, 1988, is annexed and forms part of this report.

Auditors' Report :

Notes 10, 11 and 15 on Schedule 16 have been explained adequately in the notes to accounts.

Directors :

Mr. S. P. Mahajan, Managing Director, retired from the Company effective 1st April, 2000 upon his attaining superannuation. Since the last report, Messrs G. P. Goenka, M. A. Bakre, S. K. Lalbhai, A. C. Chakrabortti, P. V. Gandhi, A. S. Gupta, Dr. R. Srinivasan and N. K. Prasad resigned from Directorship. The Board places on record its appreciation of the services rendered by them during their tenure as Directors of the Company.

Mr. Raghuvir Bhandari was appointed as an additional director effective 24th July 2000 and holds office till the date of the forthcoming annual general meeting. The Company has received notice from a member of the company signifying his intention to propose the appointment of Mr. Bhandari as a Director of the Company.

Mr. Deepak Jain was appointed as an additional director effective 27th February, 2001 and holds office till the date of the forthcoming annual general meeting. The Company has received notice from a member of the company signifying his intention to propose the appointment of Mr. Deepak Jain as a Director of the Company.

Messrs V. Anantaraman and N. Y. Gupte, President and Vice President (Finance) of the Company respectively joined the Board effective 24th July, 2000 as additional directors in the wholetime employment of the Company. The Company has received notices from members signifying their respective intentions to propose the appointment of Messrs Anantaraman and Gupte as Directors.

Mr. Pramod Khaitan retires by rotation and being eligible, offers himself for re-appointment.

Auditors :

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

Registered Office
31, Netaji Subhas Road
Calcutta 700 001.

February, 27, 2001.

On behalf of
the Board of Directors

V. Anantaraman
N. Y. Gupte
Directors