

NATIONAL STANDARD (INDIA) LIMITED

(Formerly National-Standard Duncan Limited)



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41st Annual Report 2002 – 2003

42nd Annual Report 2003 – 2004

43rd Annual Report 2004 – 2005

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COMMON FOR 2002 – 2005

(With year-wise data for each year)

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NOTE:- There were no operations in any of the units of the Company during 2002-2005. The Company's rehabilitation Scheme was sanctioned on 01.06.2006. The enclosed accounts are for the closure period and have been incorporated in a single volume for members' convenience as well as for cost reduction.

DIRECTORS

2002 – 03

- Shri N.P.S. Shinh
- Shri A.L. Ananthanarayanan
- Shri S. Rajagopalan
- Ms. Manita Shinh
- Shri S.N.Keshri
- Shri Pramod Khaitan
- Shri Justin David

2003 – 04

- Shri N.P.S. Shinh
- Shri A.L. Ananthanarayanan
- Shri S. Rajagopalan
- Ms. Manita Shinh
- Shri S.N.Keshri
- Shri S.P.S Shinh
- Shri T.N. Baburao
- Shri P P Kaveriappa
- Shri N. Jagannadham
- Shri Sharath Chowdhary

2004 –05

- Shri N.P.S. Shinh *
- Shri A.L. Ananthanarayanan*
- Shri S. Rajagopalan *
- Ms. Manita Shinh *
- Shri S.P.S Shinh
- Shri T.N. Baburao

The dates upto which the above functioned as Directors are as under:

- | | |
|--|--|
| 1. Sh Justin David – 31 st Jan. '04 , | 2. Sh. Pramod Khaitan – 06 th Aug. '04, |
| 3. Sh S.N. Kesari – 1 st Aug. '05, | 4. Sh N. Jagannadham – 1 st Aug. '05, |
| 5. Sh P P Kaveriappa – 1 st Aug '05 , | 6. Sh Sharath Chowdhary 1 st Aug '05 |
| 7. Sh T.N. Baburao – 18 th Nov '05, | 8. Sh S. Rajagopalan – 13 th Dec 2005 |

* They are the directors on the date of this report along with Mrs Usha Sunderarajan, Sh R. kela and Sh Vinod Sahney who joined BOD after Sept 2005.

AUDITORS

C.P. Ranka & Co.

C.P. Ranka & Co.

C.P. Ranka & Co.

BANKERS

- | | |
|----------------------------------|-----------------|
| ● Bank of India | ● IDBI Bank Ltd |
| ● Bank of Bahrain & Kuwait B.S.C | ● IDBI |
| ● State Bank of Patiala | ● ICICI Bank |

REGISTERED OFFICE

2nd Floor, 3, Esplanade East, Kolkata – 700 069

ADDRESS FOR ALL CORRESPONDENCE – CORPAORATE OFFICE

Surya Towers, 3rd Floor, 'C' Block, 104, S.P. Road, Secunderabad – 500 003

PLANTS

Thane , Hoskote, Doddaballapura and Baddi

(Note:- Doddaballapura and Baddi Plant have been sold with consent of Secured Lenders during 2005 – 06 and sale proceeds utilized for repayment of dues of secured creditors)

FORTY FIRST ANNUAL REPORT

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Forty First Annual General Meeting of Members of National Standard (India) Limited will be held on Saturday, March 24th, 2007 at 10.30 A.M at 2nd Floor, 3, Esplanade East, Kolkata – 700 069 to transact the following business:-

ORDINARY BUSINESS

1. To consider, approve and adopt the Balance Sheet as at 30th September, 2003 and the Profit & Loss Account for the year ended as on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Pramod Khaitan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting.

AS SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri A.L.Ananthanarayanan who was appointed an an Additional Director of the Company and who holds office as per Section 260 of the Companies Act, 1956 till this Annual General Meeting, be and is hereby appointed as a Director liable to retire by rotation."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Sections 198,269,309 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act as amended and subject to the approval of the Central Government and such other permissions, consents and approvals from various Authorities as may be required and subject to such conditions, if any, that may be imposed by any Authority while granting their permissions, consents and approvals and which the Board of Directors is hereby authorized to accept, the Company hereby accords its consent and approval to the appointment of Shri A.L.Ananthanarayanan as Managing Director of the Company for a period of 3 (Three) Years with effect from 14th August 2003 on honorary basis"

NOTES:-

1. ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE PROXIES SHOULD BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Brief Resume of the Directors retiring by rotation and proposed for reappointment is given in the Corporate Governance Report annexed to the Annual Report as per the requirements of the Listing Agreement with the Stock Exchange.

NATIONAL STANDARD (INDIA) LIMITED

3. Register of Members & Share Transfer Books of the Company will remain closed on 22nd, 23rd and 24th Mar, 2007.
4. Members who wish to seek any further information / clarifications, at the meeting, on the annual accounts or operations of the Company are requested to send their queries at least one week in advance of the date of the Meeting, to the Registered Office of the Company.
5. Members are requested to intimate any change in their address to the Company immediately.
6. Members who attend the meeting are requested to complete the enclosed attendance slips and deliver the same at the entrance of the Meeting.
7. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed and forms part of this Notice.
8. As per the provisions of Companies Act, 1956, the Members of a Company are allowed to nominate any person to whom the share(s) shall be transmitted in the event of Member's death. Members are advised to contact the Company to avail this facility.
9. Members are requested to bring their copies of Annual Reports at the time of attending the Meeting.

Explanatory Statement under Section 173(2) of the Companies Act, 1956

Item No. 4

The Board of Directors at their meeting held on 14.08.03 appointed Shri A.L.Ananthanarayanan as the Additional Director of the Company, whose tenure will expire at the ensuing Annual General Meeting. The Company proposes to appoint Shri A.L. Ananathanarayanan as a Director and Shri A.L.Ananthanarayanan being eligible offers himself for appointment as a Director.

None of the Directors are interested or concerned directly / indirectly in the resolution under reference. Your Directors recommend for his appointment as a Director.

Item No. 5

The Board of Directors at their Meeting held on 14th August, 2003, appointed Shri A.L.Ananthanarayanan as the Managing Director of the Company for a period of 3 (Three) years w.e.f. 14.08.2003, on an honorary basis. The expenses incurred by Shri A.L.Ananthanarayanan for or on behalf of the Company will be reimbursed by the Company.

None of the Directors are interested or concerned directly / indirectly in the resolution under reference. Your Directors recommend for his appointment as a Director.

By Order of the Board
For **NATIONAL STANDARD (INDIA) LIMITED**

N P S SHINH
CHAIRMAN

Place : Kolkata
Date : 26-2-2007



FORTY FIRST ANNUAL REPORT

Directors' Report – For the Financial Year ending 30th September 2003

To

THE MEMBERS,

Your Directors present the FORTY FIRST Annual Report together with the Audited Accounts of the Company for the year ended 30th September 2003.

OPERATING RESULTS

The Company's plants were closed throughout the year, and there was no production during the year. The closure continues as on the date of signing of this report. The accounts for the year show a net loss of Rs. 4.11 Cr. (Rs. 5.80 Cr. last year), representing the fixed expenses & depreciation. In view of losses, no dividend is feasible.

FINANCE

NSIL was declared a Sick Company on 28.1.2002 based on a reference made under SICA, and on 01.06.2006 BIFR sanctioned a Rehabilitation Scheme for the company's revival with Bank of India being appointed as Monitoring Agency. The rehabilitation scheme is supported by all concerned under SICA 1985.

In view of cost saving measure, the company has gone for printing of single booklet comprising Annual Reports for the year ending 30-09-2003, 30-09-2004, 30-09-2005.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The closure of NSIL has enabled competitors to take over NSIL's customer and market shares. Additional capacities have been added by competitors both for bead wire as well as Tyre moulds. Imports of moulds has also been tried with mixed success by some customers.

MANAGEMENT DISCUSSION AND ANALYSIS

Revival of closed plants is a major challenge for NSIL, as considerable working capital and funds for operations will be needed. The sanctioned Rehabilitation Scheme of NSIL is covering sale of Baddi and Dodaballapur assets to Tata Steel Ltd (TSL), with a non-compete arrangement for a 5 year period for bead wire with TSL, and Baddi Land & Building to Maharaja Appliances Ltd (MAL). The company may produce other wires like wires for electrodes, cycle wires, SS wires etc., on job work / out right sale basis. Tyre moulds and other toolings / products will be produced at other plants, by inducting the required funds and management inputs, with the reliefs and concessions sanctioned by BIFR. The scheme also envisages demerger / relocation of plants / diversifications of product range which are being explored.

BUSINESS SEGMENT-WISE PERFORMANCE AND OUTLOOK

Segment-wise Operational Performance is not applicable as the Company was closed throughout the year.

NATIONAL STANDARD (INDIA) LIMITED

RISKS AND CONCERNS

Restarting the closed plants will be a challenge, to be addressed during the rehabilitation process.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Internal Control Systems of NSIL were made ineffective by the Company's inability to retain its personnel, as well as lack of operations / lack of revenues.

The Company's Internal-audit and reporting systems, used for evaluation and operations monitoring was similarly thrown out of gear. These too will need to be re-vamped on restarting operations.

CAUTIONARY NOTE

The statements forming part of the Directors' Report may contain certain forward-looking statements within the meaning of applicable securities laws and regulations. Many factors could cause the actual results, performances or achievements that may be expressed or implied by such forward-looking statements.

SALE OF ASSETS

The sale of the Baddi and the Doddaballapur plants has been concluded, as on the date of this report and further asset sales / divestments will be in accordance with the sanctioned schemes.

DIRECTORS

Shri A.L. Ananthanarayanan has been inducted as the Managing Director since the last Annual General Meeting and his appointment by the Shareholders is being proposed in the forthcoming AGM. Shri Deepak Jain has resigned from Board of Directors w.e.f. 02-05-2003 and has expressed his inability to continue. Your Directors wish to place on record their sincere appreciation for the valuable services rendered by Shri Deepak Jain.

Shri Pramod Khaitan will retire at the forthcoming Annual General Meeting and has offered himself for re-appointment.

HEALTH, SAFETY AND ENVIRONMENT

As all the units were closed, there is nothing to report in these areas.

AUDITORS

As the company was unable to meet its financial obligations, M/s. Venkat Associates, Chartered Accountants, were not able to complete the statutory audit for the current financial year. The books have thus been audited by M/s.C.P.Ranka & Co., Chartered Accountants, whose appointment has been proposed in the forthcoming Annual General Meeting (AGM). A No-Objection Certificate is being obtained from M/S Venkat

FORTY FIRST ANNUAL REPORT

Associates, Chartered Accountants. Members are requested to consider appointment of the Auditors and authorise the Board to fix their remuneration.

As regards Auditors' observations, the relevant notes on the accounts are self explanatory and do not call for any further comments.

LISTING FEE PAYMENT

The Company was not able to pay the annual listing fee for 2002-03 to Mumbai & Kolkata Stock Exchanges, due to lack of funds. The trading in the shares is currently suspended.

DEMATERIALISATION OF SHARES

The shares of the Company fall under Compulsory Rolling Settlement w.e.f. 2nd January, 2002. However, in absence of funds, this will be implemented after the revival plan gets underway. The Capitalisation of reserves by bonus shares was completed but will merge in the capital reduction under the Scheme Sanctioned on 01.06.2006.

ENVIRONMENT PROTECTION

There is no activity to report in view of the closure of all the plants of the company.

INSURANCE

The Bankers have insured all the properties of the Company including its buildings, plant and machinery.

CORPORATE GOVERNANCE

The Company operations being closed, this will be taken up during implementation of the Rehabilitation Scheme.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors confirm:

- a) that in the preparation of annual accounts, the applicable accounting standards, had been followed along with proper explanation relating to material departures, if any;
- b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to as to give a true and fair view of the state of affairs of the Company as at September 30, 2003 and of the profit or loss of the Company for that period;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 so as to prevent and detect fraud and other irregularities;
- d) that the Directors had prepared the accounts on a going concern basis;

NATIONAL STANDARD (INDIA) LIMITED

- e) that any defaults arising out of lack of funds have been addressed by the dispensation granted by BIFR under the sanctioned scheme.
- f) Due to change of management, Hon'ble BIFR has granted an exemption from any penal proceedings and penalties in respect of past defaults, if any, since March 31, 2000.

AUDIT COMMITTEE

The Audit Committee has not been functional during the year in view of the closure of all operations.

CONVERSION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHNGE EARNINGS / OUT GO

This is not material as all the plants were closed during the year.

INDUSTRIAL RELATIONS AND PERSONNEL

Industrial relations remained normal during the year.

ACKNOWLEDGEMENTS

The Directors acknowledge the co-operation extended by Financial Institutions, Banks and Employees in the revival of the company.

For and on behalf of the Board

A.L.Ananthanarayanan
Managing Director

N.P.S. SHINH
Chairman

Manita Shinh
Director

Place : Kolkata

Date : 26-2-2007

AUDITORS' REPORT OF CORPORATE GOVERNANCE

To
The Members of
National Standard (India) Limited
(formerly National Standard Duncan Limited)
Hyderabad.

We have examined the compliance of conditions of Corporate Governance procedures implemented by **National Standard (India) Limited**, for the year ended 30th September, 2003, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement except to the extent as mentioned below:

- a) **No quarterly results of the Company were published during the year.**
- b) **No quarterly limited review from the quarter ended 30th June, 2003 onwards was conducted.**
- c) **A qualified and independent audit committee has not been set up.**

We state that in respect of investor grievance(s) received during the year ended 30th September, 2003, no investor grievances are pending for a period exceeding on month against the Company as on 30th September, 2003, as per the records maintained by the Company and presented to the Shareholders'/ Investors' Grievance Committee.

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

For C.P.Ranka & Co.
Chartered Accountants

(C.P.Ranka)
Partner

M.No. 106823

Place: Secunderabad

Date : 26-2-2007

