

# **NATIONAL STANDARD (INDIA) LIMITED**

**Annual Report  
2012 - 2013**

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## BOARD OF DIRECTORS

Mr. Pankajkumar Jain	Non Independent Director
Mr. Mangesh Puranik	Non Independent Director
Mr. N.P.S. Shinh	Non Independent Director
Mr. A.L. Ananthanarayanan	Non Independent Director
Mr. Deependra Gupta	Chairman and Independent Director
Mr. Sagar Gawde	Independent Director

## COMPANY SECRETARY

Ms. Bhavika Gohil

## MANAGER

Mr. Pinkesh Shah

## REGISTERED OFFICE

Room No 6, 4<sup>th</sup> Floor, Commerce House,  
2A, Ganesh Chandra Avenue,  
Kolkata 700013, West Bengal.

## AUDITORS

M/s. Shanker & Kapani,  
Chartered Accountants,  
N.T.C. House, 2<sup>nd</sup> Floor,  
Narottam Morarjee Marg,  
Ballard Estate, Mumbai - 400 038.

## BANKERS

HDFC Bank Limited  
Kotak Mahindra Bank Limited

## SHARE TRANSFER AGENT

CB Management Services (P) Limited  
P-22, Bondel Road, Kolkata-700 019

## NOTICE

Notice is hereby given that the Fiftieth Annual General Meeting of the Members of National Standard (India) Limited will be held on Friday 27<sup>th</sup> September, 2013 at 12.00 noon at the Registered Office\* of the Company at Room No# 6, 4th Floor, Commerce House, 2A, Ganesh Chandra Avenue, Kolkata 700013, West Bengal to transact the following businesses:

### Ordinary Business:

1. To consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2013, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. N.P.S. Shinh, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Mr. Deependra Gupta, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** M/s. Shanker & Kapani, Chartered Accountants (Firm Registration No. 117761W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors".

**By Order of the Board of Directors**

**Place: Mumbai**  
**Date: 29<sup>th</sup> August, 2013**

**Pankajkumar Jain**  
**Director**

### Registered Office:

Room No#6,4th Floor, Commerce House 2A,  
Ganesh Chandra Avenue,  
Kolkata 700013, West Bengal  
E-mail: Investors.NSIL@lodhagroup.com

\* The Company has filed petition with the Hon'ble Regional Director, Kolkata ('RD') for shifting its registered office from State of West Bengal to the State of Maharashtra. The Company is awaiting approval from the RD in this regard. In case, process of shifting of registered office gets completed prior to Friday 27<sup>th</sup> September, 2013, date of Annual General Meeting ('AGM'); AGM will be held in Mumbai in the State of Maharashtra. Immediately upon completion of process of shifting of registered office, the Company will give necessary intimation to BSE Limited and Calcutta Stock Exchange Limited and also publish notice in this regard in Duranto Barta, local newspaper having circulation in the State of West Bengal, Apala Mahanagar, local newspaper having circulation in the State of Maharashtra and in all editions of Financial Express, English Newspaper, for the information of the stakeholders.

## Notes:

- 1) **A Member entitled to attend and vote at the Annual General Meeting (“the Meeting”) is entitled to appoint one or more Proxy to attend and vote on a poll instead of himself and the Proxy need not be a Member of the Company. The Instrument appointing the Proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**
- 2) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- 3) Mr. N.P.S. Shinh and Mr. Deependra Gupta, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Brief resume of the said Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement, are provided in this Annual Report. The Board of directors of the Company commends their re-appointment.
- 4) Members are requested to bring their Attendance Slip along with their copy of the Annual Report to the Meeting.
- 5) Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. upto the date of the Meeting.
- 6) Register of Members and Transfer Books of the Company will remain closed from 23rd September, 2013 to 27th September, 2013 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
- 7) Members holding shares in identical orders of names in more than one folio are requested to write to the Company's Registrar and Share Transfer Agent, C B Management Services (P) Limited, P-22, Bondel Road, Kolkata - 700 019, enclosing their original share certificates to enable them to consolidate the holdings into one folio.
- 8) As per the provisions of the Companies Act, 1956, the members of the Company are allowed to nominate any person to whom the share(s) shall be transmitted in the event of Member's death. The Members are advised to contact the Company's Share Transfer Agent, C B Management Services (P) Limited, to avail this facility.

<b>IMPORTANT COMMUNICATION TO MEMBERS</b>
<p>The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, by writing a letter to/sending email to CB Management Services (P) Limited to this effect.</p>

## DIRECTORS' REPORT

### TO THE MEMBERS,

The Directors present the Fiftieth Annual Report and the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Income	3,154.27	1,123.83
Less: Expenditure	2,443.83	1,602.27
Profit/(Loss) before exceptional item and taxation	710.44	(478.44)
Exceptional item / Tax expenses	(129.97)	693.64
Profit/(Loss) after exceptional items and taxation	580.47	215.20

### FINANCIAL OVERVIEW

The Company's total income has increased from Rs. 1,123.83 lacs in the financial year 2011-12 to Rs. 3,154.27 lacs in the financial year 2012-13 on account of recognition of revenue as per accounting policy. Correspondingly, there has also been a increase in Company's total expenditure from Rs. 1,602.27 lacs for the financial year 2011-12 to Rs. 2,443.83 lacs for the financial year 2012-13. Consequently, the Company's Net Profit After Tax has also increased from Rs. 215.20 lacs for the previous financial year to Rs. 580.47 lacs for the financial year under review.

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### General Performance Review

The Prime Minister's Economic Advisory Council (PMEAC) in its release of 2012-13 has emphasized a disconcertingly high difference between its earlier projection for the year and what has materialized. Slow growth has depressed corporate profitability, stressing balance sheets and weakening sentiments and expectations. The turn for a reform agenda picked in the second-half of FY13 and a continuance of such proactive measures is expected to boost growth. The growth trajectory is seen to pick gradually in H1 FY14. Political uncertainty in the face of General Elections is not seen to majorly hamper such improvement. The GDP growth in FY13 is estimated to be around 5.0% as per CSO's estimates. As per PMEAC's forecast the GDP is expected to grow at a rate of 6.4% in FY14 on the basis of better agricultural growth, revival in manufacturing sector and improved services sector activity.

#### Industry Overview

With developers getting clarifications about amendments on Development Control Regulation (DCR) of Greater Mumbai, there has been a number of launches in the market. Most of the launches have been at a discount to the average market prices to attract volumes. New product launches at attractive prices with discounts and schemes have attracted buyers and resulted in a pick-up of sales during the year. The Mumbai residential market has been able to maintain the price strength despite a number of launches due to the strong and consistent demand. The city's realty scenario is interestingly poised post clarity on new DCR rules emerging in the last couple of quarters. A number of projects which were stuck up at the approval stage in the last year are likely to be cleared, paving way for a large number of launches hitting the market.

Despite the recent pick up in absorption in the last two quarters, the Mumbai office absorption for FY13 was lower by 30% than in FY12. Uncertain economic environment has continued leading to reduced employment growth and therefore lower the fresh commercial property absorption. The tighter lending standards for commercial construction has not helped either. On the brighter note these market conditions continue to favour tenants in most of Mumbai's micro-markets by ways of a larger bunch of options, rational pricing and various concessions. The real estate market conditions are optimal for consolidation and relocation and many Mumbai-based occupiers will avail of this option throughout FY14.

### BUSINESS OVERVIEW

The Company has undertaken an aspirational residential project by the name of Lodha Grandezza in Wagle Estate, opposite LBS Marg, Thane. The project comprises of two 18 storey towers with 2 and 3 BHK premium residences. The target client profile of this project is the high/upper middle income segment of the market. The Company has also launched a boutique office project under the highly successful Lodha's Supremus brand in Thane with spaces in the range of 2,000 square feet to 20,000 square feet.

### Internal Control Systems and Their Adequacy

The Company has a proper and adequate system of Internal Controls which commensurate with the size and nature of business, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and commercial transactions are authorized, recorded and reported correctly. The internal control is supplemented by an extensive programme of internal and external audits. The Company accords great importance to the security of its information assets and has the requisite security controls and checks. Adequate storage and backup system is in place to ensure security and availability of data at all times.

### Opportunities and Challenges

#### Opportunities:

Despite the lack of a consistent and well articulated policies on the housing and real estate sector, your company still believes that the demand for Real Estate in Mumbai Metropolitan Region is inherently strong.

#### Challenges:

While the management of your Company is confident of exploiting the opportunities, it also finds the following challenges:

- Time required to obtain permissions.
- Swelling cost of construction.
- Acute shortage of skilled workforce at all levels.
- Very slow pace of growth in other infrastructure facilities.

### Risks and Concerns

The Company is exposed to different types of risks viz., credit risk, market risk (including liquidity risk), operational risk and legal risk. The Company at regular interval monitors credit and market risk, Legal risk is subject to the review by the legal department. The Company is exposed to specific risks in connection with the management of investments and the environment within which it operates. The Company aims to understand measure and monitor the various risks to which it is exposed and to ensure that it adheres, as far as reasonably and practically possible, to the policies and procedures established by it to mitigate these risks.

### Cautionary Statement

This report may contain forward looking statements. All statements are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate and will materialize in the said order or manner or realized. The Company's performance and results or achievements could thus differ from those projected in any forward looking statements. The Company assumes no responsibility to publicly amend modify or revise such statements based on subsequent events or developments.

### DIVIDEND

The Board has not recommended any dividend for the year under review.

### DIRECTORS

Mr. Deependra Gupta and Mr. N.P.S. Shinh retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting. The Board of Directors recommends the re-appointment of Mr. Deependra Gupta and Mr. N.P.S. Shinh.

### SHIFTING OF REGISTERED OFFICE OF THE COMPANY

The Company has filed petition with the Hon'ble Regional Director, Kolkata ('RD') for shifting its registered office from State of West Bengal to the State of Maharashtra. The Company is awaiting approval from the RD in this regard. In case, process of shifting of registered office gets completed prior to 27<sup>th</sup> September, 2013, date of Annual General Meeting ('AGM'); AGM will be held in Mumbai in the State of Maharashtra.

Immediately upon completion of process of shifting of registered office, the Company will give necessary intimation to BSE Limited and Calcutta Stock Exchange Limited and also publish notice in this regard in Duranto Barta, local newspaper having circulation in the State of West Bengal, Apala Mahanagar, local newspaper having circulation in the State of Maharashtra and in all editions of Financial Express, English Newspaper, for the information of the stakeholders.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:-

- I. in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2013, the applicable accounting standards have been followed and that there are no material departures from the same;
- II. the Directors 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 as at 31<sup>st</sup> March, 2013 and of the profit of the Company for the year ended on that date;
- III. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2013 on a “going concern” basis.

#### **AUDITORS & AUDITORS REPORT**

M/s. Shanker and Kapani, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a letter from the Statutory Auditors to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act. A proposal seeking their appointment is provided as part of the Notice of the ensuing Annual General Meeting.

As regards Auditors' observations, they are self explanatory and do not call for any further comments.

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

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is attached with this report as Annexure –A.

#### **LISTING FEE PAYMENT**

The Company has made payment of listing fees upto the financial year 2012-13 to the Calcutta Stock Exchange Limited and BSE Limited.

#### **PARTICULARS OF EMPLOYEES**

The Company does not have any employees whose particulars are required to be given in terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

#### **CORPORATE GOVERNANCE**

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges forms part of the Annual Report. Certificate confirming compliance of the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, forms part of this Annual Report.

#### **ACKNOWLEDGEMENT**

The Board also records its appreciation for the support and cooperation received from various stakeholders during the period under review.

**On behalf of the Board of Directors**

**Date: 14<sup>th</sup> May, 2013**

**Pankajkumar Jain**  
**Director**

**Deependra Gupta**  
**Director**



**Annexure A**

Disclosure of particulars under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

<b>A</b>	<b>Conservation of Energy</b>	
a)	Energy conservation measures taken	<p>The operations of the Company are not energy intensive. However the Company has taken following initiatives towards energy conservation measures:-</p> <ul style="list-style-type: none"> <li>• Waste water is treated and recycled for usage in flushing and gardening.</li> <li>• Rain water harvesting is being implemented in order to conserve water and recharge ground water table.</li> <li>• Flyash (by product of power plants) is being used to replace cement in all concrete including high performance concrete and masonry / plaster activities.</li> <li>• Usage of natural sand has been brought to minimum.</li> <li>• Usage of burnt clay bricks has almost stopped.</li> <li>• Usage of energy efficient equipments at project site.</li> <li>• Variable frequency drives are being used in order to calibrate the usage of services based on increase or reduction in demand loads.</li> </ul>
b)	Additional Investments and proposals, if any being implemented for reduction of conservation of energy	None
c)	Impact of measures for reduction of energy consumption	Economy in operations
d)	Total Energy Consumption and Energy Consumption per unit of production as per Form A of the Rules in respect of Specified Industries.	Details as per Form A not required since the Company is not covered in the list of specified industries.
e)	Environment protection	<ul style="list-style-type: none"> <li>• All vehicles carrying mud or loose material are covered to prevent dust pollution at site and along the route of their travel.</li> <li>• Increased landscape in podium and open air spaces.</li> </ul>
<b>B</b>	<b>Technology Absorption</b>	As per Form 'B' annexed.
<b>C</b>	<b>Foreign Exchange Earnings and utgo</b>	
f)	i) Activities relating to exports	The Company is engaged in development / construction of real estate in India and selling the immovable properties to various customers.
	ii) Initiatives taken to increase exports	As of now, the Company does not export any of its products. However the properties/units offered by the Company can also be acquired by the non-resident. The Company advertises the products on various portals and publications.
	iii) Development of new export markets for products and services	As a result of the above initiatives taken by Company, the properties being developed by the Company are attracting the eyeballs of overseas customers.
	iv) Export plans	None.
g)	Total Foreign Exchange earned and used	Nil

**FORM – B****Form for Disclosure of particulars with respect to Absorption****Research and Development (R&D)**

1.	Specific areas in which R & D carried out by the Company	The Company has not carried out any R&D activities during the year. However the Company carries out internal research for optimising its construction activities.
2.	Benefits derived as a result of the above R & D	Economy in operations
3.	Future plan of action	To constantly provide world class construction quality
4.	Expenditure on R&D	Nil
	(a) Capital	
	(b) Recurring	
	(c) Total	
5.	Total R&D expenditure as a percentage of total turnovers	Nil

**Technology Absorption, Adaptation and Innovation**

1.	Efforts, in brief, made towards technology absorption, adaptation and innovation	The Company has successfully adopted new technologies in following areas:- <ul style="list-style-type: none"> <li>Waste water treatment has been provided to meet entire requirement of water for gardening and flushing.</li> <li>High performance concrete is being used at works using significant quantity of fly ash.</li> <li>Electrical system designed to limit losses less than 4%.Use of home automation in residential premises.</li> </ul>
2.	Benefits derived as result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.	Economy in operations
3.	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished <ol style="list-style-type: none"> <li>Technology imported</li> <li>Year of import</li> <li>Has technology been fully absorbed?</li> <li>If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action.</li> </ol>	Nil