

NATIONAL STANDARD (INDIA) LIMITED

(Formerly National-Standard Duncan Limited)

**47th Annual Report
2009-2010**

NATIONAL STANDARD (INDIA) LIMITED

(Formerly National-Standard Duncan Limited)

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NATIONAL STANDARD (INDIA) LIMITED

(Formerly National-Standard Duncan Limited)

DIRECTORS

- Shri N.P.S. Shinh
- Shri A.L. Ananthanarayanan
- Shri Mangesh Puranik
- Shri Deependra Gupta
- Shri Bharath Chandra
- Shri Sagar Gawde
- Shri Ashok Tiwari

AUDITORS

C.P. Ranka & Co.

BANKERS

HDFC Bank Ltd

REGISTERED OFFICE

2nd Floor, No. 3, Esplanade East, Kolkata – 700 069

ADDRESS FOR ALL CORRESPONDENCE – CORPORATE OFFICE

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

Notice

Notice is hereby given that the Forty Seventh Annual General Meeting of the Members of National Standard (India) Limited will be held on Thursday, September 30, 2010 at 2.30 p.m. at Meeting Hall, Bidhan Shishu Udyan, 1, Bidhan Shishu Sarani, Kolkata – 700 054 to transact the following businesses :

Ordinary Business:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2010, 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. NPS Shinh, who retires by rotation and being eligible offers himself for re-appointment.
3. To re-appoint M/s. C. P. Ranka & Co., Chartered Accountants, having firm registration no. 119375W, Statutory Auditors of the Company, to hold office from conclusion of this Annual General Meeting of the Company until conclusion of next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

Special Business:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** Mr. Deependra Gupta, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** Mr. Sagar Gawde, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** Mangesh Puranik, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** Dr. A. L. Ananthanarayanan, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** Mr. Ashok Tiwari, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to Section 293(1)(d) and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and Articles of Association of the Company, and further subject to approval of such authorities as may be required in this regard, consent of the members be and is hereby granted to the Board of Directors of the Company (which term shall include any Committee constituted by the Board of Directors or any person(s) authorized by the Board of Directors to exercise the powers conferred on the Board

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of Directors by this Resolution) to borrow such sum or sums of money (including non fund based facilities) from time to time, at their discretion, for the purpose of the business of the Company, from any one or more banks, financial institutions and other persons, firms, bodies corporate or from any other sources abroad, such as, foreign banks, foreign investment/financial institutions or funds or other bodies, authorities/ entities abroad whether by way of rupee loans or foreign currency loans or other external commercial borrowings, cash credit, advance, loans or bill discounting, issue of non-convertible debentures/optionally convertible debentures/partly convertible debentures with or without detachable or non-detachable warrants or warrants of any other kind, bonds or other debt instruments, or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge on the Company's assets and properties whether movable or immovable or stock-in-trade (including raw materials, stores, spare parts and components or stock in transit) and work-in-progress of the Company on such terms and conditions as may be considered suitable by the Board of Directors, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) and outstanding at any time, may exceed upto a sum of Rs. 3,000 Crore (Rupees Three Thousand Crore Only) exclusive of interest, over and above the aggregate of the then paid up capital of the Company and its free reserves (i.e. reserves not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit;

RESOLVED FURTHER THAT the Company do hereby also ratify the total borrowings already availed by the Company and existing on the date of this meeting, if any, whether such borrowings exceed the aggregate of the paid up capital of the Company and its free reserves as stipulated under Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised on behalf of the Company to do all other acts, deeds, matters and things as may be necessary and requisite for and in relation to give effect to aforesaid resolution;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, Director of the Company or any other person as the Board of Directors may deem fit, to give effect to the aforesaid resolution."

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

"RESOLVED THAT pursuant to Section 293(1)(a) and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and Articles of Association of the Company, and further subject to approval of such authorities as may be required in this regard, consent of the members be and is hereby granted to the Board of Directors of the Company (which term shall include any Committee constituted by the Board of Directors or any person(s) authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this Resolution) to mortgage, charge, hypothecate, lien, pledge or otherwise create an encumbrance on the Company's assets and properties both present and future, whether movable or immovable or stock-in-trade (including raw materials, stores, spare parts and components or stock in transit) and work-in-progress of the Company and /or the whole or any part of the undertaking(s) of the Company, in addition to the mortgages /charges etc. already created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board of Directors may determine and consider suitable from time to time, in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company and/or any of the Company's holding / subsidiary / affiliate / associate Company(ies), by way of loans and/or Securities (comprising fully/partly Convertible Debentures and/or Non Convertible Debentures with or without detachable or non-detachable Warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued/to be issued, from time to time, subject to the limits of borrowing as approved by the members of the Company from time to time under Section 293(1)(d) of the Companies Act, 1956, together with the interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s)/Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s) / Heads of Agreement(s), Debenture Trust Deed(s) or any other document, entered into/to be entered into between the Company and the Lender(s)/Agent(s) and Trustee(s), in respect of the said loans / borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/ Agent(s)and Trustee(s);

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RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised on behalf of the Company to do all other acts, deeds, matters and things as may be necessary and requisite for and in relation to give effect to aforesaid resolution;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, Director of the Company or any other person as the Board of Directors may deem fit, to give effect to the aforesaid resolution.”

By Order of the Board of Directors

Sd/-
N P S Shinh
Director

Place: Mumbai,
Date: 26th August, 2010

Registered Office:
2nd Floor No.3, Esplanade
East, Kolkata – 700 069
e-mail : nsil.cs@gmail.com

Notes :

- 1) **A Member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a 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) Pursuant to requirement of Corporate Governance under Clause 49 of Listing Agreement entered into with the Stock Exchange, the brief resume of all the Directors proposed to appointed/ reappointed, 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 are provided as a part of Annual Report.
- 4) Members are requested to bring their Attendance Slip along with their copy of the Annual Report to the Meeting.
- 5) Register of Members and Transfer Books of the Company will remain closed from September 28, 2010 to September 30, 2010 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
- 6) 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' death. The Members are advised to contact the Company's Registrar and Share Transfer Agent, C B Management Services (P) Limited, to avail this facility.
- 7) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.

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

Item 4

The Board of Directors of the Company, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and the Articles of Association of the Company, appointed Shri Deependra Gupta as an Additional Director of the Company with effect from 26th December, 2009. In terms of the provisions of Section 260 of the Act, Shri Deependra Gupta would hold office upto the date of this Annual General Meeting. The Company has received a notice in writing from a member alongwith a deposit of Rs. 500/-, proposing the candidature of Shri Deependra Gupta for the office of Director of the Company, under the provisions of Section 257 of the Act.

Shri Deependra Gupta has a rich experience in the field of Finance, Accounts and Taxation.

Save and except Shri Deependra Gupta, none of the other Directors of the Company are in any way, concerned or interested in the resolution.

Your Directors recommend the resolution set out in the notice for your approval.

Item 5

The Board of Directors of the Company, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and the Articles of Association of the Company, appointed Shri Sagar Gawde as an Additional Director of the Company with effect from May 8, 2010. In terms of the provisions of Section 260 of the Act, Shri Sagar Gawde would hold office upto the date of this Annual General Meeting. The Company has received a notice in writing from a member alongwith a deposit of Rs. 500/-, proposing the candidature of Shri Sagar Gawde for the office of Director of the Company, under the provisions of Section 257 of the Act.

Shri Sagar Gawde has a rich experience in the field of Accounts and Taxation.

Save and except Shri Sagar Gawde, none of the other Directors of the Company are in any way, concerned or interested in the resolution.

Your Directors recommend the resolution set out in the notice for your approval.

Item 6

The Board of Directors of the Company, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and the Articles of Association of the Company, appointed Shri Mangesh Puranik as an Additional Director of the Company with effect from May 18, 2010. In terms of the provisions of Section 260 of the Act, Shri Mangesh Puranik would hold office upto the date of this Annual General Meeting. The Company has received a notice in writing from a member alongwith a deposit of Rs. 500/-, proposing the candidature of Shri Mangesh Puranik for the office of Director of the Company, under the provisions of Section 257 of the Act.

Shri Mangesh Puranik has a rich work experience of 16 Years in the field of real estate and allied areas.

Save and except Shri Mangesh Puranik, none of the other Directors of the Company are in any way, concerned or interested in the resolution.

Your Directors recommend the resolution set out in the notice for your approval.

Item 7

The Board of Directors of the Company, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and the Articles of Association of the Company, appointed Dr. A. L. Ananthanarayanan as an Additional Director of the Company with effect from May 10, 2010. In terms of the provisions of Section 260 of the Act, Dr. A. L. Ananthanarayanan would hold office upto the date of this Annual General Meeting. The Company has received a notice in writing from a member alongwith a deposit of Rs. 500/-, proposing the candidature of Dr. A. L. Ananthanarayanan for the office of Director of the Company, under the provisions of Section 257 of the Act.

Dr. A. L. Ananthanarayanan has a vast experience in Industry and has over 26 years of experience as Managing Director in various companies.

Save and except Dr. A. L. Ananthanarayanan, none of the other Directors of the Company are in any way, concerned or interested in the resolution.

Your Directors recommend the resolution set out in the notice for your approval.

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Item 8

The Board of Directors of the Company, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and the Articles of Association of the Company, appointed Shri Ashok Tiwari as an Additional Director of the Company with effect from August 15, 2010. In terms of the provisions of Section 260 of the Act, Shri Ashok Tiwari would hold office upto the date of this Annual General Meeting. The Company has received a notice in writing from a member alongwith a deposit of Rs. 500/- proposing the candidature of Shri Ashok Tiwari for the office of Director of the Company, under the provisions of Section 257 of the Act.

Shri Ashok Tiwari has a rich work experience of 7 years in the field of Accounts, finance and audit.

Save and except Shri Ashok Tiwari, none of the other Directors of the Company are in any way, concerned or interested in the resolution.

Your Directors recommend the resolution set out in the notice for your approval.

Item 9

In terms of the provisions of Section 293 (1) (d) of the Companies Act, 1956, the Board cannot except with the consent of the members of the Company, borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of paid up capital and its free reserves that is to say reserves not set apart for any specific purpose. Keeping in view the Company's business requirements and its growth plans, it is considered desirable to fix the said borrowing limits. The Board accordingly recommends the resolution for fixing the borrowing powers of the Board as set out in the accompanying Notice for the approval of the members pursuant to the provisions of sections 293 (1) (d) of the Companies Act, 1956.

None of the Directors of the Company is concerned or interested in the said resolution.

Your Directors recommend the resolution set out in the notice for your approval.

Item 10

The borrowings by a Company, in general, is required to be secured by mortgage or charge on all or any of the movable or immovable properties of the Company both present and future and/or the whole or any part of the undertaking(s) of the Company in favour of the lender(s) and trustee(s) for securing the borrowings of the Company availed/ to be availed by way of loan(s) (in foreign currency and/or rupee currency) and securities (issued/to be issued by the Company), from time to time, subject to the limits approved by members under Section 293(1)(d) of the Act.

The Board commends the resolutions for approval of the members.

None of the Directors of the Company is concerned or interested in the said resolution.

By Order of the Board of Directors

Sd/-
N P S Shinh
Director

Place: Mumbai,
Date: 26th August, 2010
Registered Office:
2nd Floor No.3, Esplanade
East, Kolkata – 700 069
e-mail : nsil.cs@gmail.com

NATIONAL STANDARD (INDIA) LIMITED

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DIRECTORS' REPORT

TO THE MEMBERS

The Directors present the Forty Seventh Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS

Particulars	For the year ended March 31,2010	For 15 months ended March 31,2009
Income	-	102,401,497
Less: Expenditure	5,761,860	49,074,450
Profit/(Loss) before exceptional item and taxation	(5,761,860)	53,327,047
Less: Exceptional item	11,169,969	5,584,981
Less: Provision for FBT	-	118,264
Profit/(Loss) after exceptional items and taxation	(16,931,829)	47,623,802
Balance of loss brought forward from previous period	(163,218,521)	(137,449,832)
Amount available for appropriation	(180,150,350)	(89,826,030)
Less : Transfer from General Reserve	-	333,333
Less : Adjustment on Demerger	-	(73,725,824)
Balance of profit/(loss) carried over to balance sheet	(180,150,350)	(163,218,521)

OPERATIONS

There were no operations during the year. The company made efforts to restart bead wire production but could not succeed. However re-commencement of manufacturing of bead wire is not viable due to obsolete technology.

The Company had altered its Object Clause so as to include carrying on of real estate and allied activities in an earlier year. The Company has launched a Residential Project on certain portion of its land at Thane, Mumbai on 1st May, 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with the Scheme of De-merger, the Tyre Mould Division had been transferred to resulting company i.e., National Standard Tyre Moulds (India) Limited. During the year, fixed assets relating to the bead wire Division has been sold / written off as re-commencement of manufacturing of bead wire is not viable due to obsolete technology.

The Company had altered its Object Clause so as to include carrying on of real estate and allied activities in an earlier year. During the current year, the Company has launched a Residential Project on certain portion of its land at Thane, Mumbai. We believe that the Mumbai Metropolitan Region is one of the most attractive and profitable real estate markets in India in terms of depth of demand for real estate developments across business segments and price points.

Management is of the firm view that rapid growth of India's economy in times to come shall present very good opportunities for construction industry. It would be therefore prudent for company to explore and tap opportunities in real estate sector.

Since the ongoing and planned projects are concentrated in the Mumbai Metropolitan Region, we are particularly susceptible to market conditions in Mumbai and its surrounding area. Competition from other developers in the Mumbai Metropolitan Region may adversely affect our ability to develop and sell or lease our projects, and continued development by other market participants could result in saturation of the real estate market. The real estate sector in India is highly regulated and our results of operations are expected to continue to be affected by the nature and extent of the regulation of our business.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal audit and reporting systems, used for evaluation and operations monitoring which was thrown out of gear are being strengthened with respect to its new line of business i.e. Real Estate business. The performance of the company is regularly reviewed by Senior Management and the Board of Directors to ensure that it is in keeping with the overall corporate policy and in line with the company's objective.

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DIVIDEND

Since your company had no operations and distributable profits, the Board expresses it's inability to consider and recommend any dividend for the year under review.

DIRECTORS

Dr. (Mrs.) Usha Sunderajan and Mr. Anurag Singhvi resigned as directors of the Company on 10th May, 2010 and 26th December, 2009, respectively. Dr. A. L. Ananthanarayanan resigned from position of Managing Director of the Company w.e.f. May 10, 2010. Your Directors record their deep appreciation for the valuable contribution made by them to the Company during their tenure.

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Dr. A. L. Ananthanarayanan, Shri Deependra Gupta, Shri Sagar Gawade, Shri Mangesh Puranik and Shri Ashok Tiwari were appointed as an Additional Directors on the Board. They shall hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under the provisions of Section 257 of the Companies Act, 1956 for appointment of Dr. A. L. Ananthnarayanan, Shri Deependra Gupta, Shri Sagar Gawade, Shri Mangesh Puranik and Shri Ashok Tiwari as a Director of the Company.

In accordance with the provisions of Section 256 of the Companies Act, 1956, Shri NPS Shinh retires by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment.

Brief Resume of the Directors proposed to be appointed / reappointed, 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 entered into with the Stock Exchanges in India is provided as part of the Annual Report.

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 31st March, 2010, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956 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 31st March, 2010 and of the loss 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 31st March, 2010 on a "going concern" basis.

AUDITORS & AUDITORS REPORT

M/s C.P. Ranka & Co, statutory auditors of the company retire at the ensuing Annual General Meeting and have expressed their willingness to continue, if so appointed. As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has obtained written confirmation from the auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

A proposal seeking their re-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.

LISTING FEE PAYMENT

The Company has made payment of listing fees upto the financial year 2010-11 to Calcutta Stock Exchange. The Company has not paid its listing fees to Bombay Stock Exchange Ltd. The Company is making efforts to activate the trading in its shares.

PARTICULARS OF EMPLOYEES

In terms of provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are as below:-

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Sr. No	Name of the employee and qualification	Age	Date of Joining	Experience	Designation	Gross Remuneration	Particulars of Last Employment
1	Sh A.L.Ananthanarayanan (M.E. from IIT, Kharagpur and doctorate in finance from the University of British Columbia (Canada))	64	01.10.2009	26	Managing Director *	Rs. 7,50,000/- (w.e.f. 1st October 2009)	Self Employment

Note:

1. The Gross Remuneration shown above is subject to tax and comprises of Salary and allowances.
2. Nature of employment is contractual.
3. The terms and conditions of employment are as per Company's Rules.
4. He is not related to any directors of the Company.

* Ceased to be managing director of the company w.e.f May 10, 2010.

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 are annexed to this Report.

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 from the Auditors of the Company, Messers C.P. Ranka & Co. on compliance of the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

ACKNOWLEDGEMENT

The Board also records its appreciation for the support and co-operation received from various stakeholders & employees during the period under review.

On behalf of the Board of Directors

Sd/-
N P S Shinh
Director

Sd/-
Deependra Gupta
Director

Place: Mumbai,
Date: 26th August, 2010

ANNEXURE TO THE DIRECTORS REPORT

Conservation of Energy, technology absorption, Foreign Exchange Earnings and outgo:

In accordance with the Companies (Disclosure of particulars in report of the Board of Directors) rules, 1988.

A. Conservation of Energy:

a) Energy Conservation measures taken:

There is nothing significant to report in this area.

b) Additional investments and proposals if any being implemented for reduction of consumption of energy:

No investments were made in this area.

c) Impact of measures to (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

NIL

B. Technology Absorption and Innovation:

During the period under review, there was no import of technology.

C. Research and Development (R&D):

There was no R&D work on account of the units not being operational during most part of the year.

Foreign exchange earnings and outgo:

During the period under review, there was no foreign exchange earnings and outgo.

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Information pertaining to Directors being appointed/ reappointed at ensuing Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Particulars Date of Birth Date of Appointment Qualification Expertise in specific functional area Directorship held in other companies	Dr. A.L. Ananthanarayanan 26.06.1946 10.05.2010 Mechanical Engineering degree from IIT, Kharagpur and doctorate in Finance from the University of British Columbia (Canada). Vast experience in Industry and has over 26 years of experience as Managing Director in various companies. 1. National Standard Tyre Moulds (India) Limited 2. Bakelite Hylam Limited. 3. Bakelite Hylam Laminates (India) Limited 4. Panel Boards & Laminates Ltd. 5. Andhra Cements Ltd. 6. Rockwell Industries Ltd. 7. Blitzkrieg Trading Private Limited
Shareholding in the company Committee membership Relationship with other directors of the Company	6,79,828 (3.40%) Equity shares of Rs. 10/- each National Standard Tyre Moulds (India) Ltd. – Audit Committee-Member NIL
Particulars Date of Birth Date of Appointment Qualification Expertise in specific functional area Directorship held in other companies	Mr. Narinder Pal Singh Shinh 04.01.1946 11.10.2002 B.Com, LLB, MBA Mr. NPS Shinh, Chairman and Founder, is a prominent industrialist and visionary. He holds degrees in commerce, law and management from Delhi University. He has held senior positions in large industrial groups in the country. He was the Managing Director of M/s Andhra Cements Ltd before acquiring National Standard Tyre Moulds (India) Limited. 1. National Standard Tyre Moulds (India) Limited 2. Ezra Trading And Finance Company Limited 3. Mountain Dew Properties Limited 4. Panel Boards & Laminates Limited 5. Bakelite Hylam Limited. 6. Blitzkrieg Trading Private Limited 7. Shilpa Medicare Limited
Shareholding in the company Committee membership Relationship with other directors of the Company	7,86,062 (3.93%) Equity shares of Rs. 10/- each National Standard Tyre Moulds (India) Ltd. – Audit Committee-Chairman NIL

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Particulars	Mr. Sagar Dhaku Gawde
Date of Birth	20.10.1984
Date of Appointment	08.05.2010
Qualification	Commerce Graduate
Expertise in specific functional area	He has work experience in the field of Accounts and Taxation
Directorship held in other companies	1. Roselabs Finance Limited 2. Sanathnagar Enterprises Limited
Shareholding in the company	NIL
Committee membership	Roselabs Finance Limited - Shareholders Investor Greivance Committee - Member Roselabs Finance Limited - Audit Committee – Chairman Sanatnagar Enterprises Ltd. -Audit Committee – Member National Standard (India) Ltd. – Audit committee- Member National Standard (India) Ltd. – Remuneration committee- Member National Standard (India) Ltd. – Share Transfer and Investor Grievance Committee- Member
Relationship with other directors of the Company	NIL
Particulars	Mr. Deependra Ramji Gupta
Date of Birth	05.03.1972
Date of Appointment	26.12.2009
Qualification	Inter CA, Science Graduate
Expertise in specific functional area	He has work experience in the field of Finance, Accounts and Taxation
Directorship held in other companies	1. Roselabs Finance Limited 2. Sanathnagar Enterprises Limited
Shareholding in the company	NIL
Committee membership	Roselabs Finance Limited - Shareholders Investor Greivances Committee - Chairman Roselabs Finance Limited - Audit Committee- Member Sanatnagar Enterprises Ltd.- Audit Committee –Chairman National Standard (India) Ltd. – Audit committee- Chairman National Standard (India) Ltd. – Remuneration committee- Member National Standard (India) Ltd. – Share Transfer and Investor Grievance Committee - Member
Relationship with other directors of the Company	NIL

NATIONAL STANDARD (INDIA) LIMITED
(Formerly National-Standard Duncan Limited)

<p>Particulars</p> <p>Date of Birth</p> <p>Date of Appointment</p> <p>Qualification</p> <p>Expertise in specific functional area</p> <p>Directorship held in other companies</p>	<p>Mr. Mangesh Puranik</p> <p>18.03.1970</p> <p>18.05.2010</p> <p>D.M.E. from K.B.P. Polytechnic, Kopargaon.</p> <p>He has work experience of 16 Years in the field of real estate and allied areas.</p> <ol style="list-style-type: none"> 1. Arihant Premises Private Limited 2. Lodha Land Scapes Private Limited 3. Mahavir Premises Private Limited 4. Lodha Land Developers Private Limited 5. Adinath Builders Private Limited 6. Microtec Constructions Private Limited 7. Marutinandan Real Estate Developers Private Limited 8. Lodha Glowing Construction Private Limited 9. Hi-Class Developers Private Limited 10. Gandhar Builders Private Limited 11. Lodha Attentive Developers And Farms Private Limited 12. Hi-Class Buildcon Private Limited 13. Lodha Novel Buildfarms Private Limited 14. Hotel Rahat Palace Private Limited
<p>Shareholding in the company</p> <p>Committee membership</p> <p>Relationship with other directors of the Company</p>	<p>NIL</p> <p>National Standard (India) Ltd. – Audit committee- Chairman National Standard (India) Ltd. – Remuneration committee- Member</p> <p>NIL</p>
<p>Particulars</p> <p>Date of Birth</p> <p>Date of Appointment</p> <p>Qualification</p> <p>Expertise in specific functional area</p> <p>Directorship held in other companies</p> <p>Shareholding in the company</p> <p>Committee membership</p> <p>Relationship with other directors of the Company</p>	<p>Mr. Ashok Tiwari</p> <p>12.05.1983</p> <p>15.08.2010</p> <p>B.com, C.A.</p> <p>Seven years in the field of Accounts, finance and audit.</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p>

REPORT ON CORPORATE GOVERNANCE

1. COMPANY PHILOSOPHY:

The Company philosophy of Corporate Governance is to enhance long-term shareholders value, achieve operational efficiencies and business results in all areas of Company's operations, with compliance of all statutory and regulatory provisions. The Company believes in transparency, openness and disclosure of information consistent with the business environment in which the Company operates.

2. BOARD OF DIRECTORS:

The details of attendance, Directorship and Membership of the Directors are given below:

Name of Director	Category of director	Attendance Particulars		®Number of directorship of other cos.	Membership of committee**	
		Board Meetings	Last AGM*		Chairman	Member
Sh. NPS Shinh	PD	5	Yes	7	1	1
Sh. A.L.Ananthanarayanan	PD	5	-	8	-	1
Sh. Deependra Gupta(appointed on 26.12.09)	ID & NED	2	-	2	1	2
Sh. Bharat Chandra	ID & NED	4	-	5	-	1
Mrs. Usha Sunderarajan(resigned on 10.05.10)	ID & NED	4	-	4	-	1
Sh. Anurag Singhvi(resigned on 26.12.09)	ID & NED	3	-	-	-	-

NED = Non-Executive Director, ID = Independent Director, PD = Promoter Director

*Last AGM for the year 2009 was held on 24th September, 2009.

Dr. A.L.Ananthanarayanan resigned from the post of Managing Director w.e.f May 10, 2010.

Mr. Sagar Gawde, Mr. Mangesh Puranik and Mr. Ashok Tiwari are appointed as an Additional director on May 8, 2010, May 18, 2010 and August 15, 2010 respectively.

@The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

**In accordance with Clause 49, Memberships / Chairmanships of only the Audit Committees and Shareholders / Investors Grievance Committees of Indian Public Companies (excluding National Standard (India) Limited) have been considered. Member includes Chairman.

None of directors are related to any other directors on the Board in terms of definition of 'relative' given under the Companies Act, 1956.

● BOARD MEETINGS:

Board Meetings were held on 27.06.2009, 25.07.2009, 16.10. 2009, 26.12.2009, 31.03.2010

3. AUDIT COMMITTEE:

The purpose of the Audit Committee is to assist the Board of Directors ("Board") in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls established in the company; appointing, retaining and reviewing the performance of internal accountants/ internal auditors and overseeing the Company's accounting and financial reporting process and the audit of the company's financial statement.

Name	Category	Audit Committee meeting held on		
		16.10.2009	26.12.2009	31.03.2010
A L Ananthanarayanan	Chairman	Present	Present	Present
Usha Sunderarajan	Member	Present	Present	Present
Bharat Chandra	Member	Present	Present	Present

NATIONAL STANDARD (INDIA) LIMITED

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The Audit Committee at present consists of Mr. Deependra Gupta (Chairman), Mr. Mangesh Puranik and Mr. Sagar Gawde.

The power and terms of reference of the Audit Committee are as mentioned in Clause 49 of the Listing Agreement with the Stock Exchange as amended from time to time read with Section 292A of the Companies Act, 1956.

4. REMUNERATION COMMITTEE:

Remuneration Committee has been formed to periodically review the remuneration package of Managing/Whole-time Directors and recommend suitable revision to the Board and to fix compensation/fees payable to Non-executive directors.

Name	Category	held on 25th July 2009
Usha Sunderajan	Chairman	Present
Bharath Chandra	Member	Present
Anurag Singhvi	Member	Present

Remuneration Committee at present consists of Mr. Sagar Gawde, Mr. Mangesh Puranik and Mr. Deependra Gupta, all of them being Non-Executive Independent Directors.

During the year under review no directors other than Mr. A. L. Ananthanarayanan have been paid remuneration. The details of remuneration paid to Mr. A. L. Ananthanarayanan is as below :-

(From October 1, 2009)

Basic – Rs. 90,000/- p.m.

HRA – Rs. 35,000/- p.m.

Total – Rs. 1,25,000/- p.m.

5. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE:

Share Transfer and investor grievance committee has been formed to approve transfers, transmission, sub-division and issue of duplicate shares and for redressal of investor complaints on all matters.

Name	Category	Committee meeting held on	
		27.06.2009	26.12.2009
Mr. NPS Shinh	Chairman	Present	Present
Mr. A L Ananthanarayanan	Member	Present	Present
Mr. Bharath Chandra	Member	Present	Present

The Committee at present consists of Shri Sagar Gawde and Shri Deependra Gupta.

Investor Grievance Redressal

The number of complaints received and resolved during the year under review and their break-up are as under:

Type of Complaints	No. of Complaints
Non-Receipt of Annual Reports	Nil
Non-Receipt of Dividend Warrants	Nil
Non-Receipt of Certificates	Nil
Total	Nil

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6. GENERAL BODY MEETINGS:

Location and date / time for last three Annual General Meetings were:

Year	Location	Date	Time
1 st Oct 2005 – Dec 31, 2006	3, Esplanade East, Kolkata – 700 069	24.03.2007	12.00 P.M.
Jan' 07 –Dec '07	3, Esplanade East, Kolkata – 700 069	28.04.2008	10.30 A.M.
Jan'08-March '09	3, Esplanade East, Kolkata – 700 069	24.09.2009	10.30 A.M.

- Special Resolutions were passed in the Above Annual General Meetings.
- No Resolutions was passed through Postal Ballot.

7. DISCLOSURES:

During the last 3 years, there were no monetary penalties imposed either by SEBI or the Stock Exchanges or by any Statutory Authority for non-compliance on any matter related to Capital Markets.

There are no material significant transactions with its related parties that may have a potential conflict with the interest of the Company. The details of transactions between the Company and the related parties are given for information under Note 21 of the Notes to Accounts.

8. MEANS OF COMMUNICATION:

Quarterly and Half yearly results were not published. The Company has designated exclusive email ID viz., nsil.cs@gmail.com for investor servicing.

9. GENERAL SHAREHOLDERS INFORMATION:

AGM Date and Time	: Thursday, September 30, 2010 at 2.30 p.m.
Venue	: Meeting Hall, Bidhan Shishu Udyan,1, Bidhan Shishu Sarani, Kolkata - 700 054
Financial Calendar	: Financial Year – April to March
Date of Book Closure	: September 28, 2010 to September 30, 2010 (both days inclusive) for the purpose of Annual General Meeting.
Dividend Payment Date (s)	: No dividend was proposed by the Board.
Listing of Shares	: 1. The Calcutta Stock Exchange Ltd, 7, Lyons Range, Kolkatta – 700 001. 2. The Bombay Stock Exchange Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001(Suspended from both the aforesaid stock exchanges)
Stock Code	: CSE – 24063 BSE – 504882
Market Price Data	: Not Applicable as there was no transaction.
High, Low during each month in last Financial Year	: Not Applicable as there was no transaction.
Performance in comparison to BSE Sensex	: Not Applicable as there was no transaction.
Registrar and Transfer Agents	: C B Management Services (P) Limited, P- 22, Bondel Road, Kolkata – 700 019, Tel : 033 – 2280 6692
Share Transfer System	: Share Transfers, which are received in physical form, are processed and the Share Certificates are returned within a period of 15 days, subject to the documents being valid and complete in all respects.

NATIONAL STANDARD (INDIA) LIMITED

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Distribution of Shareholding and shareholding pattern : Please see Annexure 'A'

Dematerialisation of shares and Liquidity : All the shares of the Company are in physical form.

Plant Locations : The Company's plant is located at Thane, Maharashtra.

Registered Office / Address for Correspondence : Regd office : 2nd Floor, 3, Esplanade East, Kolkata – 700 069.
Address for Correspondence :- "Surya Towers", 3rd Floor, 'C' Block, 104, S.P. Road, Secunderabad – 500 003.

Annexure 'A'

Distribution of shareholdings as at March 31, 2010

Range	No. of Shareholders		No. of shares	
	Total	% of Shareholder	Total	% to Share Capital
1-500	1089	97.67	58892	0.29
501-1000	6	0.53	4227	0.02
1001-2000	1	0.09	1507	0.01
2001-3000	-	-	-	-
3001 -4000	1	0.09	3952	0.02
4001- 5000	-	-	-	-
5001-10000	1	0.09	8068	0.04
10001-9999999	17	1.53	19923354	99.62
Total	1115	100.00	20000000	100.00

Annexure 'B'

Categories of Shareholding as on March 31, 2010

Category	No. of Shares	%
Promoters & promoter group	19,810,598	99.05
Bodies Corporate	398	-
Banks, Financial Institutions, Insurance Companies	90	-
Foreign Institutional Investor	124,998	0.63
Indian Public	63,652	0.32
Non Resident Individuals / Overseas Corporate Bodies	264	-
Total	20,000,000	100.00

Declaration for compliance of Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management team, an affirmation, of compliance with the code of conduct for Directors and Senior Management in respect of financial year ended March 31, 2010.

Place: Mumbai
Date: 26th August, 2010

Sd/-
NPS Shinh
Director

AUDITORS REPORT ON CORPORATE GOVERNANCE

To

The Members of
National Standard (India) Limited

We have examined the compliance of conditions of Corporate Governance by **National Standard (India) Limited** (the Company) for the year ended 31st March, 2010, as stipulated in clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Based on the records and documents maintained by the Company and information and explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement except to the extent as mentioned below:

During the period from 01.04.2009 to 24.07.2009, the half of the Board of Company was not comprised of independent directors.

During the year, no quarterly results were published in the newspaper and also not sent to Stock Exchange to be hosted on its website.

In the absence of CEO, the Company could not comply with CEO Certification as prescribed in the listing agreement. However, the Board has authorized Managing Director to certify certain documents required for compliance.

Annual General Meeting of the Company was not attended by the Chairman of the Audit Committee.

The Company does not have a full-time Company Secretary and consequently, there is no secretary to the Audit Committee.

Risk assessment and minimization procedure has not been formulated by the Company.

During the year, no quarterly Corporate Governance Compliance Report was submitted to the Stock Exchange.

We further state that 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

Sd/-

C.P.RANKA
Partner
Membership No. : 106823
Firm Registration No. : 119375W

Place: Secunderabad
Date: 26th August, 2010

NATIONAL STANDARD (INDIA) LIMITED

(Formerly National-Standard Duncan Limited)

AUDITORS REPORT

1. We have audited the attached Balance Sheet of NATIONAL STANDARD (INDIA) LIMITED as at 31st March, 2010, the Profit and Loss Account and the Cash Elow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, (hereinafter referred to as the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Elow Statement dealt with by this report are in agreement with the books of account;
 - d) The Balance Sheet, Profit and Loss Account and Cash Elow Statement dealt with by this report have been prepared in compliance with the Accounting Standards referred to in Section 211 (3C) of the Act, to the extent applicable;
 - e) On the basis of written representation received from the Directors as on 31st March, 2010 and taken on record by Board of Directors, we report that none of directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274 (1) (g) of the Act on the said date;
 - f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with note no. 11 regarding non-deposit of due amount of Rs. 63,199 with Investor Education and Protection Fund as per the provisions of Section 205C of the Act in Schedule 16 and other notes appearing in the said financials give the information required by the Act and in the manner so required, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - b) In the case of Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - c) In the case of Cash Elow Statement, of the Cash Elows for the year ended on that date.

For C.P.RANKA & CO.
Chartered Accountants

Sd/-
C.P.RANKA
Partner

Membership No. : 106823
Firm Registration No. : 119375W

Place: Secunderabad
Date: 26th August, 2010

Annexure referred to in our report of even date on the financial statements for the Year ended 31st March, 2010 of NATIONAL STANDARD (INDIA) LIMITED

1. a) *The Company is in the process of updating its fixed assets records to show full particulars including quantitative details and situation of fixed assets.*
 - b) All the fixed assets have been physically verified by the management at reasonable intervals during the year, which in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. The discrepancies, if any, as may be noticed which, in the opinion of the management would not be significant, would be adjusted on updation of fixed assets register.
 - c) The Company presently holds only leasehold land at Thane, Mumbai and more fully explained in note no. 3 of the financial statements about the Scheme of Arrangements de-merging Tyre Moulds business of the Company which had been given effect to in financials of an earlier year. Also, during the year the Company has sold / written off all of its fixed assets pertaining to the bead wire Division at Mumbai. In our opinion and to the information and explanation given to us, the aforesaid sale /writing off may not affect the going concern assumption in view of what is stated in note no. 5 and 12 though substantial part of fixed assets have been sold /written off.
2. As the Company does not hold any inventory during the year. Therefore, the provisions of clause (ii) of the said Order are not applicable to the Company.
3. a) The Company has granted interest-free unsecured loans to three companies covered in the register maintained under Section 301 of the Act. The maximum amounts involved during the year and the closing balances of such loans were Rs. 6,60,18,592 and Rs. 5,90,68,592, respectively.
 - b) In our opinion, the interest-free nature and other terms and conditions of the aforesaid unsecured loans granted by the Company are, prima facie, not prejudicial to the interest of the Company.
 - c) In respect of the aforesaid unsecured loans, the said companies are regular in repayment of principal amount as stipulated.
 - d) There is no overdue amount in respect of the aforesaid unsecured loans granted by the Company.
 - e) The Company has taken interest-free unsecured loans from one companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the closing balances of such loans were Rs.1,00,00,000 and Rs. 1,00,00,000 respectively.
 - f) In our opinion and according to the information and explanations given to us, the interest-free nature and other terms and conditions on which such loan has been taken by the Company, are prima-facie, not prejudicial to the interest of the Company.
 - g) The payment of the principal amount is as stipulated.
4. In our opinion and according to the information and explanations given to us *subject to what is stated in para 7 below regarding the Company not having an internal audit system, internal control system needs to be strengthened to make it commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.* During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
5. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangement referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provision of the Act and rules framed there under.
7. *The Company does not have an internal audit system.*
8. According to the information and explanations given to us, the Central Government of India has not prescribed the maintenance of cost records under Section 209 (1)(d) of the Act for any of the products of the Company.
9. a) The Company is generally regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales

NATIONAL STANDARD (INDIA) LIMITED

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Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. There are no statutory dues outstanding for more than six months as at 31st March, 2010 from the date they became payable except that a sum of Rs. 63,199 is payable on account of Investor Education & Protection Fund.

- b) According to the records of the Company, there are no dues of Income Tax / Sales Tax / Wealth Tax / Service Tax / Custom Duty / Excise Duty / Cess which have not been deposited on account of any dispute except dues on account of the followings:

Particulars	Assessment Year	Forum where dispute is pending	Rupees
Excise Duty	1996-97	CESTAT, Mumbai	11,22,092
Income Tax	1995-1996	High Court	38,89,974

10. The Company's accumulated losses as at 31st March, 2010 are more than fifty percent of its net worth. The Company has incurred cash losses during the year but it had no cash losses in the immediately preceding financial period.
11. As the Company does not have any borrowings from financial institution or bank or debenture holders, the provisions of clause (xi) of the said Order are not applicable to the Company.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion and according to the information and explanations given to us, the nature of the activities of the Company does not attract any special statute applicable to the chit fund and nidhi / mutual benefit fund / societies.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
15. Accordingly to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, in our opinion, the Company did not have any term loan outstanding to bank or financial institution during the year.
17. According to the information and explanations given to us, the Company has not raised any funds on short-term basis during the year.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company did not have any outstanding debentures during the year covered by this report.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For C.P.RANKA & CO.
Chartered Accountants**

**Sd/-
C.P.RANKA
Partner**

**Membership No. : 106823
Firm Registration No. : 119375W**

Place: Secunderabad
Date: 26th August, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedules	As at 31.03.2010	As at 31.03.2009
<u>SOURCES OF FUNDS</u>			
Shareholders' Funds			
Share Capital	1	200,000,000	200,000,000
Reserves and Surplus	2	2,813,091	2,813,091
		<u>202,813,091</u>	<u>202,813,091</u>
Loan Funds			
Unsecured Loans	3	36,869,733	36,334,874
Total		<u>239,682,824</u>	<u>239,147,965</u>
<u>APPLICATION OF FUNDS</u>			
Fixed Assets			
Gross Block	4	546,523	71,542,430
Less : Accumulated Depreciation		264,988	68,481,002
Net Block		<u>281,535</u>	<u>3,061,429</u>
Investments	5	-	12,060
Current Assets, Loans and Advances:			
Cash and Bank Balances	6	357,563	485,623
Loans and Advances		59,430,671	62,077,312
		<u>59,788,234</u>	<u>62,562,935</u>
Less: <u>Current Liabilities and Provision</u>			
Current Liabilities		537,295	794,275
Provision		-	82,674
		<u>537,295</u>	<u>876,949</u>
Net Current Assets / (Liabilities)		<u>59,250,939</u>	<u>61,685,986</u>
Miscellaneous Expenditure	8	-	11,169,969
(to the extent not written off or adjusted)			
Profit and Loss Account (Loss)		<u>180,150,350</u>	<u>163,218,521</u>
Total		<u>239,682,824</u>	<u>239,147,965</u>
Significant Accounting Policies and Notes to the Accounts	16		

Schedules referred to above form an integral part of the financial statements

As per our attached report of even date

For C.P.RANKA & Co.
Chartered AccountantsSd/-
C.P.Ranka
PartnerPlace : Secunderabad
Date: 26th August, 2010

For and on behalf of the Board

Sd/-
N.P.S. Shinh
DirectorPlace : Mumbai
Date: 26th August, 2010Sd/-
Deependra Gupta
Director

NATIONAL STANDARD (INDIA) LIMITED

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedules	For the year ended 31st Mar, 2010	Amount in Rupees For the 15 months period ended 31st Mar, 2009
INCOME			
Income from Operation	9	-	3,314,926
Other Income	10	-	99,086,571
		-	102,401,497
EXPENDITURE			
Raw Material Consumed	12	-	758,052
Personnel Expenses	13	1,365,691	20,448,614
Manufacturing Expenses	14	47,725	2,972,480
Selling and Administration Expenses	15	3,989,122	21,519,164
Interest Charges		-	1,809,499
Depreciation		359,322	1,566,641
		5,761,860	49,074,450
Profit / (Loss) before Exceptional Item and Taxation		(5,761,860)	53,327,047
Exceptional Item		11,169,969	5,584,981
(Refer note no. 17 in Schedule 16)			
Provision for Eringe Benefit Tax		-	118,264
Profit / (Loss) after Exceptional Item and Taxation		(16,931,829)	47,623,802
Balance of loss brought forward from previous period		(163,218,521)	(137,449,832)
		(180,150,350)	(89,826,030)
Less: Transfer from General Reserve		-	333,333
Adjustment on Demerger		-	(73,725,824)
BALANCE OF PROFIT/(LOSS) CARRIED OVER TO BALANCE SHEET		(180,150,350)	(163,218,521)
Basic and Diluted Earning Per Share (Face value of Rs.10 each) – Before Exceptional Items & Taxation		(0.29)	3.37
Basic and Diluted Earning Per Share (Face value of Rs.10 each) – After Exceptional Items & Taxation		(0.85)	3.01
Significant Accounting policies and Notes to the Accounts	16		

Schedules referred to above form an integral part of the Financial statements

As per our attached report of even date

For C.P.RANKA & Co.
Chartered Accountants

Sd/-
C.P.Ranka
Partner

Place : Secunderabad
Date: 26th August, 2010

For and on behalf of the Board

Sd/-
N.P.S. Shinh
Director

Place : Mumbai
Date: 26th August, 2010

Sd/-
Deependra Gupta
Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
2,00,00,000 (Previous Period 2,00,00,000) Equity shares of Rs.10 each	200,000,000	200,000,000
Issued, Subscribed and Paid-up*		
200,00,000 (Previous Period 2,00,00,000) Equity Shares of Rs.10 each fully paid	200,000,000	200,000,000
*Refer Note no.2 in Schedule 16		
Total	200,000,000	200,000,000
SCHEDULE 2		
RESERVES & SURPLUS		
Capital Reserve		
As per last Balance Sheet	1,144,124	1,716,186
Adjustment on Demerger*		572,062
		<u>1,144,124</u>
Capital Subsidy Reserve		
As per last Balance Sheet	1,666,667	2,500,000
Adjustment on Demerger*		833,333
		<u>1,666,667</u>
Share Premium		
As per last Balance Sheet	2,300	3,450
Adjustment on Demerger*		1,150
		2,300
General Reserve		
As per last Balance Sheet	-	500,000
Adjustment on Demerger*		500,000
		-
Total	2,813,091	2,813,091
*Refer Note no.3 in Schedule 16		
SCHEDULE 3		
UNSECURED LOANS*		
From Bodies Corporate	36,869,733	36,334,874
Total	36,869,733	36,334,874

NATIONAL STANDARD (INDIA) LIMITED

(Formerly National-Standard Duncan Limited)

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 4 : FIXED ASSETS*

Description	Cost/Book Value				Depreciation				Net Book Value		
	As at 01.04.09 Rs.	Additions During the year Rs.	Deductions during the year Rs.	Adjustments on Demerger Rs.	As at 31.03.2010 Rs.	As at 01.04.09 Rs.	Depreciation during the year Rs.	Deductions during the year Rs.	Adjustments on Demerger Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
Leasehold Land (Long Term)	546,523	-	-	-	546,523	259,468	5,520	-	-	264,988	287,055
Buildings	9,437,604	-	9,437,604	-	-	8,586,932	81,270	8,668,202	-	-	850,672
Machinery	41,820,399	-	41,820,399	-	-	40,859,961	125,385	40,985,346	-	-	960,438
Electrical Equipments	4,148,579	-	4,148,579	-	-	3,636,800	66,814	3,703,614	-	-	511,779
Air Conditioners	405,332	-	405,332	-	-	378,081	3,557	381,638	-	-	27,251
Vehicles	307,819	-	307,819	-	-	305,989	421	306,410	-	-	1,830
Furniture and Office Equipments	14,876,174	-	14,876,174	-	-	14,453,771	76,355	14,530,126	-	-	422,403
TOTAL	71,542,430	-	70,995,907	-	546,523	68,481,002	359,322	68,575,336	-	264,988	3,061,428
Previous Period	173,965,035	453,112	1,596,346	101,279,371	71,542,430	157,540,225	1,566,641	527,685	90,088,179	68,481,001	3,061,428

*Refer note no. 5 of Schedule 16

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 5		
INVESTMENTS - LONG TERM -AT COST*		
Non-trade - Fully Paid up		
Unquoted		
Duncan Services Ltd.	-	12,060
(Previous Period 241 Equity shares of Rs.100 each fully paid (includes 180 bonus shares)		
Total	-	12,060

*Refer note no. 3 in Schedule 16

SCHEDULE 6**CURRENT ASSETS, LOANS AND ADVANCES****Current Assets****Cash and Bank Balances***

Cash in Hand	100,067	-
With Scheduled Banks		
On Current Accounts	194,296	422,423
On Dividend Account	63,200	63,200
Total	357,563	485,623

Loans and advances*

(Unsecured, considered good)

Advances recoverable in cash or in kind or for value to be received	11,676	499,059
Sales Tax Refund Receivables	-	2,378,084
Loans to Bodies Corporate	59,068,592	59,187,266
Deposits	350,403	12,903
Total	59,430,671	62,077,312
Grand Total	59,788,234	62,562,935

*Refer Note no. 3 in Schedule 16

Included in Loans and Advances are:

Dues from the Companies under the same management:

Sanathnagar Enterprises Limited (Maximum amount outstanding during the year Rs.4,50,000 Previous Period Rs. 8,40,00,000)	-	450,000
Bakelite Properties Limited (Maximum amount outstanding during the year Rs. 5,56,38,790 Previous Period Rs. 5,56,38,790)	49,138,790	55,638,790
National Standard Tyre Moulds (India) Limited (Maximum amount outstanding during the year Rs.99,29,802 Previous Period Rs. 36,98,883)	9,929,802	3,098,476

NATIONAL STANDARD (INDIA) LIMITED
(Formerly National-Standard Duncan Limited)

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<u>SCHEDULE 7</u>		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities*		
Sundry Creditors		
Due to Micro, Small & Medium Enterprises	-	-
Due to Others	345,920	666,464
Other Liabilities	128,176	64,612
*Investors ' Education & Protection Fund:		
Unpaid Dividends	63,199	63,199
Total	537,295	794,275
Provisions		
For Fringe Benefit Tax	-	82,674
Total	-	82,674
<u>SCHEDULE 8</u>		
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Deferred Revenue Expenditure (VRS)	-	11,169,969
Total	-	11,169,969
*Refer note no. 3 in Schedule 16		
<u>SCHEDULE 9</u>		
Income From Operations		
Sales	-	-
Job Work Charges Received	-	3,314,926
Total	-	3,314,926
<u>SCHEDULE 10</u>		
OTHER INCOME		
Scrap Sales	-	5,066,754
Interest Income	-	39,402
Profit on Sale of Fixed Assets	-	92,231,338
Liabilities no Longer Required Written back (Net)	-	1,749,077
Total	-	99,086,571

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 11		
INCREASE / (DECREASE) IN STOCK		
Opening stock		
Work-in-Process	-	892,610
Finished Goods	-	424,518
	-	1,317,128
Less : Transferred on Demerger	-	1,317,128
Total	-	-
SCHEDULE 12		
RAW MATERIAL CONSUMED		
Opening stock	-	22,590
Add: Purchases	-	758,052
Add : Transferred on Demerger*	-	22,590
Total	-	758,052
SCHEDULE 13		
PERSONNEL EXPENSES		
Salaries and Wages	1,349,638	14,337,863
Staff Welfare Expenses	15,990	363,468
Provident, ESI and Professional tax	63	287,195
Gratuity	-	5,448,194
Maharashtra Labour Welfare Fund	-	11,894
Total	1,365,691	20,448,614

*Refer note no. 3 in Schedule 16

NATIONAL STANDARD (INDIA) LIMITED

(Formerly National-Standard Duncan Limited)

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	For the year ended 31st Mar, 2010	For the 15 months period ended 31st Mar, 2009
	Rs.	Rs.
SCHEDULE 14		
MANUFACTURING EXPENSES		
Consumables Consumed	-	43,396
Electricity Charges - Factory	-	437,795
Fuel Consumed	-	60,018
Repairs and Maintenance - Buildings	-	1,020,040
- Plant & Machinery	-	1,316,294
- Others	47,725	94,937
Total	47,725	2,972,480
SCHEDULE 15		
ADMINISTRATIVE AND SELLING EXPENSES		
Telephone Charges	36,077	97,333
Advertisement	-	164,976
Accounting Software Expenses	13,500	-
Travelling Expenses	380,637	1,279,858
Relocation Expenses	-	3,908,405
Postage and Courier	16,169	114,751
Printing and Stationary	21,038	39,908
Electricity Charges - Non - Factory	-	26,699
Rent	810,000	853,956
Rates and Taxes	256,669	977,098
Carriage Outward	-	19,018
Legal & Professional Fees	103,267	2,225,309
Security Expenses	542,034	368,468
Transport and Conveyance	28,696	202,404
Auditors' Remuneration	16,545	33,708
Insurance	-	10,747
Directors' Sitting Fees	-	27,000
Commission and Discount	-	958,000
Sundry Balances Written off (Net)	40,077	-
Vehicle Maintenance	-	89,889
Custom Duty	-	8,119
Bad Debts Written off	-	9,235,465
Business Promotion Expenses	-	2,788
Loss on Write off\ Sale of Fixed Assets	1,671,300	211,935
Miscellaneous Expenses	53,112	663,330
Total	3,989,122	21,519,164

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2010

A. SIGNIFICANT ACCOUNTING POLICIES

1) GENERAL

- a) In view of divestment of all industrial businesses of the Company, the Company is no longer an industrial Company.
- b) The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accounting principles of a going concern and the Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI"), the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.
- c) The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements are made relying on these estimates. Any revision to accounting estimates is recognized prospectively.

2) FIXED ASSETS

Fixed Assets are stated at cost net of CENVAT / Value Added Tax less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset in its working condition for its intended use. Financing costs relating to acquisition of qualifying fixed assets are also included to the extent they relate to the period till such assets are ready for their intended use.

Expenditure during construction period in respect of new project/ expansion is allocated to the respective fixed assets on their being ready for commercial use.

3) IMPAIRMENT OF ASSETS

In accordance with AS 28 on 'Impairment of Assets' issued by The Institute of Chartered Accountants of India, where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized in the Profit & Loss Account whenever the carrying amount of such assets exceeds its recoverable amount.

4) INVESTMENTS

Investments are either classified as current or long-term based on the management's intention at the time of purchase. Long-term investments are carried at cost and provision is made to recognize any decline, other than temporary, in the value of such investments. Current investments are carried at the lower of the cost and fair value and provision is made to recognize any decline in the carrying value.

5) REVENUE RECOGNITION

Revenue is recognized when the property and all the significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration. Local sales are exclusive of excise duty and sales tax.

Service income is recognized as per the agreements with the customers.

6) BORROWING COST

Borrowing Costs directly attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to Profit & Loss Account.

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7) DEPRECIATION

Depreciation is provided on "Written Down Value Method" at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 read with relevant circulars issued from time to time by the Department of Company Affairs.

Leasehold Land is amortised over the period of the lease

Individual assets costing less than Rs. 5,000 are depreciated in full in the year of acquisition.

Depreciation on additions / deletions of assets during the year is provided on pro-rata basis.

8) EMPLOYEE BENEFITS

a) Provident Fund

Provident Fund is a defined contribution scheme and contributions are charged to the Profit and Loss Account as incurred.

b) Gratuity

Accounted for on accrual basis in respect of all employees as per the rules of the Company.

c) Liability for leave entitlement is accounted for on accrual basis in respect of all employees as per the rules of the Company.

9) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed when the values were determined.

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized as income or expense in the year in which they arise.

10) TAXATION

Income tax expenses comprise current tax (i.e., amount of tax for the year determined in accordance with the income tax law) and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax on assets are recognized and carried forward only if there is a virtual / reasonable certainty of realization of such assets in near future and are reviewed for their appropriateness of their respective carrying value at each balance sheet date.

Tax credit is recognized in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal tax within the statutory time frame and the same is reviewed at each Balance Sheet date.

11) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities are disclosed in the notes to accounts and are determined based on the management perception that these liabilities are not likely to materialise. Contingent assets are not recognised or disclosed in the financial statements.

12) MISCELLANEOUS EXPENDITURE

Deferred Revenue Expense represents the compensation paid under Voluntary Retirement Scheme is written off over the period during which benefits therefrom are expected to be derived but not beyond 31st March, 2010.

SCHEDULES FORMING PART OF THE ACCOUNTS

	<u>As at 31.03.2010 Rs.</u>	<u>As at 31.03.2009 Rs.</u>
NOTES TO ACCOUNTS:		
2. Issued, Subscribed and Paid up Capital includes:		
a. 25,000 Equity Shares (Previous Period 25,000) of Rs.10 each issued as Bonus Shares by capitalization of General Reserve.	2,50,000	2,50,000
b. 49,000 Equity Shares (Previous Period 49,000) of Rs.10 each issued and paid up to the extent of Rs. 4,90,000 (Previous Period Rs. 4,90,000) pursuant to a contract without payment being received in cash.	4,90,000	4,90,000
c. 4,42,956 Equity Shares (Previous Period 4,42,956) of Rs.10 each issued as Bonus Shares by capitalization of Securities Premium Account.	44,29,563	44,29,563
d. 2,21,304 Equity Shares (Previous Period 2,21,304) of Rs. 10 each fully paid up after giving effect to 90% reduction in the existing Share Capital based on the BIFR Order.	22,13,042	22,13,042
e. 17,61,739 Equity Shares (Previous Period 17,61,739) of Rs.10 each issued at par to present promoters in lieu of interest-free unsecured loans provided by them. The above shares were issued after reduction of the existing share capital as stated in para (d) above.	1,76,17,395	1,76,17,395
f. 1,75,00,000 Equity Shares (Previous Period 17,50,00,000) of Rs.10 each issued at par to present promoters.	17,50,00,000	17,50,00,000
Total	20,00,00,000	20,00,00,000

3. SCHEME OF ARRANGEMENT

A Rehabilitation Scheme was sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) vide Order dated 01.06.2006 in view of an application made by Company, providing for, inter-alia, the Scheme of Arrangement involving de-merger of the **Tyre Mould Business** of the Company upon complying with certain conditions stipulated therein with all the respective related / specified assets and liabilities of the business along with share of common liabilities being transferred at book value to the National Standard Tyre Moulds (India) Limited – the resulting Company as specified in the Scheme.

The said transfer and vesting of the business and its assets were deemed to be on a going concern basis.

The appointed date of the Scheme was 1st September, 2008 and effective date was 3rd December, 2008. The business of the resulting company was deemed to be carried out by the Company in trust upto the effective date.

Accordingly, the Scheme had been given effect to in the financial statements of an earlier period in terms of which the following Assets and Liabilities were transferred at book values and the difference had been adjusted / written off against the General Reserve as provided for in the Scheme.

(Amount in Rs.)

ASSETS:

Net Fixed Assets	1,75,78,674
Investments	5,05,840
Net Current Assets	5,76,10,152
TOTAL - A	7,56,94,666

NATIONAL STANDARD (INDIA) LIMITED
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SCHEDULES FORMING PART OF THE ACCOUNTS

LIABILITIES:

Reserves	15,73,212
Unsecured Loans	3,95,630
TOTAL – B	19,68,842
TOTAL (A-B)	7,37,25,824

ADJUSTED AGAINST :

General Reserve	3,33,333
Profit and Loss Account	7,33,92,491
	7,37,25,824

The title deeds, licenses, agreements etc. are in the process of being transferred in the name of resulting company.

4. Contingent liabilities not provided for in respect of:

	For the year ended 31 st March, 2010 Rupees	15 months period ended 31 st March, 2009 Rupees
i) Disputed Central Excise Duty	11,22,092	11,22,092
ii) Disputed Income Tax liability	38,89,974	38,89,974
iii) Counter guarantees given by the Company to the Bank in respect of guarantees given by the later on behalf of the Company.	54,30,855	4,54,83,955

5. In accordance with the Scheme of De-merger, the Tyre Mould Division had been transferred to resulting company i.e., National Standard Tyre Moulds (India) Limited. During the year, fixed assets relating to the bead wire division has been sold / written off as re-commencement of manufacturing of bead wire is not viable due to obsolete technology.
6. In view of the Order passed by BIFR dated 7th July 2008 w.e.f. 4th July, 2008, the Company ceased to be a Sick Industrial Undertaking within the meaning of Section 3(1)(0) of the SICA Act as the Company's net worth turned positive.
7. The Company is in the process of obtaining / compiling information regarding the status required under Micro, Small and Medium Enterprises Act, 2006 and hence the disclosure, if any, relating to amounts unpaid at the year end together with interest paid / payable as required under the Act could not be furnished.
8. In the opinion of the Board, the Current Assets, Loans and advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are carried in the books and provision for all known and determined liabilities (except otherwise stated) are adequate and not in the excess of the amount reasonably stated.
9. Various statutory records / procedures are required to be maintained / complied with under various sections of the Companies Act, 1956 and allied fiscal laws are in the process of completion / compliance. This, however, does not have any financial impact on the Company.
10. The Company is in the process of appointing a Company Secretary as required under the provisions of Section 383A of the Companies Act, 1956.
11. A sum of Rs. 63,199 on account of unclaimed dividend has not been deposited in the Investor Education and Protection Fund as required under Section 205C of the Companies Act, 1956. However, the process for the remittance of the same is going to be initiated shortly.
12. The Company had altered its Object Clause so as to include carrying on of real estate and allied activities in an earlier year. The Company launched a Residential Project on certain portion of its land at Thane, Mumbai on 1st May, 2010.
13. The Accounting Standard 17 on "Segment Reporting" requires that the financial statements should disclose the segment results, segment assets and liabilities separately for each of the reportable segment. In view of divestment of all industrial businesses of the Company, the Company is no longer an industrial Company. Also in view of what is stated in para 12 above, no segment information has been furnished.

SCHEDULES FORMING PART OF THE ACCOUNTS

14. Balances of unsecured loans, sundry creditors and loans and advances given are subject to confirmation, reconciliation and subsequent adjustments. However, in the opinion of the Board, there will not be any significant impact on the financial results or statements on receipt of direct, indirect confirmations and reconciliation.
15. In accordance with the practice followed by the Company, no provision has been made in respect of estimated total liability for future payment of Gratuity and Leave Encashment and the same is being accounted for as and when paid which is not in accordance with the accounting method prescribed in Accounting Standard 15 - "Employee Benefits" issued by the Institute of Chartered Accountants of India. However, in the opinion of management, it will not have any material financial impact on the results of the Company.
16. The Company had made an application to Central Government for approval for payment of managerial remuneration to a Whole-time Director in an earlier year and the same is yet to be received.
17. Exceptional Item represents Voluntary Retirement Scheme Charges written off during the year Rs.1,11,69,969 (Previous Period Rs. 55,84,981).
18. The Company has changed the accounting policy relating to write off of Miscellaneous Expenditure not beyond 31st March, 2010 in view of amendment made in AS 15, hitherto written off over a period of 36 months. Had the Company continued the earlier policy of write off, the loss for the year and accumulated losses would have been lower by Rs. 55,84,988 and Miscellaneous Expenditure would have been Rs. 55,84,988.
19. Earnings per share:

	For the year ended 31st March, 2010	15 months period ended 31 st March, 2009
<u>Numerator:</u> Loss as per Profit and Loss Account considered for EPS Calculation-Rs.		
I) Net profit/ (Loss) as per profit and Loss Account before Exceptional Items & Taxation	(57,61,860)	5,33,27,047
II) Net profit/ (Loss) as per profit and Loss Account after Exceptional Items & Taxation	(1,69,31,829)	4,76,23,802
<u>Denominator:</u> Number of Weighted Equity Shares	200,00,000	1,58,33,333
Basic and Diluted Earnings per Equity Share-Rs.		
As per Profit/(loss) before Exceptional Items & taxation	(0.29)	3.37
As per Profit/(loss) after Exceptional Items & taxation	(0.85)	3.01
Nominal Value per Equity Share	Rs. 10 each	Rs. 10 each

20. Managerial Remuneration to Managing Director (from 1st October 2009 onwards) / Whole-time Director (Upto 31.08.2008)

	Amount in Rs.	
	For the year ended 31st March, 2010	15 months period ended 31 st March, 2009
Salaries and Allowances	7,50,000	6,76,000
Contribution to Provident Fund and Family Pension Fund	-	52,000
Perquisites (evaluated as per Income Tax Rules, wherever necessary)	-	43,335
Total	7,50,000	7,71,335

NATIONAL STANDARD (INDIA) LIMITED

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SCHEDULES FORMING PART OF THE ACCOUNTS

21. Disclosure in respect of related parties pursuant to Accounting Standards 18:

(A) List of related parties:

- I. Parties where control exists – Nil
- II. Other parties with whom the company entered into transactions during the year or there are outstanding balances due to / from them.

Associates:

Avaya Holdings & Trading Private Limited
 Bakelite Properties Private Limited
 Sanathnagar Enterprises Limited (formerly Bakelite Hylam Limited)
 National Standard Tyre Moulds (India) Limited
 EZRA Trading and Finance Company Limited
 Mystic Woods Holdings and Trading Private Limited
 Bakelite Coatings & Paints Private Limited
 Bakelite Resins and Foams Limited
 Panel Boards and Laminates Limited
 Mountain Dew Properties Limited
 Bakelite Hylam Laminates (India) Limited
 Mountain Holdings & Trading Private Limited
 Blitzkrieg Trading Private Limited

III. a) **Key Management Personnel:**

Shri N.P.S.Shinh, the Chairman
 Shri A.L.Ananthnarayanan, the Managing Director

b) **Enterprises / Entities having common Key Management Personnel:**

NIL

(A) During the year, the following transactions were carried out with the related parties in the ordinary course of business and at arm's length:

Amount in Rs.

Transactions:	Group / Associate Company	Key Management Personnel	Total	Previous Period 31.03.2009
Unsecured Loans Taken from:(Interest-free)				
● Avaya Holdings & Trading Private Limited	-	-	10,000,000	
Loans & Advances Given to: (Interest-free)				
● National Standard Tyre Moulds (India) Limited	65,00,000		65,00,000	51,20,751
● Bakelite Properties Limited	-	-	-	5,56,38,790
● Santhnagar Enterprises Limited (formerly Bakelite Hylam Limited)	-	-	-	8,40,00,000
Loans & Advances Repaid by:				
● National Standard Tyre Moulds (India) Limited	3,37,500		3,37,500	-
● Bakelite Properties Limited	65,00,000		65,00,000	-
● Santhnagar Enterprises Limited (formerly Bakelite Hylam Limited)	4,50,000		4,50,000	8,35,50,000
Managerial Remuneration:				
● Dr. A.L.Ananthnarayanan		7,50,000	7,50,000	
● Manita Shinh (upto Aug 2008)				7,71,335

Amount in Rs.

Transactions:	Group / Associate Company	Key Management Personnel	Total	Previous Period 31.03.2009
Expenses Incurred on our behalf by:				
- National Standard Tyre Moulds (India) Limited	24,04,763		24,04,763	19,11,741
Creditors paid on our behalf by:				
- National Standard Tyre Moulds (India) Limited	53,909		53,909	1,10,534
Sale of 241 Equity Shares of Duncans Services Limited to:				
National Standard Tyre Moulds (India) Limited	12,060		12,060	-
Sale of Fixed Asset:				
- National Standard Tyre Moulds (India) Limited	7,49,271		7,49,271	-
Sales Tax Refund Receivable transferred to National Standard Tyre Moulds (India) Limited	23,78,084		23,78,084	-
Rent Payment - Godown :				
- Bakelite Resins and Eoams Limited				4,72,500
- National Standard Tyre Moulds (India) Limited	8,10,000		8,10,000	-
Outstanding Balances of:				
Loan Given to:				
- Santhnagar Enterprises Limited	-		-	4,50,000
- Bakelite Properties Limited	4,91,38,790		4,91,38,790	5,56,38,790
- National Standard Tyre Moulds (India) Limited	99,29,802		99,29,802	30,98,476
Unsecured Loans taken from:				
- Avaya Holdings & Trading Private Limited	10,000,000		10,000,000	10,000,000

Notes:

1. Related parties are as identified by the Management and relied upon by the auditors.
2. No amount pertaining to related parties has been provided for as doubtful debts nor written off during the year.

22 Auditors' Remuneration

	For the year ended 31 st March, 2010 Rupees	15 months ended 31 st March, 2009 Rupees
Audit Fees	15,000	30,000
Service Tax	1,545	3,708
Total	16,545	33,708

23. Figures of the previous period have been regrouped / rearranged wherever necessary to conform to the current year's presentation. Figures of current year are not comparable with those of previous period as the previous period's financials comprise of 15 months.

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

Place: Mumbai
Date: 26th August, 2010

Sd/-
N P S SHINH
DIRECTOR

Sd/-
DEEPENDRA GUPTA
DIRECTOR

NATIONAL STANDARD (INDIA) LIMITED

(Formerly National-Standard Duncan Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	For the year ended 31st Mar, 2010 Rs.	For the 15 months period ended 31st Mar, 2009 Rs.
A) Cash flow from operating activities		
Net profit/(loss) before taxation and extraordinary items:	(5,761,860)	53,327,047
Adjustment for :		
Depreciation	359,322	1,566,641
Profit on Sale of Eixed Assets	-	(92,231,338)
Sundry Balances written off (net)	40,077	-
Loss on Discarding Assets	1,571,247	-
Operating Profit / (Loss) before Working Capital Changes	(3,791,214)	(37,337,650)
Adjustments for:		
Sundry Debtors	-	8,319,809
Current Liabilities and Provisions	(256,980)	(41,552,458)
Cash Generated from / (Used in) Operations	(4,048,194)	(70,570,299)
Net Cash flow from Operating Activities	(4,048,194)	(70,570,299)
B) Cash flow from investing activities		
Proceeds from Sale of Eixed Assets	749,271	93,300,000
Proceeds from Loans & Advance	2,623,944	1,190,691
Purchase of Eixed Assets	-	(681,814)
Advance Given	-	(106,247,329)
CWIP	-	(6,279,777)
Proceeds from Sale of Investment	12,060	-
Net cash flow from investing activities	3,385,275	(18,718,229)
C) Cash flow from financing activities		
Short Term Borrowings	534,859	83,993,858
Net cash flow from financing activities	534,859	83,993,858
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(128,060)	(5,294,670)
Add : Cash and cash equivalents as at beginning of the period	485,624	5,780,294
	357,564	485,624
Cash and cash equivalents as at the end of the year / period	357,563	485,623

Notes :

- 1 The above Cash Elow Statement has been prepared by using the "Indirect Method" set out in Accounting Standard - 3 on Cash Elow Statements issued by the Institute of Chartered Accountants of India.
- 2 Cash and cash equivalents represents cash and bank balances only.
- 3 Previous period's figures have been regrouped/ reclassified wherever necessary.

As per our attached report of even date

For C.P.RANKA & Co.
Chartered Accountants

For and on behalf of the Board

Sd/-
C.P.Ranka
Partner

Sd/-
N.P.S. Shinh
Director

Sd/-
Deependra Gupta
Director

Place : Secunderabad
Date : 26th August, 2010

Place : Mumbai
Date : 26th August, 2010

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I REGISTRATION DETAILS

Registration No.	25605	State Code	21
Balance Sheet Date	31.3.2010		

II CAPITAL RAISED DURING THE YEAR (FIGURES IN THOUSAND RUPEES)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (FIGURES IN THOUSAND RUPEES)

Total Liabilities	239,683	Total Assets	239,683
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SOURCES OF FUNDS

Paid-up Capital	200,000	Reserves & Surplus	2,813
Secured Loans	-	Unsecured Loans	36,870

APPLICATION OF FUNDS

Net Fixed Assets	282	Miscellaneous Expenditure	-
Net Current Assets	59,251	Profit & Loss Account (Loss)	180,150

IV PERFORMANCE OF COMPANY (FIGURES IN THOUSAND RUPEES)

Turnover and Other Income	-	Total Expenditure	5,762
Profit Before Tax	(16,932)	Profit after Tax	(16,932)
Earnings Per Share(in Rs.) After Tax	(0.85)	Dividend Rate(%)	Nil

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No.(ITC Code)	Product Description
Not Applicable	Building Construction

For and on behalf of the Board

Sd/-
N.P.S. Shinh
Director

Place : Mumbai
Date : 26.08.2010

Sd/-
Deependra Gupta
Director

NATIONAL STANDARD (INDIA) LIMITED

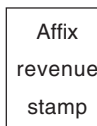
(Formerly National-Standard Duncan Limited)

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

PROXY FORM

I/We _____ of _____
being member(s) of National Standard (India) Ltd. bearing folio no. _____
No. of Shares held _____ hereby appoint _____
of _____ or failing him/her _____ of _____
or failing him/her _____ of _____ as
my/our proxy to attend and vote for me/us and on my/our behalf as indicated below at the Forty Seventh Annual General Meeting of the company to be held on Thursday, September 30, 2010 at 2.30 p.m. at Meeting Hall, Bidhan Shishu Udyan, 1, Bidhan Shishu Sarani, Kolkatta - 700 054 and at any adjournment thereof.

Signed this of _____ day of _____



Signature

Note: A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. Proxies should be lodged with the company at least 48 hours before the time fixed for the meeting.

----- TEAR HERE -----

NATIONAL STANDARD (INDIA) LIMITED

(Formerly National-Standard Duncan Limited)

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

ATTENDANCE SLIP

Particulars to be filled in by member/proxy: _____

Name of the Member _____

Members's Regd. Folio No. _____

No. of Shares held _____

Name of Proxy, if attending on behalf of a Member _____

I hereby record my presence at the Forty Seventh Annual General Meeting of the Company to be held at Meeting Hall, Bidhan Shishu Udyan, 1, Bidhan Shishu Sarani, Kolkatta - 700 054 on Thursday, September 30, 2010 at 2.30 p.m.

Signature of Member / Proxy

- Note :
1. Members/Proxies must fill in this attendance slip and hand it over at the entrance of the venue of the building.
 2. Members/Proxies are requested to bring their copy of the Annual Report for the meeting and no copy of Notice/ Attendance slip will be supplied at the meeting.

BOOK POST

If Undelivered, please return to:

C.B. Management Services (P) Limited,
(Unit- National Standard (India) Limited)
P-22, Bondel Road,
Kolkatta - 700 019

IMPORTANT NOTICE FOR ACTION BY SHAREHOLDERS

All shareholders who have so far not returned their old shares as on June 1, 2006 for issuance of fresh share certificates after reduction of par value to 10% are requested to send their old share certificates by courier or Regd post to the Corporate Office address as indicated above.