

# **NATIONAL STANDARD (INDIA) LIMITED**

(Formerly National-Standard Duncan Limited)

**48<sup>th</sup> Annual Report  
2010-2011**

# NATIONAL STANDARD (INDIA) LIMITED

(Formerly National-Standard Duncan Limited)

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**Board of Directors**

- **Mr. Mangal Prabhat Lodha** Managing Director
- **Mr. Mangesh Puranik** Non Independent Director
- **Mr. N.P.S. Shinh** Non Independent Director
- **Mr. A.L. Ananthanarayanan** Non Independent Director
- **Mr. Deependra Gupta** Independent Director
- **Mr. Sagar Gawde** Independent Director
- **Mr. Ashok Tiwari** Independent Director

**COMPANY SECRETARY**

Mr. Yogesh Vadhwana

**REGISTERED OFFICE**

Room No# 6, 4th Floor, Commerce House  
2A, Ganesh Chandra Avenue  
Kolkata 700013, West Bengal

**AUDITORS**

M/s. C.P. Ranka & Co.  
Chartered Accountants  
104, First Floor,  
Mittal Chambers,  
2-2-51, M.G. Road,  
Secunderabad – 500 003

**BANKERS**

HDFC Bank Ltd

**SHARE TRANSFER AGENT**

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

# NATIONAL STANDARD (INDIA) LIMITED

(Formerly National-Standard Duncan Limited)

## Notice

Notice is hereby given that the Forty Eighth Annual General Meeting of the Members of National Standard (India) Limited will be held on 30<sup>th</sup> September, 2011 at 12.00 noon at the Registered Office of the Company at Room No# 6, 4th Floor, Commerce House, 2A, Ganesh Chandra Avenue, Kolkata 700013, West Bengal to transact the following businesses :

### Ordinary Business:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2011, 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. Deependra Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Sagar Gawde, who retires by rotation and being eligible offers himself for re-appointment.

### Special Business:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:  
“**RESOLVED THAT** subject to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, Messrs Shanker & Kapani, Chartered Accountants (Firm Registration No. 117761W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to examine and audit the accounts of the Company for the financial year 2011-2012 on such remuneration as may be decided by the Board of Directors of the Company, in place of the retiring auditors, Messrs C.P. Ranka, who have expressed their inability to be appointed as the Statutory Auditors of the Company at this Annual General Meeting.”
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:  
“**RESOLVED THAT** in accordance with Section 163(1) and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of members, the Register of Members and Index of Members (‘the document’) be kept at CB Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019, Share Transfer Agent of the Company;  
**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.”
6. 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)(e) of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such approvals, if any, as may be required, consent of the Company be and is hereby accorded to the Board (which term shall include any committee constituted by the Board or any person(s) authorized by the Board) to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, up to Rs. 1 crore per financial year.”
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
“**RESOLVED THAT** in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, Mr. Mangal Prabhat Lodha, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, be and is hereby appointed as a Director of the Company.
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:  
“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the Act, appointment of Mr. Mangal Prabhat Lodha as the Managing Director of the Company, without remuneration with substantial powers of management, being entrusted to him, for a period of 3 years with effect from 27th August, 2011, be and is hereby approved;  
**RESOLVED FURTHER THAT** the said appointment be made in accordance with the terms and conditions contained in the letter of appointment (containing terms and conditions of the appointment ) submitted to this meeting;  
**RESOLVED FURTHER THAT** the terms & conditions set out for appointment, may be altered and varied from time to time by the board of directors (hereinafter referred to as “the Board” which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising powers conferred on the Board by this resolution);

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all

such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard.”

By Order of the Board of Directors

**Yogesh Vadhvana**  
Company Secretary

Place: Mumbai,  
Date: 5<sup>th</sup> September, 2011

**Registered Office:**

Room No# 6, 4th Floor, Commerce House  
2A, Ganesh Chandra Avenue  
Kolkata 700013, West Bengal  
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) Mr. Deependra Gupta and Mr. Sagar Gawde, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Brief resume of the said Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement, are provided in this Annual Report. The board of directors of the Company commends their reappointment.
- 4) Members are requested to bring their Attendance Slip along with their copy of the Annual Report to the Meeting.
- 5) Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. upto the date of the Meeting.
- 6) Register of Members and Transfer Books of the Company will remain closed from 26th September, 2011 to 30th September, 2011 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
- 7) Members holding shares in identical orders of names in more than one folio are requested to write to the Company’s Registrar and Share Transfer Agent, C B Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019, enclosing their original share certificates to enable them to consolidate the holdings into one folio.
- 8) As per the provisions of the Companies Act, 1956, the members of the Company are allowed to nominate any person to whom the share(s) shall be transmitted in the event of Member’ 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.
- 9) Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956, an amount of Rs. 63,200/- remaining in the books of the Company towards unpaid dividend account, was transferred to Investor Education and Protection Fund on 27th July, 2011.
- 10) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Businesses to be transacted at the Meeting is annexed hereto.

**Important Communication to Members**

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

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

### Item 4

Messrs. C.P.Ranka & Co. have expressed their inability and do not seek reappointment as the Statutory Auditors of the Company for the financial year 2011-2012 at the forthcoming Annual General Meeting. In view of above and based on recommendation of the Audit Committee, the board of directors of the Company has proposed the appointment of Messrs Shanker & Kapani, as the Statutory Auditors in place of Messrs. C.P. Ranka & Co. for financial year 2011-2012. The Company has received a special notice in writing from a member of the Company in terms of provisions of the Companies Act, 1956, signifying its intention to propose appointment of Messrs Shanker & Kapani as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting. Messrs. Shanker & Kapani have expressed their willingness to act the Auditors of the Company, if appointed and have further confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) and other applicable provisions of the Companies Act, 1956.

The members' approval is being sought for the appointment of Messrs Shanker & Kapani as Statutory Auditors and to authorize the board of directors to determine the remuneration payable to the said Auditors.

The Directors recommend the Resolution for approval by the members.

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

### Item 5

For operational convenience, it is proposed to keep Register of Members and Index of Members ('the Documents') at the office of Share Transfer Agent of the Company viz., CB Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019.

As per Section 163(1) of the Companies Act, 1956 ("the Act"), a company is required to keep the Documents at its Registered Office; however, the Act also provides that a company can, by obtaining consent of the members through a Special Resolution and by filing a copy of the proposed special resolution with the Registrar of Companies, keep the Documents at any other place within the city, town, village in which the registered office of the company is situated.

The board of directors of the Company has resolved to seek approval of the Members under Section 163(1) for keeping the Documents at CB Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019. Accordingly, members' approval is sought for passing a special resolution.

The Directors recommend the resolutions for approval of the members.

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

### Item 6

Pursuant to Section 293(1)(e) of the Companies Act, 1956, the board of directors of the Company is empowered to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amount the aggregate of which will not in any financial year exceed Rs. 50,000 or 5% of its three years' average net profits as determined in the manner laid down in the said Section, whichever is greater. In view of the increasing appeals for donations and considering the corporate social responsibility of the Company in this regard, the Board recommends to the shareholders of the Company to accord their consent to the Company to make such contributions up to Rs. 1 crore per financial year by passing an ordinary resolution.

The Board recommends the resolutions for approval of the members.

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

### 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 Mr. Mangal Prabhat Lodha, as Additional Director of the Company with effect from 27th August, 2011. In terms of the provisions of Section 260 of the Act, Mr. Mangal Prabhat Lodha, 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/- each, proposing the candidature of Mr. Mangal Prabhat Lodha for the office of director of the Company, under the provisions of Section 257 of the Act. Mr. Mangal Prabhat Lodha, are not disqualified from being appointed as director in terms of Section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from Mr. Mangal Prabhat Lodha, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

Mr. Mangal Prabhat Lodha, aged about 55 years holds a degree in law from the University of Jodhpur and he has over 21 years of experience in the business development and corporate relationship functions. Having regard to the role, responsibility, expertise, enriched expertise and knowledge of Mr. Mangal Prabhat Lodha, it would be in the interests of the Company to have him on the Board as a director.

A brief resume of Mr. Mangal Prabhat Lodha, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/ chairmanships of Board Committees, Shareholding and relationship between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Annual Report. Mr. Mangal Prabhat Lodha does not hold any share in the Company as on 31st March, 2011.

The Board recommends the resolution for approval of the members.

Save and except Mr. Mangal Prabhat Lodha, none of the directors of the Company is, in any way, concerned or interested in the resolution.

**Item 8**

In view of the expansion of the Company, the board of directors of the Company has appointed Mr. Mangal Prabhat Lodha as the Managing Director of the Company not liable to retire by rotation for a period of 3 years w.e.f. 27th August, 2011 without any remuneration.

Mr. Mangal Prabhat Lodha, aged about 55 years holds a degree in law from the University of Jodhpur . He has over 21 years of experience in the business development and corporate relationship functions. Having regard to the role, responsibility and expertise of Mr. Mangal Prabhat Lodha, it would be in the interests of the Company to appoint him as the Managing Director.

Mr. Mangal Prabhat Lodha fulfils the conditions for eligibility contained in Part I of Schedule XIII to the Companies Act, 1956. Mr. Mangal Prabhat Lodha has agreed to provide complimentary services as the Managing Director to the Company.

Mr. Mangal Prabhat Lodha will carry out his function as the Managing Director of the Company under the superintendence, control and direction of the Board.

The board of directors accordingly recommends the resolution for members' approval.

Save and except Mr. Mangal Prabhat Lodha, none of the directors of the Company is, in any way, concerned or interested in the resolution.

The above may be treated as an abstract of the terms of appointment of Mr. Mangal Prabhat Lodha under Section 302 of the Companies Act, 1956.

**By Order of the Board of Directors**

**Yogesh Vadhvana**  
Company Secretary

Place: Mumbai,  
Date: 5<sup>th</sup> September, 2011

**Registered Office:**  
Room No# 6, 4th Floor, Commerce House  
2A, Ganesh Chandra Avenue  
Kolkata 700013, West Bengal  
e-mail : nsil.cs@gmail.com

# NATIONAL STANDARD (INDIA) LIMITED

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## DIRECTORS' REPORT

### TO THE MEMBERS,

The Directors present the Forty Eighth Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2011.

### FINANCIAL RESULTS

(Amount in Rs.)

Particulars	For the year ended March 31,2011	For the year ended March 31,2010
Income	-	-
Less: Expenditure	28,431,617	5,761,860
Profit/(Loss) before exceptional item and taxation	(28,431,617)	(5,761,860)
Less: Exceptional item	52,998,616	11,169,969
Profit/(Loss) after exceptional items and taxation	(81,430,233)	(16,931,829)
Balance of loss brought forward from previous period	(180,150,350)	(163,218,521)
Balance of loss carried over to balance sheet	(261,580,583)	(180,150,350)

### TAKEOVER OF THE COMPANY

Consequent to successful completion of open offer formalities as prescribed under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, the Company became a direct subsidiary of Anantnath Constructions and Farms Private Limited ('ACFPL') and step down subsidiary of Lodha Developers Limited, w.e.f. 19th May, 2011. Accordingly in terms of the open offer, erstwhile promoters, Mr. N.P.S.Shinh and his associate ceased to be the promoter of the Company and ACFPL became the promoter of the Company w.e.f 19th May, 2011.

### BUSINESS OVERVIEW & OPERATIONS

The company is carrying on the business of real estate and allied activities. The Company has two ongoing projects on its Thane land, one residential viz., Lodha Excellencia, which was launched in May, 2010 and another commercial viz., Supremus IV, which was launched recently in 2011. The Company does not have any employee as on 31st March, 2011.

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### General Performance Review

After a strong revival in FY 2010, the domestic growth cycle remained robust, extending and consolidating the recovery set forth in the fiscal year ended March 31, 2011. While emerging headwinds from tightening monetary conditions and a scale back in fiscal stimulus measures led to some moderation in industrial growth, service sector growth and agricultural performance were strong and picked up the slack from industry. This is likely to have pushed the GDP growth in the year ended March 31, 2011 to 8.6% from 8.0% in the previous year. As per RBI projections for FY 2012, the growth is likely to be 8.0% on account of high interest rates and inflationary environment.

#### Industry Overview

Real Estate sector witnessed a turnaround with signs of economic stabilization and moderate growth in global economic performance during the fiscal year. Presently industry is facing lack of direction and confidence, and is in a consolidation phase. Post subprime crisis in the west and melt down in Middle east, Asia continues to be growth area of the global economy. Reserve Bank of India's recent increase in lending rates will invariably lead to higher cost of funds for both developers as well as end users. This coupled with slowdown in demand and a tightening liquidity situation will keep capital values under pressure. However, many developers believe that positive economic environment together with good increase in salaries will improve demand. A slow-down in the economy from both consumers and retailers lead to supply lag in the retail real estate sector. Low leasing activities and high vacancy rates all added to the sector witnessing reduced investment interests too. By the end of year 2010, fresh supply of retail space across major cities in India stood at approximately 6 million sq. ft. This was around a 40% decline from the previous years supply. However it is expected that retail market would be back on track following which demand for quality retail space would improve.



### **Internal Control Systems And Their Adequacy**

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

### **Opportunities and Threats**

The improvement in the global economic and liquidity situation coupled with more stable commodity prices, the stimulus packages by the Indian Government and various Governments globally provides an opportunity for growth for the infrastructure sector. At the same time, the real estate market has been affected by depressed prices, high cost of borrowing and less finances during the year and there could be a spill-over effect.

### **Risks and Concerns**

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

### **Cautionary Statement**

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

### **DIVIDEND**

Since the Company had no distributable profits, the Board does not recommend any dividend for the year under review.

### **DIRECTORS**

Mr. Bharath Chandra resigned as director of the Company on 2<sup>nd</sup> December, 2010. The Directors of the Company record their appreciation for the valuable contribution made by him to the Company during his tenure.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Mangal Prabhat Lodha was appointed as Additional Director on the Board with effect from 27th August, 2011. He shall hold office upto the date of the ensuing Annual General Meeting, unless appointed at the ensuing Annual General Meeting. Further, Mr. Mangal Prabhat Lodha was appointed as the Managing Director of the Company with effect from 27th August, 2011. Pursuant to Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member proposing the candidatures of Mr. Mangal Prabhat Lodha for the office of Director. Necessary resolutions w.r.t. appointment of Mr. Mangal Prabhat Lodha as director and the managing director form part of the notice.

In terms of the Articles of Association, Mr. Deependra Gupta and Mr. Sagar Gawde retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

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 with the Stock Exchanges in India are provided in this 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, 2011, 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 judgements 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, 2011 and of the loss of the Company for the year ended on that date;

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- 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, 2011 on a "going concern" basis.

## AUDITORS & AUDITORS REPORT

M/s. C.P.Ranka & Co., Chartered Accountants have expressed their inability of being appointed as the Statutory Auditors of the Company. Accordingly, the Company proposes to appoint M/s. Shanker and Kapani, Chartered Accountants, as Statutory Auditors of the Company to hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from M/s. Shanker and Kapani to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

A proposal seeking their appointment is provided as part of the Notice of the ensuing Annual General Meeting.

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

## LISTING FEE PAYMENT

The Company has made payment of listing fees upto the financial year 2011-12 to the Calcutta Stock Exchange Limited. Listing fees payable to Bombay Stock Exchange Ltd is under dispute.

## PARTICULARS OF EMPLOYEES

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

## 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 as **Annexure 1**.

## CORPORATE GOVERNANCE

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

## ACKNOWLEDGEMENT

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

**On behalf of the Board of Directors**

Place: Mumbai  
Date: 5th September, 2011

**Mangal Prabhat Lodha**  
Managing Director

**Ashok Tiwari**  
Director

**ANNEXURE - 1**

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

**A. ENERGY CONSERVATION**

The Company follows doctrine of 'reduce, reuse and recycle' policies for the energy conservation and environment protection. This philosophy is incorporated from design stage through implementation of its projects.

Some of the important initiatives towards these are as follows:-

- Reduction in distribution losses using modern distribution systems.
- Use of energy efficient equipments at project sites.
- Use of home automation in residential premises.
- Use of high efficiency chillers in accordance with the 'LEED' requirements.
- Reduction in energy demand by introducing roof top insulation and high performance glasses.
- Use of CFL lamps
- Use of heat recovery wheels
- Sensor based lighting in parking areas

**Environment protection measures**

- The environment protection measures aim essentially at water conservation, use of recycled material and pollution control.
- Water conservation measures include rain water harvesting at all its project sites and recycling of grey water which is used for flushing, airconditioning and irrigation resulting in conservation of energy and water.
- Water conservation measures also include use of waterless urinals and sensor based faucets in office buildings and sensor based lighting in residential projects.

The Company uses fly ash concrete in all its projects. No site mix concrete is allowed leading to prevention of dust pollution.

The Company places major emphasis on development of green spaces and plantation of trees at all its projects.

**B. TECHNOLOGY ABSORPTION/ RESEARCH AND DEVELOPMENT**

The Company has successfully adopted new technologies in following areas :-

- High Performance concrete
- Modern shuttering and formwork systems
- Use of tunnel formwork

The Company proposes to introduce precast building construction in a substantial way for affordable housing for friendly cage earthing systems for high rise buildings leading to visible savings of resources in constructions.

**C. FOREIGN EXCHANGE INFLOW AND OUTFLOW:**

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

# NATIONAL STANDARD (INDIA) LIMITED

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

<b>Particulars</b> Date of Birth Date of Appointment Qualification Expertise in specific functional area Directorship held in other Public Limited companies Shareholding in the Company Committee membership in other Public Limited companies Relationship with other directors of the Company	<b>Mr. Sagar Dhaku Gawde</b> 20th October, 1984 8th May, 2010 Commerce Graduate He has work experience in the field of Accounts and Taxation of around 9 years. 1. Roselabs Finance Limited 2. Sanathnagar Enterprises Limited NIL 1. Roselabs Finance Limited - Shareholders Investor Grievance Committee - Member 2. Roselabs Finance Limited - Audit Committee – Chairman 3. Sanathnagar Enterprises Limited. -Audit Committee –Member NIL
<b>Particulars</b> Date of Birth Date of Appointment Qualification Expertise in specific functional area Directorship held in other Public Limited companies Shareholding in the Company Committee membership in other Public Limited companies Relationship with other directors of the Company	<b>Mr. Deependra Ramji Gupta</b> 5th March, 1972 26th December, 2009 Inter CA, Science Graduate He has work experience in the field of Finance, Accounts and Taxation of around 18 years. 1. Roselabs Finance Limited 2. Sanathnagar Enterprises Limited 3. Suryakrupa Farms and Constructions Private Limited NIL 1. Roselabs Finance Limited - Shareholders Investor Greivances Committee - Chairman 2. Roselabs Finance Limited - Audit Committee- Member 3. Sanathnagar Enterprises Ltd.- Audit Committee –Chairman NIL

Particulars	Mr. Mangal Prabhat Lodha
Date of Birth	18th December, 1955
Date of Appointment	27th August, 2011
Qualification	LLB
Expertise in specific functional area	Business development and corporate relationship functions of over 21 years in the field of construction.
Directorship held in other Public Limited companies	<ol style="list-style-type: none"> <li>1. Simtools Private Limited</li> <li>2. Arihant Premises Private Limited</li> <li>3. Lodha Developers Limited</li> <li>4. Lodha Building and Constructions Private Limited</li> <li>5. Lodha Elevation Buildcon Private Limited</li> <li>6. Shreeniwas Cotton Mills Limited</li> <li>7. Shri Kailash Properties and Agrofarms Private Limited</li> </ol>
Shareholding in the Company	NIL
Committee membership in other Public Limited companies	NIL
Relationship with other directors of the Company	NIL

# NATIONAL STANDARD (INDIA) LIMITED

(Formerly National-Standard Duncan Limited)

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's philosophy on Code of Governance

The Company's philosophy on Corporate Governance envisages transparency, accountability and equity for its operations, and for interactions with its stakeholders.

### 2. Board of Directors - Composition and Particulars of Directors

#### Board Composition

As on 31st March, 2011, the board of directors of the Company ("the Board") comprised of 6 directors, out of whom 3 are Independent directors. None of the directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees (as specified in clause 49 of the Listing Agreement) across all Public Limited companies in which he is a director.

None of the directors holds any share in the Company except Mr. N.P.Shinh who holds 2250180 and Mr. A.L.Ananthnarayanan who holds 887896 shares.

No director is related to any other director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956.

### 3. Attendance of Directors at Board Meetings, last Annual General Meeting and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various companies

The Board met at least once in each quarter and the maximum time gap between two Board Meetings did not exceed the limit prescribed in Clause 49 of the Listing Agreement. The details of participation of directors of the company at Board Meetings and Annual General Meeting during the financial year ended March 31, 2011 are enumerated as under:

Name of the Director	Din No	Attendance at meetings during 2010-11		Number of Other Directorship(s)	No of Membership(s) / Chairmanship(s) of Board Committees of Other Companies
		Board Meetings	Last AGM		
Mr. Deependra Gupta	2087691	9	1	4	3 (including 2 as chairman)
Mr. Sagar Gawde ^	2082205	9	No	4	3 (including 1 as chairman)
Mr. Mangesh Puranik ^	2283925	7	No	13	-
Mr. Ashok Tiwari ^	2130266	6	No	-	-
Mr. NPS Shinh	23160	9	No	8	3 (including 2 as chairman)
Dr. A. L. Ananthnarayanan	495490	6	No	7	2 (including 1 as chairman)
Mrs. Usha Sunderarajan	449120	No	No	#	#
Mr. Bharath Chandra	586883	No	No	##	##

\* 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 the Company) have been considered.

^ Mr. Sagar Gawde, Mr. Mangesh Puranik and Mr. Ashok Tiwari were appointed as Additional Directors on 8th May, 2010, 18th May, 2010 and 15th August, 2010 respectively.

# Ms Usha Sunderarajan ceased to be a Director on 10th May, 2010.

## Mr. Bharath Chandra ceased to be a director on 2nd December, 2010.

#### 4. Number of Board Meetings held and the dates on which held

Nine Board Meetings were held during the year 2010-11. The Company has held at least one Board meeting in every three months and the maximum time gap between any such two meetings was not more than four months. The details of the Board meetings are as under:

Sr. No.	Date	Board Strength	No. of Directors Present
1	10 <sup>th</sup> May, 2010	6	4
2	17 <sup>th</sup> May, 2010	5	4
3	17 <sup>th</sup> July, 2010	6	4
4	15 <sup>th</sup> August, 2010	7	5
5	26 <sup>th</sup> August, 2010	7	5
6	15 <sup>th</sup> November, 2010	7	6
7	2 <sup>nd</sup> December, 2010	7	6
8	24 <sup>th</sup> January, 2011	6	6
9	15 <sup>th</sup> February, 2011	6	6

#### 5. Board Committees

Details of the Committees of the Board and other related information are provided hereunder:

##### (a) Audit Committee

The Audit Committee comprises of two Independent Directors viz. Mr. Deependra Gupta and Mr. Sagar Gawde and one Non Independent Director viz. Mr. Mangesh Puranik and the same is in accordance with the provisions of Section 292A of the Companies Act and Clause 49 of the Listing Agreement. The Committee functions under the Chairmanship of Mr. Deependra Gupta.

The Company Secretary acts as the secretary to the Audit Committee.

The terms of reference includes in particular overseeing the Company's financial reporting process and disclosure of financial reporting information, recommending appointment and removal of External Auditor, reviewing statements before submission to the Board and other terms as per Clause 49 of the Listing Agreement to the extent applicable to the Company.

Accordingly, Five Audit Committee meetings were held during the year 2010-2011

Sr. No.	Date	Members Strength	No. of Directors Present
1	18 <sup>th</sup> May, 2010	3	3
2	15 <sup>th</sup> August, 2010	3	3
3	26 <sup>th</sup> August, 2010	3	3
4	15 <sup>th</sup> November, 2010	3	3
5	15 <sup>th</sup> February, 2011	3	3

##### (b) 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.

Remuneration Committee at present consists of Mr. Sagar Gawde, Mr. Mangesh Puranik and Mr. Deependra Gupta.

During the year under review, no meeting of the Committee was held.

During the year under review, Mr. A. L. Ananthanarayanan, the Managing Director (upto 10th May, 2010) was paid remuneration aggregating to Rs. 1,57,000/- p.m.

##### (c) Shareholders'/ Investors' Grievance Committee

The Shareholders' / Investors Grievance Committee comprises two Directors, namely, Mr. Deependra Gupta and Mr. Sagar Gawde. The Committee functions under the Chairmanship of Mr. Deependra Gupta.

# NATIONAL STANDARD (INDIA) LIMITED

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4 Meetings were held during the period from 1st April, 2010 to 31st March, 2011.

Sr. No.	Date	Members Strength	No. of Directors Present
1	18 <sup>th</sup> May, 2010	2	2
2	17 <sup>th</sup> July, 2010	2	2
3	2 <sup>nd</sup> December, 2010	2	2
4	15 <sup>th</sup> February, 2011	2	2

**Compliance officer:** Mr. Yogesh Vadhwana is the Compliance Officer of the Company for complying with the requirements of Securities Laws and the Listing Agreements with the Stock Exchanges in India.

## Investor Grievance Redressal

The number of complaints received and resolved during the year under review (i.e. 2010-2011) and their break-up are as under:

Type of Complaints	No. of Complaints
Non-Receipt of Annual Reports	0
Non-Receipt of Dividend Warrants	0
Non-Receipt of Certificates	0
Total	0

There were no outstanding complaints as on 31st March, 2011.

## 6. General Body Meetings

The last three Annual General Meetings of the Company were held as under:

Year	Venue of the Meeting	Date	Time
2007	2 <sup>nd</sup> Floor, No. 3, Esplanade East, Kolkatta – 700 069	28 <sup>th</sup> April, 2008	10.30 a.m.
2008-2009	2 <sup>nd</sup> Floor, No. 3, Esplanade East, Kolkatta – 700 069	24 <sup>th</sup> September, 2009	10.30 a.m.
2009-2010	Meeting Hall, Bidhan Shishu Udhyan, 1, Bindan Shishu Sarani, Kolkatta – 700 054	30 <sup>th</sup> September, 2010	2.30 p.m.

## Special Resolutions passed at the last 3 Annual General Meetings

AGM Date	Item No	Particulars
28th April, 2008	9	Transfer through sale, assignment, lease all rights in the office at the World Trade Centre, Cuffe Parade, Mumbai
	10	Transfer through sale, assignment, lease all rights in the Company's flat Bandra, Mumbai
	11	Conversion of funds inducted by the promoters under Rehabilitation Scheme sanctioned by Hon'ble BIFR into equity shares.
	12	For taking action relating to re-location of Thane plant to a new plot allotted by APIIC at Pashamylaram Industrial Estate, Hyderabad or any other location
	13	Finalisation of VRS payment with Thane workers
	14	Amending Memorandum of association for insertion of new object clause relating to construction.
	15	Amending Memorandum of association for replacing new clause 5
	16	Authorisation for signing and subscribing to the Memorandum of Association and Articles of Association of National Standard Tyre Moulds (India) Limited, a company incorporated in Andhra Pradesh.
	17	Investing Rs. 5 lakh for subscribing in the equity shares of National Standard Tyre Moulds (India) Limited
	18	Conversion of funds inducted by the promoters under Rehabilitation Scheme sanctioned by Hon'ble BIFR into equity shares.



24th September, 2009	6	Appointment of Mr. A.L.Ananthnarayanan as the Managing Director of the Company.
30th September, 2010	-	No Special Resolution has been passed

During the year 2010-11, no resolution were passed through Postal ballot.

#### 7. Book Closure date

Register of Members and Transfer Books will remain closed from 26th September, 2011 to 30th September, 2011 (both days inclusive) for the purpose of the Annual General Meeting of the Company.

#### 8. Disclosures

There were no monetary penalties imposed by SEBI or the stock Exchanges or by any statutory authorities for non-compliance on any matters related to capital markets. The Company has suo moto filed a consent application before SEBI on December 9, 2010 for belated filing of disclosures under Regulation 8 (3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and under Regulation 13 (6) of SEBI (Prohibition of Insider Trading Regulations), 1992. This matter is pending before SEBI.

None of the transactions with any of the related parties were in conflict with the interests of the Company.

**Attention of Members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts forming part of the Annual Report.**

The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, sectoral specialisation and the Company's long term strategy for sectoral investments, optimisation of market share and profitability, legal requirements, liquidity and capital resources.

All related party transactions are negotiated at arms length and are only intended to further the interests of the Company.

#### 9. Means of Communication

The Quarterly and annual results are published in Financial Express (all edition) and Kalantar Kolkata. The financial results, shareholding patterns and annual report are also available on the website of the Company i.e. www.nsil.net.in. The Company has designated exclusive email ID viz., nsil.cs@gmail.com for investor servicing.

#### 10. General Shareholder Information

- (a) Company Registration Details : The Company is registered in the State of West Bengal, India. The Corporate Identity Number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is L27109WB1962PLC025605.
- (b) Annual General Meeting : Friday, 30th September, 2011  
(Day, Date, Time and Venue) : At 12.00 noon at Room No# 6, 4th Floor, Commerce House, 2A, Ganesh Chandra Avenue, Kolkata 700013, West Bengal
- (c) Financial Calendar : Financial Year April 1, 2010 to March 31, 2011
- (d) Book Closure Period : Monday, 26th September, 2011 to 30th September, 2011 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
- (e) Dividend Payment Date : No dividend on equity is recommended by the Board.
- (f) E-mail address for shareholders : nsil.cs@gmail.com
- (g) Listing of Equity Shares at Stock Exchange (nation wise trading terminal) : The Bombay Stock Exchange Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001
- (h) Stock Code  
Trading Symbol at Bombay Stock Exchange Limited 504882  
(Trading suspended)

# NATIONAL STANDARD (INDIA) LIMITED

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- |   |   |
|---|---|
| (i) Outstanding GDRs/ ADRs/ Warrants/<br>Convertible Instruments  | Not Applicable  |
| Investor Correspondence   |   |
| For change in address, change of bank<br>mandate, Nomination, transfer,<br>Dematerialisation of shares. | CB Management Services (P) Limited<br>P-22, Bondel Road,<br>Kolkata 700 019<br>Tel.: 4011 6700/ 2280 6692/92/94/2486<br>Email.: rta@cbmsl.com   |
| Any Query on Annual Report  | 10th Floor, The Secretarial Department,<br>Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg,<br>Mahalaxmi, Mumbai 400 011<br>Tel.: +9122 2302 4517<br>Fax.: +9122 23024550   |
| (j) Share Transfer Agent  | CB Management Services (P) Limited<br>P-22, Bondel Road,<br>Kolkata 700 019<br>Tel.: 4011 6700/ 2280 6692/92/94/2486<br>Email.: rta@cbmsl.com<br>Tel.: 4011 6700/ 2280 6692/92/94/2486<br>Fax : +91 33 4011 6739<br>Email.: rta@cbmsl.com |
| (k) Share Transfer System   | Share Transfers, which are received in physical form, are processed<br>and the Share Certificates are returned within a period of 15 days, subject<br>to the documents being valid and complete in all respects.                          |
| (L) Distribution of shareholding<br>and shareholding pattern  | Please see Annexure 'A' and 'B'   |
| (m) Dematerialisation of shares and liquidity   | All the shares of the Company are in physical form  |
| (n) Site Location   | The Company's project is at Plot no. F/4, Road no. 22, Wagle Industrial<br>Estate, Thane 400 604, Maharashtra   |
| (o) Registered Office   | Room No# 6, 4th Floor, Commerce House<br>2A, Ganesh Chandra Avenue<br>Kolkata 700013, West Bengal   |
| (p) Address for Correspondence  | Lodha Excelus, 10th floor, Apollo Mills Compound, N.M. Joshi Marg,<br>Mahalaxmi, Mumbai 400 011   |

**Annexure 'A'**

Distribution of shareholdings as at March 31, 2011

Range	No. of Shareholders		No. of shares	
	Total	% of Shareholder	Total	% to Share Capital
1-500	1089	97.58	58892	0.29
501-1000	6	0.54	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	18	1.61	19923354	99.62
<b>Total</b>	<b>1116</b>	<b>100</b>	<b>20000000</b>	<b>100</b>

**Annexure 'B'**

Categories of Shareholding as on March 31, 2011

Category	No. of Shares	%
Promoters & promoter group	15,940,996	79.70
Bodies Corporate	3,994,996	19.98
Banks, Financial Institutions, Insurance Companies	90	0.00
Foreign Institutional Investor	-	-
Indian Public		0.32
Non Resident Individuals / Overseas Corporate Bodies	264	0.00
<b>Total</b>	<b>20,000,000</b>	<b>100.00</b>

**11. Compliance Certificate**

Certificate confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of Listing Agreement, forming part of the Annual Report.

**12. CEO and CFO Certification**

The Managing Director of the Company and the Chief Financial Officer of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Clause 49.

**13. Capital Integrity Audit**

The Company has been submitting quarterly Reconciliation of Share Capital Audit Report to the Stock Exchanges in India where the securities of the Company are listed.

**14. Auditors Certificate**

Audit Fees to the Statutory Auditors for the year ended, 31<sup>st</sup> March, 2011 was Rs. 1 lac (excluding service tax and out of pocket expenses).

**15. Non Mandatory Requirements**

The Company has not adopted non mandatory requirements of Corporate Governance during the year under review.

# NATIONAL STANDARD (INDIA) LIMITED

(Formerly National-Standard Duncan Limited)

## 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, 2011.

Place: Mumbai  
Date: 5<sup>th</sup> September, 2011

**Mangesh Puranik**  
Director

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## Certificate on Corporate Governance

The Members  
National Standard (India) Limited

I have examined the compliance of conditions of Corporate Governance by National Standard (India) Limited for the period ended 31<sup>st</sup> March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was Limited to 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. In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above-referred Listing Agreement. I am informed that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

I 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.

**Ashish Kumar Gaggar**  
**Company Secretary in Practice**  
ACS: 19525  
CP No.: 7321  
Place: Mumbai  
Date: 5<sup>th</sup> September, 2011

## AUDITORS' REPORT

1. We have audited the attached Balance Sheet of **NATIONAL STANDARD (INDIA) LIMITED** as at 31<sup>st</sup> March, 2011, the Profit and Loss Account and also the Cash Flow 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 the 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 (as amended) issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, (hereinafter referred to as the 'Act'), 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 in paragraph 3 above, we report that:
  - a) Without qualifying our opinion, we draw your attention to Note no. B(5) in Schedule XII regarding the appropriateness or otherwise of the preparation of these accounts on going concern basis as the net-worth of the Company has been completely eroded as at March 31, 2011. In our opinion, the validity of the going concern basis would depend upon the continuance of the existing funding by the present promoters of the Company. The Accounts do not include adjustments, if any, that would result from discontinuance of the funding;
  - b) 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;
  - c) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books;
  - d) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - e) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Act, to the extent applicable;
  - f) On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2011, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies, Contingent Liabilities and notes appearing in the Schedule XII and those appearing elsewhere in the said accounts, 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 31<sup>st</sup> March, 2011;
    - 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 Flow Statement, of the Cash Flows for the year ended on that date.

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

**C.P. RANKA**  
Partner

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

Place : Secunderabad  
Date : 27th August, 2011

# NATIONAL STANDARD (INDIA) LIMITED

(Formerly National-Standard Duncan Limited)

## Annexure referred to in our Report of even date on the Financial Statements as on and for the year ended 31<sup>st</sup> March, 2011 of NATIONAL STANDARD (INDIA) LIMITED.

On the basis of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us during the course of audit, we state that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) As informed to us, the fixed assets have been physically verified by the management at the reasonable intervals during the year and no discrepancies were noticed on such verification.  
c) No substantial part of the fixed assets has been disposed off by the Company during the year.
2. a) As per the information furnished, the inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.  
b) In our opinion, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification of inventory as compare to book records.
3. a) The Company has granted interest free unsecured loans to two companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balances of such loans were Rs. 5,90,68,592 and nil 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 a company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and year-end balances of such loans was Rs. 1,00,00,000.  
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 loans have been taken 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, there is an adequate internal control system commensurate with the size of the Company and the 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 the 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 of the Act and the Companies (Acceptance of Deposits) Rules, 1975 during the year. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. As informed to us, maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 in respect of activities carried on by the Company.
9. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities the undisputed statutory dues

including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues applicable to it and during the year *except that there have been delays in the payment of Service Tax, Tax Deducted at Source and Work Contractors Tax*. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as at 31<sup>st</sup> March, 2011 for a period of more than six months from the date they became payable.

- 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 the followings:

Particulars	Assessment Year	Forum where dispute is pending	Rupees
Excise Duty	1996-97	CESTAT, Mumbai	11,22,092
Income Tax	1995-96	High Court	38,89,974

Also refer note no. B-4 in Schedule XII.

10. The Company's accumulated losses as at 31st March, 2011 is more than fifty percent of its net worth. The Company has incurred cash losses during the year and also in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, there exist no dues to any bank or financial institution or debenture holders. Hence, the question of default does not arise.
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, the Company has not obtained any term loan during the year.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, no funds raised on short term basis have been used long term investment during the year.
18. In our opinion and 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. Accordingly to the information and explanations given to us, the Company did not have any outstanding debentures during the year covered by this report or in the recent past.
20. The Company has not raised any money by way of public issues during the year or in the recent past.
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

**C.P. RANKA**  
Partner

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

Place : Secunderabad  
Date : 27th August, 2011

# NATIONAL STANDARD (INDIA) LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2011

AMOUNT IN RS.

	SCHEDULES	AS AT 31ST MARCH, 2011	AS AT 31ST MARCH, 2010
<b><u>SOURCES OF FUNDS:</u></b>			
<b>1. Shareholders' Funds</b>			
a. Share Capital	I	200,000,000	200,000,000
b. Reserves and Surplus	II	2,813,091	2,813,091
<b>2. Loan Funds</b>			
Unsecured Loans	III	46,439,886	36,869,733
Total		<u>249,252,977</u>	<u>239,682,824</u>
<b><u>APPLICATION OF FUNDS:</u></b>			
<b>1. Fixed Assets</b>	IV		
Gross Block		17,573,073	546,523
Less:- Depreciation		3,667,156	264,988
Net Block		<u>13,905,917</u>	<u>281,535</u>
<b>2. Current Assets, Loans and Advances</b>	V		
a. Inventories		114,182,187	-
b. Cash and Bank Balances		144,984	357,563
c. Loans and Advances		4,871,563	59,630,122
		<u>119,198,734</u>	<u>59,987,685</u>
Less : Current Liabilities and Provisions	VI		
a. Current Liabilities		145,432,257	736,746
b. Provisions		-	-
		<u>145,432,257</u>	<u>736,746</u>
Net Current Assets / (Liabilities)		(26,233,523)	59,250,939
<b>3. Profit and Loss Account (Loss)</b>		<u>261,580,583</u>	<u>180,150,350</u>
Total		<u>249,252,977</u>	<u>239,682,824</u>
<b>Significant accounting policies and notes on accounts</b>	XII		

Schedules annexed form part of the accounts

As per our attached Report of even date

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

**For and on behalf of the Board**

**C.P.Ranka**  
Partner

**Mr. Mangal Prabhat Lodha**  
Managing Director

**Ashok Tiwari**  
Director

**Yogesh Vadhwana**  
Company Secretary

Place : Secunderabad  
Date : August 27, 2011

Place : Mumbai  
Date : August 27, 2011



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

AMOUNT IN RS.

	SCHEDULES	FOR THE YEAR ENDED	FOR THE YEAR ENDED
		31ST MARCH, 2011	31ST MARCH, 2010
<b>INCOME:</b>		-	-
<b>Total</b>		<u>-</u>	<u>-</u>
<b>EXPENDITURE:</b>			
Land, Construction and Development	VII	-	-
Payments to and Provisions for Employees	VIII	157,000	1,365,691
Office and Administrative Expenses	IX	2,207,743	4,036,847
Selling and Marketing Expenses	X	22,386,917	-
Interest and Finance Charges	XI	12,801	-
Depreciation		3,667,156	359,322
<b>Total</b>		<u>28,431,617</u>	<u>5,761,860</u>
<b>Net Profit / (Loss) for the year before Exceptional Items</b>		<b>(28,431,617)</b>	<b>(5,761,860)</b>
Exceptional Items (Refer note no. B-13 & B-18 of Schedule XII)		<u>(52,998,616)</u>	<u>(11,169,969)</u>
<b>Net Loss</b>		<b>(81,430,233)</b>	<b>(16,931,829)</b>
Balance of loss brought forward from previous year		<b>(180,150,350)</b>	<b>(163,218,521)</b>
<b>Balance Carried to Balance Sheet</b>		<u><b>(261,580,583)</b></u>	<u><b>(180,150,350)</b></u>
<b>Earnings Per Share</b>			
Basic and Diluted Earning Per Share (Face value of Rs.10 each) – before Exceptional Items & Taxation		<b>(1.42)</b>	<b>(0.29)</b>
Basic and Diluted Earning Per Share (Face value of Rs.10 each) – after Exceptional Items & Taxation		<b>(4.07)</b>	<b>(0.85)</b>
<b>(Refer note no. B-19 of Schedule XII)</b>			
<b>Significant accounting policies and notes on accounts</b>	XII		

Schedules annexed form part of the accounts

As per our attached Report of even date

For C.P.RANKA & Co.  
Chartered AccountantsC.P.Ranka  
PartnerPlace : Secunderabad  
Date : August 27, 2011

For and on behalf of the Board

Mr. Mangal Prabhat Lodha  
Managing DirectorPlace : Mumbai  
Date : August 27, 2011Ashok Tiwari  
DirectorYogesh Vadhwana  
Company Secretary

# NATIONAL STANDARD (INDIA) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

AMOUNT IN RS.

	FOR THE YEAR ENDED 31ST MARCH, 2011	FOR THE YEAR ENDED 31ST MARCH, 2010
<b>Cash flows from Operating activities:</b>		
Net loss before Taxation and Exceptional Item	(28,431,617)	(5,761,860)
Adjustments for:		
Depreciation & Amortization	3,667,156	359,322
Sundry Balances write off	-	40,077
Loss on Sale of Assets	-	1,571,247
Interest & Finance	-	-
<b>Operating profit before working capital changes</b>	<b>(24,764,461)</b>	<b>(3,791,215)</b>
Increase in Inventories	(114,182,187)	-
(Increase)/Decrease in Loans and Advances	1,759,943	-
Increase/(Decrease) in Current Liabilities	144,695,511	(256,980)
<b>Cash generated from / (used in) Operations</b>	<b>(A) 7,508,806</b>	<b>(4,048,195)</b>
<b>Cash flows from Investing activities:</b>		
Purchase of Fixed Assets	(17,573,073)	-
Sales / Transfer of Fixed Assets	281,535	749,271
Loans (given) / Received back (net)	-	2,623,944
Proceeds from sale of Investments	-	12,060
<b>Net Cash flows from / (used in) Investing activities</b>	<b>(B) (17,291,538)</b>	<b>3,385,275</b>
<b>Cash flows from Financing activities:</b>		
Proceeds from Borrowings / (Repayment) (net)	9,570,153	534,859
Interest & Finance	-	-
<b>Net cash flows from Financing activities</b>	<b>(C) 9,570,153</b>	<b>534,859</b>
<b>Net Increase in cash and cash equivalents</b>	<b>(A+B+C) (212,579)</b>	<b>(128,061)</b>
<b>Add : Cash and cash equivalents at the beginning of the year</b>	<b>357,563</b>	<b>485,624</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>144,984</b>	<b>357,563</b>

### Notes:

- The above cash flow statement has been prepared by using the indirect method as per Accounting Standard 3 - Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Previous year's figures have been regrouped / rearranged wherever necessary to conform current year's classification.

As per our attached Report of even date

For C.PRANKA & Co.  
Chartered Accountants

C.P.Ranka  
Partner

Place : Secunderabad  
Date : August 27, 2011

For and on behalf of the Board

Mr. Mangal Prabhat Lodha  
Managing Director

Place : Mumbai  
Date : August 27, 2011

Ashok Tiwari  
Director

Yogesh Vadhwana  
Company Secretary

**SCHEDULES FORMING PART OF BALANCE SHEET**

	AS AT 31ST MARCH, 2011 AMOUNT IN RS.	AS AT 31ST MARCH, 2010 AMOUNT IN RS.
<b>SCHEDULE: I</b>		
<b>Share Capital:</b>		
<b>Authorised</b>		
20,000,000 (Previous Year 20,000,000) Equity Shares of Rs.10 each	200,000,000	200,000,000
	<u>200,000,000</u>	<u>200,000,000</u>
<b>Issued, Subscribed and Paid-up*</b>		
20,000,000 (Previous Year 20,000,000) Equity Shares of Rs.10 each fully *Refer Note No. B-1 and B-7 of Schedule XII	200,000,000	200,000,000
	<u>200,000,000</u>	<u>200,000,000</u>
<b>Schedule: II</b>		
<b>Reserves And Surplus</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	1,144,124	1,144,124
<b>Capital Subsidy Reserve</b>		
As per last Balance Sheet	1,666,667	1,666,667
<b>Securities Premium</b>		
As per last Balance Sheet	2,300	2,300
	<u>2,813,091</u>	<u>2,813,091</u>
<b>Schedule: III</b>		
<b>Unsecured Loans:</b>		
From Holding Company	10,000,000	10,000,000
From Other body corporate	36,439,886	26,869,733
	<u>46,439,886</u>	<u>36,869,733</u>

# NATIONAL STANDARD (INDIA) LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET

### SCHEDULE: IV

#### FIXED ASSETS (AT COST):

Particulars	(Amount in Rupees)									
	Gross Block			Depreciation			Net Block			
	As At 1-Apr-10	Additions	Deduction/ Transfer	As At 31-Mar-11	Upto 1-Apr-10	For the Year	Deduction/ Transfer	Upto 31-Mar-11	As At 31-Mar-11	As At 31-Mar-10
Leasehold Land (Long Term)*	546,523	-	546,523	-	264,988	-	264,988	-	-	281,535
Sales Office and Sample Flat	-	15,401,012	-	15,401,012	-	3,080,202	-	3,080,202	12,320,810	-
Furniture & Fixtures	-	441,191	-	441,191	-	180,618	-	180,618	260,573	-
Office Equipments	-	448,902	-	448,902	-	130,332	-	130,332	318,570	-
Plant & Machinery	-	1,281,968	-	1,281,968	-	276,004	-	276,004	1,005,964	-
<b>Total</b>	<b>546,523</b>	<b>17,573,073</b>	<b>546,523</b>	<b>17,573,073</b>	<b>264,988</b>	<b>3,667,156</b>	<b>264,988</b>	<b>3,667,156</b>	<b>13,905,917</b>	<b>281,535</b>
<b>Previous Year</b>	<b>71,542,430</b>	<b>-</b>	<b>70,995,907</b>	<b>546,523</b>	<b>68,481,002</b>	<b>359,322</b>	<b>68,575,336</b>	<b>264,988</b>	<b>281,535</b>	

\*Refer note no. B-10 of Schedule XII

## SCHEDULES FORMING PART OF BALANCE SHEET

	AS AT 31ST MARCH, 2011 AMOUNT IN RS.	AS AT 31ST MARCH, 2010 AMOUNT IN RS.
<b>Schedule: V</b>		
<b>Current Assets, Loans and Advances:</b>		
<b>(A) Current Assets:</b>		
<b>(a) Inventories (as taken, valued &amp; certified by the Management)*</b>		
Building Materials	6,675,240	-
Property Development Work - in - Progress	<u>107,506,947</u>	<u>-</u>
	<u>114,182,187</u>	<u>-</u>
* Refer note no. B-10 of Schedule XII		
<b>(b) Cash &amp; Bank Balances:</b>		
Cash in Hand	78,952	100,067
With Scheduled Banks:		
in Current Accounts	2,832	194,296
in Dividend Account	<u>63,200</u>	<u>63,200</u>
	<u>144,984</u>	<u>357,563</u>
<b>(B) Loans &amp; Advances: (Unsecured - Considered good)</b>		
Loan to Companies under the same management	-	59,068,592
<b>Advances recoverable in cash or in kind or for value to be received:</b>		
Advances to Contractors / Suppliers / Others/Employees	511,073	11,196
Income Tax deducted at source	672,397	199,451
Prepaid Expenses	2,291,093	-
Deposits with:		
Government Authorities	1,397,000	12,903
Others	-	337,500
VAT Receivable	<u>-</u>	<u>480</u>
	<u>4,871,563</u>	<u>59,630,122</u>
<b>SCHEDULE: VI</b>		
<b>Current Liabilities &amp; Provisions:</b>		
<b>(a) Current Liabilities:</b>		
Sundry Creditors:		
Supplier	276,372	1,019
Expenses	6,190,203	104,574
Contracts	8,060,857	344,901
Retention	1,016,787	-
Others	674,738	-
Duties and Taxes	1,632,290	72,440
Advances against Flat Bookings	127,420,637	-
Other Liabilities	97,174	150,613
<b>Investors' Education &amp; Protection Fund:</b>		
Unpaid Dividend (Remitted to the Fund on 27.07.2011)	<u>63,199</u>	<u>63,199</u>
	<u>145,432,257</u>	<u>736,746</u>
<b>(b) Provisions</b>		
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

# NATIONAL STANDARD (INDIA) LIMITED

## SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	FOR THE YEAR ENDED 31ST MARCH, 2011 AMOUNT IN RS.	FOR THE YEAR ENDED 31ST MARCH, 2010 AMOUNT IN RS.
<b>SCHEDULE: VII</b>		
<b>Land, Construction and Development:</b>		
Lease-hold Land Transferred from Fixed Assets (Refer note no. B-10 of Schedule XII)	281,535	-
Legal and Professional Charges	17,042,952	-
Building Materials Consumed	41,486,763	-
Civil and Labour Contracts	12,516,344	-
Rates and Taxes	34,466,119	-
Other Construction Expenses	1,114,533	-
<b>Overheads Allocated:</b>		
Office & Administrative	1,329,975	-
	<u>108,238,221</u>	<u>-</u>
Less : Miscellaneous receipts from Customers	(731,274)	-
	<u>107,506,947</u>	<u>-</u>
<b>Less : Increase in Stock of Property Development Work in Progress:</b>		
Opening Stock	-	-
Less: Closing Stock	(107,506,947)	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>SCHEDULE: VIII</b>		
<b>Payments to and provisions for employees:</b>		
Salary and Wages	157,000	1,349,701
Staff Welfare Expenses	-	15,990
	<u>157,000</u>	<u>1,365,691</u>
<b>SCHEDULE: IX</b>		
<b>Office and Administrative:</b>		
Auditors' Remuneration:		
Audit Fees	100,000	15,000
Reimbursement of Service Tax	10,300	1,545
Travelling and Conveyance	53,360	380,637
Telephone / Internet Charges	155,306	52,246
Security Charges	-	542,034
Legal & Professional Fees	-	103,267
Rent	-	810,000
Electricity Charges	1,294,750	-
Sundry Balances written off (Net)	-	40,077
Repairs and Maintenance	594,038	47,725
Rates and Taxes	52,183	256,669
Printing & Stationery	654,653	21,038
Transport Charges	520,100	28,696
Loss on Write off / Sale of Fixed Assets	-	1,671,300
Miscellaneous Expenses	103,028	66,613
	<u>3,537,718</u>	<u>4,036,847</u>
Less: Allocated to Property Development Work in Progress	(1,329,975)	-
	<u>2,207,743</u>	<u>4,036,847</u>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**

	FOR THE YEAR ENDED 31ST MARCH, 2011 AMOUNT IN RS.	FOR THE YEAR ENDED 31ST MARCH, 2010 AMOUNT IN RS.
<b>SCHEDULE: X</b>		
<b>Selling and Marketing:</b>		
Business Promotion Expenses	6,055,590	-
Advertising Expenses	16,331,327	-
	<u>22,386,917</u>	<u>-</u>
<b>SCHEDULE: XI</b>		
<b>Interest and Finance:</b>		
Interest on other than Fixed loans	8,321	-
Bank Charges	4,480	-
	<u>12,801</u>	<u>-</u>

# NATIONAL STANDARD (INDIA) LIMITED

## SCHEDULE XII

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2011

#### NATURE OF OPERATIONS

National Standard (India) Limited having its registered office at Kolkata is primarily engaged in the business of promotion, construction, development and sale of integrated townships, residential and commercial multistoried buildings, houses, flats, shopping malls etc. Effective 19<sup>th</sup> May, 2011, it has become a subsidiary of Anantnath Constructions and Farms Private Limited, ultimate parent company whereof is Lodha Developers Limited.

#### **A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:**

##### **1. BASIS OF ACCOUNTING**

The financial statements are prepared under the historical cost convention, in accordance with the generally accepted accounting principles in India, the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, the Provisions of the Companies Act, 1956 and on the accounting principle of going concern. Expenses and Income to the extent considered payable and receivable, respectively, are accounted for on accrual basis, except those with significant uncertainties.

##### **2. USE OF ESTIMATES**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates are made to the best of the management's knowledge considering all necessary information. Differences, if any, between actual results and estimates are recognized in the period in which the results are ascertained.

##### **3. FIXED ASSETS**

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre-operation expenses and interest in case of construction.

The carrying amount of cash generating units / assets is reviewed at the balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated at the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

##### **4. DEPRECIATION**

Depreciation on Fixed Assets is provided on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956 except for cost of 'site / sales' office and sample flats which are being amortized equally over a period of five years or project completion / demolition whichever is earlier and intangible assets which are amortized proportionately over a period of five years.

Depreciation on Additions / Deletions of assets during the year is provided on a pro-rata basis.

The depreciation on assets used for construction is treated as period cost.

##### **5. INVESTMENTS**

Investments are classified into Long term and Current Investment. Long term investments are carried at cost, Provision for diminution, if any, in the value of each long term investment is made to recognize a decline, other than of temporary nature. Current investment are carried individually at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

##### **6. INVENTORIES**

- a. Stock of Building Materials is valued at lower of cost and net realizable value. Cost is generally ascertained on average basis.
- b.
  - i. Work-in-progress is stated at Cost or Net Realizable value, whichever is lower. Work-in Progress includes costs of incomplete projects for which the Company has not entered into sale agreements and the costs incurred on the projects where the revenue is yet to be recognized (before the work has progressed to the extent of 30% of the total work involved and 20% of the sales consideration is yet to be received).
  - ii. Completed unsold inventory is valued at lower of cost or net realizable value.



- iii. Cost for this purpose includes cost of land & development rights, construction, interest overheads and expenses incidental to the project undertaken.
- iv. Net realizable value is the estimated net sales value in the ordinary course of business.

**7. REVENUE RECOGNITION**

- a) Income from property development is recognized on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However, if at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognized on proportionate basis as the act are being performed and monies received i.e. on the percentage of completion method on achieving at least 30% percent of physical progress of project and receipt of 20% of the sales consideration. The percentage of completion is stated on the basis of physical measurement of work actually completed as at the balance sheet date and certified by the Architect. As the long-term contracts necessarily extend beyond one year, revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known.
- b) Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenues from the project and the foreseeable losses to completion. Profit from real estate projects and valuation of construction work in progress is based on such estimates.

**8. BORROWING COSTS:**

Borrowing costs that are directly attributable to long term project management and development activities are inventorised / capitalized as part of project cost. Other borrowing costs are recognised as expense in the period in which they are incurred.

Borrowing costs are inventorised / capitalized as part of project cost when the activities that are necessary to prepare the inventory / asset for its intended use or sale are in progress. Borrowing costs are suspended from inventorisation / capitalization on the project when development work on the project is interrupted for extended periods.

**9. TAXATION:**

Provision for the current income tax is made on the basis of the estimated taxable income for the current accounting year in accordance with Income Tax Act, 1961.

MAT credit asset is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

Deferred Tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the tax rate and tax laws enacted or substantially enacted at the balance sheet date, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized and carried forward only if there is a virtual/reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**10. FOREIGN EXCHANGE FLUCTUATION**

The transactions in foreign exchange are accounted at the exchange rates prevailing on the date of transactions. Current assets and liabilities in foreign in foreign currency are translated at the exchange rate prevailing at the date of the Balance Sheet. Any exchange gains or losses arising out of the subsequent fluctuations are accounted for in the Profit and Loss Account.

**11. EMPLOYEE BENEFITS**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 - Employee Benefits:

**a. Provident Fund**

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

**b. Gratuity**

Gratuity is a post employment benefit and is in the nature of defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit /obligation at the balance sheet date less the fair value of plan assets, together with any adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent Actuary using the projected unit credit method.

# NATIONAL STANDARD (INDIA) LIMITED

Actuarial gains and losses arising from the past experience and changes in actuarial assumptions are charged or credited to the Profit and loss account in the year to which such gains or losses relate.

## c. Leave Entitlement

Liability in respect of earned leave expected to become due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of benefit expected to be availed by the employees. Liability in respect of earned leave expected to become due or expected to be availed more than one year after the balance sheet date is estimated on the basis of actuarial valuation performed by an independent Actuary using the projected unit credit method.

## d. Other Short Term Benefits

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

## 12. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Provisions are recognized in the accounts in respect of present probable obligation, the amount of which can be reliably estimated. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

## B. NOTES ON ACCOUNTS

1. Issued, Subscribed and Paid up Capital includes:	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
i) 25,000 Equity Shares (Previous Year 25,000) of Rs.10 each issued as Bonus Shares by capitalization of General Reserve.	250,000	250,000
ii) 49,000 Equity Shares (Previous Year 49,000) of Rs.10 each issued and paid up to the extent of Rs. 4,90,000 (Previous Year Rs. 4,90,000) pursuant to a contract without payment being received in cash.	490,000	490,000
iii) 442,956 Equity Shares (Previous Year 442,956) of Rs.10 each issued as Bonus Shares by capitalization of Securities Premium Account.	4,429,563	4,429,563
iv) 221,304 Equity Shares (Previous Year 221,304) of Rs. 10 each fully paid up after giving effect to 90% reduction in the existing Share Capital based on the BIFR Order.	2,213,042	2,213,042
v) 1,761,739 Equity Shares (Previous Year 1,761,739) 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.	17,617,395	17,617,395
vi) 17,500,000 Equity Shares (Previous Year 17,500,000) of Rs.10 each issued at par to present promoters.	175,000,000	175,000,000
Total	200,000,000	200,000,000

2. A Rehabilitation Scheme was sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) vide Order dated 1<sup>st</sup> June, 2006 in view of an application made by Company, providing for, inter-alia, the Scheme of Arrangement involving demerger 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 appointed date of the Scheme is 1<sup>st</sup> September' 2008 and effective date is 3<sup>rd</sup> December' 2008. The Scheme had been given effect to in the financial statements for the period ended 31<sup>st</sup> March, 2009.

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

## 3. Contingent liabilities not provided for in respect of:

(Figures in Rupees)

	For the year ended 31 <sup>st</sup> March, 2011	For the year ended 31 <sup>st</sup> March, 2010
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	54,30,855

4. a) Based on an expert opinion taken, the Company has been advised that VAT on sale of immovable property is payable at the time of registration and consequently, VAT is not being charged from the customers till such time. There will be no liability on this account as the same is going to be collected from the customers.
- b) The Finance Bill, 2010, has amended the provisions of Finance Act, 1994 with effect from 1<sup>st</sup> July, 2010 (as per Notification No. 24/2010 dated 22<sup>nd</sup> June, 2010) by adding explanation to Section 65(105) (zzq) and (zzzh) to introduce the Service Tax concept of "deemed service" for any commercial or industrial construction or construction of residential complexes done prior to obtaining a completion certificate.
- The Constitutional validity of the above amendment has been challenged in the Hon'ble Mumbai High Court and interim orders with regard to non collection/payment have been passed.
- By virtue of the Premises Ownership Agreement to be entered into by the Company with the purchasers of the unit in residential complex under construction, the purchaser is liable to pay and the Company is entitled to recover Service Tax that may be leviable on the said transactions.
- In view of the aforesaid and pending the disposal of the Writ Petition challenging the validity of above amendment, no liability has been provided for Service Tax on sale of units in Residential complex under construction. Meanwhile, amounts wherever received from customers separately in respect of the above are being deposited with respective authorities under protest.
5. The accumulated losses of the Company have far exceeded its entire net worth. The accounts have, however, been prepared by the management on a going concern basis considering *inter alia*, the current line of business activity namely real estate development and accordingly, the Company has already launched a project on its land at Thane, Mumbai.
6. 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.
7. Consequent to public announcement made by Anantnath Constructions and Farms Private Limited ('the Acquirer') to acquire 4,000,000 equity shares (20%) of the Company on 29<sup>th</sup> January, 2011, the Acquirer made an open offer to the shareholders of the Company for acquisition of 20% stake of the Company. The Offer which opened on 21<sup>st</sup> April, 2011 closed on 10<sup>th</sup> May, 2011. Accordingly, the Company has become subsidiary of Anantnath Constructions and Farms Private Limited w.e.f. 19<sup>th</sup> May, 2011.
8. The Company has appointed a Company Secretary w.e.f July 8, 2011 as required to be appointed under section 383A of the Companies Act, 1956.
9. The Company has appointed a Managerial Person w.e.f from August 27, 2011 to comply with the requirements of section 269 of the Companies Act, 1956.
10. In view of a Rehabilitation Scheme sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) vide Order dated 1<sup>st</sup> June, 2006, which *inter alia*, provided for the diversification into real estate activity, the Company had discontinued the erstwhile business activities in an earlier year. The Leasehold Land of Rs. 281,535 situated at Thane, Mumbai, was transferred to Current Assets from Fixed Assets at its book value as at 1<sup>st</sup> April, 2010. The Company had also altered its Object Clause so as to include carrying on of real estate and allied activities in an earlier year. A Residential Project on certain portion of its land at Thane, Mumbai was launched on 1<sup>st</sup> May, 2010.
11. The Company has only single reportable business segment i.e. real estate development in terms of requirements of AS 17.
12. 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.
13. A sum of Rs. 58,618,616 receivable on account of Loans and Advances by the Company cumulatively from National Standard Tyre Moulds (India) Limited and Bakelite Properties Limited had been assigned to Mountain Dew Properties Private Limited,

# NATIONAL STANDARD (INDIA) LIMITED

all erstwhile group companies, for a sum of Rs. 5,620,000 on May 10, 2010. Consequently, the balance sum of Rs. 52,998,616 had been written off during the year and shown as an Exceptional Item.

14. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year-end together with interest paid/payable as required under the said Act have not been given.
15. Managerial remuneration to Managing Director and a Whole-time Director comprise of the following:

	For the year ended 31 <sup>st</sup> March, 2011	For the year ended 31 <sup>st</sup> March, 2010
Salaries	157,000	750,000
<b>Total</b>	<b>157,000</b>	<b>750,000</b>

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

(A) List of related parties:

- I. Parties where control exists

**Parent/ Holding Company (refer note no. 7 above)**

Avaya Holdings & Trading Private Limited

- II. Other parties with whom the company entered into transactions during the year or there are outstanding balances due to / from them.

**Associates:**

Bakelite Properties Private Limited

Sanathnagar Enterprises Limited (formerly Bakelite Hylam Limited) (upto 25<sup>th</sup> May, 2010)

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:**

A. L. Ananthnarayanan, the Managing Director (upto 10<sup>th</sup> May, 2010)

- b) Enterprises / Entities having common Key Management Personnel: Nil

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

- I. Transaction during the year ended 31<sup>st</sup> March, 2011:

(Figures in Rupees)

Particulars	The Parent / Holding Company	Fellow Subsidiaries	Associates	Key Management Personnel
<b>A. Expenses</b>				
1. Re-imbursment of expenses paid	Nil (Nil)	Nil (Nil)	Nil (2,404,763)	Nil (Nil)
2. Rent Paid	Nil (Nil)	Nil (Nil)	Nil (810,000)	Nil (Nil)
3. Managerial Remuneration	Nil (Nil)	Nil (Nil)	Nil (Nil)	157,000 (750,000)

Particulars	The Parent / Holding Company	Fellow Subsidiaries	Associates	Key Management Personnel
<b>B. Finance</b>				
1. Loan given	Nil (Nil)	Nil (Nil)	Nil (6,553,909)	Nil (Nil)
2. Sale/assignment of Assets/ Liabilities/ Claims	Nil (Nil)	Nil (Nil)	5,620,000 (3,139,415)	Nil (Nil)
3. Loans and Advances given written off	Nil (Nil)	Nil (Nil)	52,998,616 (Nil)	Nil (Nil)

II. Outstanding balance as at 31<sup>st</sup> March, 2011:

(Figures in Rupees)

Particulars	The Parent / Holding Company	Fellow Subsidiaries	Associates
1. Unsecured Loans Taken	10,000,000.00 (10,000,000.00)	Nil (Nil)	Nil (Nil)
2. Loans Given	Nil (Nil)	Nil (Nil)	Nil (59,068,592.00)

## III. Disclosure in respect of material transactions with related parties:

(Figures in Rupees)

Particulars	Name of the Company	Current Year	Previous Year
<b>A. Expenses</b>			
1. Re-imbusement of expenses paid	National Standard Tyre Moulds (India) Limited	Nil	2,404,763
2. Rent Paid	National Standard Tyre Moulds (India) Limited	Nil	810,000
<b>B. Finance</b>			
1. Loan given	National Standard Tyre Moulds (India) Limited	Nil	6,553,909
2. Sale/assignment of Assets/(Liabilities)/Claims/ Investments	National Standard Tyre Moulds (India) Limited Bakelite Properties Limited	720,000 4,900,000	3,139,415 Nil
3. Loans and Advances given written off	National Standard Tyre Moulds (India) Limited Bakelite Properties Limited	8,759,826 44,238,790	Nil Nil

## IV. Key Management personnel and their relatives:

Transactions during the year ended on 31<sup>st</sup> March, 2011:

(Figures in Rupees)

Particulars	Current Year	Previous Year
<b>Managerial Remuneration</b>		
A. L. Ananthnarayanan	157,000	750,000

**Notes:**

- Related parties are as identified by the Management and relied upon by the auditors.
- No amount pertaining to related parties has been provided for as doubtful debts nor written off / back during the year except as stated above.

# NATIONAL STANDARD (INDIA) LIMITED

17. Loans and Advances include due from Companies under the same management within the meaning of section 370(1B) (Non-operative) of the Companies Act, 1956.

Particulars	As on 31.03.2011	Maximum Balance during the year
	(Rs.)	(Rs.)
National Standard Tyre Moulds (India) Limited	Nil (9,929,802)	9,929,802 (9,929,802)
Bakelite Properties Limited	Nil (49,138,790)	49,138,790 (55,638,790)

## 18. Exceptional Items:

(Figures in Rupees)

	For the Year ended 31.03.2011	For the Year ended 31.03.2010
Voluntary Retirement Compensation Written off	NIL	(11,169,969)
Loans and Advances given written off	(52,998,616)	NIL
<b>Total (Net)</b>	<b>(52,998,616)</b>	<b>(11,169,969)</b>

## 19. Calculation of Earnings per Share:

(Figures in Rupees)

	For the Year ended 31.03.2011	For the Year ended 31.03.2010
Numerator : Net Profit / (Loss) as per Profit and Loss Account considered for EPS Calculation (Rs.)		
a) Net Profit / (Loss) as per Profit and Loss Account before Exceptional Items and Taxation	(28,431,617)	(5,761,860)
b) Net Profit / (Loss) as per Profit and Loss Account after Exceptional Items and Taxation	(81,430,233)	(16,931,829)
No. of Equity Shares as on April 1, 2010	20,000,000	20,000,000
Add: Shares allotted	-	-
No. of Equity Shares as on March 31, 2011	20,000,000	20,000,000
Weighted average no. of Equity Shares outstanding during the year	20,000,000	20,000,000
Face Value of Equity Shares	10	10
Basic and Diluted earnings per share (Rs.)		
As per Profit and Loss Account before Exceptional Items and Taxation	(1.42)	(0.29)
As per Profit and Loss Account after Exceptional Items and Taxation	(4.07)	(0.85)

## 20. Auditors' Remuneration:

(Figures in Rupees)

	For the Year ended 31.03.2011	For the Year ended 31.03.2010
Audit Fees	100,000	15,000
Out of Pocket Expenses/ Service Tax	10,300	1,545
<b>Total</b>	<b>110,300</b>	<b>16,545</b>

21. Previous year's figures have been rearranged / regrouped wherever necessary so as to conform to the current year's presentation.

**For and on behalf of the Board**

**Mr. Mangal Prabhat Lodha**  
Managing Director

**Ashok Tiwari**  
Director

**Yogesh Vadhvana**  
Company Secretary

Place : Mumbai  
Date : August 27, 2011

# NATIONAL STANDARD (INDIA) LIMITED

## 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.	L27109WB1962PLC025605	State Code	21
Balance Sheet	31 Date	3 Month	2011 Year

### 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	249,253	Total Assets	249,253
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#### SOURCES OF FUNDS

Paid-up Capital	200,000	Reserves & Surplus	2,813
Secured Loans	-	Unsecured Loans	46,440

#### APPLICATION OF FUNDS

Net Fixed Assets	13,906	Profit and Loss Account	261,581
Net Current Assets	(26,234)	Miscellaneous Expenditure	-
Deferred Tax Asset	-	Investments	-

### IV PERFORMANCE OF COMPANY (FIGURES IN THOUSAND RUPEES)

Turnover and Other Income	-	Total Expenditure	28,432
Profit Before Tax	(81,430)	Profit after Tax	(81,430)
Earnings Per Share(in Rs.) After Tax	(4.07)	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

**Mr. Mangal Prabhat Lodha**  
Managing Director

**Ashok Tiwari**  
Director

**Yogesh Vadhwana**  
Company Secretary

Place : Mumbai  
Date : August 27, 2011



# NATIONAL STANDARD (INDIA) LIMITED

Registered Office: Room No# 6, 4th Floor, Commerce House 2A, Ganesh Chandra Avenue Kolkata 700013, West Bengal

## 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 Eighth Annual General Meeting of the company to be held on Friday, 30th September, 2011 at 12.00 noon at the registered office of the Company and at any adjournment thereof.

Signed this of \_\_\_\_\_ day of \_\_\_\_\_

Affix  
Revenue  
Stamp

Signature

Note: A member entitled to attend and vote is entitled to appoint a proxy to attend and vote 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.

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# NATIONAL STANDARD (INDIA) LIMITED

Registered Office: Room No# 6, 4th Floor, Commerce House 2A, Ganesh Chandra Avenue Kolkata 700013, West Bengal

## ATTENDANCE SLIP

Particulars to be filled in by member/proxy:

Name of the Member \_\_\_\_\_

Member'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 Eighth Annual General Meeting of the Company to be held on Friday, 30th September, 2011 at 12.00 noon at the registered office of the Company.

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.





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If undelivered, please return to:

**The Secretarial Department**  
National Standard (India) Limited  
10th Floor, Lodha Excelus,  
Apollo Mills Compound,  
N.M.Joshi Marg,  
Mahalaxmi,  
Mumbai 400 011.