

39th Annual Report
2000-2001



National-Standard Duncan Limited



National-Standard Duncan Limited

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National-Standard Duncan Limited

Directors

Mr.Raghuvir Bhandari

Mr.Deepak Jain

Mr.Pramod Khaitan

Mr.Justin David

Auditors

Venkat Associates

Bankers

Bank of India

Bank of Bahrain & Kuwait B.S.C.

IDBI Bank Ltd.

Registered Office

31, Netaji Subhas Road, Kolkata – 700 001

Corporate Office

World Trade Centre, Centre -1, 19th Floor,
Cuffe Parade, Mumbai – 400 005

Plants

Thane, Hosakote, Doddaballapur and Baddi.

Notice

Notice is hereby given that the 39th Annual General Meeting of the Members of National Standard Duncan Limited will be held on Thursday, 27th June, 2002 at 11.00 A.M. at the 'Board Room', Second Floor, Duncan House, 31 Netaji Subhas Road, Kolkata 700 001 to transact the following business :

As an ordinary business

1. To receive, consider and adopt the Balance Sheet of the Company at 30th September, 2001, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Deepak Jain, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration.

Registered Office:

"Duncan House"
31, Netaji Subhas Road
Kolkata 700 001.

By Order of the Board

Place : Kolkata
Date : 31st May, 2002.

Raghuvir Bhandari
Director

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll in his stead. A proxy need not be a member of the Company. Proxy Forms duly completed, should be deposited at the Company's Registered Office at least 48 hours before the commencement of the Meeting.
2. Members are requested to produce the enclosed attendance slip duly completed at the entrance of the Board Room.



Directors' Report

The Directors of National Standard Duncan Limited present their Thirty-Ninth Annual Report and Audited Accounts for the financial year ended September 30,2001 which show the results of the company's working as under:

	Rupees Lakhs
Loss before depreciation	476.32
Add: Depreciation	221.08
Add: Prior period expenses/(income) including depreciation	<u>(16.24)</u>
Loss after depreciation	681.16
Add: Loss brought forward from previous year	<u>2335.37</u>
	<u>3016.53</u>

The above results are after considering compound interest and penal interest charged by the Banks and Financial Institutions for which request for waiver will be incorporated in the revival plan being prepared by the Company.

Dividend:

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

Directors' Responsibility Statement:

As required under the provisions of section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that:

- i) Applicable accounting standards have been followed in preparing the accounts covered by this report;
- ii) Such accounting policies as were reasonable and prudent were selected in preparing the accounts and these were applied consistently. Further judgments and estimates that were reasonable and prudent were also made in the course of preparing the accounts so as to give a true and fair view of the company's state of affairs as at the end of the financial year and of its loss for that period;
- iii) Proper and sufficient care was taken for the maintenance of proper accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
- iv) The accounts have been prepared on a going concern basis.

The above confirmation should be read and construed together with the clarificatory note 15 in Schedule 14 of the accounts.

Operations:

The operations of the company were severely affected during the year under review, owing to serious cash flow problems consequent to the recessionary conditions and inadequate working capital which affected production in all the plants during the previous financial year. The wire plant at Baddi was closed and the workforce retrenched in April, 2001 and the wire plant at Doddaballapur was closed in August, 2001. The operations at the Thane wire plant were suspended from April, 2001.

With considerable difficulty, the company continued operations of its tyre mould divisions till September, 2001 when pressure on cash flows forced the company to suspend operations at Thane and Hoskote as well.

Exports:

In spite of serious cash flow problems, the company was able to fulfill its export obligations under Government of India's Duty Exemption Entitlement Scheme to a large extent and consequently its liabilities on that account reduced substantially. These are expected to be cleared during the year 2001-02.

Finance:

As mentioned above, the cash flows of the company were under severe strain during the year and the company was under considerable pressure to meet its obligations to employees, creditors, banks and financial institutions.

ICICI Limited had already recalled its loan and applied to Debt Recovery Tribunal for recovery of its dues. Subsequently, the other banks and FIs of your company also joined in the proceedings before DRT. In the meanwhile, the company has been declared 'sick' under the Sick Industrial Companies Act, 1985 (SICA). Discussions have been initiated towards an amicable solution, which can be implemented under the revival plan for the company.

Reference to the Board for Industrial and Financial Reconstruction (BIFR):

In the Directors' Report of the previous financial year, it was reported that a reference was being made to Hon'ble BIFR in terms of section 15(1) of SICA. A reference was subsequently made to Hon'ble BIFR and in its first hearing held on January 28, 2002, Hon'ble BIFR declared the company as a 'sick' company under section 3(1)(0) of SICA. Further, the Hon'ble BIFR ordered change of management of the company and appointed ICICI Limited as the Monitoring Agency with instructions to find a new promoter. The order also permits the present promoters to bid in the process, with or without co-promoters. Work on this is in progress. One of the major producers of bead wire has also shown interest in taking up NSD's rehabilitation. This is being progressed.

Industrial Relations and Personnel:

Your Company's workmen and other employees have been discussing with the Management



National-Standard Duncan Limited

to find a viable revival plan. The relations with the employees remain cordial. The Board wishes to express its appreciation for the cooperation and support extended by the workmen and other employees at all levels despite the adverse conditions faced by the company.

There are no employees falling under the provisions of section 217(2A) of the Companies Act, 1956.

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

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

Auditors' Report:

The qualifications in the auditors' report have been adequately explained in notes 9, 10, 11 & 12 of Schedule 14 of Notes to Accounts.

Directors:

Shri Deepak Jain retires as Director at the forthcoming Annual General Meeting of the company and being eligible, offers himself for re-appointment.

Auditors:

During the course of the year, M/s Price Waterhouse, Chartered Accountants, who were the company's auditors, expressed their inability to continue as the company's statutory auditors. M/s Venkat Associates, Chartered Accountants, were appointed as auditors of the company in the Extra Ordinary General Meeting held on January 15, 2002.

M/s Venkat Associates retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

Registered Office:
31, Netaji Subhas Road,
Kolkata - 700 001

On Behalf of the
Board of Directors

Date: May 25, 2002

Raghuvir Bhandari
Director

Justin David
Director

Annexure to the Directors' Report

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

In accordance with the Companies (Disclosure of Particulars in Report of the Board of Directors) Rules, 1988

A. Conservation of Energy

a) Energy Conservation Measures taken:

Energy conservation is an ongoing process with the company with continual upgrading of manufacturing facilities and technologies.

b) Additional Investments and Proposals, if any, being implemented for reduction of consumption of energy:

Due to financial constraints, no additional investments have been made or proposed.

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

Any impact on the cost of production will be determined by the cost of energy over which the company has no control.

B. Technology Absorption

d) Research & Development (R&D)

1. Specific areas in which R&D carried out by the company and

2. Benefits derived as a result of the above R&D:

The Company does not have a formal R&D department but R&D activities are undertaken depending upon needs.

3. Future Plan of Action

Presently, the company has no plan of action, the focus being on reviving the Company.

4. Expenditure on R&D

The Company, as mentioned earlier, does not have a separate R&D department and as such expenditure on R&D is not quantifiable.



Technology Absorption, Adaptation and Innovation:

Since the plants were closed during most part of the financial year, there is nothing to report in this area.

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:
Not Applicable as the plants were closed.
2. Benefits derived as the result of the above efforts: Not Applicable.
3. Imported Technology
 - a) Technology Imported Segmental Moulds
 - b) Year of Import 1993-94
 - c) Has technology been fully absorbed Yes
 - d) If not fully absorbed, areas where this has not
taken place, reasons thereof and future plan of action Not applicable

C. Foreign Exchange Earnings and Outgo (Rs.Lakhs)

- i) Total Foreign Exchange Outflow : 7.57
- ii) Total Foreign Exchange Inflow : 293.36

Auditor's Report

To,
The Members of
National - Standard Duncan Limited

1. I have audited the attached Balance Sheet of M/s.National-Standard Duncan Limited, Calcutta, as on September 30, 2001 signed by me under reference to this report and the related Profit & Loss Account for the year ended on that date and report that:
2. I conducted my audit in accordance with auditing standards generally accepted in India. Those Standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.
3. In my opinion and to the best of my information and according to the explanations given to me, the said accounts, read in particular with Schedule 16-Notes 9,10,11 & 12 and subject to remarks in paragraph 3.1 to 3.4 below and the related notes to the accounts referred to therein with consequential effects on the Company's loss for the year and the relevant items on the Balance Sheet give a true and fair view.
 - In the case of the Balance Sheet, of the state of Company's affairs as at September 30, 2001.
 - In the case of the Profit and Loss Account, of the Loss of the Company for the year ended September 30, 2001.
- 3.1 Note 9 on Schedule 16 regarding the appropriateness of the "going concern" basis used for the preparation of these accounts, as the net worth of the Company has been eroded. The extent of consequential adjustments as at September 30, 2001 which would arise on the Company ceasing to be a going concern, is currently not ascertainable.
- 3.2 Note 10 on Schedule 16 regarding capitalisation of interest of Rs.2,33,30,825/- on loans borrowed for the purchase of fixed assets due to suspension of plants for certain months during the year ended March 31, 1999. Depreciation charge for the current year includes Rs.11,08,214/- on capitalised interest of Rs.2,33,30,825/-.
- 3.3 Note 11 on Schedule 16 regarding Secured Loans of Rs.3,87,39,842/- which are subject to confirmation and reconciliation. Adjustment including interest to be made as a result of such reconciliation is not readily ascertainable.
- 3.4 Note 12 on Schedule 16 regarding certain business related accounts classified

under Loans & advances, which is subject to reconciliation & confirmation. Adjustment to be made as a result of such reconciliation is not readily ascertainable.

4. I further report that, without considering item mentioned at paragraph 3.1, 3.3 and 3.4 above, the effect of which could not be determined by the Management, had the observations made by us in paragraph 3.2 above have been considered, the loss for the year after prior period items would have been Rs.9,03,39,469/- (as against the reported figure of Rs.6,81,16,858/-), and Profit and Loss Account debit balance would have been Rs.32,22,13,739/- (as against the reported figure of Rs.30,16,53,449/-), Net Fixed Assets balance would have been Rs.24,54,56,165/- (as against the reported figure of Rs.26,60,16,455/-).
5. Subject to paragraph 3.2 above, in my opinion the Balance Sheet as at September 30, 2001 and Profit and Loss Account as on that date, comply with the requirements of accounting Standards issued by ICAI referred to in sub section 3(c) of Section 211 of the Companies Act, 1956.
6. I have obtained all the information and explanations, which, to the best of my knowledge and belief, were necessary for the purpose of my audit. In my opinion, proper Books of Accounts, as required by law so far as appears from my examination of the books and the above mentioned accounts are in agreement there with.
7. Based on representations made by the Directors of the Company and the information and explanations as made available, all directors of the Company do not prima facie have any disqualification as referred to in clause (g) of Subsection(1) to Section 274 of the Companies Act, 1956.
8. As required by the Manufacturing and other Companies (Auditor's report) order, 1988 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as I considered appropriate and according to the information and explanations given to me, I further report that -
 - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets and the management has certified that these have been physically verified during the year and no material discrepancies were noticed on such verification.
 - b) None of the Fixed Assets have been revalued during the year.
 - c) As represented by the management, the stocks of the Finished Goods, Stores, Spare Parts and Raw Materials of the Company at all its locations have been physically verified by the management during the period.
 - d) In my opinion, the procedures of Physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

- e) The discrepancies between the Physical stocks and the books stocks, which have been properly dealt with in the books of account, were not material.
- f) In my opinion, the valuation of stocks of finished goods, Stores, Spare Parts and Raw Materials has been fair and proper in accordance with the generally accepted accounting principles as followed & is on the same basis as in the earlier years except as indicated in Note 4 of Schedule 16 for valuation of Finished goods.
- g) As far as I could ascertain from the relevant register maintained at the Company's registered office and the records produced to me and based on the Management's representation:
 - The Company has not taken any Loans, Secured or Unsecured, from Companies, firms, parties listed in the register maintained under Section 301 and / or Companies under the same management as defined under subsection (1B) of the erstwhile section 370 (Section 372A as amended) of the Companies Act, 1956.
 - The Company has not granted any Loans, Secured or Unsecured, to Companies, firms, parties listed in the register maintained under Section 301 and / or Companies under the same management as defined under subsection (1B) of the erstwhile section 370 (Section 372A as amended) of the Companies Act, 1956.
- h) In respect of loans and advances in the nature of loans given by the Company to its employees free of interest and other parties where terms have been determined, the parties are repaying the amount as stipulated.
- i) In my opinion and according to the information and explanations given to me, there exists adequate internal control procedure commensurate with the size of the Company & nature of its business, for purchase of Stores, raw materials including components, plant and machinery, equipment and similar assets, and for the sale of goods.
- j) The Company has not purchased goods and materials and sold goods, materials and services aggregating Rs.50,000/- or more in value from or any of the parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- k) The Company has System of determining Unserviceable or damaged stores and raw materials or finished goods on the basis of technical evaluation and on such basis, adequate amounts are being written off from such stocks in the accounts whenever necessary.
- l) The Company has not accepted any deposits from public within the definition of Section 58A of the Companies Act, 1956.
- m) In my opinion, reasonable records have been maintained by the Company for the sale and disposal of realizable Scrap, where applicable and significant. The Company has no by products.



National-Standard Duncan Limited

- n) In my opinion, the Company has an Internal Audit System, the scope and coverage of which needs to be enlarged to make it commensurate with the size and nature of its business.
- o) The Central Government of India have not prescribed the maintenance of cost records by the Company under Section 209(1)(d) of the Companies Act, 1956, for any of its products.
- p) The Company has not remitted the Provident Fund amounting to Rs.6,79,063/- and Employees State Insurance amounting to Rs.78,630/- dues with the appropriate authorities in India. Pension Fund has been funded to the Company's recognized Provident Fund only up to June, 2001 as stated in Note 5 of Schedule 16.
- q) There are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty as at September 30, 2001 except Tax Deducted at Source amounting to Rs.20,731/- & Sales Tax amounting to Rs.1,87,486/- which are outstanding for a period of more than 6 months from the date they became payable.
- r) During the course of my examination of the Books of Account carried out in accordance with the generally accepted auditing practices, I have not come across any personal expenses which have been charged to the profit and loss account, nor have I been informed of such cases by the management.
- s) The Company is a sick industrial company within the meaning of clause(o) of sub-section 3 of the Sick Industrial Companies (special provisions) Act, 1985 (1 of 1986). The reference has been made to the Board for Industrial and Financial Reconstruction (BIFR) under section 15 of the SICA.
- t) As per the information and explanations given to me and taking into consideration the nature of business of the Company, clauses (ii), (iii) & (iv) of paragraph 4(B) and 4(C), 4(D) of the Manufacturing and other companies (Auditor's Report) order, 1988 do not appear to be applicable to the Company during the year.

for Venkat Associates

Place : Mumbai
Date : 31.05.2002

N.Venkatakrishnan
Chartered Accountant



National-Standard Duncan Limited

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for Venkat Associates

Place : Mumbai
Date : 31.05.2002

N.Venkatakrishnan
Chartered Accountant



National-Standard Duncan Limited

Profit and Loss Account for the year ended 30th September, 2001			
Particulars	Schedule No.	2001 Rupees	2000 Rupees
Sales (net)		11,12,55,062	38,17,85,632
Processing charges		97,85,000	50,66,094
Sale of scrap		21,72,084	29,81,060
		12,32,12,146	38,98,32,786
Other Income	10	2,56,71,170	55,35,444
		14,88,83,316	39,53,68,230
Less : Cost of goods sold	11	5,78,46,134	21,53,27,861
		9,10,37,182	18,00,40,369
Interest (refer Note 13 of Schedule 14)		5,63,55,719	10,70,80,116
Directors' sitting fees		16,000	73,000
Depreciation (Note 1(a) of Schedule 14)		2,21,08,055	3,63,98,093
Other expenses	12	8,22,98,045	26,08,64,527
		16,07,77,819	40,44,15,736
Profit / (Loss) prior to tax provision		(6,97,40,637)	(22,43,75,366)
Less : Provision for taxation (including for wealth tax Rs.Nil; previous year Rs.Nil)		-	-
Profit / (Loss) after taxation		(6,97,40,637)	(22,43,75,366)
Less : Prior period expenses / (income)	13	(16,23,779)	1,13,25,849
Profit / (Loss) after prior period expenses		(6,81,16,858)	23,57,01,215)
Add : Balance brought forward from previous year		(23,35,36,591)	(6,99,95,906)
Surplus / (deficit) for appropriations		(30,16,53,449)	(30,56,97,121)
Balance carried to Balance Sheet		(30,16,53,449)	(30,56,97,121)
TOTAL		(30,16,53,449)	(30,56,97,121)

The schedules referred to above and Schedule 14 (notes to accounts) form an integral part of the balance sheet. This is the Profit and Loss Account referred to in my report of even date

for Venkat Associates Chartered Accountants N.Venkatakrishnan Partner Place : Mumbai Date : 31.05.2002	for and on behalf of the Board Raghuvir Bhandari Director
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Schedule 1 : Share Capital				
Particulars	For the period ended September 30			
	2001		2000	
	Rupees		Rupees	
AUTHORISED:				
10,000,000 Equity Shares of Rs.10 each	10,00,00,000		10,00,00,000	
Issued, subscribed and paid-up				
2,953,042 Equity Shares of Rs.10 each fully paid	2,46,30,420		2,46,30,420	
490,000 Equity Shares of Rs.10 each full paid for consideration other than cash	49,00,000		-	
TOTAL	2,95,30,420		2,46,30,420	
Note :				
Of the above, 250,000 equity shares of Rs.10/- each were allotted as fully paid up shares by capitalisation of general reserve. A part of the ICICI loan of Rs.4,900,000/- has been converted into equity shares of Rs.10/- each at par.				
Schedule 2 : Reserves & Surplus				
Particulars	For the period ended September 30			
	2001		2000	
	Rupees	Rupees	Rupees	Rupees
Capital Reserve	17,16,186		17,16,186	
Capital subsidy reserve	25,00,000		25,00,000	
Share premium	4,42,99,080		4,42,99,080	
Investment allowance (utilised) reserve				
As per last account	5,00,000		5,00,000	
Less : Transfer to general reserve	-		-	
		5,00,000		5,00,000
General Reserve				
As per last account	-		7,21,60,530	
Add : Transfer from investment allowance reserve	-		-	
	-		7,21,60,530	
Less : As per contra in Profit and Loss Account Schedule (9)	-		7,21,60,530	
TOTAL	4,90,15,266		4,90,15,266	



Nationa! Standard Duncan Limited

Schedule 3 : Secured & Unsecured Loans				
Particulars	For the period ended September 30			
	2001		2000	
	Rupees	Rupees	Rupees	Rupees
Secured Loans				
Cash credit working capital demand loan and packing credit accounts	17,72,98,150		16,06,27,784	
(Secured by hypothecation of movable assets including inventories and book debts of the company to rank pari-passu inter-se Bank of India, Bank of Bahrain and Kuwait and IDBI Bank Ltd.)				
Acceptance of Inland usance bills				
– under Industrial Development Bank of India – Scheme	41,24,210		53,50,110	
	41,24,210		<u>53,50,110</u>	
Less : Interest in respect of future installments included in above				
(secured by hypothecation of specific plant and machinery purchased under this arrangement)				
	12,02,810		<u>17,79,510</u>	
	29,21,400		35,70,600	
* Rupee term loan - Bank of Bahrain and Kuwait B.S.C.				
	11,66,58,750		11,53,50,000	
* Term loans (new project)				
– ICICI Ltd. (refer note 14 of Schedule 16) (includes interest accrued and due Rs.24,676,223/- previous year Rs.12,900,515/-) (refer note below)	5,54,76,223		4,86,00,515	
– The Industrial Development Bank of India (includes interest accrued and due Rs.20,050,979/- previous year Rs.7,711,573/-) (refer note below)	8,00,50,979		6,77,11,573	
(Secured by the hypothecation of the whole of the movable properties of the company including its movable plants and machinery, machinery spares, tools and accessories and other movables, both present and future, additionally secured by equitable mortgage on immovable property at Thane and Baddi) (Save and except book debts)				

National-Standard Duncan Limited



Particulars	For the period ended September 30			
	2001		2000	
	Rupees	Rupees	Rupees	Rupees
* Hire purchase loans from finance company secured by a specific charge on assets purchased.	1,29,17,691			
Less: Interest in respect of future installments included in above.	25,09,271	1,04,08,420		80,95,015
* (Secured by hypothecation of company's movable assets both present and future in factories at Thane in Maharashtra, Hosakote and Doddaballapur in Karnataka & Baddi in Himachal Pradesh, ranking pari-passu, but subject to prior charge created or to be created in favour of banks for working capital and specific machinery purchased under the ICICI Ltd. - scheme & additionally secured by equitable mortgage on immovable property at Thane, Hosakote, Doddaballapur and Baddi)		44,28,13,922		<u>40,39,55,487</u>
Note : Includes penal interest of Rs.2,126,446/- (previous year Rs.4,224,877/-) on non-payment of instalments on due dates.				
Unsecured loans				
Short Term Deposits				
Cholamandalam Investment & Finance Co. Ltd.		27,00,000		27,00,000
Dail Investments Ltd.		1,59,42,970		1,36,74,970
TOTAL		<u>1,86,42,970</u>		<u>1,63,74,970</u>

Schedule 4 : Fixed Assets (See notes 1(a) and 11 of Schedule 14)

(Rupees)

Fixed Assets	COST / BOOK VALUE				DEPRECIATION				NET BOOK VALUE	
	As at 01.10.2000	Additions during the period	Deductions during the period	For the period ended 30.09.2001	As at 01.10.2000	Additions during the Period	Deductions during the Period	For the period ended 30.09.2001	For the period ended 30.09.2001	For the period ended 30.09.2000
1. Leasehold Land (Long term)	5,46,523	—	—	54,65,23	2,12,545	5,520	—	2,18,065	3,20,458	3,33,978
2. Land (Hoskote) (a)	3,89,939	—	—	38,99,39	—	—	—	—	3,89,939	3,89,939
3. Land (Doddaballapur)(a)	17,15,476	—	—	1,71,54,76	—	—	—	—	17,15,476	17,15,474
4. Land (Baddi)	36,33,900	—	—	3,63,39,00	—	—	—	—	36,33,900	36,33,900
5. Buildings (b)	11,16,90,635	—	—	1,11,69,06,35	3,98,14,917	37,30,397	—	4,35,45,314	6,81,45,321	7,18,75,718
6. Machinery (c)&(d)	35,16,73,317	15,06,870	—	3,53,18,01,87	16,65,73,247	1,52,78,963	—	18,18,52,210	17,13,27,977	18,51,00,069
7. Electrical Equipments	2,64,70,506	—	—	2,64,70,506	93,71,878	13,02,949	—	1,06,74,827	1,57,95,679	1,70,98,629
8. Air Conditioners	8,35,091	—	1,77,355	65,77,36	5,78,890	32,765	131,290	4,80,365	1,77,371	2,56,201
9. Vehicles	16,32,501	—	13,24,682	3,07,819	12,71,432	59,484	10,39,557	2,91,358	16,461	3,61,071
10. Furniture & Office Equipments	1,95,93,309	—	1,87,171	1,94,06,138	1,33,41,107	16,97,977	1,18,820	1,49,20,265	44,05,873	62,52,202
T O T A L	51,81,81,197	15,06,870	16,89,208	51,79,98,859	23,11,64,016	2,21,08,055	12,89,667	25,19,82,404	26,60,16,455	28,70,17,182
Capital work in progress including capital advances	—	—	—	—	—	—	—	—	—	—
Total Rs. as at 30.9.2001	51,81,81,197	15,06,870	16,89,208	51,79,98,859	23,11,64,016	2,21,08,055	12,89,667	25,19,82,404	26,60,16,455	28,70,17,182
Total Rs. as at 30.9.2000	50,46,27,351	2,70,51,258	1,34,97,412	51,81,81,197	18,76,73,567	4,53,22,128	18,31,679	23,11,64,016	28,70,17,182	—

NOTE:

- a. Execution of sale agreement for land purchased from Karnataka Industrial Areas Development Board by the Company on lease-cum-sale basis is pending for non-payment of instalment towards premium.
- b. Buildings include advance rent against lease premises of Rs.15,93,376 taken on a 60 year lease over the primary period of the lease. It also includes Rs.250 for the cost of 5 shares of Rs.50 each fully paid in a Co-operative Society.
- c. Machinery include Rs.1,24,18,941 acquired on hire purchase.
- d. Additions to plant & machinery include addition on account of foreign exchange fluctuation Rs.13,08,750 (previous year Rs.1,87,500)

Schedule 5 : Investments				
Particulars	For the period ended September 30			
	2001		2000	
	Rupees	Rupees	Rupees	Rupees
Investments (refer Note 1(b) of Schedule 14)				
Investment long term (non-trade) - unquoted, at cost				
Duncan Services Ltd.		18,000		18,000
360 Equity shares of Rs.100 each fully paid (includes 180 bonus shares)				
Investment long term (non-trade) quoted, at cost				
Bank of India (3,600 Equity shares of Rs. 10 each @ a premium of Rs. 35 per share)		162,000		162,000
TOTAL		180,000		180,000
	2001		2000	
	Cost	Market Value	Cost	Market Value
	Rs	Rs	Rs	Rs
Aggregate amount of quoted investments :	162,000	-	162,000	35,280
Aggregate amount of unquoted investments:	18,000	-	18,000	-

Schedule 6 : Current Assets, Loans & Advances

Particulars	For the period ended September 30			
	2001		2000	
	Rupees	Rupees	Rupees	Rupees
Current assets				
Inventories (refer Note 1(c) of Schedule 14)				
Stores, spares etc.	1,31,76,296		1,50,41,734	
Utilities	9,08,709		9,59,732	
Raw materials	11,79,652		11,07,536	
Finished goods	47,94,308		98,67,270	
Work-in-process	1,54,11,490		1,91,52,624	
Machinery components	34,32,540		34,79,145	
Scrap	6,31,984		6,91,259	
		3,95,34,979		5,02,99,300
Sundry debtors (Unsecured-considered good except as otherwise stated)				
Debtors over six months	3,95,51,798		98,25,711	
Other debts	1,47,10,481		1,29,52,804	
Considered doubtful (Over six months)	90,04,415		2,97,46,415	
	6,32,66,695		5,25,24,930	
Less : Provision for doubtful debts	90,04,415		2,97,46,415	
		5,42,62,280		2,27,78,515
Cash and bank balances				
Cash and cheques on hand	2,76,116		10,29,344	
With scheduled banks				
On current accounts	6,96,305		30,10,642	
On dividend accounts	94,328		94,328	
On margin money account	-		57,78,692	
		10,66,749		99,13,005
		9,48,64,008		8,29,90,820
Loans and advances (Unsecured, considered good)				
Advances recoverable in cash or in kind or for value to be received				
Other advances	2,01,53,965		2,26,08,986	
Balance with customs, port trust and excise authorities	18,966		1,16,105	
	2,01,72,931		2,27,25,091	
Advances tax (net) (refer note 6 of Schedule 14)	3,31,323		37,96,323	
		2,05,04,254		2,65,21,414
TOTAL		11,53,68,262		10,95,12,234

Schedule 7 : Current Liabilities and Provisions

Particulars	For the period ended September 30			
	2001		2000	
	Rupees	Rupees	Rupees	Rupees
Current Liabilities				
Sundry Creditors	12,23,18,909		11,07,76,365	
Advances received from customers	2,06,44,179		2,33,37,511	
Unpaid dividend	94,328		94,328	
Interest accrued but not due	1,48,172		23,73,782	
		14,32,05,588		13,65,81,986
Provisions				
For wealth tax	10,000		77,289	
		10,000		77,289
TOTAL		14,32,15,588		13,66,59,275

Schedule 8 : Miscellaneous Expenditure

Particulars	For the period ended September 30	
	2001	2000
	Rupees	Rupees
Miscellaneous expenditure (to the extent not written off or adjusted)		
Technical service fees paid		
As per last account	2,04,036	6,18,672
Add : During the year	-	6,23,100
	2,04,036	12,41,772
Share issue expenses		
As per last account	1,85,376	7,41,492
	3,89,412	19,83,264
Less : Written off to Profit and Loss Account (includes Rs.3,89,412 (previous year Nil) for prior periods)	3,89,412	15,93,852
TOTAL	-	3,89,412



National-Standard Duncan Limited

Schedule 9 : Profit and Loss Account

Particulars	For the period ended September 30	
	2001	2000
	Rupees	Rupees
Debit balance in Profit and Loss Account		
Less : As per contra in general reserve (Schedule - 2)	30,16,53,449	30,56,97,121
	-	7,21,60,530
TOTAL	<u>30,16,53,449</u>	<u>23,35,36,591</u>

Schedule 10 : Other Income

Particulars	For the period ended September 30	
	2001	2000
	Rupees	Rupees
Interest (gross) (Subject to tax)		
On deposits and others	4,23,302	6,62,069
Profit on sale of fixed assets	15,181	6,234
Packing charges received	11,60,433	11,67,596
Miscellaneous receipts	28,12,221	10,66,990
Foreign exchange gain (net)	4,94,533	10,57,746
Liabilities / Provisions no longer required, written back	2,07,42,000	15,44,210
Dividend received	5,500	3,600
Rent received	18,000	27,000
TOTAL	<u>2,56,71,170</u>	<u>55,35,444</u>

Particulars	For the period ended September 30			
	2001		2000	
	Rupees	Rupees	Rupees	Rupees
Opening stock				
Raw Material	11,07,536		75,51,564	
Stores and spares etc.	1,50,41,734		1,69,77,506	
Work-in-process	1,91,52,624		2,63,16,887	
Finished goods	98,67,270		2,62,25,131	
Machinery components	34,79,145		44,03,474	
Scrap	6,91,259		3,07,292	
		4,93,39,568		8,17,81,854
Add : Purchase and expenses				
Raw materials	2,61,31,256		14,89,87,474	
Miscellaneous stores	2,01,85,254		2,93,37,348	
Machinery components (deposit w/o diff)	-		16,01,086	
Machining and fabrication charges	8,16,326		29,59,667	
		4,71,32,836		18,28,85,575
		9,64,72,404		26,46,67,429
Less : Closing stock				
Raw Materials	11,79,652		11,07,536	
Stores and spares etc.	1,31,76,296		1,50,41,734	
Work-in-process	1,54,11,490		1,91,52,624	
Finished goods	47,94,308		98,67,270	
Machinery components	34,32,540		34,79,145	
Scrap	6,31,984		6,91,259	
		3,86,26,270		4,93,39,568
TOTAL		5,78,46,134		21,53,27,861

Schedule 14 : Notes forming part of the Balance Sheet and Profit & Loss Account for the period 1st October, 2000 to 30th September, 2001

1. Accounting Policies

a) Fixed Assets:

Fixed Assets are shown at historical cost and include interest cost specifically related to the acquisition of the assets and, in respect of self constructed assets, the cost of material, Labour and allocable overheads on which related tax benefits are taken on a notional sale value.

Depreciation is provided at the rates specified in Schedule XIV to the Companies Act, 1956, and the amending Notification dated December 16, 1993.

Written down value method in respect of all assets of the Company other than plant and machinery and electrical equipment installed at Doddaballapur and imported CNC multi-axes milling machine installed at Hosakote.

- i. Straight line method in respect of plant and machinery and electrical equipment at Doddaballapur and imported CNC multi-axes milling machine installed at Hosakote and all assets at Baddi.

b) Valuation of Investments:

Investments are classified as long-term investment and are stated at cost.

c) Valuation of Inventories:

Raw material, work-in-progress, components, stores and spares and finished goods are valued at lower of cost or net realisable value.

d) Accounting of Modvat:

Non-inclusive method of accounting is consistently followed for Modvat under Central Excise Act with regard to inventories.

e) Employee Cost and Retirement Benefits:

i. Gratuity and Pension Cost

The Company has switched over to Life Insurance Corporation managed Gratuity Fund with effect from 01.04.1991 and annual contribution to Gratuity Fund is made to the approved Gratuity Fund on the basis of liability determined by Life Insurance Corporation for the previous accounting periods.

The Company has switched over to Life Insurance Corporation managed Superannuation Fund with effect from 01.04.1998 and annual contribution to Superannuation Fund is made to the approved Superannuation Fund on the basis of liability determined by Life Insurance Corporation for the previous accounting periods.



National-Standard Duncan Limited

Schedule 12 : Other Expenses

Particulars	For the period ended September 30			
	2001		2000	
	Rupees	Rupees	Rupees	Rupees
Salaries, wages, bonus and commission	2,61,54,917		5,00,16,125	
Provident, gratuity & superannuation funds	38,71,384		1,37,27,823	
		3,00,26,301		6,37,43,948
Staff welfare expenses		43,50,755		1,00,35,773
Insurance		11,21,299		27,35,246
Rent	4,92,240		9,84,130	
Lease rent	-		46,36,282	
Rates and taxes	79,22,203		2,56,55,560	
		84,14,443		3,12,75,972
Transport and conveyance		46,73,319		1,23,70,778
Repairs and Maintenance				
Machinery	9,61,266		37,00,893	
Buildings	5,33,692		17,48,122	
Others	5,72,117		10,64,946	
		20,67,075		65,13,961
Power, fuel and water		2,08,21,488		6,53,85,479
Carriage outward		32,20,655		86,14,246
Legal & professional expenses		7,53,046		39,85,976
Provision for doubtful debts		-		2,96,39,546
Miscellaneous expenses		47,84,619		1,66,70,738
Commission and discount		15,47,955		84,46,572
Payments to auditors (Note 8, Schedule 14)		1,27,680		4,75,540
Miscellaneous expenditure written off				
Technical Service fees	2,04,836		4,14,636	
Share issue expenses	1,85,376		5,56,116	
		3,89,412		9,70,752
TOTAL		8,22,98,045		26,08,64,527

Schedule 13 : Prior Period Expenses / (Income)

Particulars	For the period ended September 30	
	2001	2000
	Rupees	Rupees
Short provision for income tax	21,84,387	7,16,091
Excess provision for wealth tax	(67,209)	10,62,624
Reversal of sales tax claims receivable	10,00,000	89,24,034
Reversal of excess superannuation fund provided	(15,59,875)	-
Reversal of excess interest provided	(31,81,002)	6,23,100
TOTAL	(16,23,779)	1,13,25,849

Schedule 14 (Contd..)

ii. Leave Encashment:

The Company provides for leave encashment on the basis of actuarial valuation. However in the current year it is based on the computations in the prior accounting periods.

f) Recognition of Income and Expenditure:

All Income and Expenditure are accounted on accrual basis; however, for interest charges, provisions have been made based on statement received from banks and other financial institutions

As per past practice, Sales are accounted for inclusive of Excise duty but excluding Sales Tax.

g) Foreign Currency Translation:

Receivables and liabilities have been translated at the exchange rates prevailing at the end of the year/forward contract rates and accordingly exchange losses or gains are recognised.

h) Miscellaneous Expenditure:

Expenses incurred on technical knowhow fees are being amortised on a straight-line basis over a period of six years. Unamortised portion of such expenditure is disclosed as "Miscellaneous Expenditure" in the Balance Sheet.

In the current year, the unamortised portion has been entirely written off being the last instalment.

i) Share Issue Expenses:

Expenses incurred on issue of shares are being amortised on a straight-line basis over a period of six years. Unamortised portion of such expenditure is disclosed as "Miscellaneous Expenditure" in the Balance Sheet.

In the current year, the unamortised portion has been entirely written off being the last instalment.

2. Estimated amount of capital contracts remaining to be executed is NIL as on September 30, 2001.

3. Contingent Liabilities in respect of:-

Rupees

a. Counter Guarantees given by the Company to Bank (In respect of guarantees given by the latter on behalf of the Company) (Previous accounting period Rs.4,58,25,739)	4,55,83,955
b. Taxation matter assessed under dispute to date (net) (Previous year Rs.15,50,000) The Company however does not acknowledge this liability and has filed appeals for the same.	1,05,27,281

Schedule 14 (Contd..)

4. The Company has provided excise duty of Rs.3,19,879 in respect of finished goods in accordance with "Guidance Note on the treatment of excise duty" of the Institute of Chartered Accountants of India. However, this has no impact on the Profit and Loss Account of the Company.
5. Pending application for grant of exemption under the Employee's Pension Fund 1995, the amounts payable is funded to the Company's recognised provident fund up to June, 2001.
6. No provision for income tax for the period has been made after considering loss for the period, allowances, claims and relief available to the Company. Accounting Standard - 22 "Accounting for taxes on income" comes into effect only in respect of accounting periods commencing on or after 01.04.2001. Accordingly, no deferred tax provision is required to be made for the this financial year ended 30.09.2001.
7. **Director's Emoluments:**

	1st October, 2000 to 30th September, 2001 Rupees	1st April, 1999 to 30th September, 2000 Rupees
Total remuneration (excluding fees)	8,65,086	29,02,821
i. Contribution to PF, Super-annuation funds and Gratuity	1,34,285	2,75,589
ii. Estimated value of other benefits refer Note (a)	37,725	41,076

(a) Computed where necessary under Income-Tax rules.

Computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956.

	2000-2001		1999-2000	
	Rs.	Rs.	Rs.	Rs.
Profit/(Loss) as per Profit and Loss Account	-	(6,30,41,770)	-	(23,57,01,215)
Add : Director's Fees	-	-	73,000	-
Provision for Doubtful Debts	-	-	2,96,39,546	-
Depreciation as per Account	2,20,77,057	-	4,53,22,128	-
Director's Remuneration	8,65,086	-	29,02,821	-
	2,29,42,143	-	7,79,37,495	-
	(4,00,99,627)	-	(15,77,63,720)	-

Schedule 14 (Contd..)

31, 1999 when the plant operation was suspended for rectification and recommissioning. This is not in line with Accounting Standard 10 on "Accounting for Fixed Assets". When the plant was operating in the prior years, interest was expensed off. Depreciation for the period includes Rs.11,08,214 on capitalized interest of Rs.2,33,30,825. This is not in line with Accounting Standard 6 on "Depreciation Accounting".

11. Secured & Unsecured Loan shown under Schedule 3 aggregating to Rs.3,87,39,842 outstanding to the various parties as on September 30, 2001 is subject to confirmations and reconciliation. Adjustments including interest, to be made on confirmations and reconciliation of these balances is not ascertainable at this stage.
12. Certain Business related accounts shown under Schedule 6 "Current Assets, Loans & Advances", are in advanced stage of reconciliation and completion, which will be dealt with appropriately in accounts during the respective years of completion.
13. Penal interest aggregating Rs.21,26,446 included in the interest payment shown under *Secured & Unsecured Loans* outstanding as on September 30, 2001 is on account of default in payment of instalments due to Banks and Financial Institutions.
14. As per the terms of secured term loan agreement between the Company and ICICI Limited (ICICI), consequent to the defaults in the repayment of loan installments, ICICI has exercised its option of converting loan into equity capital in respect of a portion of the loan aggregating to Rs.49,00,000 by subscribing to Equity shares of Rs.10 each at par. The necessary formalities in relation to the allotment of shares have been complied with.
15. The Company has applied to the Office of the Registrar of Companies (ROC) West Bengal for extension of the Annual General Meeting and accordingly, the ROC has given its permission vide its letter dated April 10, 2001 for holding the AGM by June 27, 2002, which was due to be held on 31st March, 2002.
16. There are no dues to Small Scale Industries outstanding as at September 30, 2001.

Schedule 14 (Contd..)

	2000-2001		1999-2000	
	Rs.	Rs.	Rs.	Rs.
Less : Depreciation under Section 350	2,20,77,037	-	7,51,15,516	-
Profit on Sale of Fixed Assets	15,181	-	6,234	-
Liability/Provision no longer required written back	2,07,42,000	-	15,44,210	-
	<u>4,28,34,238</u>		<u>7,66,65,960</u>	
Net Profit in accordance with Section 309(5)	<u>(8,29,33,865)</u>		<u>(23,44,29,680)</u>	

Notes : (i) Due to inadequacy of profits, no commission is paid to the erstwhile Managing Director and the Whole time Director.

8. Payment to Statutory Auditors include:

	1st October, 2000 to 30th September, 2001 Rupees	1st April, 1999 to 30th September, 2000 Rupees
Audit Fees	75,000	2,45,000
Other Services	50,000	2,00,000
Reimbursement of out-of-pocket	2,680	30,540
	<u>1,27,680</u>	<u>4,75,540</u>

9. The Company's operations were severely affected due to cash flow problems and consequently production in all the plants was also substantially reduced. The production at the wire plants at Thane, Baddi & Doddaballapur were suspended during the year. The operations at both the tyre mould divisions were at a much lower level of activity and finally due to pressure on the cash flows, were suspended at both the plants on August 30, 2001. During the year, the Company was in dialogue with bankers and financial institutions for financial assistance, to revive the operations of the Company. The Company also entered into an understanding with one of its supplier and continued its operations with the support of the supplier and completed a substantial part of its export obligations. The Company is taking necessary action to revive the operations of the Company, and accordingly, the accounts have been prepared on a going concern basis.

10. During the previous year ended March 31, 1999, interest of Rs.2,33,30,825 on loans borrowed for Baddi Plant was capitalized for the period April 1, 1998 to January

17. The Company manufactures the following products, the relevant information thereof in quantities and values are as follows:

		Beadwire Division		Machinery Division			
		Speciality Wire		Tyre Mould		Rubber Machinery	
		01.10.00 - 30.09.01	01.04.99 - 30.09.00	01.10.00 - 30.09.01	01.04.99 - 30.09.00	01.10.00 - 30.09.01	01.04.99 - 30.09.00
Licensed Capacity		Not covered under the Industries (Development and Regulation) Act, 1951, as certified by the Wholetime Director					
Installed Capacity (Dependent on Product Mix)	MT	14800	14000	@	@	@	@
Actual Production	MT	1350	6908	83 Nos.	237 Nos.	1	8 Nos.
Opening Stock of Finished Goods							
Quantity	MT	53	666	20 Nos.	Nil	8	6 Nos.
Value	Rs.	23,14,443	2,46,00,070	53,57,968	Nil	21,94,859	16,25,061
Closing Stock of Finished Goods							
Quantity	MT	43	53	8 Nos.	20 Nos.	8	8 Nos.
Value	Rs.	15,64,149	23,14,443	10,35,300	53,57,968	21,94,859	21,94,859
Sales							
Quantity	MT	1360	7521	95 Nos.	217 Nos.	1	6 Nos.
Value	Rs.	4,97,00,618	28,67,29,957	3,25,80,904	8,09,95,198	*2,89,73,540	*1,40,60,477

Note : Installed capacities have been certified by the Whole Time Director of the Company and accepted by the Auditors as this is a technical matter.

@ Assembled against firm orders. Hence installed capacity dependent upon orders.

* Includes sale of miscellaneous spares of Rs.11,50,186 (Previous Accounting Period Rs.1,05,06,639)

Schedule 14 (Contd..)



National-Standard Duncan Limited

Schedule 14 (Contd..)

18. Raw Materials Consumed:

Particulars		01.10.00 - 30.09.01		01.04.99 - 30.09.00	
		Quantity	Values Rs.	Quantity	Values Rs.
High Carbon Steel	MT	933.75	2,05,49,731	6,894	12,87,97,368
Aluminium	MT	787 Nos.	18,93,811	78	1,01,15,206
Steel Castings etc.	Nos.	114	36,16,398	615	1,65,18,928
Machinery Components	Lot	-	1,41,02,345	-	25,25,415
			4,01,61,485		15,79,56,917

19. Value of all imported and indigenous raw materials, components and spare parts consumed during the period.

	01.10.00 - 30.09.01		01.04.99 - 30.09.00	
	Value in Rs.	% of total Consumption	Value in Rs.	% of total Consumption
Imported				
Raw Materials	0	-	2,04,04,890	11
Machinery Components	3,79,553	1	-	-
Stores and Spare parts	0	0	17,37,131	1
Indigenous				
Raw Materials	2,60,59,140	54	13,50,26,612	71
Machinery Components	1,37,22,792	29	25,25,415	1
Stores and Spare parts	79,48,347	16	2,95,35,989	16
	4,81,09,832	100	18,92,30,037	100

Expenditure made in foreign currency	2000-01 Rs.	1999-00 Rs.
Foreign Travel	-	5,96,579
Commission	7,56,787	20,52,424
	7,56,787	26,49,003



Schedule 14 (Contd..)

Earnings in Foreign Exchange	2000-01 Rs.	1999-00 Rs.
On account of export of Goods on FOB basis	2,75,27,400	6,38,38,911
Other income (Freight, Insurance and Commission)	18,07,030	56,31,626
Total	2,93,36,439	6,94,70,537

- 20. Out of the existing provision for doubtful debts, a debt amounting to Rs.2,07,42,000 has been written back, as it is understood that the Hon'ble BIFR in its report has given an order to the party to pay this amount on instalment basis.
- 21. Previous year's figures are not comparable with those of the current financial period as the current period is of 12 months from 1st October, 2000 to 30th September, 2001 while previous financial year was of the 18 months ended 30th September,2000. Previous year's figures have been regrouped, reworked and rearranged wherever required.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details	
a) Registration No.	25605
b) State Code	21
c) Balance Sheet Date	31-09-2001
II. Capital raised during the year (Rs. in Thousands)	
a) Public Issue	NIL
b) Rights Issue	NIL
c) Bonus Issue	NIL
d) Private Placement	4900
III. Position of Mobilisation & Deployment of funds (Rs. in Thousands)	
a) Total Assets	540002
b) Total Liabilities	540002
Source of Funds	
a) Paid-up Capital	29530
b) Reserves and Surplus	49015
c) Secured Loans	442814
d) Unsecured Loans	18643
Application of Funds	
a) Net Fixed Assets	266016
b) Investments	180
c) Net Current Assets	(27847)
d) Misc. Expenditure	-
e) Accumulated losses	301653
IV. Performance of Company (Rs. in Thousands)	
a) Turnover	148883
c) Total Expenditure	218624
d) Profit Before Tax	(69741)
e) Profit after Tax	(69741)
V. Generic Names of Three Principal Products/ Services of Company (as per monetary terms)	
1. Item Code No.(ITC Code)	721730 09
Product description	Tyre Beadwire
2. Item Code No.(ITC Code)	847751 00
Product description	Tyre Mould
3. Item Code No.(ITC Code)	847780 00
Product description	Other Machinery

for Venkat Associates

for and on behalf of the Board

N.Venkatakrishnan
Chartered Accountant

Raghuvir Bhandari
Director

Justin David
Director

Place : Mumbai
Date : 31.05.2002

Cashflow for the period ended September 30, 2001
Statement of Cash Flow pursuant to listing agreement with Stock Exchange

Amounts in Rupees '000

Particulars	September 30, 2001	September 30, 2000	
A) Cash flow from operating activities			
Net profit before taxation and extraordinary items	(69,741)		(2,24,375)
Adjustment for :			
Depreciation	22,188	45,322	
Amortisation of:			
- Technical service fees	206	414	
- Share issue expenses	185	556	
Interest received	(423)	(662)	
Interest paid	58,582	1,08,910	
Profit on sale of fixed assets	(15)	(6)	
Payment of lease rent	-	4,636	1,59,170
Operating profit before working capital changes	10,502		(65,205)
Adjustments for:			
Sundry debtors and loans and advances	(25,467)	114,147	
Inventories	10,764	32,157	
Current liabilities and provisions	6,356	35,507	181,811
Cash generated from operations	2,755		1,16,606
Interest paid	(58,582)	(1,08,910)	
Interest received	423	662	
Income taxes paid	-	(395)	(1,08,643)
Cash flow before prior period expenses	65,490		7,963
Prior period expenses	1,624		(11,326)
Net cash flow from operating activities	63,780		(3,363)
B) Cash flow from investing activities			
Purchase of fixed assets	(1,506)	(16,717)	
(Includes interest capitalised Rs. 1,308,750/- Previous year Rs. 187,500/-)			
Proceeds from sale of fixed assets	415	1,337	
Net cash flow from investing activities	(1,091)		(15,380)

Particulars	September 30, 2001	September 30, 2000
C) Cash flow from financing activities		
Proceeds from borrowings		
Cash credit	16,671	(5,843)
Long term borrowings	27,006	11,174
Short term borrowings	2,268	13,875
Finance lease liabilities	-	(4,636)
<i>Net cash flow from financing activities</i>	<u>46,025</u>	<u>14,570</u>
D) Net increase/(decrease) in cash and cash equivalents:		
Cash and cash equivalents as at beginning of period	9,913	14,086
Cash and cash equivalents as at end of period	1,067	9,913
	<u>(8,846)</u>	<u>(4,173)</u>
E) Reconciliation		
Net cash flow from operating activities	(53,780)	(3,363)
Net cash flow from investing activities	(1,091)	(15,380)
Net cash flow from financing activities	46,025	14,570
	<u>(8,846)</u>	<u>(4,173)</u>

Notes :

- Interest payments and receipts are classified under operating activities instead of financing activities.
- Taxes paid are classified under operating activities instead of investing/ financing activities.
- Cash and cash equivalents represents cash and bank balances only.
- Proceeds from borrowings are shown net of repayments.
- Previous year's figures have been regrouped/ reclassified wherever necessary.
- The above cash flow statement is for 12 months period from October 1, 2000 to September 30, 2001.

Place : Mumbai
Date : 31.05.2002

For & on behalf of the Board
Raghuvir Phandari
Director

Justin David
Director



AUDITORS' CERTIFICATE

The above cash flow statement and the notes thereon has been compiled from and is based on the audited accounts of National-Standard Duncan Ltd. for the period October 1, 2000 to September 30, 2001 & reported upon by me as on May 31, 2002. According to the information and explanations given, the aforesaid cash flow statement read with notes thereon has been prepared pursuant to listing agreement of Calcutta stock exchange and there allocation required for the purpose are as made by the Company.

for **Venkat Associates**

Place : Mumbai
Date : 31/05/2002

N Venkatakishnan
Chartered Accountants

National-Standard Duncan Limited



31, Netaji Subhas Road, Kolkota - 700 001.

PROXY FORM

I / We _____
of _____
being member(s) of the National-Standard Duncan Limited bearing
Folio No. _____ DP-ID No. _____ Client ID 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 Thirty Ninth Annual General Meeting of the
Company to be held at 11.00 A.M. on Thursday the 27th June, 2002 at "Board Room", Second
Floor, Duncan House, 31, Netaji Subhas Road, Kolkota - 700 001 and at any adjournment
thereof.

Signed this _____ day of _____ 2002.

Signature _____

Affix
Re.1
Revenue
Stamp

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.

National-Standard Duncan Limited



31, Netaji Subhas Road, Kolkota - 700 001.

ATTENDANCE SLIP

Particulars to be completed 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 Thirty Ninth Annual General Meeting of the Company
to be held at 11.00 A.M. on Thursday the 27th June, 2002 at "Board Room", Second Floor,
Duncan House, 31, Netaji Subhas Road, Kolkota - 700 001.

Signature of Member / Proxy _____

- Note :
1. Members/proxies attending must fill in this attendance slip and hand it over at the entrance of the venue of the meeting.
 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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