

NATIONAL STANDARD (INDIA) LIMITED

(Formerly National-Standard Duncan Limited)



41st Annual Report 2002 – 2003

42nd Annual Report 2003 – 2004

43rd Annual Report 2004 – 2005

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COMMON FOR 2002 – 2005

(With year-wise data for each year)

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

DIRECTORS

2002 – 03

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

2003 – 04

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

2004 –05

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

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

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

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

AUDITORS

C.P. Ranka & Co.

C.P. Ranka & Co.

C.P. Ranka & Co.

BANKERS

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

REGISTERED OFFICE

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

ADDRESS FOR ALL CORRESPONDENCE – CORPAORATE OFFICE

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

PLANTS

Thane , Hoskote, Doddaballapura and Baddi

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

NOTICE OF THE ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS

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

AS SPECIAL BUSINESS

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

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

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

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

NOTES:-

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

NATIONAL STANDARD (INDIA) LIMITED

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

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

Item No. 4

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

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

Item No. 5

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

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

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

N P S SHINH
CHAIRMAN

Place : Kolkata
Date : 26-2-2007



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

To

THE MEMBERS,

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

OPERATING RESULTS

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

FINANCE

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

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

BUSINESS SEGMENT-WISE PERFORMANCE AND OUTLOOK

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

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RISKS AND CONCERNS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

CAUTIONARY NOTE

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

SALE OF ASSETS

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

DIRECTORS

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

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

HEALTH, SAFETY AND ENVIRONMENT

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

AUDITORS

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

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

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

LISTING FEE PAYMENT

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

DEMATERIALISATION OF SHARES

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

ENVIRONMENT PROTECTION

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

INSURANCE

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

CORPORATE GOVERNANCE

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

DIRECTORS RESPONSIBILITY STATEMENT

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

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

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

AUDIT COMMITTEE

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

CONVERSATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUT GO

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

INDUSTRIAL RELATIONS AND PERSONNEL

Industrial relations remained normal during the year.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

A.L.Ananthanarayanan
Managing Director

N.P.S. SHINH
Chairman

Manita Shinh
Director

Place : Kolkata
Date : 26-2-2007

AUDITORS' REPORT OF CORPORATE GOVERNANCE

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

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

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

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

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

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

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

For C.P.Ranka & Co.
Chartered Accountants

(C.P.Ranka)
Partner
M.No. 106823

Place: Secunderabad
Date : 26-2-2007



NATIONAL STANDARD (INDIA) LIMITED

REPORT ON CORPORATE GOVERNANCE

1. COMPANY PHILOSOPHY:

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

2. BOARD OF DIRECTORS:

- The details of attendance, Directorship and Membership of the Directors as on 30.09.2003 are given below:

Name of Director	Appoint - ment Date	Category of director	Attendance Particulars		Directorship of other Companies
			Board Meetings	Last AGM	
NPS Shinh	31.07.2002	Chairman & PD	11	Yes	3
A.L.Ananthanarayanan	14.08.2003	MD & PD	1	-	4
Pramod Khaitan	13.02.1997	ID & NED	-	Yes	NIL
S. Rajagopalan	31.07.2002	ID & NED	5	Yes	NIL
S.N.Kesari	19.12.2002	ID & NED	4	Yes	1
Manita Shinh	19.12.2002	PD & NED	2	Yes	NIL
Justin David	30.03.2001	WD	6	Yes	NIL
Deepak Jain #	27.02.2001	PD & NED	4	Yes	NIL

NED = Non-Executive Director, ID = Independent Director, PD= Promoter Director, WD = Wholetime Director, # Resigned on 02.05.2003

• BOARD MEETINGS:

Eleven Board Meetings were held on 21.10.2002, 28.10.2002, 19.12.2002, 02.01.2003, 29.01.2003, 10.02.2003, 27.02.2003, 25.04.2003, 15.05.2003, 10.07.2003, and 14.08.2003.

3. AUDIT COMMITTEE, REMUNERATION COMMITTEE :

The Audit Committee and Remuneration Committee were not functional as there were no operations in the company due to closure. No directors have received any remuneration during the financial year.

4. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE:

The Board of Directors attended any grievances received from the shareholders promptly.

5. GENERAL BODY MEETINGS:

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

Year	Location	Date	Time
1999 – 2000	Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Calcutta – 700 001	28.03.2001	12.00 PM
2000 – 2001	2 nd Floor, Duncan House, 31 Netaji Subhas Road, Kolkata – 700 001	27.06.2002	11.00 AM
2001 – 2002	3, Esplanade East, Kolkata – 700 069	16.06.2003	11.00 AM

- Special Resolutions were passed in the Above Annual General Meetings and were put through Postal Ballot. No Special Resolutions are proposed to be put through Postal Ballot for the year 2002 -03
- RE-APPOINTMENT OF DIRECTORS:

Shri A.L. Ananthanarayanan has been appointed as Managing Director of the Company and Shri Pramod Khaitan retires by rotation as Director and has been re-appointed as Director.

This is for approval in the current members' meeting.

6. DISCLOSURES:

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

There are no material significant transactions made by the Company with its Promoters, Directors or Management, their Subsidiaries or Relatives etc. that may have potential conflict with the interests of the Company at large.

7. MEANS OF COMMUNICATION:

Quarterly and Half yearly results were not published as the accounts of the company were in arrears. There were no operations during the year in view of no funds / lack of revival Scheme.

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8. GENERAL SHAREHOLDERS INFORMATION:

- Date and Time : March 24th, 2007 at 10.00 A.M
- Venue : 2nd Floor, 3, Esplanade East, Kolkata – 700 069
- Financial Calendar : i) Financial Year – October to September
- Date of Book Closure : 22nd, 23rd and 24th March, 2007
- Dividend Payment Date (s) : No dividend was proposed by the Board.
- Listing of Shares : 1. The Calcutta Stock Exchange Association Ltd
7, Lyons Range, Kolkata – 700 001
2. The Bombay Stock Exchange Ltd,
25th Floor, Pj Towers, Dalal Street, Fort
Mumbai – 400 001
- Stock Code : CSE – BSE - 504882
- Market Price Data: High,
Low during Each month in
last Financial Year /
Performance in comparison
to BSE Sensex : Not Applicable as there was no transactions
Trading remained suspended.
- Registrar and Transfer
Agents : C B Management Services (P) Limited
P- 22, Bondel Road, Kolkata – 700 019
Tel : 033 – 2280 6692
- Share Transfer System : Not Applicable as no share transaction took
place.
- Distribution of Shareholding
and Shareholding pattern
as on 30.09.03 : Please see Annexure 'A'
- Dematerialisation of
shares and Liquidity : Not Applicable
- Plant Locations : The Company's plants are located at
a) Thane, Maharashtra
b) Hoskote, Karnataka
c) Doddaballapura , Karnataka
d) Baddi , Himachal Pradesh
(Plant at Badi and Doddaballapura were
sold with consent of secured lenders during
2005-06)
- Registered Office / Address
for Correspondence : 2nd Floor, 3, Esplanade East, Kolkata – 700 069
(Corporate Office : Surya Towers 'C' Block, 3rd
Floor, 104, S.P. Road, Secunderabad – 500 003)

Annexure ' A'

SHAREHOLDING PATTERN as on 30.09.2003

Sl No.	CATEGORY	No. of Shares	Share Holding %
A	Promoter's Holding		
1	Promoters* - Indian Promoters - Foreign Promoters	2452074 -	33.21 -
2	Persons acting in Concert	-	-
	Sub Total	2452074	33.21
B	Non-Promoters Holding		
3	Institutional Investors		
A	Mutual Funds and UTI	249900	3.39
B	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-government Institutions	1225900	16.61
C	FIs -	-	
	Sub Total	1475800	20.00
4	Others		
A	Private Corporate Bodies	1542370	20.89
B	Indian Public	659724	8.94
C	NRI's/OCBs	2325	0.03
D	Any Other (please specify)		
	i) Foreign Invt. Co	1249987	16.93
	ii) Foreign National	325	0.00
	Sub Total	3454731	46.80
	Grand Total	7382605	100.00
NOTE:-			
	TOTAL FOREIGN SHARE HOLDING	No. of Shares	Share Holding %
	Foreign Invt. Co	1249987	16.93
	NRIs / OCBs	2325	0.03
	Foreign National	325	0.00
	Total	1252637	16.96

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DISTRIBUTION OF SHAREHOLDING AS ON 30.09.2003

Range		Total No. of Holders	% of Total Share Holders	No. of Shares	% of Total Shareholding
From	To				
1	500	875	72.79	201414	2.73
501	1000	171	14.23	133004	1.80
1001	2000	96	7.99	134196	1.82
2001	3000	29	2.41	74849	1.01
3001	4000	11	0.92	37094	0.50
4001	5000	4	0.33	17674	0.24
5001	10000	6	0.50	41412	0.56
10001	99999999	10	0.83	6742961	91.34
TOTAL		1202	100.00	7382605	100.00

AUDITORS' REPORT

1. We have audited the attached Balance Sheet of **NATIONAL-STANDARD INDIA LIMITED** (formerly NATIONAL-STANDARD DUNCAN LIMITED) as at 30th September, 2003 and also the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of the Company for the year ended 30th September, 2002 were audited by other independent accountants, whose report dated 25th April, 2003 expressed an unqualified opinion on those statements except that they have drawn the attention of the members regarding the appropriateness of on going concern basis used for the preparation of the financial statements, capitalization 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 31st March, 1999, pending confirmation and reconciliation of secured loans, cash and bank balances, sundry debtors, loans and advances, sundry creditors and

non-availability of information for segment-wise presentation. The opening balances as on 1st October, 2002 have been taken on the basis of the aforesaid audited financial statements.

4. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, (hereinafter referred to as the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
5. Further to our comments in the Annexure referred to paragraph 4 above, we report that:
 - a) **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 as explained in Note no. 4 of Schedule 13. Should, however, the Company be unable to continue as a going concern, the extent of effect of the resultant adjustments on the net worth of the Company as at the year end and loss for the year, as explained by the management, is presently not ascertainable (also refer note no. 3 of Schedule 13);**
 - 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 **except information mentioned in paragraphs (h) and (k) below;**
 - c) in our opinion, proper books of account, as required by law, have been kept by the Company so far as it appears from our examination of those books **subject to what is stated in paragraphs (i), (j),(k),(l),(n) and (o) below;**
 - 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) the Balance Sheet and Profit and Loss Account dealt with by this report have been prepared in compliance with the Accounting Standards referred to in Section 211 (3C) of the Act, to the extent applicable **except Accounting Standard -2 "Valuation of Inventories", Accounting Standard -6 "Depreciation Accounting", Accounting Standard -10 "Accounting for Fixed Assets", Accounting Standard - 11 "The Effects of Changes in Foreign Exchange Rates" and Accounting Standard - 22 "Accounting for Taxes on Income", the details and effect of which have been disclosed in the paragraphs (i), (j, (l) and (n) below, respectively;**
 - f) **we are unable to express an opinion as to the extent of deterioration of fixed assets (excluding land) of the cost of Rs. 50,86,77,880 (WDV Rs. 21,77,40,051) that might have occurred on account of suspension of**

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manufacturing since 1st August, 2001 and that the expenses which the Company may have to incur for the restoration of the plants. Besides, we are unable to comment as to extent of realisability and usability of old, non-moving, damaged and unserviceable stocks of inventories (refer note no. 5 and 11 of Schedule 13);

- g) certain overdue Sundry Debtors and Advances aggregating to Rs. 26,265,594 and Rs. 1,74,15,968, respectively, which have been classified as 'considered good', are, in our opinion, doubtful of recovery and require to be provided for (refer note no. 6 of Schedule 13);
- h) attention is invited to note no. 7 in Schedule 13 regarding non-disclosure of amounts payable to Small Scale/Ancillary Industrial Undertakings;
- i) attention is invited to note no. 11 in Schedule 13 regarding non-adjustment of lower of net realisable value than cost of inventories (amount unascertainable);
- j) attention is invited to note no. 8 in Schedule 13 regarding capitalization 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 31st March, 1999. Depreciation charge for the current year includes Rs. 11,08,214 on the capitalised interest of Rs 2,33,30,825;
- k) attention is invited to note no. 9 in Schedule 13 regarding pending reconciliation and / or confirmations of secured loans, unsecured loans, sundry debtors, creditors, banks, loans and advances and consequential revenue and other adjustments as may be required to be carried out;
- l) attention is invited to note no. 19 in Schedule 13 regarding non-restatement of foreign current debtors / creditors at the year-end resulting into non-compliance with Accounting Standard – 11 "The Effects of Changes in Foreign Exchange Rates";
- m) attention is invited to note no. 18 in Schedule 13 regarding constitution of Audit Committee and other compliances as required under Section 292A of the Act;
- n) the Company had recognized the Deferred Tax Asset (DTA) of Rs. 13,05,75,780 in an earlier year which, in our opinion, is not in compliance with Accounting Standard – 22 "Accounting for Taxes on Income" since the Company is continuing to incur losses and there is no reasonable / virtual certainty with regard to its reversal in future (refer note no. 10 of Schedule 13);

- o) **no provision has been made for accrued interest liability of Rs. 22,68,000 on unsecured loan taken (refer note no. 12 of Schedule 13);**
- p) On the basis of written representation received from the Directors as on 30th September, 2003 and taken on record by Board of Directors, we report that none of them is disqualified as on 30th September, 2003 from being appointed as a director in terms of Section 274 (1) (g) of the Act;
- q) **we further report that, without considering matters referred to in paragraphs 5(a), (f), (h), (i), (k) and (l) above, the effect of which could not be determined, had the observations made by us in paragraphs 5(g), (j), (n) and (o) above been considered, the loss for the year would have been Rs. 8,70,44,938 (as against reported figure of Rs. 4,10,95,377), accumulated losses would have been Rs. 34,68,74,631 (as against reported figure of Rs. 30,09,25,070), unsecured loans would have been Rs. 2,41,92,239,818 (as against reported figure of Rs. 2,19,24,239), net fixed assets would have been Rs. 21,88,09,818 (as against reported figure of Rs. 22,37,96,781) and deferred tax asset(Net) would have been Nil (as against reported figure of Rs. 13,05,75,780);**
- r) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts **subject to what is stated in para 5(q) above** and read together with Significant Accounting Policies, Contingent liabilities and other notes appearing in Schedule 13 and elsewhere in the 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 30th September, 2003;
- 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

Place: Secunderabad

Date: 26-2-2007

NATIONAL STANDARD (INDIA) LIMITED

Annexure referred to in our report of even date on the accounts for the year ended 30th September, 2003 of NATIONAL-STANDARD (INDIA) LIMITED (formerly NATIONAL-STANDARD DUNCAN LIMITED).

1.
 - a) The Company is in the process of updating its fixed assets records to show full particulars including quantitative details and situation of fixed assets.
 - b) **As informed to us, physical verification of fixed assets was not carried out by the management during the year and consequently we are unable to express an opinion with regard to discrepancies, if any, on account of quantity, usability / realisability, book value, location and other details of the fixed assets of the Company as compared to book records and resultant impact on the financial statements. (attention is also invited to note no. 5 in Schedule 13).**
 - c) No substantial part of the fixed assets has been disposed off by the Company during the year.
2. **The inventory has not been physically verified by the management at reasonable intervals during the year and / or at close of the year and consequently, we are unable to express an opinion with regard to discrepancies, if any, on account of quantity, usability / realisability and location as compared to book records and resultant impact on the financial statements. (attention is also invited to note no. 11 in Schedule 13). However, the Company is maintaining proper records of inventory.**
3.
 - a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - b) The Company has taken unsecured loans from other parties covered in the register maintained under Section 301 of the Act. The total number of such parties are two and the maximum amount involved during the year and the year-end balances of these loans are Rs.2,00,74,239. Attention is, however, drawn to note no. 12 in Schedule 13.
 - c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which such loan has been taken by the Company, are prima-facie, not prejudicial to the interest of the Company.
 - d) The amounts of principal and interest in respect of such loans are not due for repayment in view of Rehabilitation Scheme sanctioned by the BIFR, as explained in note no. 3 of Schedule 13.
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 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 or any other relevant provision of the Act and Rules framed thereunder.
7. **The Company does not have an internal audit system.**
8. The Central Government of India has not prescribed the maintenance of cost records under Section 209 (1)(d) of the Act for any of the products of the Company.
9. a) The Company is not regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues viz. Professional Tax, Municipal Tax and Property Tax during the year. However, in view of BIFR Order dues on account of Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Sales Tax and other material statutory dues viz. Professional Tax, Municipal Tax and Property Tax are not immediately payable. Attention is also invited to Note No. 3 in Schedule 13.
- b) In view of the Rehabilitation Scheme sanctioned by BIFR as explained in Note No. 3 of Schedule 13, there are no statutory dues outstanding for more than six months as on 30th September, 2003 from the date they became payable **except Income Tax deducted at source of Rs. 54,556 and Wealth Tax of Rs. 10,000 (all excluding interest and penalty, if any).**
- c) According to the records of the Company, there are no dues of Income Tax / Sales Tax / Wealth Tax / Service Tax / Custom Duty / Excise Duty / Cess which have not been deposited on account of any dispute except dues on account of the following:

Particulars	Assessment Year	Forum where dispute is pending	Rupees
Excise Duty	1996-1997	CESTAT, Mumbai	11,22,092
Sales Tax	1999-2000	Dy. Commissioner of Sales Tax (Appeals), Thane	6,17,498
	1999-2000	Dy. Commissioner of Sales Tax (Appeals), Bangalore	60,29,446
	2000-2001	Dy. Commissioner of Sales Tax (Appeals), Thane	13,32,804
	2000-2001	Dy. Commissioner of Commercial Taxes, Bangalore	9,93,317
Income Tax	1995-1996	High Court, Kolkata	39,49,860

NATIONAL STANDARD (INDIA) LIMITED

10. The Company's accumulated losses as at 30th September, 2003 are more than fifty percent of its net worth. The Company has incurred cash losses during the financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us and in view of One Time Settlement (OTS) had with the consortium of banks vide the letter of the lead bank dated 29th April, 2005 and also Rehabilitation Scheme sanctioned by the BIFR, as explained in Note No. 3 of Schedule 13, the Company has not defaulted in repayment of dues to the banks and financial institutions.
12. 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.
13. 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.
14. 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

Place: Secunderabad
Date: 26-2-2007

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Second Annual General Meeting of Members of National Standard (India) Limited will be held on Saturday, March 24th, 2007 at 11.00 A.M at 2nd Floor, 3, Esplanade East, Kolkata – 700 069 to transact the following business:-

ORDINARY BUSINESS

1. To consider, approve and adopt the Balance Sheet as at 30th September, 2004 and the Profit & Loss Account for the year ended as on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of S.N.Kesari, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS

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

“RESOLVED THAT Shri T.N.Babu Rao who was appointed as an Additional Director of the Company by the Board of Directors and holds office as per Section 260 of the Companies Act, 1956 and be and is hereby appointed as a Director liable to retire by rotation.”

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

“RESOLVED THAT Shri N. Jagannadham Rao who was appointed as an Additional Director of the Company by the Board of Directors and holds office as per Section 260 of the Companies Act, 1956 and be and is hereby appointed as a Director liable to retire by rotation.”

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

“RESOLVED THAT Shri P. P. Kaveriappa who was appointed as an Additional Director of the Company by the Board of Directors and holds office as per Section 260 of the Companies Act, 1956 and , be and is hereby appointed as a Director liable to retire by rotation.”

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

“RESOLVED THAT Shri S.P.S. Shinh who was appointed as an Additional Director of the Company by the Board of Directors and holds office as per Section 260 of the Companies Act, 1956 and till this Annual General Meeting, be and is hereby appointed as a Director liable to retire by rotation.”

NATIONAL STANDARD (INDIA) LIMITED

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

“RESOLVED THAT Shri Sharath Chowdhary who was appointed as an Additional Director of the Company by the Board of Directors and holds office as per Section 260 of the Companies Act, 1956 and , be and is hereby appointed as a Director liable to retire by rotation.”

NOTES:-

1. ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE PROXIES SHOULD BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Brief Resume of the Directors retiring by rotation and proposed for reappointment is given in the Corporate Governance Report annexed to the Annual Report as per the requirements of the Listing Agreement with the Stock Exchange.
3. Register of Members & Share Transfer Books of the Company will remain closed on 22nd, 23rd, and 24th Mar, 2007.
4. Members who wish to seek any further information / clarifications, at the meeting, on the annual accounts or operations of the Company are requested to send their queries at least one week in advance of the date of the Meeting, to the Registered Office of the Company.
5. Members are requested to intimate any change in their address to the Company immediately.
6. Members who attend the meeting are requested to complete the enclosed attendance slips and deliver the same at the entrance of the Meeting.
7. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed and forms part of this Notice.
8. As per the provisions of Companies Act, 1956, the Members of a Company are allowed to nominate any person to whom the share(s) shall be transmitted in the event of Member's death. Members are advised to contact the Company to avail this facility.
9. Members are requested to bring their copies of Annual Reports at the time of attending the Meeting.

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

Item No. 4

The Board of Directors at their meeting held on 24.02.2004 appointed Shri T.N. Babu Rao as the Additional Director of the Company, whose tenure will expire at the ensuing Annual General Meeting. The Company proposes to appoint Shri T.N. Babu Rao as a Director and Shri T.N. Babu Rao being eligible offers himself for appointment as a Director.

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

Item No. 5

The Board of Directors at their meeting held on 24.02.2004 appointed Shri N. Jagannadham as the Additional Director of the Company, whose tenure will expire at the ensuing Annual General Meeting. The Company proposes to appoint Shri N. Jagannadham as a Director and Shri N. Jagannadham being eligible offers himself for appointment as a Director.

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

Item No. 6

The Board of Directors at their meeting held on 24.02.2004 appointed Shri P.P Kaveriappa as the Additional Director of the Company, whose tenure will expire at the ensuing Annual General Meeting. The Company proposes to appoint Shri P.P Kaveriappa as a Director and Shri P.P Kaveriappa being eligible offers himself for appointment as a Director.

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

Item No. 7

The Board of Directors at their meeting held on 24.02.2004 appointed Shri S.P.S Shinh as the Additional Director of the Company, whose tenure will expire at the ensuing Annual General Meeting. The Company proposes to appoint Shri S.P.S Shinh as a Director and Shri S.P.S Shinh being eligible offers himself for appointment as a Director.

None of the Directors except Shri S.P.S. Shinh, Shri N.P.S Shinh & Ms Manita Shinh (both being related to Shri S.P.S. Shinh), are interested or concerned directly / indirectly in the resolution under reference. Your Directors recommend for his appointment as a Director.

NATIONAL STANDARD (INDIA) LIMITED

Item No. 8

The Board of Directors at their meeting held on 10.09.2004 appointed Shri Sharath Chowdhary as the Additional Director of the Company, whose tenure will expire at the ensuing Annual General Meeting. The Company proposes to appoint Shri Sharath Chowdhary as a Director and Shri Sharath Chowdhary being eligible offers himself for appointment as a Director.

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

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

N P S SHINH
CHAIRMAN

Place : Kolkata
Date : 26-2-2007

Directors' Report – For the Financial Year ending 30th September 2004

To

THE MEMBERS,

Your Directors present the FORTY SECOND Annual Report together with the Audited Accounts of the Company for the year ended 30th September 2004.

OPERATING RESULTS

The Company's plants were closed throughout the year, and there was no production during the year. The closure continues as on the date of signing of this report. The accounts for the year show a net loss of Rs. 2.47 Cr. (Rs. 4.11 Cr. last year), representing the fixed expenses & depreciation. In view of losses, no dividend is feasible.

FINANCE

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

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

BUSINESS SEGMENT-WISE PERFORMANCE AND OUTLOOK

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

NATIONAL STANDARD (INDIA) LIMITED

RISKS AND CONCERNS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

CAUTIONARY NOTE

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

SALE OF ASSETS

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

DIRECTORS

Shri T.N. Babu Rao, Shri N. Jagannadham Rao, Shri P. P. Kaveriappa, Shri S.P.S. Shinh and Shri Sharath Chowdhary were inducted as Directors since the last Annual General Meeting and their appointment by the Shareholders is being proposed in the forthcoming AGM. Shri Pramod Khaitan has resigned from the BOD w.e.f 16.08.2004 and has expressed his inability to continue. Your Directors wish to place on record their sincere appreciation for the valuable services rendered by Shri Pramod Khaitan.

Shri S.N. Kesari will retire at the forthcoming Annual General Meeting and has offered himself for re-appointment.

HEALTH, SAFETY AND ENVIRONMENT

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

AUDITORS

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

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

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

LISTING FEE PAYMENT

The Company was not able to pay the annual listing fee for 2003-04 to Mumbai & Kolkata Stock Exchanges, due to lack of funds. The trading in the shares is currently suspended.

DEMATERIALISATION OF SHARES

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

ENVIRONMENT PROTECTION

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

INSURANCE

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

CORPORATE GOVERNANCE

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

DIRECTORS RESPONSIBILITY STATEMENT

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

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

NATIONAL STANDARD (INDIA) LIMITED

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

AUDIT COMMITTEE

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

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

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

INDUSTRIAL RELATIONS AND PERSONNEL

Industrial relations remained normal during the year.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

A.L.Ananthanarayanan
Managing Director

N.P.S. SHINH
Chairman

Manita Shinh
Director

Place : Kolkata

Date : 26-2-2007

AUDITORS' REPORT OF CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance procedures implemented by **National Standard (India) Limited**, for the year ended 30th September, 2004, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

- d) No quarterly results of the Company were published during the year.**
- e) No quarterly limited review was conducted during the year.**
- f) A qualified and independent audit committee has not been set up.**

We state that in respect of investor grievance(s) received during the year ended 30th September, 2004, no investor grievances are pending for a period exceeding on month against the Company as on 30th September, 2004, as per the records maintained by the Company and presented to the Shareholders'/ Investors' Grievance Committee.

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

For C.P.Ranka & Co.
Chartered Accountants

(C.P.Ranka)
Partner

Place: Secunderabad
Date: 26-2-2007

Membership No.: 106823



NATIONAL STANDARD (INDIA) LIMITED

REPORT ON CORPORATE GOVERNANCE

1. COMPANY PHILOSOPHY:

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

2. BOARD OF DIRECTORS:

- The details of attendance, Directorship and Membership of the Directors as on 30.09.2004 are given below:

Name of Director	Appoint - ment Date	Category of director	Attendance Particulars		Directorship of other Companies
			Board Meetings	Last AGM	
NPS Shinh	31.07.2002	Chairman & PD	4	-	3
A.L.Ananthanarayanan	14.08.2003	MD & PD	4	-	4
S. Rajagopalan	31.07.2002	ID & NED	4	-	NIL
S.N.Kesari	19.12.2002	ID & NED	-	-	1
Manita Shinh	19.12.2002	PD& NED	-	-	NIL
T.N. BabuRao	24.02.2004	ID & NED	-	-	NIL
N. Jagannadham	24.02.2004	ID & NED	-	-	NIL
P P Kaveriappa	24.02.2004	ID & NED	1	-	NIL
S.P.S Shinh	24.02.2004	ID & NED	-	-	4
Sharath Chowdhary	10.09.2004	ID & NED	-	-	NIL
Pramod Khaitan (resigned on 06.08.04)	23.01.1946	ID & NED	-	-	NIL
Justin David (resigned on 31.01.04)	30.03.2001	WD	-	-	NIL

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

*Last AGM for the year 2002-03 was not held as the company was closed.

• BOARD MEETINGS:

Four Board Meetings were held on 31.10.2003, 27.01.2004, 04.02.2004, 10.09.2004.

3. AUDIT COMMITTEE, REMUNERATION COMMITTEE :

The Audit Committee and Remuneration Committee were not functional as there were no operations in the company due to closure. No directors have received

any remuneration during the financial year.

4. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE:

The Board of Directors attended any grievances received from the shareholders promptly.

5. GENERAL BODY MEETINGS:

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

Year	Location	Date	Time
1999 – 2000	Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Calcutta – 700 001	28.03.2001	12.00 PM
2000 – 2001	2 nd Floor, Duncan House, 31 Netaji Subhas Road, Kolkata – 700 001	27.06.2002	11.00 AM
2001 – 2002	3, Esplanade East, Kolkata – 700 069	16.06.2003	11.00 AM

- Special Resolutions were passed in the Above Annual General Meetings and were put through Postal Ballot. No Special Resolutions are proposed to be put through Postal Ballot for the year 2003 - 04

AGM for the year 2002-03 was not held, as the accounts were not prepared due to closure of the company.

- **RE-APPOINTMENT OF DIRECTORS:**

Shri T.N. Babu Rao, Shri N. Jagannadham, Shri P P Kaveriapa, Shri S.P.S Shinh, Shri Sharath Chowadhary were appointed as Directors of the company for the financial year 2003 – 04. Shri S.N Kesari has been re-appointed as Director of the company in the current financial year.

Considering their experience and the benefits the Company can derive by their contribution to the Company in its efforts of Rehabilitation, the Directors recommend the proposal of their reappointment for the consideration of the members.

6. DISCLOSURES:

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

There are no material significant transactions made by the Company with its Promoters, Directors or Management, their Subsidiaries or Relatives etc. that may have potential conflict with the interests of the Company at large.

NATIONAL STANDARD (INDIA) LIMITED

7. MEANS OF COMMUNICATION:

Quarterly and Half yearly results were not published as the accounts of the company were in arrears. There were no operations during the year in view no funds / lack of revival Scheme

8. GENERAL SHAREHOLDERS INFORMATION:

- Date and Time : March 24th, 2007 at 11.00 A.M
- Venue : 2nd Floor, 3, Esplanade East, Kolkata – 700 069
- Financial Calendar : i) Financial Year – October to September
- Date of Book Closure : 22nd, 23rd and 24th March, 2007
- Dividend Payment Date (s) : No dividend was proposed by the Board.
- Listing of Shares : 1. The Calcutta Stock Exchange Association Ltd
7, Lyons Range, Kolkatta – 700 001
2. The Bombay Stock Exchange Ltd,
25th Floor, Pj Towers, Dalal Street, Fort
Mumbai – 400 001
- Stock Code : CSE – BSE - 504882
- Market Price Data: High,
Low during Each month in
last Financial Year / : Not Applicable as there was no transactions.
Performance in comparison Trading was suspended
to BSE Sensex
- Registrar and Transfer : C B Management Services (P) Limited
Agents P- 22, Bondel Road, Kolkata – 700 019
Tel : 033 – 2280 6692
- Share Transfer System : Not Applicable as no share transaction took
place.
- Distribution of Shareholding
and Shareholding pattern
as on 30.09.03 : Please see Annexure 'A'
- Dematerialisation of
shares and Liquidity : Not Applicable
- Plant Locations : The Company's plants are located at
a) Thane, Maharastra
b) Hoskote, Karnataka
c) Doddaballapura , Karnataka
d) Baddi , Himachal Pradesh
(Plant at Badi and Doddaballapura were sold
with consent of secured lenders during
2005-06)
- Registered Office / Address
for Correspondence : 2nd Floor, 3, Esplanade East, Kolkata – 700 069
(Corporate Office : Surya Towers 'C' Block, 3rd
Floor, 104, S.P. Road, Secunderabad – 500 003)

Annexure ' A '

SHAREHOLDING PATTERN as on 30.09.2004

SI No.	CATEGORY	No. of Shares	Share Holding %
A	Promoter's Holding		
1	Promoters* - Indian Promoters - Foreign Promoters	1803087 -	24.42 -
2	Persons acting in Concert	-	-
	Sub Total	1803087	24.42
B	Non-Promoters Holding		
3	Institutional Investors		
A	Mutual Funds and UTI	249900	3.39
B	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-government Institutions	1225900	16.61
C	FII's -	-	-
	Sub Total	1475800	20.00
4	Others		
A	Private Corporate Bodies	1542370	20.89
B	Indian Public	1308711	17.73
C	NRI's/OCBs	2325	0.03
D	Any Other (please specify)		
	i) Foreign Invt. Co	1249987	16.93
	ii) Foreign National	325	0.00
	Sub Total	4103718	55.58
	Grand Total	7382605	100.00
NOTE:-			
	TOTAL FOREIGN SHARE HOLDING	No. of Shares	Share Holding %
	Foreign Invt. Co	1249987	16.93
	NRIs / OCBs	2325	0.03
	Foreign National	325	0.00
	Total	1252637	16.96

NATIONAL STANDARD (INDIA) LIMITED

DISTRIBUTION OF SHAREHOLDING AS ON 30.09.2004

Range		Total No. of Holders	% of Total Share Holders	No. of Shares	% of Total Shareholding
From	To				
1	500	882	73.01	202876	2.75
501	1000	171	14.16	133052	1.80
1001	2000	95	7.86	132843	1.80
2001	3000	27	2.24	70487	0.96
3001	4000	11	0.91	37094	0.50
4001	5000	4	0.33	17675	0.24
5001	10000	6	0.49	41412	0.56
10001	99999999	12	1.00	6747166	91.39
TOTAL		1208	100.00	7382605	100.00

AUDITORS' REPORT

1. We have audited the attached Balance Sheet of **NATIONAL-STANDARD(INDIA) LIMITED** (formerly NATIONAL-STANDARD DUNCAN LIMITED) as at 30th September, 2004 and also the Profit and Lopss Account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. 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 have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, (hereinafter referred to as the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to paragraph 3 above, we report that:
 - a) **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 as explained in Note no. 4 of**

Schedule 11. Should, however, the Company be unable to continue as a going concern, the extent of effect of the resultant adjustments on the net worth of the Company as at the year end and loss for the year, as explained by the management, is presently not ascertainable (also refer note no. 3 of Schedule 11);

- 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 **except information mentioned in paragraphs (h) and (k) below;**
- c) in our opinion, proper books of account, as required by law, have been kept by the Company so far as it appears from our examination of those books **subject to what is stated in paragraphs (i), (j), (k), (l), (n) and (o) below;**
- 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) the Balance Sheet and Profit and Loss Account dealt with by this report have been prepared in compliance with the Accounting Standards referred to in Section 211 (3C) of the Act, to the extent applicable **except Accounting Standard -2 "Valuation of Inventories", Accounting Standard -6 "Depreciation Accounting", Accounting Standard -10 "Accounting for Fixed Assets", Accounting Standard - 11 "The Effects of Changes in Foreign Exchange Rates" and Accounting Standard - 22 "Accounting for Taxes on Income", the details and effect of which have been disclosed in the paragraphs (i), (j, l) and (n) below, respectively;**
- f) we are unable to express an opinion as to the extent of deterioration of fixed assets (excluding land) of the cost of Rs. 50,86,77,880 (WDV Rs. 19,94,25,402) that might have occurred on account of suspension of manufacturing since 1st August, 2001 and that the expenses which the Company may have to incur for the restoration of the plants. **Besides, we are unable to comment as to extent of realisability and usability of old, non-moving, damaged and unserviceable stocks of inventories (refer note no. 5 and 11 of Schedule 11);**
- g) certain overdue Sundry Debtors and Advances aggregating to Rs. 26,265,594 and Rs. 1,74,15,968, respectively, which have been classified as 'considered good', are, in our opinion, doubtful of recovery and require to be provided for (refer note no. 6 of Schedule 11);
- h) attention is invited to note no. 7 in Schedule 11 regarding non-disclosure of amounts payable to Small Scale/Ancillary Industrial Undertakings;
- i) attention is invited to note no. 11 in Schedule 11 regarding non-adjustment of lower of net realisable value than cost of inventories (amount unascertainable);
- j) attention is invited to note no. 8 in Schedule 11 regarding capitalization 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

NATIONAL STANDARD (INDIA) LIMITED

- year ended 31st March, 1999. Depreciation charge for the current year includes Rs. 11,08,214 on the capitalised interest of Rs 2,33,30,825;
- k) attention is invited to note no. 9 in Schedule 11 regarding pending reconciliation and / or confirmations of secured loans, unsecured loans, sundry debtors, creditors, banks, loans and advances and consequential revenue and other adjustments as may be required to be carried out;
 - l) attention is invited to note no. 18 in Schedule 11 regarding non-restatement of foreign current debtors / creditors at the year-end resulting into non-compliance with Accounting Standard – 11 “The Effects of Changes in Foreign Exchange Rates”;
 - m) attention is invited to note no. 17 in Schedule 11 regarding constitution of Audit Committee and other compliances as required under Section 292A of the Act;
 - n) the Company had recognized the Deferred Tax Asset (DTA) of Rs. 13,05,75,780 in an earlier year which, in our opinion, is not in compliance with Accounting Standard – 22 “Accounting for Taxes on Income” since the Company is continuing to incur losses and there is no reasonable / virtual certainty with regard to its reversal in future (refer note no. 10 of Schedule 11);
 - o) no provision has been made for accrued interest liability of Rs. 45,36,000 (including Rs. 22,68,000 for the current year) on unsecured loans taken (refer note no. 19 of Schedule 11);
 - p) On the basis of written representation received from the Directors as on 30th September, 2004 and taken on record by Board of Directors, we report that none of them is disqualified as on 30th September, 2004 from being appointed as a director in terms of Section 274 (1) (g) of the Act;
 - q) we further report that, without considering matters referred to in paragraphs 4(a), (f), (h), (i), (k) and (l) above, the effect of which could not be determined, had the observations made by us in paragraphs 4(g), (j), (n) and (o) above been considered, the loss for the year would have been Rs. 7,29,05,955 (as against reported figure of Rs. 2,69,64,247), accumulated losses would have been Rs. 37,83,67,026 (as against reported figure of Rs. 33,01,57,318), unsecured loans would have been Rs. 2,77,19,441 (as against reported figure of Rs. 2,31,83,441), net fixed assets would have been Rs. 19,93,81,435 (as against reported figure of Rs. 20,54,76,612) and deferred tax asset(Net) would have been Nil (as against reported figure of Rs. 13,05,75,780);
 - r) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts **subject to what is stated in para 4(q) above** and read together with Significant Accounting Policies, Contingent liabilities and other notes appearing in Schedule 11 and elsewhere in the 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 30th September, 2004;
- 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

Place: Secunderabad

Date : 26-2-2007

Annexure referred to in our report of even date on the accounts for the year ended 30th September, 2004 of NATIONAL-STANDARD (INDIA) LIMITED (formerly NATIONAL-STANDARD DUNCAN LIMITED).

1.
 - a) The Company is in the process of updating its fixed assets records to show full particulars including quantitative details and situation of fixed assets.
 - b) **As informed to us, physical verification of fixed assets was not carried out by the management during the year and consequently we are unable to express an opinion with regard to discrepancies, if any, on account of quantity, usability / realisability, book value, location and other details of the fixed assets of the Company as compared to book records and resultant impact on the financial statements. (attention is also invited to note no. 5 in Schedule 11).**
 - c) No substantial part of the fixed assets has been disposed off by the Company during the year.
2. **The inventory has not been physically verified by the management at reasonable intervals during the year and / or at close of the year and consequently, we are unable to express an opinion with regard to discrepancies, if any, on account of quantity, usability / realisability and location as compared to book records and resultant impact on the financial statements. (attention is also invited to note no. 11 in Schedule 11). However, the Company is maintaining proper records of inventory.**
3.
 - a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - b) The Company has taken unsecured loans from other parties covered in the register maintained under Section 301 of the Act. The total number of such parties are two and the maximum amount involved during the year and the

NATIONAL STANDARD (INDIA) LIMITED

year-end balances of these loans are Rs. 2,13,33,441. Attention is, however, drawn to note no. 12 in Schedule 11.

- c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which such loan has been taken by the Company, are prima-facie, not prejudicial to the interest of the Company.
 - d) The amounts of principal and interest in respect of such loans are not due for repayment in view of Rehabilitation Scheme sanctioned by the BIFR, as explained in note no. 3 of Schedule 11.
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 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 or any other relevant provision of the Act and Rules framed thereunder.
7. **The Company does not have an internal audit system.**
8. The Central Government of India has not prescribed the maintenance of cost records under Section 209 (1)(d) of the Act for any of the products of the Company.
9. a) The Company is not regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues viz. Professional Tax, Municipal Tax and Property Tax during the year. However, in view of BIFR Order dues on account of Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Sales Tax and other material statutory dues viz. Professional Tax, Municipal Tax and Property Tax are not immediately payable. Attention is also invited to Note No. 3 in Schedule 11.
- b) In view of the Rehabilitation Scheme sanctioned by BIFR as explained in Note No. 3 of Schedule 13, there are no statutory dues outstanding for more than six months as on 30th September, 2004 from the date they became payable **except Income Tax deducted at source of Rs. 54,556 and Wealth Tax of Rs. 10,000 (all excluding interest and penalty, if any).**
- c) According to the records of the Company, there are no dues of Income Tax / Sales Tax / Wealth Tax / Service Tax / Custom Duty / Excise Duty / Cess

which have not been deposited on account of any dispute except dues on account of the following:

Particulars	Assessment Year	Forum where dispute is pending	Rupees
Excise Duty	1996-1997	CESTAT, Mumbai	11,22,092
Sales Tax	1999-2000	Dy. Commissioner of Sales Tax (Appeals), Thane	6,17,498
	1999-2000	Dy. Commissioner of Sales Tax (Appeals), Bangalore	60,29,446
	2000-2001	Dy. Commissioner of Sales Tax (Appeals), Thane	13,32,804
	2000-2001	Dy. Commissioner of Commercial Taxes, Bangalore	9,93,317
Income Tax	1995-1996	High Court, Kolkata	39,49,860

10. The Company's accumulated losses as at 30th September, 2004 are more than fifty percent of its net worth. The Company has incurred cash losses during the financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us and in view of One Time Settlement (OTS) had with the consortium of banks vide the letter of the lead bank dated 29th April, 2005 and also Rehabilitation Scheme sanctioned by the BIFR, as explained in Note No. 3 of Schedule 11, the Company has not defaulted in repayment of dues to the banks and financial institutions.
12. 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.
13. 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.
14. 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

Place: Secunderabad

Date: 26-2-2007



NATIONAL STANDARD (INDIA) LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Third Annual General Meeting of Members of National Standard (India) Limited will be held on Saturday, March 24th, 2007 at 11.30 A.M at 2nd Floor, 3, Esplanade East, Kolkata – 700 069 to transact the following business:-

ORDINARY BUSINESS

1. To consider, approve and adopt the Balance Sheet as at 30th September, 2005 and the Profit & Loss Account for the year ended as on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri S. Rajagopalan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting.

NOTES:-

1. ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE PROXIES SHOULD BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Register of Members & Share Transfer Books of the Company will remain closed on 22nd, 23rd, and 24th March, 2007.
3. Members who wish to seek any further information / clarifications, at the meeting, on the annual accounts or operations of the Company are requested to send their queries at least one week in advance of the date of the Meeting, to the Registered Office of the Company.
4. Members are requested to intimate any change in their address to the Company immediately.
5. Members who attend the meeting are requested to complete the enclosed attendance slips and deliver the same at the entrance of the Meeting.
6. As per the provisions of Companies Act, 1956, the Members of a Company are allowed to nominate any person to whom the share(s) shall be transmitted in the event of Member's death. Members are advised to contact the Company to avail this facility.
7. Members are requested to bring their copies of Annual Reports at the time of attending the Meeting.

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

N P S SHINH
CHAIRMAN

Place : Kolkata
Date : 26-2-2007



Directors' Report – For the Financial Year ending 30th September 2005

To

THE MEMBERS,

Your Directors present the FORTY THIRD Annual Report together with the Audited Accounts of the Company for the year ended 30th September 2005.

OPERATING RESULTS

The Company's plants were closed throughout the year, and there was no production during the year. The closure continues as on the date of signing of this report. The accounts for the year show a net loss of Rs. 2.38 Cr. (Rs. 2.47 Cr. last year), representing the fixed expenses & depreciation. In view of losses, no dividend is feasible.

FINANCE

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

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

BUSINESS SEGMENT-WISE PERFORMANCE AND OUTLOOK

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

NATIONAL STANDARD (INDIA) LIMITED

RISKS AND CONCERNS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

CAUTIONARY NOTE

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

SALE OF ASSETS

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

DIRECTORS

Shri N. Jagannadham Rao, Shri P. P. Kaveriappa, Shri Sharath Chowdhary, and Shri S.N. Kesari resigned from the BOD w.e.f 01.08.2005 and expressed their inability to continue. Your Directors wish to place on record their sincere appreciation for the valuable services rendered by Shri N. Jagannadham Rao, Shri P. P. Kaveriappa, Shri Sharath Chowdhary, and Shri S.N. Kesari.

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

HEALTH, SAFETY AND ENVIRONMENT

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

AUDITORS

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

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

LISTING FEE PAYMENT

The Company was not able to pay the annual listing fee for 2004-05 to Mumbai & Kolkata Stock Exchanges, due to lack of funds. The trading in the shares is currently suspended.

DEMATERIALISATION OF SHARES

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

ENVIRONMENT PROTECTION

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

INSURANCE

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

CORPORATE GOVERNANCE

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

DIRECTORS RESPONSIBILITY STATEMENT

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

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

NATIONAL STANDARD (INDIA) LIMITED

- f) Due to change of management, Hon'ble BIFR has granted an exemption from any penal proceedings and penalties in respect of past defaults, if any, since March 31, 2000.

AUDIT COMMITTEE

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

CONVERSATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUT GO

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

INDUSTRIAL RELATIONS AND PERSONNEL

Industrial relations remained normal during the year.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

A.L. Ananthanarayanan
Managing Director

N.P.S. SHINH
Chairman

Manita Shinh
Director

Place : Kolkata

Date : 26-2-2007

AUDITORS' REPORT OF CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance procedures implemented by **National Standard (India) Limited**, for the year ended 30th September, 2005, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

- a) **No quarterly results of the Company were published during the year.**
- b) **No quarterly limited review from the quarter ended 30th June, 2005 onwards was conducted.**
- c) **A qualified and independent audit committee has not been set up.**

We state that in respect of investor grievance(s) received during the year ended 30th September, 2005, no investor grievances are pending for a period exceeding on month against the Company as on 30th September, 2005, as per the records maintained by the Company and presented to the Shareholders'/ Investors' Grievance Committee.

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

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

(C.P.Ranka)
Partner

Place: Secunderabad
Date: 26-2-2007

Membership No. :-106823



NATIONAL STANDARD (INDIA) LIMITED

REPORT ON CORPORATE GOVERNANCE

1. COMPANY PHILOSOPHY:

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

2. BOARD OF DIRECTORS:

- The details of attendance, Directorship and Membership of the Directors as on 30.09.2005 are given below:

Name of Director	Appoint - ment Date	Category of director	Attendance Particulars		Directorship of other Companies
			Board Meetings	Last AGM	
NPS Shinh	31.07.2002	Chairman & PD	3	-	3
A.L.Ananthanarayanan	14.08.2003	MD & PD	3	-	4
S. Rajagopalan	31.07.2002	ID & NED	3	-	NIL
Manita Shinh	19.12.2002	PD& NED	-	-	NIL
T.N. BabuRao	24.02.2004	ID & NED	-	-	NIL
S.P.S Shinh	24.02.2004	ID & NED	-	-	4
S.N.Kesari (resigned on 01.08.05)	19.12.2002	ID & NED	-	-	1
N. Jagannadham (resigned on 01.08.05)	24.02.2004	ID & NED	-	-	NIL
P P Kaveriappa (resigned on 01.08.05)	24.02.2004	ID & NED	3	-	NIL
Sharath Chowdhary (resigned on 01.08.05)	10.09.2004	ID & NED	-	-	NIL

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

* Last AGM for the year 2003-04 was not held as the company was closed.

● BOARD MEETINGS:

Four Board Meetings were held on 19.11.2004, 07.01.2005, 09.06.2005 and 01.08.2005

3. AUDIT COMMITTEE, REMUNERATION COMMITTEE :

The Audit Committee and Remuneration Committee were not functional as there were no operations in the company due to closure. No directors have received any remuneration during the financial year.

4. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE:

The Board of Directors attended any grievances received from the shareholders promptly.

5. GENERAL BODY MEETINGS:

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

Year	Location	Date	Time
1999 – 2000	Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Calcutta – 700 001	28.03.2001	12.00 PM
2000 – 2001	2 nd Floor, Duncan House, 31 Netaji Subhas Road, Kolkata – 700 001	27.06.2002	11.00 AM
2001 – 2002	3, Esplanade East, Kolkata – 700 069	16.06.2003	11.00 AM

- Special Resolutions were passed in the Above Annual General Meetings and were put through Postal Ballot. No Special Resolutions are proposed to be put through Postal Ballot for the year 2004 -05

AGM for the year 2003-04 was not held as the accounts were not prepared due to closure of the company.

- **RE-APPOINTMENT OF DIRECTORS:**

Shri S. Rajagopalan has been re-appointed as Director of the company in the financial year 2004-05.

Considering his experience and the benefits the Company can derive by his contribution to the Company in its efforts of Rehabilitation, the Directors recommend the proposal of his reappointment for the consideration of the members.

The dates of relinquishing office of directors are given earlier.

6. DISCLOSURES:

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

NATIONAL STANDARD (INDIA) LIMITED

There are no material significant transactions made by the Company with its Promoters, Directors or Management, their Subsidiaries or Relatives etc. that may have potential conflict with the interests of the Company at large.

7. MEANS OF COMMUNICATION:

Quarterly and Half yearly results were not published as the accounts of the company were in arrears. There were no operations during the year in view of no funds / lack of revival Scheme.

8. GENERAL SHAREHOLDERS INFORMATION:

- Date and Time : March 24th, 2007 at 11.30 A.M
- Venue : 2nd Floor, 3, Esplanade East, Kolkata – 700 069
- Financial Calendar : i) Financial Year – October to September
- Date of Book Closure : 22nd, 23rd and 24th March, 2007
- Dividend Payment Date (s) : No dividend was proposed by the Board.
- Listing of Shares : 1. The Calcutta Stock Exchange Association Ltd
7, Lyons Range, Kolkata – 700 001
2. The Bombay Stock Exchange Ltd,
25th Floor, Pj Towers, Dalal Street, Fort
Mumbai – 400 001
- Stock Code : CSE – BSE - 504882
- Market Price Data: High,
Low during Each month in
last Financial Year /
Performance in comparison
to BSE Sensex : Not Applicable as there was no transactions
Trading was suspended
- Registrar and Transfer
Agents : C B Management Services (P) Limited
P- 22, Bondel Road, Kolkata – 700 019
Tel : 033 – 2280 6692
- Share Transfer System : Not Applicable as no share transaction took place.
- Distribution of Shareholding
and Shareholding pattern
as on 30.09.03 : Please see Annexure 'A'
- Dematerialisation of
shares and Liquidity : Not Applicable
- Plant Locations : The Company's plants are located at
 - a) Thane, Maharashtra
 - b) Hoskote, Karnataka
 - c) Doddaballapura , Karnataka
 - d) Baddi , Himachal Pradesh (Plant at Badi and
Doddaballapura were sold with consent of
secured lenders during 2005-06)
- Registered Office / Address
for Correspondence : 2nd Floor, 3, Esplanade East, Kolkata – 700 069
(Corporate Office : Surya Towers 'C' Block, 3rd Floor,
104, S.P. Road, Secunderabad – 500 003)

Annexure ' A '

SHAREHOLDING PATTERN as on 30.09.2005

Sl No.	CATEGORY	No. of Shares	Share Holding %
A	Promoter's Holding		
1	Promoters* - Indian Promoters - Foreign Promoters	1803087 -	24.42 -
2	Persons acting in Concert	-	-
	Sub Total	1803087	24.42
B	Non-Promoters Holding		
3	Institutional Investors		
A	Mutual Funds and UTI	249900	3.39
B	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions /Non-government Institutions	1225900	16.61
C	FIs -	-	-
	Sub Total	1475800	20.00
4	Others		
A	Private Corporate Bodies	1542370	20.89
B	Indian Public	1308711	17.73
C	NRI's/OCBs	2325	0.03
D	Any Other (please specify)		
	i) Foreign Invt. Co	1249987	16.93
	ii) Foreign National	325	0.00
	Sub Total	4103718	55.58
	Grand Total	7382605	100.00
NOTE:-			
	TOTAL FOREIGN SHARE HOLDING	No. of Shares	Share Holding %
	Foreign Invt. Co	1249987	16.93
	NRIs / OCBs	2325	0.03
	Foreign National	325	0.00
	Total	1252637	16.96

NATIONAL STANDARD (INDIA) LIMITED

DISTRIBUTION OF SHAREHOLDING AS ON 30.09.2005

Range	Total No. of	% of Total	No. of	% of Total	
From	To	Holder	Share	Shareholding	
1	500	884	73.12	202876	2.75
501	1000	171	14.14	133052	1.80
1001	2000	95	7.86	132843	1.80
2001	3000	27	2.23	70487	0.96
3001	4000	11	0.91	37094	0.50
4001	5000	4	0.33	17675	0.24
5001	10000	6	0.50	41412	0.56
10001	99999999	11	0.91	6747166	91.39
TOTAL		1209	100.00	7382605	100.00

AUDITORS' REPORT

1. We have audited the attached Balance Sheet of **NATIONAL-STANDARD (INDIA) LIMITED** (formerly NATIONAL-STANDARD DUNCAN LIMITED) as at 30th September, 2005 and also the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. 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 have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, (hereinafter referred to as the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to paragraph 3 above, we report that:
 - a) **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 as explained in Note no. 4 of Schedule 11. Should, however, the Company be unable to continue as a going concern, the extent of effect of the resultant adjustments on the net worth of the Company as at the year end and loss for the year, as explained by the management, is presently not ascertainable (also refer note no. 3 of Schedule 11);

- 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 **except information mentioned in paragraphs (h) and (k) below;**
- c) in our opinion, proper books of account, as required by law, have been kept by the Company so far as it appears from our examination of those books **subject to what is stated in paragraphs (i), (j),(k),(l),(n) and (o) below;**
- 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) the Balance Sheet and Profit and Loss Account dealt with by this report have been prepared in compliance with the Accounting Standards referred to in Section 211 (3C) of the Act, to the extent applicable **except Accounting Standard –2 “Valuation of Inventories”, Accounting Standard –6 “Depreciation Accounting”, Accounting Standard –10 “Accounting for Fixed Assets”, Accounting Standard – 11 “The Effects of Changes in Foreign Exchange Rates” and Accounting Standard – 22 “Accounting for Taxes on Income”, the details and effect of which have been disclosed in the paragraphs (i), (j, (l) and (n) below, respectively;**
- f) we are unable to express an opinion as to the extent of deterioration of fixed assets (excluding land) of the cost of Rs. 50,86,77,880 (WDV Rs. 18,17,52,006) that might have occurred on account of suspension of manufacturing since 1st August, 2001 and that the expenses which the Company may have to incur for the restoration of the plants. Besides, we are unable to comment as to extent of realisability and usability of old, non-moving, damaged and unserviceable stocks of inventories (refer note no. 5 and 11 of Schedule 11);
- g) certain overdue Sundry Debtors and Advances aggregating to Rs. 26,265,594 and Rs. 1,79,42,365 respectively, which have been classified as ‘considered good’, are, in our opinion, doubtful of recovery and require to be provided for (refer note no. 6 of Schedule 11);
- h) attention is invited to note no. 7 in Schedule 11 regarding non-disclosure of amounts payable to Small Scale/Ancillary Industrial Undertakings;
- i) attention is invited to note no. 11 in Schedule 11 regarding non-adjustment of lower of net realisable value than cost of inventories (amount unascertainable);

NATIONAL STANDARD (INDIA) LIMITED

- j) **attention is invited to note no. 8 in Schedule 11 regarding capitalization 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 31st March, 1999. Depreciation charge for the current year includes Rs. 11,08,214 on the capitalised interest of Rs 2,33,30,825;**
- k) **attention is invited to note no. 9 in Schedule 11 regarding pending reconciliation and / or confirmations of secured loans, unsecured loans, sundry debtors, creditors, banks, loans and advances and consequential revenue and other adjustments as may be required to be carried out;**
- l) **attention is invited to note no. 18 in Schedule 11 regarding non-restatement of foreign current debtors / creditors at the year-end resulting into non-compliance with Accounting Standard – 11 “The Effects of Changes in Foreign Exchange Rates”;**
- m) **attention is invited to note no. 17 in Schedule 11 regarding constitution of Audit Committee and other compliances as required under Section 292A of the Act;**
- n) **the Company had recognized the Deferred Tax Asset (DTA) of Rs. 13,05,75,780 in an earlier year which, in our opinion, is not in compliance with Accounting Standard – 22 “Accounting for Taxes on Income” since the Company is continuing to incur losses and there is no reasonable / virtual certainty with regard to its reversal in future (refer note no. 10 of Schedule 11);**
- o) **no provision has been made for accrued interest liability of Rs. 45,36,000 (including Rs. 22,68,000 for the current year) on unsecured loans taken (refer note no. 19 of Schedule 11);**
- p) **On the basis of written representation received from the Directors as on 30th September, 2005 and taken on record by Board of Directors, we report that none of them is disqualified as on 30th September, 2005 from being appointed as a director in terms of Section 274 (1) (g) of the Act;**
- q) **we further report that, without considering matters referred to in paragraphs 4(a), (f), (h), (i), (k) and (l) above, the effect of which could not be determined, had the observations made by us in paragraphs 4(g), (j), (n) and (o) above been considered, the loss for the year would have been Rs. 7,02,96,601 (as against reported figure of Rs. 2,38,20,644), accumulated losses would have been Rs. 40,04,53,919(as against reported figure of Rs. 34,94,41,961), unsecured loans would have been Rs. 3,12,30,441 (as against reported figure of Rs. 2,44,26,441), net fixed assets would have been Rs. 18,05,94,304 (as against reported figure of Rs. 18,77,97,695) and deferred tax asset(Net) would have been Nil (as against reported figure of Rs. 13,05,75,780);**

- r) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts **subject to what is stated in para 4(q) above** and read together with Significant Accounting Policies, Contingent liabilities and other notes appearing in Schedule 11 and elsewhere in the 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 30th September, 2005;
 - 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

Place: Secunderabad
Date : 26-2-2007

NATIONAL STANDARD (INDIA) LIMITED

Annexure referred to in our report of even date on the accounts for the year ended 30th September, 2005 of NATIONAL-STANDARD (INDIA) LIMITED (formerly NATIONAL-STANDARD DUNCAN LIMITED).

1.
 - a) The Company is in the process of updating its fixed assets records to show full particulars including quantitative details and situation of fixed assets.
 - b) **As informed to us, physical verification of fixed assets was not carried out by the management during the year and consequently we are unable to express an opinion with regard to discrepancies, if any, on account of quantity, usability / realisability, book value, location and other details of the fixed assets of the Company as compared to book records and resultant impact on the financial statements. (attention is also invited to note no. 5 in Schedule 11).**
 - c) No substantial part of the fixed assets has been disposed off by the Company during the year.
2. **The inventory has not been physically verified by the management at reasonable intervals during the year and / or at close of the year and consequently, we are unable to express an opinion with regard to discrepancies, if any, on account of quantity, usability / realisability and location as compared to book records and resultant impact on the financial statements. (attention is also invited to note no. 11 in Schedule 11). However, the Company is maintaining proper records of inventory.**
3.
 - a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - b) The Company has taken unsecured loans from other parties covered in the register maintained under Section 301 of the Act. The total number of such parties are two and the maximum amount involved during the year and the year-end balances of these loans are Rs 2,25,76,441. Attention is, however, drawn to note no. 19 in Schedule 11.
 - c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which such loan has been taken by the Company, are prima-facie, not prejudicial to the interest of the Company.
 - d) The amounts of principal and interest in respect of such loans are not due for repayment in view of Rehabilitation Scheme sanctioned by the BIFR, as explained in note no. 3 of Schedule 11.
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 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 or any other relevant provision of the Act and Rules framed thereunder.
7. **The Company does not have an internal audit system.**
8. The Central Government of India has not prescribed the maintenance of cost records under Section 209 (1)(d) of the Act for any of the products of the Company.
9. a) The Company is not regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues viz. Professional Tax, Municipal Tax and Property Tax during the year. However, in view of BIFR Order dues on account of Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Sales Tax and other material statutory dues viz. Professional Tax, Municipal Tax and Property Tax are not immediately payable. Attention is also invited to Note No. 3 in Schedule 11.
- b) In view of the Rehabilitation Scheme sanctioned by BIFR as explained in Note No. 3 of Schedule 13, there are no statutory dues outstanding for more than six months as on 30th September, 2005 from the date they became payable **except Income Tax deducted at source of Rs. 54,556 and Wealth Tax of Rs. 10,000 (all excluding interest and penalty, if any).**
- c) According to the records of the Company, there are no dues of Income Tax / Sales Tax / Wealth Tax / Service Tax / Custom Duty / Excise Duty / Cess which have not been deposited on account of any dispute except dues on account of the following:

Particulars	Assessment Year	Forum where dispute is pending	Rupees
Excise Duty	1996-1997	CESTAT, Mumbai	11,22,092
Sales Tax	1999-2000	Dy. Commissioner of Sales Tax (Appeals), Thane	6,17,498
		Dy. Commissioner of Sales Tax (Appeals), Bangalore	60,29,446
	2000-2001	Dy. Commissioner of Sales Tax (Appeals), Thane	13,32,804
		Dy. Commissioner of Commercial Taxes, Bangalore	9,93,317
Income Tax	1995-1996	High Court, Kolkata	39,49,860

NATIONAL STANDARD (INDIA) LIMITED

10. The Company's accumulated losses as at 30th September, 2004 are more than fifty percent of its net worth. The Company has incurred cash losses during the financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us and in view of One Time Settlement (OTS) had with the consortium of banks vide the letter of the lead bank dated 29th April, 2005 and also Rehabilitation Scheme sanctioned by the BIFR, as explained in Note No. 3 of Schedule 11, the Company has not defaulted in repayment of dues to the banks and financial institutions.
12. 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.
13. 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.
14. 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

Place: Secunderabad
Date: 26-2-2007

C.P.RANKA
Partner
Membership No. : 106823

BALANCE SHEET AS AT 30TH SEPTEMBER

	Schedules	As at 30.09.2005	As at 30.09.2004	As at 30.09.2003	As at 30.09.2002
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	73,826,050	73,826,050	73,826,050	29,530,420
Reserves and Surplus	2	4,719,636	4,719,636	4,719,636	49,015,266
		78,545,686	78,545,686	78,545,686	78,545,686
Loan Funds					
Secured Loans	3	471,568,150	471,568,150	471,568,150	471,568,150
Unsecured Loans	4	24,426,441	23,183,441	21,924,239	20,060,970
		495,994,591	494,751,591	493,492,389	491,629,120
Total		574,540,277	573,297,277	572,038,075	570,174,806
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	514,963,718	514,963,718	514,963,718	514,963,718
Less : Accumulated Depreciation		327,166,023	309,487,106	291,166,937	272,039,764
Net Block		187,797,695	205,476,612	223,796,781	242,923,954
Investments	6	18,000	18,000	18,000	180,000
Deferred Tax Assets (Refer Note No. 10 in Schedule 13)		130,575,780	130,575,780	130,575,780	130,575,780
Current Assets, Loans and Advances:					
Inventories	7	41,101,901	41,101,901	41,101,901	41,101,901
Sundry Debtors	7	26,265,594	26,265,594	26,265,594	26,265,594
Cash and Bank Balances	7	361,110	321,769	491,806	454,828
Loans and Advances	7	18,265,240	17,730,990	17,738,843	18,536,868
		85,993,845	85,420,254	85,598,144	86,359,192
Less: Current Liabilities and Provision	8	179,287,004	173,814,686	168,875,700	149,693,813
Net Current Assets / (Liabilities)		(93,293,159)	(88,394,432)	(83,277,556)	(63,334,621)
Profit and Loss Account (Loss)		(349,441,962)	(325,621,318)	(300,925,070)	259,829,693
Total		574,540,278	573,297,277	572,038,075	570,174,806
Significant Accounting Policies and Notes to the Accounts					
	13				
Cash Flow Statement					
	14				

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

As per our attached report of even date

For C.PRANKA & Co.

Chartered Accountants

For and on behalf of the Board

C.P.Ranka

Partner

A.L. Ananthanarayan

Managing Director

N.P.S. Shinh

Chairman

Manita Shinh

Director

Place : Secunderabad

Date : 26-2-2007

Place : Kolkata

Date : 26-2-2007



NATIONAL STANDARD (INDIA) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER

	Schedules	For the year ended			
		30.09.2005	30.09.2004	30.09.2003	30.09.2002
INCOME					
Sales (Net)		-	-	-	1,512,140
Other income	9	6,306	75	19,961	744,786
		<u>6,306</u>	<u>75</u>	<u>19,961</u>	<u>2,256,926</u>
EXPENDITURE					
Cost of goods sold	10	-	-	-	375,098
Interest		-	-	-	30,829,201
Depreciation (Refer Note No. 8 of Schedule 13)		17,678,916	18,320,168	19,127,171	20,772,572
Other Expenses	11	6,148,035	6,376,154	21,988,167	30,179,210
		<u>23,826,950</u>	<u>24,696,322</u>	<u>41,115,338</u>	<u>82,156,081</u>
Loss before Taxation		(23,820,644)	(24,696,247)	(41,095,377)	(79,899,155)
Provision for Taxation					
Deferred Tax (Refer Note No. 10 in Schedule 13)		-	-	130,575,780	-
Profit / (Loss) after taxation		(23,820,644)	(24,696,247)	(41,095,377)	50,676,625
Prior Year Expenses	12	-	-	-	8,852,866
Profit / (Loss) after Prior Year Expenses		(23,820,644)	(24,696,247)	(41,095,377)	41,823,759
Balance of loss brought forward from previous year		(325,621,318)	(300,925,070)	(259,829,693)	(301,653,453)
BALANCE OF LOSS CARRIED OVER TO BALANCE SHEET		(349,441,962)	(325,621,318)	(300,925,070)	(259,829,693)
Basic and Diluted Earning Per Share (Face value of Rs.10 each)		<u>3.23</u>	<u>3.35</u>	<u>(9.68)</u>	<u>14.16</u>

Significant Accounting Policies and Notes to the Accounts

13

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

As per our attached report of even date

For C.P.RANKA & Co.

Chartered Accountants

For and on behalf of the Board

C.P.Ranka
Partner

A.L. Ananthanarayan
Managing Director

N.P.S. Shinh
Chairman

Manita Shinh
Director

Place : Secunderabad

Date : 26-2-2007

Place : Kolkata

Date : 26-2-2007



Amount in Rupees

Particulars	As at	As at	As at	As at
	30.09.2005	30.09.2004	30.09.2003	30.09.2002
	Rs	Rs	Rs	Rs
SCHEDULE 1				
SHARE CAPITAL				
Authorised				
10,000,000 Equity shares of Rs.10 each	100,000,000	100,000,000	100,000,000	100,000,000
Issued, Subscribed and Paid-up*				
2,463,042 Equity shares of Rs. 10 each fully Paid	24,630,420	24,630,420	24,630,420	24,630,420
490,000 Equity shares of Rs.10 each fully paid for consideration other than cash	4,900,000	4,900,000	4,900,000	4,900,000
44,29,563 Equity Shares of Rs. 10 each issued as Bonus Shares by capitalisation of Securities Premium Account	44,295,630	44,295,630	44,295,630	-
Total	73,826,050	73,826,050	73,826,050	29,530,420

*Refer Note No. 3 in Schedule 13

Notes:

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 4,90,000 equity shares of Rs.10 each at par.

44,29,563 Equity Shares of Rs. 10 each issued as Bonus Shares in the ratio of 1:1.5 by capitalising the Securities Premium Account.

SCHEDULE 2**RESERVES & SURPLUS**

Capital Reserve	1,716,186	1,716,186	1,716,186	1,716,186
Capital Subsidy Reserve	2,500,000	2,500,000	2,500,000	2,500,000
Securities Premium Account	3,450	3,450	44,299,080	44,299,080
Less : Capitalised during the year			44,295,630	
			3,450	
General Reserve	500,000	500,000	500,000	500,000
	4,719,636	4,719,636	4,719,636	49,015,266

	As at 30th September, 2005	As at 30th September, 2004	As at 30th September, 2003	As at 30th September, 2002
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SCHEDULE 3

SECURED LOANS#

Cash Credit, Working Capital Demand

Loan and Packing Credit Accounts

191,866,502

191,866,502

191,866,502

191,866,502

(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

3,010,810

3,010,810

3,010,810

3,010,810

Less : Interest in respect of future installments included in above (secured by hypothecation of specific plant and machinery purchased under this arrangement)

738,610

738,610

738,610

738,610

2,272,200

2,272,200

2,272,200

2,272,200

Rupee Term Loan - Bank of Bahrain and Kuwait B.S.C.*

116,658,750

116,658,750

116,658,750

116,658,750

116,658,750

116,658,750

116,658,750

116,658,750

Term Loans (New Project)

-ICICI Ltd*

61,769,789

61,769,789

61,769,789

61,769,789

(includes interest accrued and due Rs. 30,969,789 upto 30.09.2002)

-The Industrial Development Bank of India (includes interest accrued and due Rs.27,684,693 upto 30.09.2002)

87,684,693

87,684,693

87,684,693

87,684,693

(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 & future. Additionally secured by equitable mortgage on immovable property at Thane Unit and Baddi Unit

(save and except book debts)).

Hire Purchase Loans from Finance Company (secured by a specific charge on assets purchased)

12,311,015

12,311,015

12,311,015

12,311,015

Less : Interest in respect of future installments included in above (includes interest accrued and due Rs. 3,221,201 upto 30.09.2002)

994,799 **11,316,216**

994,799 11,316,216

994,799 **11,316,216**

994,799 11,316,216

Note : Includes penal interest of Rs. 6,351,323 upto 30.09.2002 for non - repayment of installments on due dates.

* (Secured by hypothecation of company's movable assets both present and future in factories at Thane in Maharashtra, Hosakote and Doddaballapura 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



& specific machinery purchased under the ICICI Ltd., - Scheme & additionally secured by equitable mortgage on immovable property at Thane, Hosakote, Doddaballapura and Baddi)

Total	471,568,150	471,568,150	471,568,150	471,568,150
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SCHEDULE 4

UNSECURED LOANS#

From Bodies Corporate	1,850,000	1,850,000	1,850,000	20,060,970
Promoters Contributions (Refer note no. 20 in Schedule 13)	22,576,441	21,333,441	20,074,239	-

Total	24,426,441	23,183,441	21,924,239	20,060,970
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#Refer note no. 3 in Schedule 13

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 30TH SEPTEMBER, 2003

SCHEDULE 5 : FIXED ASSETS

Amount in Rupees

DESCRIPTION	Cost/Book Value				Depreciation				Net Book Value	
	As at 01.10.2002	Additions during the year	Deductions during the year	As at 30.09.2003	As at 01.10.2002	For the year	On Deductions	Upto 30.09.2003	As at 30.09.2003	As at 30.09.2002
Leasehold Land (Long Term)	546,523	-	-	546,523	223,586	5,520	-	229,106	317,417	322,938
Land (Hoskote) (a) Land	389,939	-	-	389,939	-	-	-	-	389,939	389,939
(Doddaballapura) (a)	1,715,476	-	-	1,715,476	-	-	-	-	1,715,476	1,715,476
Land (Baddi)	3,633,900	-	-	3,633,900	-	-	-	-	3,633,900	3,633,900
Buildings (b)	111,690,635	-	-	111,690,635	47,113,072	3,421,329	-	50,534,402	61,156,233	64,577,564
Machinery (c) & (d)	350,145,046	-	-	350,145,046	195,915,606	13,689,362	-	209,604,968	140,540,078	154,229,440
Electrical Equipments	26,470,506	-	-	26,470,506	11,938,176	1,207,017	-	13,145,193	13,325,314	14,532,330
Air Conditioners	657,736	-	-	657,736	502,394	19,195	-	521,589	136,147	155,342
Vehicles	307,819	-	-	307,819	295,619	3,157	-	298,777	9,042	12,200
Furniture and Office Equipments	19,406,138	-	-	19,406,138	16,051,310	781,591	-	16,832,901	2,573,237	3,354,828
TOTAL	514,963,718	-	-	514,963,718	272,039,764	19,127,171	-	291,166,937	223,796,781	242,923,954
Previous Year	517,998,859	-	3,035,141	514,963,718	251,982,404	20,772,572	715214	272,039,764	242,923,954	

- (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. 1,593,376 taken on a 60 year lease to be amortised 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.93,83,800 acquired on hire purchase.
- (d) Refer Note No. 5 in Schedule 11

SCHEDULE 5 : FIXED ASSETS

Amount in Rupees

DESCRIPTION	Cost/Book Value				Depreciation				Net Book Value	
	As at 01.10.2003	Additions during the year	Deductions during the year	As at 30.09.2004	As at 01.10.2003	For the year	On Deductions	Upto 30.09.2004	As at 30.09.2004	As at 30.09.2003
Leasehold Land (Long Term)	546,523	-	-	546,523	229,106	5,520	-	234,626	311,897	317,417
Land (Hoskote) (a) Land	389,939	-	-	389,939	-	-	-	-	389,939	389,939
(Doddaballapura) (a)	1,715,476	-	-	1,715,476	-	-	-	-	1,715,476	1,715,476
Land (Baddi)	3,633,900	-	-	3,633,900	-	-	-	-	3,633,900	3,633,900
Buildings (b)	111,690,635	-	-	111,690,635	50,534,402	3,289,494	-	53,823,896	57,866,739	61,156,233
Machinery (c) & (d)	350,145,046	-	-	350,145,046	209,604,968	13,271,539	-	222,876,507	127,268,539	140,540,078
Electrical Equipments	26,470,506	-	-	26,470,506	13,145,193	1,177,668	-	14,322,860	12,147,646	13,325,314
Air Conditioners	657,736	-	-	657,736	521,589	16,755	-	538,344	119,392	136,147
Vehicles	307,819	-	-	307,819	298,777	2,339	-	301,117	6,702	9,042
Furniture and Office Equipments	19,406,138	-	-	19,406,138	16,832,901	556,852	-	17,389,753	2,016,384	2,573,237
TOTAL	514,963,718	-	-	514,963,718	291,166,936	18,320,168	-	309,487,106	205,476,612	223,796,781
Previous Year	514,963,718	-	-	514,963,718	272,039,764	19,127,171	-	291,166,937	223,796,781	

- (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.1,593,376 taken on a 60 year lease to be amortised 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.93,83,800 acquired on hire purchase.
- (d) Refer Note No. 5 in Schedule 11

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 30TH SEPTEMBER, 2005

SCHEDULE 5 : FIXED ASSETS

Amount in Rupees

DESCRIPTION	Cost/Book Value			Depreciation					Net Book Value	
	As at 01.10.2004	Additions during the year	Deductions during the year	As at 30.09.2005	As at 01.10.2004	For the year	On Deductions	Upto 30.09.2006	As at 30.09.2005	As at 30.09.2005
Leasehold Land (Long Term)	546,523	-	-	546,523	234,626	5,520	-	240,147	306,376	311,897
Land (Hoskote) (a) Land	389,939	-	-	389,939	-	-	-	-	389,939	389,939
(Doddaballapura) (a)	1,715,476	-	-	1,715,476	-	-	-	-	1,715,476	1,715,476
Land (Baddi)	3,633,900	-	-	3,633,900	-	-	-	-	3,633,900	3,633,900
Buildings (b)	111,690,635	-	-	111,690,635	53,823,896	3,170,796	-	56,994,692	54,695,943	57,866,739
Machinery (c) & (d)	350,145,046	-	-	350,145,046	222,876,507	12,924,298	-	235,800,806	114,344,240	127,268,539
Electrical Equipments	26,470,506	-	-	26,470,506	14,322,860	1,152,401	-	15,475,262	10,995,245	12,147,646
Air Conditioners	657,736	-	-	657,736	538,344	14,654	-	552,999	104,738	119,392
Vehicles	307,819	-	-	307,819	301,117	1,733	-	302,851	4,968	6,702
Furniture and Office Equipments	19,406,138	-	-	19,406,138	17,389,753	409,512	-	17,799,266	1,606,872	2,016,384
TOTAL	514,963,718	-	-	514,963,718	309,487,105	17,678,916	-	327,166,023	187,797,695	205,476,612
Previous Year	514,963,718	-	-	514,963,718	291,166,937	18,320,168	-	309,487,105	205,476,612	

- (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.1,593,376 taken on a 60 year lease to be amortised 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.93,83,800 acquired on hire purchase.
- (d) Refer Note No. 5 in Schedule 11

NATIONAL STANDARD (INDIA) LIMITED

Amount in Rupees

Particulars	As at	As at	As at	As at
	30.09.2005 Rs	30.09.2004 Rs	30.09.2003 Rs	30.09.2002 Rs

SCHEDULE 6

INVESTMENTS - LONG TERM - AT COST

Non-trade - Fully Paid up

(a) Quoted

Bank of India (3,600 Equity shares of Rs. 10 each @ a premium of Rs. 35 per share)	-	-	-	162,000
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(b) Unquoted

Duncan Services Ltd. 360 Equity shares of Rs.100 each fully paid (includes 180 bonus shares)	18,000	18,000	18,000	18,000
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Total	18,000	18,000	18,000	18,000
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	Book Value As at		Market Value	
	30.09.2003	30.09.2002	30.09.2003	30.09.2002
Aggregate amount of quoted investments	-	162,000	-	92,160
Aggregate amount of unquoted investments	18,000	18,000	-	-
Total	41,101,901	41,101,901	41,101,901	41,101,901

Amount in Rupees

Particulars	As at	As at	As at	As at
	30.09.2005	30.09.2004	30.09.2003	30.09.2002
	Rs	Rs	Rs	Rs
SCHEDULE 7				
CURRENT ASSETS, LOANS AND ADVANCES				
Current Assets				
Inventories				
(As taken, valued and certified by the Management)				
Stores, Spares etc.	13,176,296	13,176,296	13,176,296	13,176,296
Utilities	908,709	908,709	908,709	908,709
Raw Materials	1,179,652	1,179,652	1,179,652	1,179,652
Finished Goods	6,736,328	6,736,328	6,736,328	6,736,328
Work-in-Process	15,036,392	15,036,392	15,036,392	15,036,392
Machinery Components	3,432,540	3,432,540	3,432,540	3,432,540
Scrap	631,984	631,984	631,984	631,984
Total	41,101,901	41,101,901	41,101,901	41,101,901
Sundry Debtors				
(Unsecured-considered good except as otherwise stated)				
Debtors over six months	26,265,594	26,265,594	26,265,594	26,265,594
Considered Doubtful	9,004,415	9,004,415	9,004,415	9,004,415
	35,270,009	35,270,009	35,270,009	35,270,009
Less : Provision for Doubtful Debts	9,004,415	9,004,415	9,004,415	9,004,415
Total	26,265,594	26,265,594	26,265,594	26,265,594
Cash and Bank Balances				
Cash and Cheques on Hand	103,582	157,032	333,975	131,995
With Scheduled Banks				
On Current Accounts	163,200	70,409	63,503	228,505
On Dividend Account	94,328	94,328	94,328	94,328
Total	361,110	321,769	491,806	454,828
Loans and advances				
(Unsecured, considered good)				
Advances recoverable in cash				
or in kind or for value to be received	17,932,683	17,398,433	17,406,286	18,204,311
Balance with Customs, Port Trust and				
Excise Authorities	9,682	9,682	9,682	9,682
Advance Tax (net)	322,875	322,875	322,875	322,875
Total	18,265,240	17,730,990	17,738,843	18,536,868
Grand Total	85,993,845	85,420,254	85,598,144	86,359,190

NATIONAL STANDARD (INDIA) LIMITED

Amount in Rupees

Particulars	As at	As at	As at	As at
	30.09.2005	30.09.2004	30.09.2003	30.09.2002
	Rs	Rs	Rs	Rs
SCHEDULE 8				
CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities*				
Sundry Creditors				
Due to Small Scale Industrial Units	-	-	-	-
Due to Others	143,689,444	143,689,444	143,689,444	143,805,214
Other Liabilities	35,493,233	30,020,915	25,081,929	5,784,273
*Investors ' Education & Protection Fund:				
Unpaid Dividends	94,327	94,327	94,327	94,327
Provision				
For Wealth Tax	10,000	10,000	10,000	10,000
Total	179,287,004	173,814,686	168,875,700	149,693,813

*Refer Note No. 3 in Schedule 13

SCHEDULE 9

OTHER INCOME

Packing Charges Received	-	-	-	1,314
Miscellaneous Receipts	6,306	75	461	30
Liabilities / Provisions no longer required written back	-	-	-	719,347
Dividend Received	-	-	-	9,095
Rent Received	-	-	19,500	15,000
Total	6,306	75	19,961	744,786

SCHEDULE 10

COST OF GOODS SOLD

Opening stock

Raw Material	1,179,652	1,179,652	1,179,652	1,179,652
Stores and Spares	13,176,296	13,176,296	13,176,296	13,176,296
Work-in-Process	15,036,392	15,036,392	15,036,392	15,411,490
Finished Goods	6,736,328	6,736,328	6,736,328	4,794,308
Machinery Components	3,432,540	3,432,540	3,432,540	3,432,540
Scrap	631,984	631,984	631,984	631,984
	40,193,192	40,193,192	40,193,192	38,626,270

Less : Closing stock

Raw Material	1,179,652	1,179,652	1,179,652	1,179,652
Stores and Spares	13,176,296	13,176,296	13,176,296	13,176,296
Work-in-Process	15,036,392	15,036,392	15,036,392	15,036,392
Finished Goods	6,736,328	6,736,328	6,736,328	6,736,328
Machinery Components	3,432,540	3,432,540	3,432,540	3,432,540
Scrap	631,984	631,984	631,984	631,984
	40,193,192	40,193,192	40,193,192	0,193,192
	-	-	-	(1,566,922)
Less : Shown as prior Period	-	-	-	1,942,020
Total	-	-	-	375,098

SCHEDULE 11**OTHER EXPENSES**

Salaries, Wages, Bonus and Commission	2,914,851	3,073,251	15,548,290	16,910,725
Provident, Gratuity & Superannuation Funds	3,021,219	3,033,219	3,070,240	4,480,501
Staff Welfare Expenses	3,735	8,300	1,221,199	1,206,975
Insurance	-	-	-	148,486
Rent	-	-	-	472,169
Rates and Taxes	1,443	1,200	2,633	827,699
Transport and Conveyance	25,905	160,393	248,144	558,385
Repairs and Maintenance:				
Buildings	-	8,400	31,302	55,963
Power, Fuel and Water	-	-	1,280,903	1,274,564
Legal & Professional Fees	57,600	49,590	239,140	150,528
Directors' Sitting Fees	-	-	-	10,500
Foreign Exchange Loss	-	-	-	404,765
Loss on transfer of Fixed Assets	-	-	-	1,469,927
Loss on Sale of Investment	-	-	15,205	-
Miscellaneous Expenses	112,058	30,578	267,437	2,050,871
Commission and Discount	-	-	-	7,402
Listing Fees	-	-	-	21,000
Payments to Auditors	11,224	11,224	63,674	128,750
Provision for Doubtful Debts	-	-	-	-
Total	6,148,035	6,376,154	21,988,167	30,179,210

NATIONAL STANDARD (INDIA) LIMITED

SCHEDULE 12

PRIOR PERIOD EXPENSES/ (INCOME)

Foreign Exchnage Loss	-	-	-	47,877
Rates & Taxes	-	-	-	(666,797)
Sales Tax Claims Received	-	-	-	(1,584,506)
Sales/Export Sales	-	-	-	(925,107)
Sales Reversals	-	-	-	2,537,847
Raw Material Consumed	-	-	-	9,160,039
Others	-	-	-	73,483
Miscellaneous Income	-	-	-	(25,672)
Commission on Exports	-	-	-	578,719
Spares Consumed	-	-	-	(343,018)
Total	-	-	-	8,852,865

NATIONAL STANDRAD (INDIA) LIMITED
(Formerly NATIONAL STANDARD DUNCAN LIMITED)

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2003, 2004 and 2005.

SCHEDULE 13

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1) SIGNIFICANT ACCOUNTING POLICIES:

A) BASIS OF ACCOUNTING

- a) The financial statements are prepared under historical cost convention, on the accounting principles of a going concern and in accordance with the applicable Accounting Standards.
- b) All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.
- c) The preparation of financial statements in conformity with General Accepted Accounting Practices requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements have been made relying on the estimates.

B) FIXED ASSETS

Fixed Assets are stated at cost less depreciation and direct costs related to acquisition of fixed assets are capitalised until the assets are ready to put to use. These costs include freight, installation costs, duties and taxes and other allocated expenses.

C) BORROWING COSTS

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

D) INVESTMENTS

Long term Investments are stated at cost. No adjustment is made in carrying cost for temporary decline in the value of investments and where these are considered strategic in nature by the management.

E) DEPRECIATION/AMORTISATION

- a) Leasehold land is amortised over the period of lease.

NATIONAL STANDARD (INDIA) LIMITED

- b) Depreciation is charged on Written Down Value Method in respect of all the assets of the Company other than Plant and Machinery and Electrical Equipments installed at Doddaballapur and imported CNC Multi-axes Milling Machine installed at Hoskote where it is charged on Straight Line Method at the rates and in the manner as prescribed in Schedule XIV to the Companies Act, 1956.

F) VALUATION OF INVENTORIES

- a) Inventories are valued at lower of cost and estimated net realisable value. Obsolete, defective and unserviceable stocks are provided for.
- b) Cost in respect of Work-in-Process and Finished Goods represents direct cost and an appropriate portion of factory overheads which are incurred in bringing them to their present location and condition.

G) REVENUE RECOGNITION

Sales are stated inclusive of excise duty and sales tax but net of rebates and discount. Revenue is recognized when the property and all the significant risks and rewards of ownership are transferred to the buyer or no significant uncertainty exists regarding the amount of consideration that is realized from the sale of goods.

H) RETIREMENT BENEFITS

- a) Provident and Family Pension – as a percentage of salary and wages for eligible employees.
- b) Annual contribution to Gratuity Fund is made to the approved Gratuity Fund on the basis of liability determined by LIC of India at the close of the financial year.
- c) Annual contribution to Superannuation Fund is made to the approved Superannuation Fund on the basis of liability determined by LIC of India for the relevant period.
- d) Since no production activity took place for the entire year, the Company has not provided for any leave encashment payable to the employees in the books.

I) FOREIGN CURRENCY TRANSACTIONS

- a) Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of the transactions.
- b) All exchange differences are dealt with in the Profit & Loss Account except those relating to acquisition of fixed assets, which are adjusted to the cost of assets.
- c) Foreign Currency Assets and Liabilities other than those for financing fixed assets and outstanding as at the balance sheet date are translated at the

rate of exchange prevailing at the close of the year, and resulting gains/losses are recognised in the Profit and Loss Account for the year, except in the cases where they are covered by forward foreign exchange contracts in which case these are translated at the contracted rates of exchange and the resulting gains/losses are recognised in the Profit and Loss Account over the life of the contract.

J) ACCOUNTING FOR TAXES ON INCOME

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

Deferred tax for timing difference between the book and tax profits for the year is accounted for, using the tax rate and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized and carried forward only if there is reasonable/ virtual certainty that they will be realised in future and reviewed for the appropriateness of their respective carrying value at each balance date.

K) CONTINGENT LIABILITIES

Contingent liabilities are disclosed separately in the notes to accounts and / or provided for depending upon the management's perception as to whether the said liability is likely to materialise or not.

NATIONAL STANDARD (INDIA) LIMITED

NOTES TO ACCOUNTS FOR THE YEAR 2002 – 2003 :

	Year ended 30 th Sept., 03 Rupees	Year ended 30 th Sept., 02 Rupees
1. Contingent liabilities not provided for in respect of:		
i) Disputed Central Excise Duty	29,741	29,741
ii) Disputed Sales Tax liability	5,94,66,674	-
iii) Disputed Income Tax liability	51,89,155	52,20,000
iv) Counter guarantees given by the Company to the Bank in respect of guarantees given by the later on behalf of the Company.	2,79,95,939	2,79,95,939
v) Interest / penalty as may be imposed for late / non-payment of various statutory dues- amount unascertainable.		
2. The Rehabilitation Scheme of the Company has been sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) vide its Order dated 1 st June, 2006 which, inter alia, fixes the cut off date as 31 st March, 2000, provides for the write off of existing equity capital by 90% which works out to Rs 6,64,43,445, induction of Rs. 500 lacs (in addition to Rs. 31 lacs already inducted since August 2002 to 31 st March, 2005 as interest-free promoters contribution as per the stipulated schedule and conversion thereof into equity at par by 2009-10 along with the unsecured loans outstanding to their credit after 75% write – back of the pre-July 2002 loans after restructuring of the existing share capital and to dilute equity as required under the listing norms within two years of net worth exceeding the accumulated losses, acceptance of an One-Time Settlement (OTS) for Rs. 2014 lacs in full and final settlement of all dues payable to banks and financial institutions with a cut off date as on 31 st March, 2000 along with security / insurance payments as well as further devolvement against letter of credit and bank guarantees after waiver of the balance due/claims including interest / penal interest, liquidated damages and related charges, acceptance of OTS by the leasing Company for a sum of Rs. 51 lacs in full and final settlement of dues under Lease / Hire Purchase Agreements(net of assets (DG Set) sold to the leasing company in 2001), change of management by transfer of the entire shareholding of erstwhile promoters at Rs. 0.50 per share, sale of Baddi (movable and immovable assets) and entire assets at Dodballapur for a net consideration aggregating to Rs.1680 lacs, waiver of any interest / penalties etc. charged w.e.f. April 1, 1999 by unsecured creditors and the write back of balance principal amounts to 25% which is payable in 10 six-monthly interest free installments with a moratorium of two years from the date of BIFR Order, exemption from applicability of Section 205(C) of the Companies Act, 1956 relating to transfer of unpaid amounts to Investors' Education & Protection Fund, interest free moratorium of two years from the date of		

sanctioning the Scheme in respect of various state government dues like sales tax, electricity dues, municipal tax after waiver of interest / penalties / other charges, if any, interest free moratorium of one year from the date of sanctioning the Scheme in respect of default / deficiencies of Provident Fund/ ESI / Unpaid Gratuity after waiver of interest / penalties / penal charges, exemption under Section 41(1) of the Income Tax Act, 1961 in respect of remission arising out the Scheme, extension of period for carry forward of losses and unabsorbed depreciation in terms of Section 72 of the Income Tax Act, 1961 by a period of five years being the period of closure, granting exemption from capital gain tax for the sale of assets of the Company, shifting of registered office from Kolkatta to Hyderabad, exemption of company(ies)/ management from liabilities of any penal proceedings, prosecutions and penalties under any statute by State Government / Central Government in respect of past defaults, if any, since March 31, 2000.

The aforesaid BIFR Order was received by the Company in the month of June 2006, the accounting entries giving effect to the aforesaid Order will be recorded during the year 2005-2006.

3. The Company's net worth is fully eroded due to losses and despite the same, the accounts for the year ended 30th September, 2003 have been prepared on a "going concern" as the rehabilitation package for the revival of the Company has been sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) which provides for the waivers / reduction / remissions / concessions as stated in para 3 above.
4. There was suspension of manufacturing activity at all the units of the Company since August 2001 due to severe financial crunch and other problems beyond control. The management has already sold two of its units and applied the proceeds to repay the secured creditors / pressing creditors. Manufacturing activity at other two units will commence as per the sanctioned Scheme. In the opinion of the Management, the plants can be put to effective use on full restoration of operations after certain overhauling.
5. No provision has been made in respect of certain overdue sundry debtors and advances aggregating to Rs. 2,62,65,594 and Rs. 1,74,15,698 respectively, since the Management has taken suitable measures to recover the said dues.
6. The Company is in the process of obtaining / compiling information regarding the status of the Small Scale / Ancillary Industries as defined under the "Industries (Development and Regulation) Act, 1951" and "Interest on delayed payments to Small Scale / Ancillary Industrial Undertaking Act, 1993". Hence the required information including their dues / over dues could not be furnished.
7. During the year ended 31st March, 1999 interest of Rs. 2,33,30,825 on loans borrowed for Baddi Plant was capitalized for the period 1st April, 1998 to 31st January, 1999 when the plant operation was suspended for rectification and re-commissioning. 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

NATIONAL STANDARD (INDIA) LIMITED

NOTES TO ACCOUNTS FOR THE YEAR 2002 – 2003 :

	Year ended 30 th Sept., 03 Rupees	Year ended 30 th Sept., 02 Rupees
1. Contingent liabilities not provided for in respect of:		
i) Disputed Central Excise Duty	29,741	29,741
ii) Disputed Sales Tax liability	5,94,66,674	-
iii) Disputed Income Tax liability	51,89,155	52,20,000
iv) Counter guarantees given by the Company to the Bank in respect of guarantees given by the later on behalf of the Company.	2,79,95,939	2,79,95,939
v) Interest / penalty as may be imposed for late / non-payment of various statutory dues- amount unascertainable.		

2. The Rehabilitation Scheme of the Company has been sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) vide its Order dated 1st June, 2006 which, inter alia, fixes the cut off date as 31st March, 2000, provides for the write off of existing equity capital by 90% which works out to Rs 6,64,43,445, induction of Rs. 500 lacs (in addition to Rs. 31 lacs already inducted since August 2002 to 31st March, 2005 as interest-free promoters contribution as per the stipulated schedule and conversion thereof into equity at par by 2009-10 along with the unsecured loans outstanding to their credit after 75% write – back of the pre-July 2002 loans after restructuring of the existing share capital and to dilute equity as required under the listing norms within two years of net worth exceeding the accumulated losses, acceptance of an One-Time Settlement (OTS) for Rs. 2014 lacs in full and final settlement of all dues payable to banks and financial institutions with a cut off date as on 31st March, 2000 along with security / insurance payments as well as further devolvement against letter of credit and bank guarantees after waiver of the balance due/claims including interest / penal interest, liquidated damages and related charges, acceptance of OTS by the leasing Company for a sum of Rs. 51 lacs in full and final settlement of dues under Lease / Hire Purchase Agreements (net of assets (DG Set) sold to the leasing company in 2001), change of management by transfer of the entire shareholding of erstwhile promoters at Rs. 0.50 per share, sale of Baddi (movable and immovable assets) and entire assets at Dodbballapur for a net consideration aggregating to Rs.1680 lacs, waiver of any interest / penalties etc. charged w.e.f. April 1, 1999 by unsecured creditors and the write back of balance principal amounts to 25% which is payable in 10 six-monthly interest free installments with a moratorium of two years from the date of BIFR Order, exemption from applicability of Section 205(C) of the Companies Act, 1956 relating to transfer of unpaid amounts to Investors' Education & Protection Fund, interest free moratorium of two years from the date of

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expensed off. Depreciation for the year 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".

8. Balances of secured loans, unsecured loans (except interest free contributions received from promoters), sundry debtors, creditors, banks and loans and advances given are subject to confirmations and consequential revenue and other adjustments. Necessary rectification in the accounts would be carried out after completion of detailed reconciliation and the process for the same has already been initiated.
9. In view of the Rehabilitation Scheme of the Company sanctioned by BIFR, diversification, de-merger / sale of the units and improved market outlook, Management is reasonably certain that sufficient future taxable income would be available within the statutory time frame or extended time frame of allowability of the unabsorbed losses / allowances under the Income Tax Act, 1961 against which such deferred tax assets can be realized.
10. a) Physical verification of inventories was not carried out as there was no manufacturing activity carried out during the year. The Management does not envisage any material shortage therein as appropriate security arrangements are in place and accordingly inventory has been considered at book balances. Discrepancies, if any, will be accounted for as and when ascertained.
b) In the absence of detailed information and / or records:
 - Old & non-moving, damaged and unserviceable materials could not be ascertained and not provided for, pending final assessment. The utility / economies of utilization of these material will be examined when the operation resume in full swing.
 - Adjustment, if any, on account of lower of net realizable value than cost of inventories could not be ascertained, hence not provided for.
11. In view of Deed of Assignment dated 29th January, 2003 entered into by Dail Investments Limited with one of the new promoters of the Company, a sum of Rs. 1,82,10,970 (including interest of Rs. 56,10,970) payable to them stands assigned to the said promoter on the same terms and conditions as applicable to it which has been shown in the Schedule 4 of Unsecured Loans forming part of the financial statements and is subject to 75% write back and convertible into equity shares as per the sanctioned Scheme.
12. The Accounting Standard 17 on "Segment Reporting" requires that the financial statements should disclose the segment results, segment assets and liabilities separately for each of the reportable segment. However, no manufacturing activity was carried out during the year as the same is under suspension since August, 2001 and consequently, segment information has not been furnished.

13. 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.
14. Various statutory records / procedures are required to be maintained / complied with under various sections of the Companies Act, 1956 and allied fiscal laws are in the process of completion / compliance. This, however, does not have any financial impact on the Company.
15. a) Pending application for grant of exemption under the Employee's Pension Fund, 1995, the amount payable is funded to the Company's recognized Provident Fund.
16. The Company has not appointed a Company Secretary as required under the provisions of Section 383A of the Companies Act, 1956.
17. The Company is in the process of constituting Audit Committee so as to comply with the requirements of Section 292A of the Companies Act, 1956.
18. Foreign currency debtors / creditors are in the process of confirmation and / or reconciliation and the Company is going to restate the same based on the conclusion arrived at after completion of the reconciliation.
19. Pending implementation of Rehabilitation Scheme sanctioned by the BIFR, a sum of Rs. 2,00,74,239 (including Rs. 1,82,10,970 on account of assignment of debt as stated in para 12 above) received during the year from the new promoters towards equity share capital (to be issued at par) has been shown as unsecured loan.
20. Managerial Remuneration:

	Year ended 30th Sept., 03 Rupees	Year ended 30 th Sept., 02 Rupees
Salaries	-	3,35,400
Contribution to Provident Fund, Super-annuation Fund and Gratuity	-	70,583
Perquisites (evaluated as per Income Tax Rules, wherever necessary)	-	79,056
	-	4,85,039

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

(A) List of related parties:

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

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Associates/ Group Companies:

D.I.Trading Company Limited (formerly DAIL Investments Limited)

ii. Key Management Personnel:

Shri N.P.S.Shinh, the Chairman w.e.f. 11.10.2002

Shri A.L.Ananthanarayanan, the Managing Director w.e.f. 14.08.2003

- (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:

Transactions	Key Management Personnel	Rupees
		Previous Year 30.09.2002
Unsecured Loans taken: NPS Shinh (including assignments of debts of Rs. 1,82,10,970).	2,00,49,239	-
Dr. A. L. Ananthanarayanan	25,000	-
Outstanding Balances:		
Unsecured Loans taken: N.P.S. Shinh	2,00,49,239	-
Dr. A. L. Ananthanarayanan	25,000	-

Notes: (a) Related parties are as identified by the Management and relied upon by the auditors.

- (b) No amount pertaining to related parties has been provided for as doubtful debts nor written off during the year.

22. Earnings in Foreign Currency

	Year ended 30 th Sept., 2003 Rupees	Year ended 30 th Sept., 2002 Rupees
Earnings from export of goods on FOB basis	-	1,22,12,746
Other Income	-	17,99,065

23. Calculation of Earning per Share:

	Current Year	Previous Year
<u>Numerator:</u> Net Profit/(loss) as per Profit and Loss Account considered for EPS Calculation – Rupees	(4,10,95,377)	5,06,76,625
<u>Denominator:</u> Number of Weighted Equity Shares Number of equity shares at the beginning of the year	29,53,042	24,63,042
Equity Shares issued on 16.06.2003	44,29,563	4,90,000

Total Number of equity shares outstanding at the end of the year	73,82,605	29,53,042
Weighted average number of Equity Shares outstanding	42,44,998	29,53,042
Basic and Diluted Earnings per Equity Share	Rs. (9.68)	Rs. 14.16
Nominal Value per Equity Share	Rs. 10 each	Rs. 10 each

24. **Auditors' Remuneration**

	Year ended 30th Sept., 2003 Rupees	Year ended 30 th Sept., 2002 Rupees
Audit Fees	10,000	75,000
Other Services	-	50,000
Service Tax	1,224	3,750
Total	11,224	1,28,750

25. Previous year's figures have been regrouped / rearranged wherever necessary so as to make them comparable with those of the current year.

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

N P S SHINH
CHAIRMAN

Place : Kolkata
Date : 26-2-2007

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NOTES TO ACCOUNTS FOR THE YEAR 2003 – 2004 :

	Year ended 30 th Sept., 04 Rupees	Year ended 30 th Sept., 03 Rupees
1. Contingent liabilities not provided for in respect of:		
i) Disputed Central Excise Duty	29,741	29,741
ii) Disputed Sales Tax liability	5,94,66,674	5,94,66,674
iii) Disputed Income Tax liability	51,89,155	51,89,155
iv) Counter guarantees given by the Company to the Bank in respect of guarantees given by the later on behalf of the Company.	2,79,95,939	2,79,95,939
v) Interest / penalty as may be imposed for late / non-payment of statutory dues- amount unascertainable.		
2. The Rehabilitation Scheme of the Company has been sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) vide its Order dated 1 st June, 2006 which, inter alia, fixes the cut off date as 31 st March, 2000, provides for the write off of existing equity capital by 90% which works out to Rs 6,64,43,445, induction of Rs. 500 lacs (in addition to Rs. 31 lacs already inducted since August 2002 to 31 st March, 2005 as interest-free promoters contribution as per the stipulated schedule and conversion thereof into equity at par by 2009-10 along with the unsecured loans outstanding to their credit after 75% write – back of the pre-July 2002 loans after restructuring of the existing share capital and to dilute equity as required under the listing norms within two years of net worth exceeding the accumulated losses, acceptance of an One-Time Settlement (OTS) for Rs. 2014 lacs in full and final settlement of all dues payable to banks and financial institutions with a cut off date as on 31 st March, 2000 along with security / insurance payments as well as further devolvement against letter of credit and bank guarantees after waiver of the balance due/claims including interest / penal interest, liquidated damages and related charges, acceptance of OTS by the leasing Company for a sum of Rs. 51 lacs in full and final settlement of dues under Lease / Hire Purchase Agreements(net of assets (DG Set) sold to the leasing company in 2001), change of management by transfer of the entire shareholding of erstwhile promoters at Rs. 0.50 per share, sale of Baddi (movable and immovable assets) and entire assets at Dodballapur for a net consideration aggregating to Rs.1680 lacs, waiver of any interest / penalties etc. charged w.e.f. April 1, 1999 by unsecured creditors and the write back of balance principal amounts to 25% which is payable in 10 six-monthly interest free installments with a moratorium of two years from the date of BIFR Order, exemption from applicability of Section 205(C) of the Companies Act, 1956 relating to transfer of unpaid amounts to Investors' Education & Protection Fund, interest free moratorium of two years from the date of sanctioning the Scheme in respect of various state government dues like sales		

tax, electricity dues, municipal tax after waiver of interest / penalties / other charges, if any, interest free moratorium of one year from the date of sanctioning the Scheme in respect of default / deficiencies of Provident Fund/ ESI / Unpaid Gratuity after waiver of interest / penalties / penal charges, exemption under Section 41(1) of the Income Tax Act, 1961 in respect of remission arising out the Scheme, extension of period for carry forward of losses and unabsorbed depreciation in terms of Section 72 of the Income Tax Act, 1961 by a period of five years being the period of closure, granting exemption from capital gain tax for the sale of assets of the Company, shifting of registered office from Kolkatta to Hyderabad, exemption of company(ies)/ management from liabilities of any penal proceedings, prosecutions and penalties under any statute by State Government / Central Government in respect of past defaults, if any, since March 31, 2000.

The aforesaid BIFR Order was received by the Company in the month of June 2006, the accounting entries giving effect to the aforesaid Order will be recorded during the year 2005-2006.

3. The Company's net worth is fully eroded due to losses and despite the same, the accounts for the year ended 30th September, 2004 have been prepared on a "going concern" as the rehabilitation package for the revival of the Company has been sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) which provides for the waivers / reduction / remissions / concessions as stated in para 3 above.
4. There was suspension of manufacturing activity at all the units of the Company since August 2001 due to severe financial crunch and other problems beyond control. The management has already sold two of its units and applied the proceeds to repay the secured creditors / pressing creditors. Manufacturing activity at other two units will commence as per the sanctioned Scheme. In the opinion of the Management, the plants can be put to effective use on full restoration of operations after certain overhauling.
5. No provision has been made in respect of certain overdue sundry debtors and advances aggregating to Rs. 2,62,65,594 and Rs. 1,74,08,115 respectively, since the Management has taken suitable measures to recover the said dues.
6. The Company is in the process of obtaining / compiling information regarding the status of the Small Scale / Ancillary Industries as defined under the "Industries (Development and Regulation) Act, 1951" and "Interest on delayed payments to Small Scale / Ancillary Industrial Undertaking Act, 1993". Hence the required information including their dues / over dues could not be furnished.
7. During the year ended 31st March, 1999 interest of Rs. 2,33,30,825 on loans borrowed for Baddi Plant was capitalized for the period 1st April, 1998 to 31st January, 1999 when the plant operation was suspended for rectification and re-commissioning. 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 year includes Rs. 11,08,214 on capitalized

NATIONAL STANDARD (INDIA) LIMITED

interest of Rs. 2,33,30,825. This is no in line with Accounting Standard 6 on "Depreciation Accounting".

8. Balances of secured loans, unsecured loans (except interest free contributions received from promoters), sundry debtors, creditors, banks and loans and advances given are subject to confirmations and consequential revenue and other adjustments. Necessary rectification in the accounts would be carried out after completion of detailed reconciliation and the process for the same has already been initiated.
9. In view of the Rehabilitation Scheme of the Company sanctioned by BIFR, diversification, de-merger / sale of the units and improved market outlook, Management is reasonably certain that sufficient future taxable income would be available within the statutory time frame or extended time frame of allowability of the unabsorbed losses / allowances under the Income Tax Act, 1961 against which such deferred tax assets can be realized.
10. a) Physical verification of inventories was not carried out as there was no manufacturing activity carried out during the year. The Management does not envisage any material shortage therein as appropriate security arrangements are in place and accordingly inventory has been considered at book balances. Discrepancies, if any, will be accounted for as and when ascertained.
b) In the absence of detailed information and / or records:
 - Old & non-moving, damaged and unserviceable materials could not be ascertained and not provided for, pending final assessment. The utility / economies of utilization of these material will be examined when the operation resume in full swing.
 - Adjustment, if any, on account of lower of net realizable value than cost of inventories could not be ascertained, hence not provided for.
11. The Accounting Standard 17 on "Segment Reporting" requires that the financial statements should disclose the segment results, segment assets and liabilities separately for each of the reportable segment. However, no manufacturing activity was carried out during the year as the same is under suspension since August, 2001 and consequently, segment information has not been furnished.
12. 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.
13. Various statutory records / procedures are required to be maintained / complied with under various sections of the Companies Act, 1956 and allied fiscal laws are in the process of completion / compliance. This, however, does not have any financial impact on the Company.

14. a) Pending application for grant of exemption under the Employee's Pension Fund, 1995, the amount payable is funded to the Company's recognized Provident Fund.
15. The Company has not appointed a Company Secretary as required under the provisions of Section 383A of the Companies Act, 1956.
16. The Company is in the process of constituting Audit Committee so as to comply with the requirements of Section 292A of the Companies Act, 1956.
17. Foreign currency debtors / creditors are in the process of confirmation and / or reconciliation and the Company is going to restate the same based on the conclusion arrived at after completion of the reconciliation..
18. a) Pending implementation of Rehabilitation Scheme sanctioned by the BIFR, a sum of Rs. 2,13,33,441 received from the news promoters towards equity share capital (to be issued at par) has been shown as unsecured loan.
- b) Pending implementation of Rehabilitation Scheme sanctioned by the BIFR, no provision for interest liability of Rs. 45,36,000 on unsecured loans taken (Previous Year Rs. 22,68,000) including Rs. 22,68,000 for the current year (Previous Year Rs. 22,68,000) has been made for the year ended 30th September, 2004.
19. Disclosure in respect of related parties pursuant to Accounting Standards 18:
- (A) List of related parties:
Key Management Personnel:
Shri N.P.S.Shinh, the Chairman
Shri A.L.Ananthanarayanan, the Managing Director
- (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:

Transactions	Key Management Personnel	Rupees
		Previous Year 30.09.2003
Unsecured Loans taken:		
N.P.S. Shinh	2,19,066	2,00,49,239
Dr. A. L. Ananthanarayanan	10,40,136	25,000
Outstanding Balances:		
Unsecured Loans taken:		
N.P.S. Shinh	2,02,68,305	2,00,49,239
Dr. A. L. Ananthanarayanan	10,65,136	25,000

- Notes:** (a) Related parties are as identified by the Management and relied upon by the auditors.
- (b) No amount pertaining to related parties has been provided for as doubtful debts nor written off during the year.

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20. Calculation of Earning per Share:

	Current Year	Previous Year
<u>Numerator</u> : Net Profit/(loss) as per Profit and Loss Account considered for		
EPS Calculation –Rupees	(2,46,96,247)	(4,10,95,377)
<u>Denominator</u> : Number of Weighted Equity Shares	73,82,605	42,44,998
Basic and Diluted Earnings per Equity Share	Rs. (3.35)	Rs. (9.68)
Nominal Value per Equity Share	Rs. 10 each	Rs. 10 each

21. Auditors' Remuneration

	Year ended 30 th Sept., 2004 Rupees	Year ended 30 th Sept., 2003 Rupees
Audit Fees	10,000	10,000
Other Services	-	-
Service Tax	1,224	1,224
Total	11,224	11,224

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

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

N P S SHINH
CHAIRMAN

Place : Kolkata
Date : 26-2-2007

NOTES TO ACCOUNTS FOR THE YEAR 2004 – 2005 :

	Year ended 30th Sept., 05 Rupees	Year ended 30 th Sept., 04 Rupees
1. Contingent liabilities not provided for in respect of:		
i) <i>Disputed Central Excise Duty</i>	29,741	29,741
ii) Disputed Sales Tax liability	5,94,66,674	5,94,66,674
iii) Disputed Income Tax liability	51,89,155	51,89,155
iv) Counter guarantees given by the Company to the Bank in respect of guarantees given by the later on behalf of the Company.	2,79,95,939	2,79,95,939
v) Interest / penalty as may be imposed for late / non-payment of statutory dues- amount unascertainable.		
2. The Rehabilitation Scheme of the Company has been sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) vide its Order dated 1 st June, 2006 which, inter alia, fixes the cut off date as 31 st March, 2000, provides for the write off of existing equity capital by 90% which works out to Rs 6,64,43,445, induction of Rs. 500 lacs (in addition to Rs. 31 lacs already inducted since August 2002 to 31 st March, 2005 as interest-free promoters contribution as per the stipulated schedule and conversion thereof into equity at par by 2009-10 along with the unsecured loans outstanding to their credit after 75% write – back of the pre-July 2002 loans after restructuring of the existing share capital and to dilute equity as required under the listing norms within two years of net worth exceeding the accumulated losses, acceptance of an One-Time Settlement (OTS) for Rs. 2014 lacs in full and final settlement of all dues payable to banks and financial institutions with a cut off date as on 31 st March, 2000 along with security / insurance payments as well as further devolvement against letter of credit and bank guarantees after waiver of the balance due/claims including interest / penal interest, liquidated damages and related charges, acceptance of OTS by the leasing Company for a sum of Rs. 51 lacs in full and final settlement of dues under Lease / Hire Purchase Agreements(net of assets (DG Set) sold to the leasing company in 2001), change of management by transfer of the entire shareholding of erstwhile promoters at Rs. 0.50 per share, sale of Baddi (movable and immovable assets) and entire assets at Dodbhallapur for a net consideration aggregating to Rs.1680 lacs, waiver of any interest / penalties etc. charged w.e.f. April 1, 1999 by unsecured creditors and the write back of balance principal amounts to 25% which is payable in 10 six-monthly interest free installments with a moratorium of two years from the date of BIFR Order, exemption from applicability of Section 205(C) of the Companies Act, 1956 relating to transfer of unpaid amounts to Investors' Education & Protection Fund, interest free moratorium of two years from the date of sanctioning the Scheme in respect of various state government dues like sales		

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tax, electricity dues, municipal tax after waiver of interest / penalties / other charges, if any, interest free moratorium of one year from the date of sanctioning the Scheme in respect of default / deficiencies of Provident Fund/ ESI / Unpaid Gratuity after waiver of interest / penalties / penal charges, exemption under Section 41(1) of the Income Tax Act, 1961 in respect of remission arising out the Scheme, extension of period for carry forward of losses and unabsorbed depreciation in terms of Section 72 of the Income Tax Act, 1961 by a period of five years being the period of closure, granting exemption from capital gain tax for the sale of assets of the Company, shifting of registered office from Kolkatta to Hyderabad, exemption of company(ies)/ management from liabilities of any penal proceedings, prosecutions and penalties under any statute by State Government / Central Government in respect of past defaults, if any, since March 31, 2000.

The aforesaid BIFR Order was received by the Company in the month of June 2006, the accounting entries giving effect to the aforesaid Order will be recorded during the year 2005-2006.

3. The Company's net worth is fully eroded due to losses and despite the same, the accounts for the year ended 30th September, 2004 have been prepared on a "going concern" as the rehabilitation package for the revival of the Company has been sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) which provides for the waivers / reduction / remissions / concessions as stated in para 3 above.
4. There was suspension of manufacturing activity at all the units of the Company since August 2001 due to severe financial crunch and other problems beyond control. The management has already sold two of its units and applied the proceeds to repay the secured creditors / pressing creditors. Manufacturing activity at other two units will commence as per the sanctioned Scheme. In the opinion of the Management, the plants can be put to effective use on full restoration of operations after certain overhauling.
5. No provision has been made in respect of certain overdue sundry debtors and advances aggregating to Rs. 2,62,65,594 and Rs. 1,79,42,365 respectively, since the Management has taken suitable measures to recover the said dues.
6. The Company is in the process of obtaining / compiling information regarding the status of the Small Scale / Ancillary Industries as defined under the "Industries (Development and Regulation) Act, 1951" and "Interest on delayed payments to Small Scale / Ancillary Industrial Undertaking Act, 1993". Hence the required information including their dues / over dues could not be furnished.
7. During the year ended 31st March, 1999 interest of Rs. 2,33,30,825 on loans borrowed for Baddi Plant was capitalized for the period 1st April, 1998 to 31st January, 1999 when the plant operation was suspended for rectification and re-commissioning. 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 year includes Rs. 11,08,214 on capitalized

- interest of Rs. 2,33,30,825. This is no in-line with Accounting Standard 6 on "Depreciation Accounting".
8. Balances of secured loans, unsecured loans (except interest free contributions received from promoters), sundry debtors, creditors, banks and loans and advances given are subject to confirmations and consequential revenue and other adjustments. Necessary rectification in the accounts would be carried out after completion of detailed reconciliation and the process for the same has already been initiated.
 9. In view of the Rehabilitation Scheme of the Company sanctioned by BIFR, diversification, de-merger / sale of the units and improved market outlook, Management is reasonably certain that sufficient future taxable income would be available within the statutory time frame or extended time frame of allowability of the unabsorbed losses / allowances under the Income Tax Act, 1961 against which such deferred tax assets can be realized.
 10.
 - a) Physical verification of inventories was not carried out as there was no manufacturing activity carried out during the year. The Management does not envisage any material shortage therein as appropriate security arrangements are in place and accordingly inventory has been considered at book balances. Discrepancies, if any, will be accounted for as and when ascertained.
 - b) In the absence of detailed information and / or records:
 - Old & non-moving, damaged and unserviceable materials could not be ascertained and not provided for, pending final assessment. The utility / economies of utilization of these material will be examined when the operation resume in full swing.
 - Adjustment, if any, on account of lower of net realizable value than cost of inventories could not be ascertained, hence not provided for.
 11. The Accounting Standard 17 on "Segment Reporting" requires that the financial statements should disclose the segment results, segment assets and liabilities separately for each of the reportable segment. However, no manufacturing activity was carried out during the year as the same is under suspension since August, 2001 and consequently, segment information has not been furnished.
 12. 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.
 13. Various statutory records / procedures are required to be maintained / complied with under various sections of the Companies Act, 1956 and allied fiscal laws are in the process of completion / compliance. This, however, does not have any financial impact on the Company.

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14. a) Pending application for grant of exemption under the Employee's Pension Fund, 1995, the amount payable is funded to the Company's recognized Provident Fund.
15. The Company has not appointed a Company Secretary as required under the provisions of Section 383A of the Companies Act, 1956.
16. The Company is in the process of constituting Audit Committee so as to comply with the requirements of Section 292A of the Companies Act, 1956.
17. Foreign currency debtors / creditors are in the process of confirmation and / or reconciliation and the Company is going to restate the same based on the conclusion arrived at after completion of the reconciliation..
18. Pending implementation of Rehabilitation Scheme sanctioned by the BIFR, a sum of Rs. 2,25,76,441 received from the news promoters towards equity share capital (to be issued at par) have been shown as unsecured loan.
19. Disclosure in respect of related parties pursuant to Accounting Standards 18:
 - (A) List of related parties:

Key Management Personnel:

Shri N.P.S.Shinh, the Chairman

Shri A.L.Ananthanarayanan, the Managing Director
 - (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:

Transactions	Key Management Personnel	Rupees Previous Year 30.09.2004
Unsecured Loans taken:		
NPS Shinh	1,73,000	2,19,066
Dr. A. L. Ananthanarayanan	10,70,000	10,40,136
Outstanding Balances:		
Unsecured Loans taken:		
N.P.S. Shinh	2,04,41,305	2,02,68,305
Dr. A. L. Ananthanarayanan	21,35,136	10,65,136

- Notes:**
- (a) Related parties are as identified by the Management and relied upon by the auditors.
 - (b) No amount pertaining to related parties has been provided for as doubtful debts nor written off during the year.

20. **Calculation of Earning per Share:**

	Current Year	Previous Year
<u>Numerator:</u> Net Profit/(loss) as per Profit and Loss Account considered for		
EPS Calculation –Rupees	(2,38,20,643)	(2,46,96,247)
<u>Denominator:</u> Number of Weighted Equity Shares	73,82,605	73,82,605
Basic and Diluted Earnings per Equity Share	Rs. (3.23)	Rs. (3.35)
Nominal Value per Equity Share	Rs. 10 each	Rs. 10 each

21. **Auditors' Remuneration**

	Year ended 30th Sept., 2005 Rupees	Year ended 30 th Sept., 2004 Rupees
Audit Fees	10,000	10,000
Other Services	-	-
Service Tax	1,224	1,224
Total	11,224	11,224

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

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

N P S SHINH
CHAIRMAN

Place : Kolkata
Date : 26-2-2007

NATIONAL STANDARD (INDIA) LIMITED

Balance Sheet Abstract and Company's General Business Profile

	30.09.2005	30.09.2004	30.09.2003
	Rs	Rs	Rs
Registration Details			
a) Registraion No.	025605	025605	025605
b) State Code	21	21	21
c) Balance Sheet Date	30.9.2005	30.9.2004	30.9.2003
Capital raised during the year (Rs. Thousands.)			
a) Public issue	Nil	Nil	Nil
b) Rights issue	Nil	Nil	Nil
c) Bonds issue	Nil	Nil	Nil
d) Private issue	Nil	Nil	Nil
Position of Mobilisation and deployment of funds (Rs. Thousands.)			
a) Total assets	574,540	573,297	572,038
b) Total liabilities	574,540	573,297	572,038
Sources of Funds			
a) Paid up Capital	73,826	73,826	73,826
b) Reserves and Surplus	4,720	4,720	4,720
c) Secured loans	471,568	471,568	471,568
d) Unsecured loans	24,426	23,183	21,924
Application of Funds			
a) Net Fixed Assets	187,798	205,477	223,797
b) Investments	18	18	18
c) Net Current Assets	(93,293)	(88,394)	(83,278)
d) Deferred Tax Assets	130,576	130,576	130,576
e) Accumulated Losses	(349,442)	(325,621)	(300,925)
Performance of the Company (Rs. Thousands.)			
a) Turnover	6	0	20
b) Total Expenditure	23,827	24,696	41,115
c) Profit/(Loss) before tax	(23,821)	(24,696)	(41,095)
d) Profit/(Loss) after tax	(23,821)	(24,696)	(41,095)

**Generic Names of Three Principal Products / Services
of the Company (in monetary terms)**

1. Item Code No.(ITC Code)	721730 09	721730 09	721730 09
Product description	Tyre Beadwire	Tyre Beadwire	Tyre Beadwire
2. Item Code No.(ITC Code)	847751 00	847751 00	847751 00
Product description	Tyre Moulds	Tyre Moulds	Tyre Moulds
3. Item Code No.(ITC Code)	847780 00	847780 00	847780 00
Product description	Other Machinery	Other Machinery	Other Machinery

For C.P.RANKA & Co.
Chartered Accountants

For and on behalf of the Board

C.P.Ranka
Partner

A.L. Ananthanarayanan
Managing Director

N.P.S. Shinh
Chairman

Place : Secunderabad
Date : 26-2-2007

Place : Kolkata
Date : 26-2-2007

NATIONAL STANDARD (INDIA) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER

Amount in Rupees

	Year Ended 30th September			
	2005 Rs	2004 Rs	2003 Rs	2002 Rs
A) Cash flow from operating activities				
Net profit before taxation and extraordinary items	(23,820,644)	(24,696,247)	(41,095,377)	(79,899,155)
Adjustment for :				
Depreciation	17,678,916	18,320,168	19,127,171	20,772,572
Interest Paid	-	-	-	30,928,201
Loss on Sale of Fixed Assets	-	-	-	1,469,927
Loss on Sale of Investments	-	-	15,205	-
Operating Profit / (Loss) before Working Capital Changes	(6,141,729)	(6,376,079)	(21,953,001)	(26,729,455)
Adjustments for:				
Sundry Debtors and Loans and Advances	(534,246)	7,853	798,029	29,964,753
Inventories	-	-	-	(1,586,922)
Current Liabilities and Provisions	5,472,318	4,938,986	19,181,887	6,479,813
Cash Generated from / (Used in) Operations	(1,203,657)	(1,429,240)	(1,973,085)	8,148,189
Interest Paid	-	-	-	(30,933,000)
Cash flow before prior period expenses	(1,203,657)	(1,429,240)	(1,973,085)	(22,784,811)
Prior Period Expenses	-	-	-	(8,852,865)
Net Cash flow from Operating Activities	(1,203,657)	(1,429,240)	(1,973,085)	(31,637,675)
B) Cash flow from investing activities				
Proceeds from Sale of Fixed Assets	-	-	-	851,000
Proceeds from Sale of Investments	-	-	146,795	-
Net cash flow from investing activities	-	-	146,795	851,000
C) Cash flow from financing activities				
Proceeds from borrowings				
Cash Credit	-	-	-	14,570,504
Long Term Borrowings	-	-	-	14,186,000
Short Term Borrowings	1,243,000	1,259,202	1,863,269	1,418,000
Net cash flow from financing activities	1,243,000	1,259,202	1,863,269	30,174,504

D) Net increase/(decrease) in cash and cash equivalents:

Cash and cash equivalents as at beginning of year	321,769	491,806	454,828	1067000
Cash and cash equivalents as at end of year	361,110	321,769	491,806	454,828
	39,341	(170,037)	36,978	(612,172)

E) Reconciliation

Net cash flow from operating activities	(1,203,657)	(1,429,240)	(1,973,085)	(31,637,675)
Net cash flow from investing activities	-	-	146,795	851,000
Net cash flow from financing activities	1,243,000	1,259,202	1,863,269	30,174,504
	39,341	(170,038)	36,979	(612,171)

Notes :

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

As per our attached report of even date

For C.P.RANKA & Co.
Chartered Accountants

For and on behalf of the Board

C.P.Ranka
Partner

A.L. Ananthanarayanan
Managing Director

N.P.S. Shinh
Chairman

Place : Secunderabad
Date : 26-2-2007

Place : Kolkata
Date : 26-2-2007

NATIONAL STANDARD (INDIA) LIMITED

(Formerly National-Standard Duncan Limited)

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

PROXY FORM

I/We _____

of _____

being member(s) of National Standard (India) Ltd. bearing

folio no. _____ DP-ID _____ 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 Forty First to Forty Third Annual General

Meeting of the company to be held on Saturday the 24th March, 2007 at 2nd Floor, 3,

Esplanade East – Kolkatta – 700 069 and at any adjournment thereof.

Signed this of _____ day of _____

Signature _____

Note: A member entitled to attend and vote is entitled to appoint a proxy to attend and vote 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 (INDIA) LIMITED

(Formerly National-Standard Duncan Limited)

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

ATTENDANCE SLIP

Particulars to be filled in by member/proxy:

Name of the Member _____

Members's Regd. Folio No. _____

No. of Shares held _____

Name of Proxy, if attending on behalf of a Member, I hereby record my presence at the *Forty First to Forty Third Annual General Meeting of the Company to be held on Saturday the 24th March, 2007 at 2nd Floor, 3, Esplanade East, Kolkatta – 700 069*

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.

PRINTED MATTER BOOK-POST

If Undelivered, please return to :
The Secretarial Department
National Standard (India) Limited
3rd Floor, Surya Towers,
'C' Block, 104, S.P. Road,
Secunderabad – 500 003

IMPORTANT NOTICE FOR ACTION BY SHAREHOLDERS

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