

# **NATIONAL STANDARD (INDIA) LIMITED**

## **57<sup>th</sup> ANNUAL REPORT FINANCIAL YEAR 2019-20**

IN VIEW OF GREEN INITIATIVES INITIATED BY THE GOVT. OF INDIA, MINISTRY OF CORPORATE AFFAIRS, WE REQUEST YOU TO REGISTER YOUR EMAIL ID WITH THE REGISTRAR AND SHARE TRANSFER AGENT, IF YOU ARE HOLDING SHARES IN PHYSICAL MODE AND WITH YOUR DEPOSITORY PARTICIPANT, IF YOU ARE HOLDING SHARES IN DEMATERIALISED FORM.

SEBI HAS MANDATED THAT SECURITIES OF LISTED COMPANIES CAN BE TRANSFERRED ONLY IN DEMATERIALISED FORM W.E.F. APRIL 1, 2019. ACCORDINGLY THE COMPANY / ITS RTA HAS STOPPED ACCEPTING ANY FRESH LODGEMENT OF TRANSFER OF SHARES IN PHYSICAL FORM. MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE ADVISED TO AVAIL OF THE FACILITY OF DEMATERIALISATION.

# NATIONAL STANDARD (INDIA)LIMITED

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Ms. Smita Ghag  
Mr. Bhushan Shah  
Mr. Prakash Vaghela  
Mr. K L Arimpur

Chairperson, Non-Executive Director  
Independent Director  
Independent Director  
Non executive Director

### KEY MANAGERIAL PERSONNEL

Mr. Chirag Sarvaiya  
Mr. Rameshchandra Chechani  
Ms. Madhur Mittal

Chief Executive Officer  
Chief Financial Officer  
Company Secretary & Compliance Officer

### STATUTORY AUDITORS

MSKA & Associates, Chartered Accountants

### REGISTERED OFFICE

412, Floor- 4, 17G Vardhaman Chamber,  
Cawasji Patel Road, Horniman Circle, Fort, Mumbai-400 001  
Tel.: +91.22. 23024400 Fax: +91.22.23024550  
Website: www.nsil.net.in  
E-mail: investors.nsil@lodhagroup.com

### CORPORATE OFFICE

Lodha Excelus, 10<sup>th</sup> floor,  
Apollo Mills Compound,  
N M Joshi Marg, Mahalaxmi, Mumbai 400 011  
Tel.: +91.22. 61334400 Fax: +91.22.2302 4420

### REGISTRAR & TRANSFER AGENT

C B Management Services Private Limited  
P-22, Bondel Road, Kolkata – 700 019  
Telephone: 033- 4011- 6728  
Fax: 033- 4011- 6739  
E – Mail: rta@cbmsl.com

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### NOTICE

Notice is hereby given that the 57<sup>th</sup> Annual General Meeting of the Members of National Standard (India) Limited will be held on Wednesday, September 30, 2020, at 1.00 p.m. through video conferencing / Other Audio Visual Means to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 together with the Reports of the Board of Directors' and Auditors' thereon and in this regard pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.

2. To appoint a Director in place of Ms. Smita Ghag (DIN 02447362), who retires by rotation and is eligible, offers herself for re-appointment.

#### SPECIAL BUSINESS:

3. Approval for material Related party Transactions

To consider and if thought fit, to pass the following resolution as **Ordinary Resolution:-**

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such provisions of the Companies Act, 2013 ('the Act'), as may be applicable, read together with the relevant Rules ('the Rules') including any statutory modification(s), amendment(s) and re-enactment thereof, for the time being in force, the consent of the Shareholders of the Company be and is hereby accorded to approve/ratify the material related party transactions as set out in the explanatory statement annexed to the notice convening this meeting;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be required and necessary and delegate all or any of the powers herein conferred to any Committee of Directors, Director of the Company or any other person as the Board of Directors may deem fit, in order to give effect to the aforesaid resolution.”

By Order of the Board  
For **National Standard (India) Limited**

Date: June 9, 2020  
Place: Mumbai

**Madhur Mittal**  
Company Secretary  
Membership No: A47976

#### Registered Office:

412, Floor- 4, 17G Vardhaman Chamber,  
Cawasji Patel Road, Horniman Circle, Fort,  
Mumbai-400001  
CIN: L27109MH1962PLC265959  
Tel.: +91-22-61334400 Fax: +91 -22-23024550  
Website: www.nsil.net.in  
Email: Investors.nsil@lodhagroup.com

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### NOTES:

- 1) Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (‘the Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Corporate Office of the Company at 10th Floor, Lodha Excelus, N.M. Joshi Marg, Mahalaxmi, Mumbai 400011. Pursuant to MCA Circulars and SEBI Circulars, this annual report is being sent by email only.
- 2) Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. The resolution authorising for the aforesaid shall be sent to the Company at investors.nsil@lodhagroup.com with a copy marked to cs.shravangupta@gmail.com, a scrutiniser and NSD at evoting@nsdl.co.in
- 3) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 4) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 5) Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
- 6) In line with the MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.nsil.net.in. The Notice may also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsd.com.
- 7) Members holding shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company’s Registrar and Share Transfer agent, CB Management Services (P) Limited, P-22, Bondel Road, Kolkata-700 019 (R&T agent), Tel No.: +91 33 4011 6278, email ID: rta@cbmsl.com (“R&T Agent”) enclosing their original share certificate to enable them to consolidate the holdings into one folio.
- 8) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.
- 9) All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investors.nsil@lodhagroup.com

- 10) In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, the Company may give notice through electronic mode addressing to the person entitled to receive such e-mail as per the records of the Company or as provided by the depository, provided that the Company shall provide an advance opportunity atleast once in a financial year, to the member to register his e-mail address and changes therein and such request may be made by only those members who have not got their email ID recorded or to update a fresh email ID and not from the members whose e-mail IDs are already registered. In view of the above, the Company hereby request the members who have not updated their email IDs to update the same with their respective Depository Participant(s) or the **CB Management Services (P) Limited**, the Registrar and Transfer Agent of the Company. Further, the members holding shares in electronic mode are requested to keep their email addresses updated with the Depository Participants. Members holding shares in the physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company quoting their folio number(s).
- 11) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS) and Electronic Clearing Service (ECS) mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's record which will help the Company and the Company's R&T Agent to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes either to the Company or to the Company's R&T Agent.
- 12) The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to R&T Agent of the Company.
- 13) Members who would like to express their views or ask questions during the meeting will be required to register themselves as speaker by sending e-mail to the Company Secretary at investors.nsil@lodhagroup.com from their registered e-mail address, mentioning their name, DP ID and Client ID / folio number and mobile number. Only those Members who have registered themselves as speaker by 10.30 a.m. on Monday, 28<sup>th</sup> September, 2020 will be able to speak at the meeting. Further, Members who would like to have their questions / queries responded to during the AGM are requested to send such questions / queries in advance within the aforesaid date and time, by following similar process as stated above.
- 14) Members holding shares of the Company as on Wednesday, September 23, 2020 (cut-off date), shall be entitled to vote by e-voting and at the Meeting of the Company. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
- 15) A Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 16) In terms of Section 152 of the Act, Ms. Smita Ghag, retires by rotation at the Meeting and being eligible, offers herself for re-appointment. The Nomination and Remuneration Committee of the Board and the Board of Directors of the Company has recommended her re-appointment.
- 17) The additional information in respect of re-appointment of Ms. Smita Ghag as Director, liable to retire by rotation, pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings, are provided as Annexure 1 to the Explanatory Statement.
- 18) Ms. Smita Ghag is interested in the Ordinary Business as set out at Item No. 2 of the Notice with respect to her re-appointment. The relatives of Ms. Smita Ghag may also be deemed to be interested in the said Resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their Relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out under Item No. 2.
- 19) The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force and the business set out in the Notice will be transacted through such voting. Information and instructions including details of User ID and password relating to such e-voting are provided as follows:

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- a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- b. Any person, who acquires shares of the Company and becomes member of the Company after the dispatch of the notice and holding shares as of the cut-off date i.e., Wednesday, September 23, 2020 may obtain their login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
- c. The voting rights of the members shall be in proportion to the number of equity shares held by them as on the cut-off date Wednesday, September 23, 2020.
- d. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. Wednesday, September 23, 2020 only shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM.
- e. The remote e-voting period commences on Sunday, September 27, 2020 (9:00 am) and ends on Tuesday, September 29, 2020 (5:00 pm). During this period the members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, September 23, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be forthwith blocked by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or vote again.
- f. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- g. The Company has appointed Shraavan A Gupta & Associates, Practising Company Secretary (PCS No. 9990), as the scrutinizer (the 'Scrutinizer') for scrutizing the remote e-voting process as well as voting at the AGM in a fair and transparent manner.
- h. The Members present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM and e-voting will be opened for 15 minutes after the close of AGM.
- i. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- j. The Scrutiniser will submit their report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM.
- k. The results declared along with the report of the Scrutinizer will be placed on the website of the Company [www.nsdl.net.in](http://www.nsdl.net.in) and on the website of the NSDL immediately after the declaration of result by the Chairperson or a person authorized by her in writing. The results will also be immediately forwarded to the stock exchanges (BSE Limited and The Calcutta Stock Exchange Limited).
- l. The information and instructions including details of User ID and Password relating to such remote e-voting, e-voting at AGM and attending the AGM through VC/OAVM are as under:

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| <b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b> | <b>Your User ID is:</b>   |
|---|---|
| a) For Members who hold shares in demat account with NSDL.            | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL.            | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****   |
| c) For Members holding shares in Physical Form.                       | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered



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6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

### **Details on Step 2 is given below:**

#### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cs.shravangupta@gmail.com](mailto:cs.shravangupta@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to Sarita Mote, Asst. Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)



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Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investors.nsil@lodhagroup.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investors.nsil@lodhagroup.com.

### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
6. Shareholders may call on toll free number of NSDL 1800-222-990, if they find any difficulty in joining the AGM.

By Order of the Board  
For **National Standard (India) Limited**

Date: June 9, 2020  
Place: Mumbai

**Madhur Mittal**  
Company Secretary  
Membership No: A47976

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## ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

Explanatory Statement annexed to the notice pursuant to section 102(1) of the Companies Act, 2013 in respect of the business mentioned in the notice of the 57<sup>th</sup> Annual General Meeting of the Company

### Item 3: Approval for material Related party Transactions

Pursuant to the provisions of Section 188 of the Companies Act, 2013 (“the Act”), read with the Companies (Meetings of Board and its Powers) Rules, 2014 (‘Rules’), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of ordinary resolution for approval / ratification of related party transactions entered into the Company with related parties, in case certain transactions with related parties exceeds such sum as is specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm’s length basis.

However, pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the ‘Listing Regulations’), approval of the members through ordinary resolution is required for approval / ratification of material related party transactions entered into between the Company with related parties, even if they are entered into in the ordinary course of business and on arm’s length basis. For this purpose, a transaction is considered material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a Financial Year exceed 10% of the annual consolidated turnover as per the last audited financial statements of the Company. All the Related Party Transactions entered into by the Company are on arm’s length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required.

The Company has existing arrangements with Macrotech Developers Limited, Holding Company, Sambhavnath Infrabuild Farms Private Limited, Ultimate Holding Company and their subsidiary/associate companies, which are in the ordinary course of business and at arm’s length basis. However, the value of transaction (existing and proposed) shall exceed 10% of the annual consolidated turnover of the Company which qualifies the materiality threshold as prescribed under Regulation 23 of the Listing Regulations. Thus, the below transactions would require the approval/ratification of the Members by way of Ordinary Resolution to utilise the resources of the group companies inter-se for the next three financial years i.e. FY 2020-21, FY 2021-22 and FY 2022-23:

| SI No. | Name of the Related Party and relation   | Nature of related party transactions   | Transaction Value   |
|--------|--|--|---|
| 1.     | Macrotech Developers Limited, Holding Company  | Loan given   | Upto ₹ 4.62 crore (One time)  |
| 2.     | Sambhavnath Infrabuild and Farms Private Limited, Ultimate Holding Company   |  | Upto ₹ 3.90 crore (One time)  |
| 3.     | Macrotech Developers Limited, Holding Company<br>Palava Dwellers Private Limited, fellow subsidiary<br>Cowntown Infotech Services Private Limited, fellow subsidiary<br>One Place Commercials Private Limited, fellow subsidiary | Sale, purchase, supply of goods or materials or availing/rendering of services directly or through appointment of agent and buying/Leasing of property of any kind | Upto an amount not exceeding ₹ 5 crores per related party entity per financial year |

## NATIONAL STANDARD (INDIA)LIMITED

| SI No. | Name of the Related Party and relation  | Nature of related party transactions              | Transaction Value  |
|--------|---|---|--|
| 4      | Sambhavnath Infrabuild and Farms Private Limited, Ultimate Holding company<br>Macrotech Developers Limited, Holding Company<br>Palava Dwellers Private Limited, fellow subsidiary<br>Cowtown Infotech Services Private Limited, fellow subsidiary<br>One Place Commercials Private Limited, fellow subsidiary<br>Sitaldas Estate Private Limited, fellow subsidiary<br>Anantnath Constructions and Farms Private Limited, fellow subsidiary<br>Bellissimo Properties Development Private Limited, subsidiary of holding company<br>Bellissimo Healthy Constructions and Developers Private Limited, Associate of ultimate holding company | Avail/Provide Loans and pay/earn interest thereon | Upto an amount not exceeding ₹200 crores per related party entity per financial year |
| 5.     | Macrotech Developers Limited, Holding Company<br>Palava Dwellers Private Limited, Fellow Subsidiary<br>Cowtown Infotech Services Private Limited, Fellow Subsidiary<br>Palava City Management Private Limited, Fellow Subsidiary  | Sharing / reimbursement of expenses               | Upto an amount not exceeding ₹ 1 crores per related party entity per financial year  |

Above entities are 'Related Party' as per definition under Section 2(76) of the Companies Act, 2013. Approval of the Members is sought to ratify/approve all existing contracts/arrangements/ agreements/transactions with the aforesaid parties within the financial limit given in the resolution. Further, the approval is also sought to enable the Board for entering into new/further contracts/ arrangements/ agreements/ transactions (including any modifications, alterations, amendments or renewal thereto) with the aforesaid related parties subject to the limits mentioned in the resolutions.

Regulation 23 (7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that the related parties shall not vote on such resolutions, therefore, none of the Promoter Group entities holding share(s) will vote on the above Resolution.

The Audit Committee and the Board considers that the existing arrangements with the aforesaid entities, are in the ordinary course of business and at arm's length basis.

None of the Directors or KMP or their relatives are related or concerned or interested, financially or otherwise in the resolution. The Board of Directors recommends the resolution in Item No. 3 of the accompanying notice for approval of members.

By Order of the Board  
For **National Standard (India) Limited**

Date: June 9, 2020  
Place: Mumbai

**Madhur Mittal**  
Company Secretary  
Membership No: A47976

**Registered Office:**  
412, Floor- 4, 17G Vardhaman Chamber,  
Cawasji Patel Road, Horniman Circle, Fort,  
Mumbai-400001  
CIN: L27109MH1962PLC265959  
Tel.: +91-22-23024400 Fax: +91 -22-23024550  
Website: www.nsil.net.in

## NATIONAL STANDARD (INDIA)LIMITED

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Email: Investors.nsil@lodhagroup.com

### Annexure 1

The Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India requires certain disclosures with respect to re-appointment of Ms. Smita Ghag (DIN: 02447362) as the Director of the Company who are proposed to be appointed at this Annual General Meeting, which is mentioned below:

|   |   |
|---|---|
| Name of the Director / Manager  | Smita Ghag (DIN: 02447362)  |
| Date of Birth/Age   | April 4, 1978, 41 years   |
| Qualification   | B.L.I.Sc. in Library, Information and Documentation science   |
| Experience  | 17 years of diverse experience in the field of Documentation across industries including the real estate industry   |
| Terms & Conditions of appointment   | She is a non- executive non-independent Director and her terms are as per the provisions of Companies Act, 2013.  |
| Remuneration last drawn & Sought to be paid   | Nil   |
| Date of Appointment on the Board  | April 24, 2014  |
| Directorships held in other companies as on March 31, 2020  | 1. Bellissimo Buildtech LLP<br>2. Kora Constructions Private Limited<br>3. Kidderpore Holdings Limited<br>4. Cowtown Infotech Services Private Limited<br>5. Palava Dwellers Private Limited<br>6. Palava Institute of Advanced Skill Training<br>7. MMR Social Housing Private Limited |
| Memberships of committees across companies (includes only Audit & Stakeholders Relationship Committee) as on March 31, 2020 excluding the Committees of the Company | None  |
| Shareholding in the Company (Equity)  | NIL   |
| Relationship with other Directors/Manager/Key Managerial Personnel  | None  |
| Number of Board meetings attended during the year 2019-20   | 4   |

**DIRECTORS' REPORT**

Dear Members,

The Directors are pleased to present the 57<sup>th</sup> Annual Report of the Company along with the audited financial statements for the financial year ended March 31, 2020.

**FINANCIAL HIGHLIGHTS**

| <b>Particulars</b>             | <b>Financial Year<br/>Ended March 31,<br/>2020</b> | <b>Financial Year<br/>Ended March 31,<br/>2019</b> |
|--------------------------------|--|--|
| Revenue from operations        | 538.8  | 1,382.21   |
| Other income                   | 946.16   | 1,124.85   |
| <b>Total Income</b>            | <b>1484.96</b>                                     | <b>2,507.06</b>                                    |
| Finance cost                   | 13.21  | 28.96  |
| Total Expenditure              | 656.11   | 1,906.23   |
| Profit before tax              | 828.85   | 600.83   |
| Tax Expenses                   | -176.28  | -124.89  |
| <b>Net Profit for the year</b> | <b>652.57</b>                                      | <b>475.94</b>                                      |

**REVIEW OF PERFORMANCE AND FUTURE OUTLOOK**

During the financial year 2019-20, revenue from operations reduced because of completion of project lifecycle and sale of balance units in the Company's Thane project. The Company gained a profit of Rs 652.57 lakhs during financial year 2019-20 as against a profit of Rs 475.94 lakhs during the previous financial year.

The Company's project at Thane is almost fully sold out. The Company is evaluating various other business opportunities in the real estate space.

The Company has temporarily deployed its project surplus which has resulted in it being classified as Non-Banking Finance Company (NBFC) during the year ended March 31, 2020, in terms of the criteria laid down by the Reserve Bank of India (RBI). The Company is in process of applying to RBI for exemption from being classified and registered as NBFC.

There is no material impact of outbreak of Covid-19 on the business of the Company.

**DIVIDEND AND RESERVES**

The Board does not recommend any dividend for the financial year under review. No amount is proposed to be transferred to reserves during the year.

**ANNUAL RETURN**

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for financial year 2019-20 is given in Annexure I in the prescribed Form MGT-9, which is a part of this report.

**CHANGES IN SHARE CAPITAL**

There was no change in the authorized and paid-up share capital of the Company during financial year 2019-20.

# NATIONAL STANDARD (INDIA)LIMITED

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## DIRECTORS AND KEY MANAGERIAL PERSONNEL

As per the provisions of the Companies Act, 2013 and Articles of Association of the Company, Ms. Smita Ghag, Director of the Company retires by rotation and being eligible offer herself for reappointment.

Mr. A L Ananthanarayanan and Mr. Maninder Chhabra resigned as Directors with effect from May 9, 2019 and May 23, 2019 respectively. The Board places on record their appreciation for the services rendered by them during their tenure as Directors.

In terms of Section 203 of the Act, the following are the Key Managerial Personnel of the Company as on the date of this report:

- Mr. Chirag Sarvaiya, Chief Executive Officer
- Mr. Rameshchandra Chechani, Chief Financial Officer
- Ms. Madhur Mittal, Company Secretary

The Company has received declarations under section 149 of the Act from all independent directors confirming that they meet the criteria of independence prescribed under the Act and the Listing Regulations. In the opinion of the Board, they fulfil the conditions of independence as specified in the Act and the Listing Regulations and are independent of the management.

None of the Non-Executive Directors had any pecuniary relationship or transaction with the Company which could potentially conflict with the interests of the Company at large.

## BOARD AND BOARD COMMITTEES

Details on board composition, attendance, evaluation and board committees are available in the Report on Corporate Governance which forms a part of this Annual Report.

## CORPORATE SOCIAL RESPONSIBILITY POLICY

Details required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in CSR Report appended as Annexure II to this Report. The Board has adopted a CSR Policy which is available on the Company's website at [www.nsil.net.in](http://www.nsil.net.in). Salient features of the Policy are set out in Annexure III to this Report.

## POLICY ON NOMINATION & REMUNERATION OF DIRECTORS, KMPS & OTHER EMPLOYEES

In terms of the provisions of Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations, the NRC is responsible for formulating the criteria for determining qualifications, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board, a policy relating to remuneration of Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has adopted a Nomination and Remuneration Policy which is available on the Company's website at [www.nsil.net.in](http://www.nsil.net.in). Salient features of the Policy are reproduced in Annexure IV to this Report.

## AUDITORS & AUDITOR'S REPORT

### Statutory Auditors & Auditor's Report

MSKA & Associates (F.K.A. MZSK & Associates), Chartered Accountants (Firm Registration No. 105047W), the statutory auditors of your Company, hold office until the conclusion of the 58<sup>th</sup> AGM to be held in the year 2021.

The Auditor's Report does not contain any qualifications, reservations or adverse remarks.

### Secretarial Auditor & Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Sharatkumar Shetty, Practising Company Secretary (Membership No. 31888 and COP No. 18123) was appointed as Secretarial Auditor to conduct a secretarial audit of records and documents of the Company for

financial year 2019-20.

The Secretarial Audit Report confirms that the Company has generally complied with the provisions of the Act, Rules, Regulation, Guidelines and Secretarial Standards and carries no adverse remarks. The Secretarial Audit Report is provided in Annexure V.

### **Cost Auditor & Cost Audit Report**

The provisions of Cost audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company for the financial year 2019-20.

### **LOANS, GUARANTEES, SECURITIES AND INVESTMENTS**

The Company is in the business of providing “infrastructural facilities” as defined in Schedule VI of the Companies Act 2013 and therefore the provisions of Section 186 are not applicable to the extent of any loan made, guarantee given or security provided by the Company in terms of exemption provided u/s 186. Particulars of investments made by the Company are provided in the financial statements which may be read in conjunction with this Report.

### **RELATED PARTY TRANSACTIONS**

All related party transactions of the Company are at arm’s length basis and are in the ordinary course of business. None of the related party transactions entered into by the Company were in conflict with the Company’s interest. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

Members approval for material Related Party Transaction, as defined under Regulation 23 of the Listing Regulations shall be obtained at the ensuing Annual General Meeting.

All Related Party Transactions are placed before the Audit Committee/Board, as applicable, for their approval. There are no related party transactions during the financial year 2019-20, those are required to be reported in Form AOC-2.

### **HOLDING COMPANY, SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES**

The Company is a subsidiary of Ananthnath Constructions and Farms Private Limited, which in turn is a subsidiary of Macrotech Developers Limited. The ultimate holding company is Sambhavnath Infrabuild and Farms Private Limited. During the year, under review, the Company did not have any subsidiary, joint ventures or associate companies.

### **RISK MANAGEMENT AND INTERNAL CONTROLS**

#### **Risk Management**

Your Company has robust process in place to identify key risks and to prioritize relevant action plans to mitigate these risks. Your Company has adopted a Risk Management policy which is based on three pillars: Business Risk Assessment, Operational Controls Assessment and Policy Compliance processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

#### **Internal Controls and their adequacy**

The Company’s internal control systems are commensurate with the nature of its business and the size and complexity of operations. These systems are routinely tested and certified by the Statutory as well as the Internal Auditor and cover all offices, sites and key business areas. Significant audit observations and follow up actions thereon are reported to the Board/ Audit Committee. The Board / Audit Committee reviews adequacy and effectiveness of the Company’s internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company’s risk management policies and systems. These systems provide a reasonable assurance in respect of financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of



## **NATIONAL STANDARD (INDIA)LIMITED**

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frauds, accuracy & completeness of accounting records and ensuring compliance with corporate policies.

### **Vigil Mechanism**

Your Company provides a common platform to its employees and directors for complaint handling in the form of whistle-blowing (vigil) mechanism. The Company has established a vigil mechanism process by adopting a Vigil Mechanism / Whistle Blower Policy for directors and employees. This policy outlines the procedures for reporting, handling, investigating and deciding on the course of action to be taken in case inappropriate conduct / behaviour is/are noticed, reported or suspected. The Policy provides for adequate safeguards against victimization of persons who use the mechanism and has a process for providing direct access to the Ombudsman in appropriate or exceptional cases.

The employees of the Company have the right to report their concern or grievance to the Chairman of the Audit Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Vigil Mechanism / Whistle Blower Policy is posted on the Company's website [www.nsil.net.in](http://www.nsil.net.in).

### **DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014**

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) 2014 is not relevant to the Company as the Company has no employees, directors do not draw any remuneration (other than sitting fees) and key managerial personnel have been deputed by the holding company.

The provisions of Section 197(12) of the Act read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time do not apply as there are no employees.

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

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in Annexure VI to this report.

During the financial year 2019-20, the Company neither earned any foreign exchange in terms of actual inflows nor is there any foreign exchange outgo in terms of actual outflows.

### **CORPORATE GOVERNANCE REPORT**

Pursuant to Regulation 34 of the Listing Regulations and relevant sections of the Act, a Management Discussion & Analysis Statement, Report on Corporate Governance and Practicing Company Secretary's Certificate thereon are included in the Annual Report.

### **GENERAL**

Your Directors state that for the financial year ended March 31, 2020, no disclosure is required in respect of the following items and accordingly confirm as under:

- a. The Company has neither revised the financial statements nor the Board's report.
- b. As there are no employees, the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable to the Company.
- c. There are no material changes or commitments affecting the financial position of the Company between March 31, 2020 and the date of this report.
- d. The Company has not accepted any deposits during financial year 2019-20.

- e. No instance of fraud has been reported to the Board by the Auditors or any other person.
- f. No significant or material orders which impact the going concern status and Company's operations in future were passed by Regulators/Courts/Tribunals.
- g. There was no change in the nature of the business of the Company during the financial year 2019-20.
- h. There was no issue of equity shares with differential rights as to dividend, voting or otherwise during the financial year 2019-20.
- i. The Company has not issued any shares (including sweat equity shares) to its employees under any scheme during the financial year 2019-20.
- j. The Company has complied with applicable Secretarial Standards issued by the Institute of the Company Secretaries of India during the financial year 2019-20.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirms that:

- a. in the preparation of the annual accounts the applicable accounting standards had been followed and there are no material departures;
- b. Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the annual accounts on a going concern basis;
- e. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**ACKNOWLEDGEMENTS**

Your Directors would like to express their grateful appreciation for the assistance and support extended by all stakeholders.

For and on behalf of the Board  
**National Standard (India) Limited**

Date: June 9, 2020  
Place : Mumbai

**Smita Ghag**  
Chairperson  
DIN: 02447362

**Bhushan Shah**  
Director  
DIN: 07484485

## NATIONAL STANDARD (INDIA)LIMITED

**Annexure I**  
**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2020**  
**OF**  
**NATIONAL STANDARD (INDIA) LIMITED**

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS

| Particulars                                    | Details   |
|--|---|
| CIN  | : L27109MH1962PLC265959   |
| Registration Date                              | : August 20, 1962   |
| Name of the Company                            | : National Standard (India) Limited   |
| Category of the Company                        | : Company Limited By Shares   |
| Sub-Category of the Company                    | : Indian Non-Government Company   |
| Address of the Registered Office               | : 412, Floor-4, 17G, Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai-400001. |
| Contact Details                                | : Tel.: 022 – 61334400  |
| Whether listed company                         | : Yes   |
| Name of Registrar & Transfer Agents            | : C B Management Services Private Limited   |
| Address of Registrar & Transfer Agents         | : P-22, Bondel Road, Kolkata- 700019  |
| Contact Details of Registrar & Transfer Agents | : Telephone: 033- 4011- 6728<br>Fax: 033- 4011- 6739<br>E - Mail: rta@cbmsl.com                   |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10 % or more of the total turnover of the Company:

| Sr. No. | Name and Description of main products / services                  | NIC Code of the Product/ service | % to total turnover of the Company |
|---------|---|----------------------------------|------------------------------------|
| 1.      | Construction and development of real estate and allied activities | 410                              | 100%                               |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and Address of the Company   | CIN                   | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|---|-----------------------|--------------------------------|------------------|--------------------|
| 1.      | Ananthnath Constructions and Farms Private Limited 412, Floor – 4, 17G, Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai – 400001 | U45400MH2007PTC173512 | Holding Company                | 73.94%           | 2(46)              |

The Company does not have any subsidiaries, joint ventures or associate companies.

## NATIONAL STANDARD (INDIA)LIMITED

### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

#### (i) Category-wise shareholding

| Category of Shareholders   | Shares held at the beginning of the year- 2019 |               |                    |                   | Shares held at the end of the year- 2020 |              |                    |                   | % Change during The year |
|--|--|---------------|--------------------|-------------------|--|--------------|--------------------|-------------------|--------------------------|
|  | Demat  | Physical      | Total              | % of total shares | Demat                                    | Physical     | Total              | % of total shares |                          |
| <b>A. Promoters</b>  |  |               |                    |                   |  |              |                    |                   |                          |
| <b>(1) Indian</b>  |  |               |                    |                   |  |              |                    |                   |                          |
| (a) Individual/HUF   | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| (b) Central Govt   | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| (c) State Govt (s)   | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| (d) Bodies Corp.   | 1,47,88,099                                    | -             | 1,47,88,099        | 73.94             | 1,47,88,099                              | -            | 1,47,88,099        | 73.94             | -                        |
| (e) Banks / FI   | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| (f) Others   | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| <b>Sub-total (A) (1)</b>   | <b>1,47,88,099</b>                             | <b>-</b>      | <b>1,47,88,099</b> | <b>73.94</b>      | <b>1,47,88,099</b>                       | <b>-</b>     | <b>1,47,88,099</b> | <b>73.94</b>      | <b>-</b>                 |
| <b>(2) Foreign</b>   |  |               |                    |                   |  |              |                    |                   |                          |
| (a) NRIs –Individuals  | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| (b) Other-Individuals  | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| (c) Bodies Corp.   | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| (d) Banks / FI   | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| (e) Any Others   | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| <b>Sub-total (A) (2)</b>   |  |               |                    |                   |  |              |                    |                   |                          |
| <b>Total shareholding of Promoter and promoter group (A) = (A) (1)+(A)(2)</b>    | <b>1,47,88,099</b>                             | <b>-</b>      | <b>1,47,88,099</b> | <b>73.94</b>      | <b>1,47,88,099</b>                       | <b>-</b>     | <b>1,47,88,099</b> | <b>73.94</b>      | <b>-</b>                 |
| <b>B. Public Shareholding</b>  |  |               |                    |                   |  |              |                    |                   |                          |
| <b>1. Institutions</b>   |  |               |                    |                   |  |              |                    |                   |                          |
| (a) Mutual Funds   | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| (b) Banks / FI   | -  | 90            | 90                 | 0                 | -  | 90           | 90                 | 0                 | -                        |
| (c) Central Govt   | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| (d) State Govt(s)  | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| (e) Venture Capital Funds  | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| (f) Insurance Companies  | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| (g) FIs  | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| (h) Foreign Venture Capital  | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| (i) Other (specify)  | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| (O) Foreign Financial Institutional  | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| Sub-total (B)(1):-   | -  | 90            | 90                 | 0                 | -  | 90           | 90                 | 0                 | -                        |
| <b>2. Non- Institutions</b>  |  |               |                    |                   |  |              |                    |                   |                          |
| <b>(a) Bodies Corp.</b>  |  |               |                    |                   |  |              |                    |                   |                          |
| (i) Indian   | 9,91,234                                       | 8,445         | 9,99,679           | 5.00              | 9,90,070                                 | 8,445        | 9,98,515           | 4.99              | -0.01                    |
| (ii) Overseas  | -  | -             | -                  | -                 | -  | -            | -                  | -                 | -                        |
| <b>(b) Individuals</b>   |  |               |                    |                   |  |              |                    |                   |                          |
| (i) Individual shareholders holding nominal share capital upto ₹ 1 lakh          | 6,022  | 48,903        | 54,925             | 0.28              | 47,919                                   | 6,968        | 54,887             | 0.28              | -                        |
| (ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 41,34,931                                      | 21,920        | 41,56,851          | 20.78             | 41,56,851                                | 0            | 41,56,851          | 20.78             | -                        |
| <b>(c) Others (specify)</b>  |  |               |                    |                   |  |              |                    |                   |                          |
| 1. NRI   | 42   | 232           | 274                | 0.00              | 42                                       | 232          | 274                | 0.00              | -                        |
| 2. Foreign National  | 0  | 32            | 32                 | 0.00              | 0  | 32           | 32                 | 0.00              | -                        |
| 3. Clearing Member   | 50   | 0             | 50                 | 0.00              | 0  | 0            | 0                  | 0                 | -                        |
| 4. OCB   |  |               |                    |                   |  |              |                    |                   | -                        |
| 5. Trust   |  |               |                    |                   |  |              |                    |                   | -                        |
| 6. Foreign Portfolio Investor  |  |               |                    |                   |  |              |                    |                   | -                        |
| 7. Foreign Body Corporate  |  |               |                    |                   |  |              |                    |                   | -                        |
| 8. LLP   | 0  | 0             | 0                  | 1252              | 0  | 1252         | 1252               | 0.01              | 0.01                     |
| <b>Sub-total (B)(2)</b>  | <b>51,32,279</b>                               | <b>79,532</b> | <b>52,11,811</b>   | <b>26.06</b>      | <b>5155183</b>                           | <b>56628</b> | <b>5211811</b>     | <b>26.06</b>      | <b>-</b>                 |
| <b>Total Public shareholding (B)=(B) (1)+(B)(2)</b>                              | <b>51,32,279</b>                               | <b>79,622</b> | <b>52,11,901</b>   | <b>26.06</b>      | <b>5155183</b>                           | <b>56718</b> | <b>5211901</b>     | <b>26.06</b>      | <b>-</b>                 |
| <b>C. Shares held by custodian for GDRs ADRs</b>                                 |  |               |                    |                   |  |              |                    |                   |                          |
| <b>Grand Total(A+B+C)</b>  | <b>1,99,20,378</b>                             | <b>79,622</b> | <b>2,00,00,000</b> | <b>100.00</b>     | <b>19943282</b>                          | <b>56718</b> | <b>2,00,00,000</b> | <b>100.00</b>     | <b>-</b>                 |

## NATIONAL STANDARD (INDIA)LIMITED

### (ii) Shareholding of Promoters

| Shareholders name                                 | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in the shareholding during the year |
|---|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
|   | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total Shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total Shares |  |
| Anantnath Constructions and Farms Private Limited | 1,47,88,099                               | 73.94                            | 0.00   | 1,47,88,099                         | 73.94                            | 0.00   | -  |

### (iii) Change in Promoters' Shareholding

There was no change in promoters' shareholding during the year.

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| Sl. No. | NAME                            | Date of change   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|---------------------------------|------------------|---|----------------------------------|---|----------------------------------|
|         |                                 |                  | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
| 1       | GURPREET KAUR SHINH             |                  |   |                                  |   |                                  |
|         | a) At the beginning of the year | 1-Apr-19         | 1360282                                   | 6.80                             | 1360282                                 | 6.80                             |
|         | b) Changes during the year      | <b>No Change</b> |   |                                  |   |                                  |
| 2       | NIHARIKA REALTORS PVT LTD       |                  |   |                                  |   |                                  |
|         | a) At the beginning of the year | 1-Apr-19         | 989988                                    | 4.95                             | 989988                                  | 4.95                             |
|         | b) Changes during the year      | <b>No Change</b> |   |                                  |   |                                  |
| 3       | NARINDER PAL SINGH SHINH        |                  |   |                                  |   |                                  |
|         | a) At the beginning of the year | 1-Apr-19         | 936062                                    | 4.68                             | 936062                                  | 4.68                             |
|         | b) Changes during the year      | <b>No Change</b> |   |                                  |   |                                  |
| 4       | A L ANANTHANARAYANAN            |                  |   |                                  |   |                                  |
|         | a) At the beginning of the year | 1-Apr-19         | 879828                                    | 4.40                             | 879828                                  | 4.40                             |
|         | b) Changes during the year      | <b>No Change</b> |   |                                  |   |                                  |
| 5       | RAMNIKA SINGH                   |                  |   |                                  |   |                                  |
|         | a) At the beginning of the year | 1-Apr-19         | 507611                                    | 2.54                             | 507611                                  | 2.54                             |
|         | b) Changes during the year      | <b>No Change</b> |   |                                  |   |                                  |
| 6       | PRABHA ANANTHANARAYANAN         |                  |   |                                  |   |                                  |
|         | a) At the beginning of the year | 1-Apr-19         | 228068                                    | 1.14                             | 228068                                  | 1.14                             |
|         | b) Changes during the year      | <b>No Change</b> |   |                                  |   |                                  |
| 7       | AMRITA SHINH                    |                  |   |                                  |   |                                  |
|         | a) At the beginning of the year | 1-Apr-19         | 122500                                    | 0.61                             | 122500                                  | 0.61                             |
|         | b) Changes during the year      | <b>No Change</b> |   |                                  |   |                                  |
| 8       | MANITA SHINH                    |                  |   |                                  |   |                                  |
|         | a) At the beginning of the year | 1-Apr-19         | 122500                                    | 0.61                             | 122500                                  | 0.61                             |
|         | b) Changes during the year      | <b>No Change</b> |   |                                  |   |                                  |
|         | c) At the end of the year       | 31-Mar-20        |   |                                  | 122500                                  | 0.61                             |

## NATIONAL STANDARD (INDIA)LIMITED

| Sl. No. | NAME                              | Date of change | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|-----------------------------------|----------------|---|----------------------------------|---|----------------------------------|
|         |                                   |                | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
| 9       | HERITAGE TEXTURE SERVICES PVT LTD |                |   |                                  |   |                                  |
|         | a) At the beginning of the year   | 1-Apr-19       | 8099                                      | 0.04                             | 8099                                    | 0.04                             |
|         | b) Changes during the year        | No Change      |   |                                  |   |                                  |
|         | c) At the end of the year         | 31-Mar-20      |   |                                  | 8099                                    | 0.04                             |
| 10      | DEOKI NANDAN AGARWAL              |                |   |                                  |   |                                  |
|         | a) At the beginning of the year   | 1-Apr-19       | 875                                       | 0.00                             | 875                                     | 0.00                             |
|         | b) Changes during the year        | No Change      |   |                                  |   |                                  |
|         | c) At the end of the year         | 31-Mar-20      |   |                                  | 875                                     | 0.00                             |

(v) Shareholding of Directors and Key Managerial Personnel: NIL

### V. INDEBTEDNESS

(₹ in lakhs)

| Particulars  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount  | -                                | -               | -        | -                  |
| ii) Interest due but not paid                              | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                          | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | -                                | -               | -        | -                  |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |          |                    |
| • Addition   | -                                | -               | -        | -                  |
| • Reduction  | -                                | -               | -        | -                  |
| Net Change   | -                                | -               | -        | -                  |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          |                    |
| i) Principal Amount  | -                                | -               | -        | -                  |
| ii) Interest due but not paid                              | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                          | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | -                                | -               | -        | -                  |

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Nil

B. Remuneration to other directors

(₹ in Lakhs)

| Sr. No. | Particulars of Remuneration                  | Name of Director |                 | Total Amount |
|---------|--|------------------|-----------------|--------------|
|         |  | Bhushan Shah     | Prakash Vaghela |              |
| 1.      | <b>Independent Directors</b>                 |                  |                 |              |
|         | • Fee for attending board committee meetings | 0.75             | 0.65            | -            |
|         | • Commission                                 | -                | -               | -            |
|         | • Others, please specify                     |                  |                 |              |
|         | <b>Total (1)</b>                             | <b>0.75</b>      | <b>0.65</b>     |              |

## NATIONAL STANDARD (INDIA)LIMITED

| Sr. No. | Particulars of Remuneration  | Name of Director |                 | Total Amount |
|---------|--|------------------|-----------------|--------------|
|         |  | Bhushan Shah     | Prakash Vaghela |              |
| 2.      | <b>Other Non-Executive Directors</b><br>• Fee for attending board / committee meetings<br>• Commission<br>• others, please specify | -                | -               | -            |
|         | <b>Total (2)</b>   | <b>Nil</b>       | <b>Nil</b>      | <b>Nil</b>   |
|         | <b>Total (B)=(1+2)</b>   |                  |                 |              |
|         | <b>Total Managerial Remuneration</b>   | <b>NA</b>        | <b>NA</b>       | <b>NA</b>    |
|         | <b>Overall Ceiling as per the Act</b>  | <b>0.75</b>      | <b>0.65</b>     | <b>NA</b>    |

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD

(₹ in Lakhs)

| Sr. No. | Particulars of Remuneration   | Mr. Chirag Sarvaiya, CEO | Mr. Ramesh Chechani, CFO | Ms. Madhur Mittal, Company Secretary | Total        |
|---------|---|--------------------------|--------------------------|--------------------------------------|--------------|
| 1       | Gross salary  | 32.33                    | 74.06                    | 4.21                                 | 110.6        |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | NIL                      | NIL                      | NIL                                  | NIL          |
|         | (b) Value of perquisites u/s 17(2) Income- tax Act, 1961                            | NIL                      | NIL                      | NIL                                  | NIL          |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | NIL                      | NIL                      | NIL                                  | NIL          |
| 2       | Stock Option  | NIL                      | NIL                      | NIL                                  | NIL          |
| 3       | Sweat Equity  | NIL                      | NIL                      | NIL                                  | NIL          |
| 4       | Commission  |                          |                          |                                      |              |
|         | - as % of profit  |                          |                          |                                      |              |
|         | - others, specify...  | NA                       | NA                       | NA                                   | NA           |
| 5       | Others, please specify  | NA                       | NA                       | NA                                   | NA           |
|         | <b>Total</b>  | <b>32.33</b>             | <b>74.06</b>             | <b>4.21</b>                          | <b>110.6</b> |

### D. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

For and on behalf of the Board  
**National Standard (India) Limited**

Date: June 9, 2020  
Place: Mumbai

**Smita Ghag**  
Chairperson  
DIN: 02447362

**Bhushan Shah**  
Director  
DIN: 07484485



**Annual Report on Corporate Social Responsibility**  
[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

| <b>Sr. No.</b> | <b>Particulars</b>  | <b>Details</b>  |
|----------------|---|---|
| 1.             | A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programs                                  | <p>The Policy emphasizes initiatives in specific areas of social development that would include primary and secondary education, skills development, vocational training, health and hygiene, preventive health care and sanitation, women empowerment, environment and ecological protection, character building by providing training opportunities in sports and cultural activities etc.</p> <p>The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is available on the Company's website at the web link <a href="http://www.nsil.net.in/investor-relation/policies">http://www.nsil.net.in/investor-relation/policies</a></p> |
| 2.             | Composition of the CSR Committee as on March 31, 2020   | <ul style="list-style-type: none"> <li>• Ms. Smita Ghag - Chairperson</li> <li>• Mr. Bhushan Shah</li> <li>• Mr. Prakash Vaghela</li> </ul>   |
| 3.             | Average Net Profit of the Company for last three financial years  | ₹ 31.62 lakhs   |
| 4.             | Prescribed CSR Expenditure (two percent of the amount as per item 3 above)  | ₹ 0.63 lakhs  |
| 5.             | Details of CSR spent during the financial year;<br>a. Total amount spent for the financial year<br>b. Amount unspent, if any<br>c. Manner in which the amount spent during the financial year is detailed below:                | 0.65<br>-<br>N.A.   |
| 6.             | In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report. | N.A.  |

**Our CSR Responsibility**

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee Monitors the implementation of the project and activities in compliance with our CSR objectives.

For and on behalf of the Board  
**National Standard (India) Limited**

Date: June 9, 2020  
Place : Mumbai

**Smita Ghag**  
Chairperson  
DIN: 02447362

**Bhushan Shah**  
Director  
DIN: 07484485

## Salient features of the CSR Policy

### A. Policy Objectives:

The objective of this Policy is to set out guiding principles for carrying out CSR activities and also to set up process of implementation and monitoring of CSR activities to be undertaken by the Company.

### B. Implementation:

All CSR projects/activities will be over and above the normal course of the Company's business and will be implemented as permissible under the applicable provisions of the Companies Act.

### C. Governance :

CSR implementation shall be periodically reviewed and monitored by the CSR Committee of the Board constituted as per the requirements of Section 135 of the Companies Act, 2013.

### D. CSR focus areas:

The Company may undertake the following activities under the ambit of CSR:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
2. Promoting education, hosting events, performances in pure arts including special education and employment enhancing vocational skills especially among children, women and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; day care centers and such other facilities and measures for reducing inequalities faced by socially and economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna and conservation of natural resources;
5. Protection of national heritage, art and culture; setting up public libraries; promotion and development of traditional arts and handicrafts;
6. Contributions to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
7. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
8. Rural development projects;

The Company may contribute to other areas of interest as permitted under Schedule VII of the Companies Act and update the above list as per Section 135 and Schedule VII of the Companies Act.

For and on behalf of the Board  
**National Standard (India) Limited**

Date: June 9, 2020  
Place : Mumbai

**Smita Ghag**  
Chairperson  
DIN: 02447362

**Bhushan Shah**  
Director  
DIN: 07484485

**Salient features of the Nomination & Remuneration Policy****A. Policy Objectives**

The objectives of the Nomination & Remuneration Policy are:

1. To ensure diversity on the Board of Directors
2. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/non-executive/independent) of the Company
3. To recommend policy relating to the remuneration of the Directors, KMP and Senior Management to the Board of Directors of the Company
4. To formulate the criteria for evaluation of performance of Directors

**B. Policy Coverage****Part A: Board Composition****Board Diversity**

The Committee shall periodically review the size and composition of the Board so as to have an appropriate mix of executive and independent Directors, to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company;

**Succession planning**

The Committee shall establish and review Board, KMP and Senior Management succession plans in order to ensure and maintain a continuing balance of relevant skills, experience and expertise on the Board and Senior Management.

**PART B: Appointment and removal of Directors, KMP and Senior Management**

The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend their appointment to the Board.

The Committee may also recommend removal of a Director, KMP or Senior Management with reasons recorded in writing, subject to the provisions and compliance of the said Act, rules and regulations.

**PART C: Remuneration to Directors, KMP and Senior Management**

The overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company

Remuneration / compensation / commission etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval.

Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director/ Whole-time Director.

The Company may implement reward & retention schemes from time to time as per organizational needs. These shall be subject to approval of the Committee.

## NATIONAL STANDARD (INDIA)LIMITED

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### **PART D: Board Evaluation**

The Committee shall carry out an annual evaluation of performance of the Board and Board Committees and formulate criteria for evaluation of performance of independent directors and the Board.

The Committee shall determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

For and on behalf of the Board  
**National Standard (India) Limited**

Date: June 9, 2020  
Place : Mumbai

**Smita Ghag**  
Chairperson  
DIN: 02447362

**Bhushan Shah**  
Director  
DIN: 07484485

Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
National Standard (India) Limited  
412, Floor - 4, 17G Vardhaman Chamber,  
Cawasji Patel Road, Horniman Circle,  
Fort, Mumbai – 400001.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s National Standard (India) Limited** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officer, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit year covering the financial year ended on 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **-Not Applicable for the year under review**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **-Not Applicable for the year under review**
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **-Not Applicable for the year under review**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **-Not Applicable for the year under review**

## NATIONAL STANDARD (INDIA)LIMITED

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- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -- **Not Applicable for the year under review and**
  - h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **-Not Applicable for the year under review**
- vi. I further report that, having regard to the compliance system prevailing in the Company and on the basis of representation provided by the management of the Company, the Company has complied with the following other laws applicable specifically to the Company:

- The Real Estate (Regulation and Development) Act, 2016 and rules of the States where the Company operates;

I further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this Audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

I have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, during the year under review:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded. I further report that based on the information provided and on the basis of the Compliance Certificate(s) issued and taken on record by the Board of Directors at their meeting(s), I am of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no specific events/actions having major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For Sharatkumar K Shetty & Associates**  
**Practising Company Secretary**

**Sharatkumar Shetty**  
**CP No. 18123**  
**Membership No.: 31888**  
**Place: Mumbai**  
**Date: 09 June, 2020**  
**UDIN: A031888B000327183**

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

**Annexure A**

**To,  
The Members,  
National Standard (India) Limited  
412, Floor - 4, 17G Vardhaman Chamber,  
Cawasji Patel Road, Horniman Circle,  
Fort, Mumbai – 400001**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Sharatkumar K Shetty& Associates  
Practising Company Secretary**

**SharatkumarShetty  
CP No. 18123  
Membership No.: 31888  
Place: Mumbai  
Date: 09 June, 2020  
UDIN: A031888B000327183**



### Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in below:

#### A. Conservation of Energy

##### i. Steps taken or impact on conservation of energy and use of alternate sources of energy

- Use of variable frequency drives for all elevators and air-conditioning equipment.
- Extensive use of materials like fly ash, GGBS, etc. resulting in saving of cement thus indirectly saving energy consumed in manufacturing of cement.
- Fine tuning of electrical designs to contain voltage drop to less than 5%.
- Use of low voltage PL lamps
- Installation of waste water equipment plants for treating waste water and utilising it for air-conditioning, watering of green spaces and flushing.

##### ii. Capital investment on energy conservation equipment

The Company has made investments for reduction in consumption of energy. The capital investment on energy conservation equipment cannot be quantified.

##### iii. Impact of measures for reduction of energy consumption

- Reduction in overall maximum demand for the electricity and consequent energy saving benefits to the residents.
- Maintenance of eco system balance on account of provision of extensive green cover, water bodies, waste water treatment and rain harvesting.
- Soil conservation by a complete ban on use of mud bricks in construction and using light weight blocks and reduction in air pollution by utilization of fly ash
- Conservation of forests by use of modern metallic form work instead of timber form work
- Reducing fuel consumption and carbon monoxide pollution by installation of state of the art electronic parking management system

#### B. Technology absorption

Due to completion of the Company's project, no technology absorption measures were taken during the year.

For and on behalf of the Board  
**National Standard (India) Limited**

Date: June 9, 2020  
Place : Mumbai

**Smita Ghag**  
Chairperson  
DIN: 02447362

**Bhushan Shah**  
Director  
DIN: 07484485

## **CORPORATE GOVERNANCE REPORT**

### **The Company's philosophy on Code of Governance**

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders viz regulators, employees, customers, vendors, investors and the society at large.

The philosophy of Corporate Governance is a principle based approach as codified in Regulation 4(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), encompassing the fundamentals of rights and roles of various stakeholders of the Company, timely information, equitable treatment, role of stakeholders disclosure and transparency and board responsibility.

### **I. Board of Directors**

- i. As on March 31, 2020, the Company had four Directors, of which two were non-executive and two were independent. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.
- ii. None of the Directors on the Board hold directorships in more than ten public companies and no director is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors are related to each other.
- iii. Independent Directors are non-executive directors as defined under Regulation 16(1) (b) of the SEBI Listing Regulations and Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act.
- iv. In terms of Regulation 25(8) of SEBI Listing Regulations, independent directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.
- v. Four Board meetings were held during the year; on May 23, 2019, August 12, 2019, October 24, 2019 and January 20, 2020. The gap between two meetings did not exceed 120 days.
- vi. Names and categories of the Directors on the Board, the number of directorships and committee positions held by them in other public limited companies as on March 31, 2020 are given below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

## NATIONAL STANDARD (INDIA)LIMITED

| Name of Director(s) and DIN | Category of directorship in the Company     | No. of Board meetings held during the year: 4 | Attendance at last AGM | As on March 31, 2020   |   |        | List of directorships in other listed companies & category of directorship |
|-----------------------------|---|---|------------------------|--|---|--------|--|
|                             |   |   |                        | No. of Directorships in public companies (including the Company) | Membership and Chairmanship of the committees in public companies (including the Company) |        |  |
|                             |   |   |                        |  | Chairman  | Member |  |
| Smita Ghag (02447362)       | Chairperson, Non-Independent, Non-Executive | 4   | Yes                    | 6  | 1   | 1      | -  |
| Bhushan Shah (07484485)     | Independent, Non-Executive                  | 4   | -                      | 3  | 2   | 3      | Sanathnagar Enterprises Ltd- Independent Director                          |
| Prakash Vaghela (07768595)  | Independent, Non-Executive                  | 4   | Yes                    | 9  | 2   | 6      | Independent Director in: SVP Global Ventures Ltd, and Roselabs Finance Ltd |
| K L Arimpur (08265692)      | Non-Independent, Non-Executive              | 1   | -                      | 1  | -   | -      | -  |

- There are no inter-se relationships between the Board members.
- All directors holds nil equity shares in the company.

- Information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- One meeting of the independent directors was held on March 16, 2020 during the year 2019-20. The independent Directors, inter-alia, have reviewed the performance of Non-Independent Directors, Chairperson of the Company and the Board as a whole.
- The Board periodically reviews the compliance reports of all laws applicable to the Company.
- The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:
  - Knowledge of the Company's business, policies and culture, major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
  - Financial and Management skills
  - Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making
  - Individual skills/expertise of each director are as under:

| Name of the Director | DIN      | Area of Skills / expertise                |
|----------------------|----------|---|
| Ms. Smita Ghag       | 02447362 | expert in the field of Documentation      |
| Mr. Bhushan Shah     | 07484485 | Financial services expert                 |
| Mr. Prakash Vaghela  | 07768595 | Direct Tax and corporate matters expert   |
| Mr. K L Arimpur      | 08265692 | Commercial as well marketing field expert |

xi. Criteria for making payments to non-executive directors

The remuneration to non-executive directors is benchmarked with the relevant market and performance oriented, balanced between financial and sectoral market based on the comparative scales, aligned to corporate goals, role assumed and number of meetings attended.

xii. In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are the persons of high integrity and repute. They fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder and are independent of the management.

xiii. Performance Evaluation criteria for independent directors are as under:

**Role & Accountability**

- Understanding of nature and role of independent directors' position
- Understanding of risks associated with the business
- Application of knowledge for rendering advice to Management for resolution of business issues
- Offer constructive challenge to Management strategies and proposals
- Active engagement with the Management and attentiveness to progress of decisions taken

**Objectivity:**

- Non-partisan appraisal of issues
- Own recommendations given professionally without tending to majority or popular views

**Leadership & Initiative**

- Heading Board Sub Committees
- Driving any function or identified initiative based on domain knowledge and experience

**Personal attributes**

- Commitment to role & fiduciary responsibilities as a board member
- Attendance and active participation and not done perfunctorily
- Proactive, strategic and lateral thinking

## II. Board Committees

The Board has constituted four committees as on March 31, 2020.

**Audit Committee**

The Audit Committee of the Board of Directors is entrusted with the responsibility of supervising the Company's financial reporting process and internal controls viz.

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- Reviewing and examining with management the quarterly and annual financial results and the auditors' report thereon before submission to the Board for approval;
- Reviewing management discussion and analysis of financial condition and results of operations;
- Reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;

## NATIONAL STANDARD (INDIA)LIMITED

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- Recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- Reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- Evaluating internal financial controls and risk management systems;
- Reviewing the functioning of the Code of the Company and Whistle Blowing Mechanism
- Reviewing the utilisation of loans and / or advances from / investments in subsidiaries

As on March 31, 2020, the Audit Committee comprised Mr. Prakash Vaghela, Chairman and Mr. Bhushan Shah, both independent directors and Ms Smita Ghag. All Members of the Committee have relevant experience in financial matters. Senior executives are invited to participate in the meetings of the Committee as and when necessary. The CEO and the Chief Financial Officer are permanent invitees to the meetings and the Company Secretary acts as Secretary to the Committee. The terms of reference of the Committee are in line with the provisions of Section 177 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Audit Committee met four times during the year; on May 23, 2019, August 12, 2019, October 24, 2019 and January 20, 2020. All members attended all the meetings during the year.

### **Nomination & Remuneration Committee**

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments. The role of Nomination and Remuneration Committee, inter alia, includes:

- Determine / recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine / recommend the criteria for qualifications, positive attributes and independence of Directors;
- Review and determine all elements of remuneration package of all the Executive Directors
- Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole.
- Recommend to the Board, remuneration payable to Senior Management.

As on March 31, 2020, the Nomination & Remuneration Committee comprised Mr. Prakash Vaghela, Chairman and Mr. Bhushan Shah, both Independent Directors and Ms. Smita Ghag. The terms of reference of Committee are in line with the provisions of Section 178 of the Act and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

The Committee met once during the year; on May 23, 2019.

All members attended the meeting held during the year.

### **Corporate Social Responsibility Committee**

The role of the CSR Committee includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities and reviewing the CSR performance of the Company.

As on March 31, 2020, the CSR committee comprised Ms. Smita Ghag, Chairperson and Mr. Prakash Vaghela and Mr. Bhushan Shah, both Independent Directors. The Committee met once during the financial year; on May 23, 2019. All members attended the meeting.

### Stakeholders' Relationship Committee

The role of Stakeholders' Relationship Committee inter-alia includes the following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends, if any and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

As on March 31, 2020, the Stakeholders' Relationship Committee comprised Ms. Smita Ghag, Chairperson, Mr. Bhushan Shah and Mr. K L Arimpur. The Committee met four times during the year; on May 23, 2019, August 12, 2019, October 24, 2019 and January 20, 2020. All directors (attended all meetings of the Committee.

### Stakeholders Relationship Committee - other details

- a. Name, designation and address of Compliance Officer:

**Ms. Madhur Mittal,**  
Company Secretary and Compliance Officer  
10<sup>th</sup> Floor, Lodha Excelus, NM Joshi Marg,  
Apollo Mills Compound, Mahalaxmi- 400011

- b. Details of investor complaints received and redressed during financial year 2019-20:

During the financial year 2019-20, no Investor Grievance was received and was resolved. As on March 31, 2020, no complaints were outstanding.

### III. Board Evaluation

The Board carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and the SEBI Listing regulations. Performance of the board was evaluated after seeking inputs from all the directors on the basis of criteria such as board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

## NATIONAL STANDARD (INDIA)LIMITED

### IV. Board Processes

The Board has unrestricted access to all Company related information. At Board / Committee meetings, department heads and representatives who can provide additional insights into the items being discussed are invited. The Company provides inter alia the following information to the Board, which is given either as part of the agenda or by way of presentations during the meetings:

- Annual operating plans and budgets, capital budgets and other updates.
- Quarterly, half-yearly and annual financial results of the Company and its operating divisions or business segments.
- Detailed presentations on business strategy and future outlook of the Company.
- Minutes of meetings of various Committees of the Board.
- Significant sale of investments, subsidiaries or assets which are not in the normal course of business.
- Materially important show cause, demand, prosecution and penalty notices, if any.

#### Familiarization Programmes

The Familiarization program aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction / appointment, the Independent Directors are familiarized with their roles, responsibilities and duties. Details of the familiarization programmes imparted to independent directors can be accessed the website of the Company at the link <http://www.nsil.net.in/sites/default/files/upload/pdf/policies/Familiarisation-programme.pdf>

### V. General Body Meetings

Details of previous three Annual General Meetings and special resolutions if any passed at these meetings:

| Financial year | Date &Time | Venue   | Special resolutions passed by a special majority |
|----------------|------------|---|--|
| 2018-19        | 24.09.2019 | Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai-400011 | -  |
| 2017-18        | 24.09.2018 |   | -  |
| 2016-17        | 29.08.2017 |   | -  |

No special resolution was passed by the Company last year through Postal Ballot. No special resolution is proposed to be conducted through Postal Ballot as on the date of this report.

### VI. Disclosures

#### Means of Communication

The quarterly, half-yearly and annual financial results of the Company are published in English newspaper Financial Express and in Marathi Mumbai Lakshadeep. The results are also displayed on the Company's website <http://www.nsil.net.in>. Statutory notices are published in Financial Express and Mumbai Lakshadeep. Financial Results, Statutory Notices, Press Releases etc are submitted to BSE Limited (BSE) through BSE Listing Centre and Calcutta Stock Exchange Limited (CSE) by email as well as uploaded on the Company's website. A Management Discussion and Analysis Report forms part of this Annual Report.

**Designated exclusive email-IDs:** The Company has designated the following email-ID investors.nsil@lodhagroup.com exclusively for investor servicing.

**Letter to Investor:** - Letters were sent to the shareholders / debenture holders as per records, for Dematerialization of shares / updating PAN and Bank Account details. The Company has also sent intimations to the shareholders holding shares in physical form, informing them about SEBI's mandate to permit transfer of shares only in dematerialised form w.e.f. April 1, 2019.



## NATIONAL STANDARD (INDIA)LIMITED

**SEBI Complaints Redress System (SCORES):** The investors' complaints are also being processed through the centralized web base complaints redress system. The salient features of SCORES are availability of centralised data base of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the actions taken and current status of the complaints.

### General Shareholder information

|  |  |   |                |
|--|--|---|----------------|
| <b>Company Registration Details</b>  | The Company is registered in the State of Maharashtra, India.<br>CIN L27109MH1962PLC265959   |   |                |
| <b>57<sup>th</sup> Annual General Meeting</b>  | through video conferencing / Other Audio Visual  |   |                |
| <b>Financial Year</b>  | April – March  |   |                |
| <b>Book closure dates</b>  | Nil  |   |                |
| <b>Dividend payment date</b>   | No dividend has been declared for the financial year 2019-20   |   |                |
| <b>E-mail address for shareholders</b>   | Investors.nsil@lodhagroup.com  |   |                |
| <b>Listing</b>   | BSE Limited<br>Phiroze Jeejeebhoy Towers<br>Dalal Street Mumbai- 400001  | Calcutta Stock Exchange Limited<br>7, Lyons Range, Dalhousie,<br>Kolkata-700001 |                |
| <b>Scrip Code</b>  | 504882   | 024063  |                |
| <b>Annual listing fees</b>   | Paid for financial year 2019-20 to BSE and CSE   |   |                |
| <b>Annual Custody Fees</b>   | Paid for financial year 2019-20 to NSDL and CDSL   |   |                |
| <b>Market price data and performance in comparison to broad based indices such as BSE Sensex</b> | High, Low and number of equity shares traded during each month in the year 2019-20 on BSE Ltd is as under:   |   |                |
|  | <b>Date</b>  | <b>High (₹)</b>   | <b>Low (₹)</b> |
|  | Apr-19   | 29.10   | 29.10          |
|  | Jun-19   | 30.60   | 30.60          |
|  | Jul-19   | 32.10   | 32.10          |
|  | Aug-19   | 33.70   | 33.70          |
|  | Nov-19   | 35.35   | 35.35          |
|  | Dec-19   | 44.95   | 37.10          |
|  |  | <b>Volume (No. of Shares)</b>   |                |
|  |  | 10  | 50             |
|  |  | 10  | 27             |
|  |  | 20  | 35             |
|  |  | 35  |                |
|  | PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES SUCH AS BSE SENSEX, CRISIL INDEX ETC;   |   |                |
|  |  | 1 year  | 2 year         |
|  | NSIL   | 38.15%  | 51.28%         |
|  | Sensex   | (29.71%)  | (10.58%)       |
| <b>Outstanding GDRs/ADRs/ Warrants/ Convertible Instruments</b>                                  | Not applicable   |   |                |
| <b>Registrar &amp; Transfer agent</b>  | C B Management Services (P) Limited<br>P-22, Bondel Road, Kolkata – 700 019<br>Telephone: 033- 4011- 6728<br>Fax: 033- 4011- 6739<br>E – Mail: rta@cbmsl.com |   |                |

## NATIONAL STANDARD (INDIA)LIMITED

| <b>Share transfer system</b>                        | <p>Transfers of equity shares which are in electronic form are effected through depositories with no involvement of the Company. Physical share transfers are processed and duly endorsed share certificates are dispatched within a period of fifteen days from the date of receipt, subject to documents being valid and complete in all respects.</p> <p>In terms of requirements to amendments to Regulation 40 of Listing Regulations w.e.f April 1, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the dematerialised form with a depository.</p>  |               |                   |               |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
|---|--|---------------|-------------------|---------------|----------|---------------------|---|---------------|-----------------------------|------------|-------|-------|-----------------------------------|------|-----------|---|---|------|------|------------|---------------------------------|------|-------|------|------------------|---------|------|---|---------------|------------|-------|---|----------------------|-----|------------|---|------------------|----|------|-------------|-----|------|-------|------|---------------|------------------|---------------|--------|------|-----------------|----|------|------------|-------|--------------|------------|---------------|-------------------|---------------|
| <b>Shareholding as on March 31,2020</b>             | <p>Categories of shareholding as on March 31, 2020</p> <table border="1" data-bbox="616 576 1465 996"> <thead> <tr> <th>Category</th> <th>No. of Shares</th> <th colspan="2">%</th> </tr> </thead> <tbody> <tr> <td>Promoters &amp; Promoters group</td> <td>14,788,099</td> <td colspan="2">73.94</td> </tr> <tr> <td>Mutual Fund &amp; Unit Trust of India</td> <td>-</td> <td colspan="2">-</td> </tr> <tr> <td>Banks, Financial Institutions &amp; Insurance Companies</td> <td>90</td> <td colspan="2">0.00</td> </tr> <tr> <td>Foreign Institutional Investors</td> <td>-</td> <td colspan="2">-</td> </tr> <tr> <td>Bodies Corporate</td> <td>998,515</td> <td colspan="2">5.00</td> </tr> <tr> <td>Indian Public</td> <td>42,11,738</td> <td colspan="2">21.06</td> </tr> <tr> <td>Non-Resident Indians</td> <td>274</td> <td colspan="2">0.00</td> </tr> <tr> <td>Foreign National</td> <td>32</td> <td colspan="2">0.00</td> </tr> <tr> <td>LLP</td> <td>1252</td> <td colspan="2">0.00</td> </tr> <tr> <td><b>Total</b></td> <td><b>20000,000</b></td> <td colspan="2"><b>100.00</b></td> </tr> </tbody> </table>   |               |                   |               | Category | No. of Shares       | % |               | Promoters & Promoters group | 14,788,099 | 73.94 |       | Mutual Fund & Unit Trust of India | -    | -         |   | Banks, Financial Institutions & Insurance Companies | 90   | 0.00 |            | Foreign Institutional Investors | -    | -     |      | Bodies Corporate | 998,515 | 5.00 |   | Indian Public | 42,11,738  | 21.06 |   | Non-Resident Indians | 274 | 0.00       |   | Foreign National | 32 | 0.00 |             | LLP | 1252 | 0.00  |      | <b>Total</b>  | <b>20000,000</b> | <b>100.00</b> |        |      |                 |    |      |            |       |              |            |               |                   |               |
| Category  | No. of Shares  | %             |                   |               |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| Promoters & Promoters group                         | 14,788,099   | 73.94         |                   |               |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| Mutual Fund & Unit Trust of India                   | -  | -             |                   |               |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| Banks, Financial Institutions & Insurance Companies | 90   | 0.00          |                   |               |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| Foreign Institutional Investors                     | -  | -             |                   |               |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| Bodies Corporate                                    | 998,515  | 5.00          |                   |               |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| Indian Public                                       | 42,11,738  | 21.06         |                   |               |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| Non-Resident Indians                                | 274  | 0.00          |                   |               |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| Foreign National                                    | 32   | 0.00          |                   |               |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| LLP   | 1252   | 0.00          |                   |               |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| <b>Total</b>  | <b>20000,000</b>   | <b>100.00</b> |                   |               |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
|   | <p>Distribution of shareholding as on March 31, 2020</p> <table border="1" data-bbox="616 1046 1465 1431"> <thead> <tr> <th>Range</th> <th>No. of Shareholders</th> <th>%</th> <th>No. of Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>1 - 500</td> <td>966</td> <td>97.97</td> <td>51,816</td> <td>0.26</td> </tr> <tr> <td>501- 1000</td> <td>6</td> <td>0.61</td> <td>3895</td> <td>0.02</td> </tr> <tr> <td>1001- 2000</td> <td>1</td> <td>0.10</td> <td>1,252</td> <td>0.01</td> </tr> <tr> <td>2001- 3000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>3001- 4000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>4001- 5000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>5001- 10000</td> <td>1</td> <td>0.10</td> <td>8,099</td> <td>0.04</td> </tr> <tr> <td>10001 - 50000</td> <td>2</td> <td>0.20</td> <td>46,164</td> <td>0.23</td> </tr> <tr> <td>50001- 99999999</td> <td>10</td> <td>1.02</td> <td>198,88,774</td> <td>99.44</td> </tr> <tr> <td><b>Total</b></td> <td><b>986</b></td> <td><b>100.00</b></td> <td><b>200,00,000</b></td> <td><b>100.00</b></td> </tr> </tbody> </table> |               |                   |               | Range    | No. of Shareholders | % | No. of Shares | %                           | 1 - 500    | 966   | 97.97 | 51,816                            | 0.26 | 501- 1000 | 6 | 0.61  | 3895 | 0.02 | 1001- 2000 | 1                               | 0.10 | 1,252 | 0.01 | 2001- 3000       | -       | -    | - | -             | 3001- 4000 | -     | - | -                    | -   | 4001- 5000 | - | -                | -  | -    | 5001- 10000 | 1   | 0.10 | 8,099 | 0.04 | 10001 - 50000 | 2                | 0.20          | 46,164 | 0.23 | 50001- 99999999 | 10 | 1.02 | 198,88,774 | 99.44 | <b>Total</b> | <b>986</b> | <b>100.00</b> | <b>200,00,000</b> | <b>100.00</b> |
| Range   | No. of Shareholders  | %             | No. of Shares     | %             |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| 1 - 500   | 966  | 97.97         | 51,816            | 0.26          |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| 501- 1000   | 6  | 0.61          | 3895              | 0.02          |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| 1001- 2000  | 1  | 0.10          | 1,252             | 0.01          |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| 2001- 3000  | -  | -             | -                 | -             |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| 3001- 4000  | -  | -             | -                 | -             |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| 4001- 5000  | -  | -             | -                 | -             |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| 5001- 10000   | 1  | 0.10          | 8,099             | 0.04          |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| 10001 - 50000                                       | 2  | 0.20          | 46,164            | 0.23          |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| 50001- 99999999                                     | 10   | 1.02          | 198,88,774        | 99.44         |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |
| <b>Total</b>  | <b>986</b>   | <b>100.00</b> | <b>200,00,000</b> | <b>100.00</b> |          |                     |   |               |                             |            |       |       |                                   |      |           |   |   |      |      |            |                                 |      |       |      |                  |         |      |   |               |            |       |   |                      |     |            |   |                  |    |      |             |     |      |       |      |               |                  |               |        |      |                 |    |      |            |       |              |            |               |                   |               |

## NATIONAL STANDARD (INDIA)LIMITED

| <b>Dematerialization of shares and liquidity</b>                            | <p>The International Securities Identification Number (ISIN) allotted to Company is INE166R01015. The Company has achieved 100% of promoter's and promoter group's shareholding in dematerialized form as mandated by the Securities and Exchange Board of India (SEBI). The Company has connectivity with National Securities Depository Limited (NSDL) as well as the Central Depository Services (India) Limited (CDSL) for demat facility.</p> <p>Details of shares held in Demat form with NSDL and CDSL and physical form as on March 31, 2020 is as given hereunder:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: center;">No of Equity Shares</th> <th style="text-align: center;">%</th> </tr> </thead> <tbody> <tr> <td>No. of Shares held in demat form NSDL</td> <td style="text-align: center;">5154089</td> <td style="text-align: center;">25.77</td> </tr> <tr> <td>No. of Shares held in demat form CDSL</td> <td style="text-align: center;">14789193</td> <td style="text-align: center;">73.95</td> </tr> <tr> <td>Physical Shares</td> <td style="text-align: center;">56718</td> <td style="text-align: center;">0.28</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>2,00,00,000</b></td> <td style="text-align: center;"><b>100.00</b></td> </tr> </tbody> </table> | Particulars   | No of Equity Shares | % | No. of Shares held in demat form NSDL | 5154089 | 25.77 | No. of Shares held in demat form CDSL | 14789193 | 73.95 | Physical Shares | 56718 | 0.28 | <b>Total</b> | <b>2,00,00,000</b> | <b>100.00</b> |
|---|---|---------------|---------------------|---|---------------------------------------|---------|-------|---------------------------------------|----------|-------|-----------------|-------|------|--------------|--------------------|---------------|
| Particulars   | No of Equity Shares   | %             |                     |   |                                       |         |       |                                       |          |       |                 |       |      |              |                    |               |
| No. of Shares held in demat form NSDL                                       | 5154089   | 25.77         |                     |   |                                       |         |       |                                       |          |       |                 |       |      |              |                    |               |
| No. of Shares held in demat form CDSL                                       | 14789193  | 73.95         |                     |   |                                       |         |       |                                       |          |       |                 |       |      |              |                    |               |
| Physical Shares   | 56718   | 0.28          |                     |   |                                       |         |       |                                       |          |       |                 |       |      |              |                    |               |
| <b>Total</b>  | <b>2,00,00,000</b>  | <b>100.00</b> |                     |   |                                       |         |       |                                       |          |       |                 |       |      |              |                    |               |
| <b>Commodity price risk or foreign exchange risk and hedging activities</b> | Not applicable  |               |                     |   |                                       |         |       |                                       |          |       |                 |       |      |              |                    |               |
| <b>Plant locations</b>  | The Company's project is at Plot No. F/4, Road No. 22, Wagle Industrial Estate, Thane 400604, Maharashtra.  |               |                     |   |                                       |         |       |                                       |          |       |                 |       |      |              |                    |               |
| <b>Address for correspondence</b>   | <p>All Members correspondence should be forwarded to<br/>           CB Management Services (P) Limited, the Registrar and Transfer Agent at<br/>           P-22, Bondel Road, Kolkata – 700 019<br/>           Telephone: 033- 4011- 6728<br/>           Fax: 033- 4011- 6739<br/>           E – Mail: rta@cbmsl.com</p> <p>or to the Investor Service Department at the corporate office of the Company at<br/>           10<sup>th</sup> Floor, The Company Secretariat Department, Lodha Excelus, Apollo Mills compound, N.M Joshi Marg, Mahalaxmi, Mumbai 400011<br/>           Tel: +9122 6133 4400<br/>           Fax : +9122 2302 4550<br/>           Email: investors.nsil@lodhagroup.com</p>   |               |                     |   |                                       |         |       |                                       |          |       |                 |       |      |              |                    |               |
| <b>Credit ratings</b>   | Not Applicable  |               |                     |   |                                       |         |       |                                       |          |       |                 |       |      |              |                    |               |

As required under Regulation 36 (3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking appointment/re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

### Other disclosures

|   |  |
|---|--|
| <b>Related Party Transactions</b>   | There were no materially significant Related Party Transactions that could potentially conflict with the interests of the Company at large. The details of Related Party Transactions are disclosed in financial section of this Annual Report. The related party transactions policy is available on the website of the Company at <a href="http://www.nsil.net.in">www.nsil.net.in</a> |
| <b>Regulatory non compliances and details of penalty, strictures related to capital markets during the last three years</b> | There were no cases of regulatory non-compliance during the last three financial years.  |

## NATIONAL STANDARD (INDIA)LIMITED

|   |  |
|---|--|
| <b>Whistle Blower Policy and Vigil Mechanism</b>  | The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about fraudulent act or unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company <a href="http://www.nsil.net.in">www.nsil.net.in</a> |
| <b>Mandatory and non mandatory requirements</b>   | The Company has complied with all the mandatory requirements of the SEBI Listing Regulations. Adoption of the discretionary requirements by the Company is reviewed by the Company from time to time.  |
| <b>Web links</b>  | The Company's Web-site <a href="http://www.nsil.net.in">http://www.nsil.net.in</a> has a separate section for investors 'Investor Relations' where Company policies and other investor related information is available.   |
| <b>Details of utilization of funds raised through preferential allotment or QIB</b>   | Not applicable   |
| <b>Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018</b>   | Not Applicable   |
| <b>Fees paid to Statutory Auditor and /or other entities in the Auditor's network by the Company</b>  | ₹ 6,25,000 (including Taxation and other matter)   |
| <b>Extent to which discretionary requirements as specified in Part E of Schedule II have been adopted</b>   | The Company has non-executive chairperson. The auditors' report on financial statements of the Company are unmodified Internal auditors directly reports to the audit committee.   |
| <b>Compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing regulations</b> | Complied   |
| <b>Compliance with Regulation 39(4) of SEBI Listing Regulations</b>   | There are no unclaimed shares. Hence the compliance mechanism laid down under Regulation 39 (4) of the SEBI Listing Regulations read together with Schedule V and VI is not applicable   |

**VII. CERTIFICATIONS****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,  
**The Members,  
 National Standard (India) Limited  
 412, Floor-4, 17G Vardhaman Chamber,  
 Cawasji Patel Road, Horniman Circle,  
 Fort, Mumbai- 400001**

I, Sharatkumar K Shetty, Practising Company Secretary, have examined the relevant records and disclosures received from the Directors of National Standard (India) Limited (hereinafter called "the Company") having CIN: L27109MH1962PLC265959 and registered office at 412, Floor - 4, 17G Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai – 400001, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) and Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| <b>Sr. No.</b> | <b>Name of the Director</b> | <b>DIN</b> | <b>Date of appointment in the Company</b> |
|----------------|-----------------------------|------------|---|
| 1.             | Smita Satish Ghag           | 02447362   | 24/04/2014                                |
| 2.             | Bhushan Vipinchandra Shah   | 07484485   | 06/07/2016                                |
| 3.             | Prakash Lavji Vaghela       | 07768595   | 09/02/2018                                |
| 4.             | Kurian Lonappen Arimpur     | 08265692   | 12/11/2018                                |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Sharatkumar K Shetty & Associates  
 Practising Company Secretary**

**Sharatkumar K Shetty  
 CP No. 18123  
 Membership No.: 31888  
 Place: Mumbai  
 Date: June 9, 2020  
 UDIN: A031888B000542882**

## NATIONAL STANDARD (INDIA)LIMITED

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### DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

The Company has adopted a Code of Conduct for the Board and the Senior Management in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Compliance with the Code has been confirmed by the CEO on behalf of the Board and Senior Management.

In terms of the Listing Regulations, I hereby confirm that all Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2020.

**Place: Mumbai**  
**Date: June 9, 2020**

**Chirag Sarvaiya**  
**CEO**

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### CERTIFICATE OF CORPORATE GOVERNANCE

To,  
The Members,  
National Standard (India) Limited  
412, Floor-4, 17G Vardhaman Chamber,  
Cawasji Patel Road, Horniman Circle,  
Fort, Mumbai- 400001.

I, Sharatkumar K Shetty, Practising Company Secretary, have examined the compliance of the conditions of Corporate Governance by National Standard (India) Limited ('the Company') for the financial year ended March 31, 2020, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliances with the conditions of Corporate Governance as stipulated under the Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance report of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations during the financial year ended March 31, 2020.

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

**For Sharatkumar K Shetty & Associates**  
**Practising Company Secretary**

**Sharatkumar K Shetty**  
**CP No. 18123**  
**Membership No.: 31888**  
**Place: Mumbai**  
**Date: June 9, 2020**  
**UDIN: A031888B000542904**

**MANAGEMENT DISCUSSION AND ANALYSIS****Cautionary Statement**

*Statements in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable laws or regulations. These statements are based on certain assumptions and reasonable expectation of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and other incidental factors. The Company assumes no responsibility in respect of the forward-looking statements herein, which may undergo changes in future on the basis of subsequent development.*

**(a) Industry structure and developments:****Economic Overview**

The World Economic Outlook (WEO) Update of January 2020 published by IMF has estimated the global output to grow at 2.9 per cent in 2019, declining from 3.6 per cent in 2018 and 3.8 per cent in 2017. The global output growth in 2019 is estimated to be the slowest since the global financial crisis of 2009, arising from decline in manufacturing activity and trade. Trade tensions between China and the USA have also contributed to the decline of World output and trade. The onset of Covid 19 has caused the Global economy to come to a standstill due to Covid 19 related lockdowns and social distancing measures. Several advanced economies have contracted in Q1 2020. While economic activity has restarted in several economies with easing of Covid 19 related lockdowns in Q2 2020, the outlook for global economy for 2020 remains bleak.

The WEO update of October 2019 has estimated India's economy to become the fifth largest in the world, as measured using GDP at current US\$ prices, moving past United Kingdom and France. The size of the Indian economy is estimated at US\$ 2.9 trillion in 2019. India is targeting to become a US\$ 5 trillion economy by 2024-25.

The economic growth in 2019-20 has decelerated owing to a weak global economic environment, stress in the domestic financial sector and the onset of Covid 19 in Q4 of 2019-20. The growth in GDP during 2019-20 is estimated at 4.2% as compared to 6.1% in 2018-19. The onset of Covid 19 and consequent lockdown measures announced by the Indian Government have significantly impacted the economic output. The Government and the Reserve Bank of India have announced a number of monetary policy and fiscal policy measures to minimise the damage caused by Covid 19 and to bring the economy back on path of high growth. RBI cut the policy repo rate by 115 bps to 4.0% in Q1 2020-21 and by 225 bps since April 2019. The Government of India announced a stimulus package of INR 20 lakh crore to kick-start the economy and also announced a number of economic reforms to provide impetus to manufacturing growth in India across various sectors. These measures are expected to boost economic growth in the long term. Notwithstanding the near term economic headwinds, the long term outlook for economic growth in India is positive as the fundamentals of the Indian economy continue to remain strong.

**Real Estate sector in India**

The Indian real estate sector, which includes residential, office, retail, industrial and hospitality segments, is a key contributor to GDP growth and one of the largest employers in India.

The absorption of residential real estate across top 8 cities in India for 2019 grew by 1% to 245,861 units. The new launches grew by 25% to 223,325 units. Improvement in affordability through right sizing of units and reduction in mortgage rates have driven absorption. The new launches have been focussed on the affordable and mid-income segment. The consolidation in favour of large organised players which started with introduction of structural reforms like RERA and GST and change in consumer preferences is expected to accelerate in the wake of Covid 19. Ready to move in Inventory (RTMI) and affordable/ mid-income segment will continue to perform well.

## NATIONAL STANDARD (INDIA)LIMITED

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The office segment continued its impressive growth in 2019 with the commercial stock in top 8 Indian cities increasing by 9% to 758m sq.ft. The new lease transactions have increased by 27% to 60.6m sq.ft. About 61.3m sq.ft of new supply has been completed in 2019. Despite the new supply, the overall vacancy is around 13% indicating strong demand for quality office space.

The industrial and warehousing segment continues to grow at a healthy rate driven by structural reforms such as GST and the growth of e-commerce and 3PL segments. The total stock grew by 25% to 211m sq.ft in 2019 . This segment is expected to remain resilient to the impact of Covid 19. The increased penetration of digital economy and increase in manufacturing activity driven by Government impetus and growing trend of geographical diversification are expected to drive high growth in warehousing and industrial stock.

### **The MMR Residential Real Estate Market**

#### **Overview of the Mumbai Metropolitan Region Real Estate Segment**

Mumbai is the financial hub of the country, generating approximately 5% of India's total GDP and accounting for a significant portion of India's total FDI inflows (approximately 29% of FDI inflows in India over 2000-2019) . Mumbai is also the largest city in terms of population and is home to approximately 2% of India's population.

The MMR region is the largest real estate market in India compared to other key regions and cities across new sales value, units sold and average price realization. The absorption of residential real estate in Mumbai region fell by 5% to 60,943 units in 2019. The new launches increased by 7% to 79,810 units primarily in the affordable and mid-income space. The new Office leasing in MMR region grew by 22% to 9.7m sq.ft in 2019. The office stock grew by a mere 4% to 146m sq.ft and the vacancy level reduced from 19.5% to 17.5%. MMR witnessed an absorption of 7m sq.ft of warehousing space in 2019. The large consumer base and presence of the largest port in India will drive growth of industrial segment in MMR .

#### **(b) Opportunities and Threats.**

The Govt. of Maharashtra has realized that rapid urbanization of Mumbai City is of utmost importance and has accordingly drawn up ambitious plans. With the introduction of RERA, rapid urbanization and improved living standard, the demand for housing in affordable sector is robust and your Company would endeavour to derive it by using the free funds available with the Company.

Single window clearance mechanism for approvals would go a long way in minimizing the time schedule for completing projects. Further, constant regulatory changes, recession in economies are the challenges for the Company.

#### **(c) Segment-wise or product-wise performance.**

The Company operates in single segment of real estate development. The Company's project at Thane is almost fully sold out. The Company is evaluating various other business opportunities in the real estate space.

#### **(d) Outlook**

The real estate sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial.

The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term. Mumbai is expected to be the most favoured property investment destination for NRIs.



**(e) Risks and concerns.**

Apart from the increase in land prices, inputs costs have also been constantly increasing. Higher interest cost would dent margins and may have a direct effect on the customer's cash flow as well. Increase in end product prices coupled with tight liquidity may impact demand. The various taxes and levies would add to the costs and this is likely to squeeze margins as end product prices may not go up correspondingly. The company has a Risk Management Policy, which is being periodically reviewed.

**(f) Internal control systems and their adequacy.**

The internal control commensurate with the activities is supplemented by continuous review by the management. The internal control system is designed to ensure that every aspect of the company's activity is properly monitored.

**(g) Discussion on financial performance with respect to operational performance.**

The details of financial performance and operation performance is given in the directors' report.

**(h) Material developments in Human Resources / Industrial Relations front, including number of people employed.**

The Company does not have any employee. The KMPs are deputed by the holding company. The company has amicable relations with the customer and vendors of the Company.

**(i) Details of Significant Changes in key financial ratios:**

| <b>Significant Changes in Key Financial Ratios :</b> | <b>2020</b> | <b>2019</b> | <b>Changes</b> |
|--|-------------|-------------|----------------|
| (i) Debtors Turnover:                                | 0.21        | 0.46        | (-) 54%        |
| (ii) Inventory Turnover:                             | 0.08        | 0.12        | (-) 37%        |
| (iii) Interest Coverage Ratio                        | NA          | NA          | NA             |
| (iv) Current Ratio:                                  | 16.30       | 17.98       | (-) 9%         |
| (v) Debt equity Ratio:                               | NA          | NA          | NA             |
| (vi) Operating Profit Margin (%)                     | 57%         | 34%         | 69%            |
| (vii) Net Profit Margin (%)                          | 44%         | 32%         | 37%            |

**(j) Details of any change in Return on Net Worth**

Return on Net Worth during the financial year 2019-20 is 3% as compared to previous financial year 2018-19 was 2% due to reduction in revenue.

**Disclosure of Accounting Treatment:**

In preparation of these financial statements, the Company has followed the prescribed Indian Accounting Standards and no different treatment had been followed.

## INDEPENDENT AUDITOR'S REPORT

To the Members of National Standard (India) Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **National Standard (India) Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020 and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

We have determined that there are no Key audit matters to communicate in our report.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report and management discussion and analysis but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making

judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The balance sheet, the statement of profit and loss, the statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30(b) to the financial statements;

## **NATIONAL STANDARD (INDIA)LIMITED**

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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

**For MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No.: 105047W

**Bhavik L. Shah**

Partner

Membership No.: 122071

UDIN: 20122071AAAACJ1399

Place: Mumbai

Date: June 9, 2020

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NATIONAL STANDARD (INDIA) LIMITED FOR THE YEAR ENDED MARCH 31, 2020.**

**Auditor's Responsibilities for the Audit of the Financial Statements**

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No.: 105047W

**Bhavik L. Shah**

Partner

Membership No.: 122071

UDIN: 20122071AAAACJ1399

Place: Mumbai

Date: June 9, 2020

## NATIONAL STANDARD (INDIA)LIMITED

### ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NATIONAL STANDARD (INDIA) LIMITED FOR THE YEAR ENDED MARCH 31, 2020.

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
- (b) All the fixed assets (Property, Plant and Equipment) have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The Company does not have any immovable property (in the nature of Property, Plant and Equipment). Accordingly, the provision stated in para 3(i)(c) of the Order is not applicable to the Company.
- ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii)(a) to (c) of the Order are not applicable to the Company.
- iv. Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186(1) of the Act. Further, as the Company is engaged in the business of providing infrastructural facilities, the provisions of Section 186[except for sub-section(1)] are not applicable to it.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified for the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3(vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities except for non-payment of advance income tax. Further, no undisputed statutory dues were in arrears, as at March 31, 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, Goods and Service Tax and custom duty, on account of any dispute are as follows:

| Name of the Statute     | Name of the Dues                   | Amount<br>(₹ in Lakhs) | Amount paid<br>under protest (₹<br>In Lakhs) | Period to which<br>amount relates | Forum where<br>dispute is<br>pending      |
|-------------------------|------------------------------------|------------------------|--|-----------------------------------|---|
| Income tax Act,<br>1961 | Income Tax<br>(including Interest) | 836.45                 | 164.03                                       | Assessment Year<br>2014-15        | Commissioner<br>of Income<br>Tax(Appeals) |
| Income tax Act,<br>1961 | Penalty u/s 271D                   | 0.62                   | -  | Assessment Year<br>2015-16        | Commissioner<br>of Income<br>Tax(Appeals) |

- viii. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, the provisions stated in paragraph 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3(ix) of the Order are not applicable to the Company.
- x. During the course of our audit, 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 material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us and based on our examination the Company has not paid/provided for managerial remuneration during the year. Accordingly, the provisions stated in paragraph 3(xi) of the Order are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with the related parties are in compliance with the provisions of the section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standard.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. The Company has temporarily deployed its project surplus which has resulted in it being classified as Non-Banking Finance Company (NBFC) during the year ended March 31, 2020, in terms of the criteria laid down by the Reserve Bank of India (RBI). The Company has informed that it is in process of applying to RBI for exemption from being classified and registered as NBFC.

### **For MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No.: 105047W

### **Bhavik L. Shah**

Partner

Membership No.: 122071

UDIN: 20122071AAAACJ1399

Place: Mumbai

Date: June 9, 2020

## **NATIONAL STANDARD (INDIA)LIMITED**

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### **ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NATIONAL STANDARD (INDIA) LIMITED FOR THE YEAR ENDED MARCH 31, 2020.**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **National Standard (India) Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No.: 105047W

**Bhavik L. Shah**

Partner

Membership No.: 122071

UDIN: 20122071AAAACJ1399

Place: Mumbai

Date: June 9, 2020

# NATIONAL STANDARD (INDIA)LIMITED

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020

|   | Notes  | As at<br>31-March-20<br>₹ in Lakhs | As at<br>31-March-19<br>₹ in Lakhs |
|---|--------|------------------------------------|------------------------------------|
| <b>ASSETS</b>                                       |        |                                    |                                    |
| <b>Non-Current Assets</b>                           |        |                                    |                                    |
| Property, Plant and Equipment                       | 2      | 3.93                               | 4.80                               |
| Investment Property                                 | 3      | 481.48                             | 399.05                             |
| Non- Current Tax Assets                             | 4      | 101.21                             | 55.51                              |
| Other Non- Current Assets                           | 5      | 247.92                             | 270.58                             |
| Deferred Tax Asset (Net)                            | 27     | 213.84                             | 201.13                             |
| <b>Total Non-Current Assets</b>                     |        | <b>1,048.38</b>                    | <b>931.07</b>                      |
| <b>Current Assets</b>                               |        |                                    |                                    |
| Inventories   | 6      | 1,672.49                           | 1,860.02                           |
| Financial Assets                                    |        |                                    |                                    |
| Loans   | 7      | 16,767.86                          | 15,959.22                          |
| Trade Receivables                                   | 8      | 496.45                             | 782.87                             |
| Cash and Cash Equivalents                           | 9      | 252.35                             | 100.81                             |
| Bank Balances other than Cash and Cash Equivalents  | 10     | 239.51                             | -                                  |
| Other Financial Assets                              | 11     | 912.08                             | 960.42                             |
| Other Current Assets                                | 12     | 37.00                              | -                                  |
| <b>Total Current Assets</b>                         |        | <b>20,377.74</b>                   | <b>19,663.34</b>                   |
| <b>Total Assets</b>                                 |        | <b>21,426.12</b>                   | <b>20,594.41</b>                   |
| <b>EQUITY AND LIABILITIES</b>                       |        |                                    |                                    |
| <b>Equity</b>                                       |        |                                    |                                    |
| Equity Share Capital                                | 13     | 2,000.00                           | 2,000.00                           |
| Other Equity  |        |                                    |                                    |
| Share Premium                                       | 14     | 0.02                               | 0.02                               |
| Retained Earnings                                   | 15     | 18,020.83                          | 17,368.26                          |
| Other Reserves                                      | 16     | 28.11                              | 28.11                              |
| <b>Equity attributable to Owners of the Company</b> |        | <b>20,048.96</b>                   | <b>19,396.39</b>                   |
| <b>Non-Current Liabilities</b>                      |        |                                    |                                    |
| Financial Liabilities                               |        |                                    |                                    |
| Other Financial Liabilities                         | 17     | 126.83                             | 104.59                             |
| <b>Total Non-Current Liabilities</b>                |        | <b>126.83</b>                      | <b>104.59</b>                      |
| <b>Current Liabilities</b>                          |        |                                    |                                    |
| Financial Liabilities                               |        |                                    |                                    |
| Trade Payables                                      | 18     |                                    |                                    |
| Due to Micro and Small Enterprises                  |        | -                                  | 4.15                               |
| Due to Others                                       |        | 136.11                             | 170.64                             |
| Other Financial Liabilities                         | 19     | 231.46                             | 254.06                             |
| Other Current Liabilities                           | 20     | 882.76                             | 664.58                             |
| <b>Total Current Liabilities</b>                    |        | <b>1,250.33</b>                    | <b>1,093.43</b>                    |
| <b>Total Liabilities</b>                            |        | <b>1,377.16</b>                    | <b>1,198.02</b>                    |
| <b>Total Equity and Liabilities</b>                 |        | <b>21,426.12</b>                   | <b>20,594.41</b>                   |
| Significant Accounting Policies                     | 1      |                                    |                                    |
| See accompanying notes to the Financial Statements  | 1 - 45 |                                    |                                    |

As per our attached Report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration Number: 105047W

Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : 9-June-2020

For and on behalf of the Board of Directors of  
National Standard (India) Limited

Smita Ghag

Director

DIN:02447362

Rameshchandra Chechani

Chief Financial Officer

Chirag Sarvaiya

Chief Executive Officer

Bhushan Shah

Director

DIN:07484485

Madhur Mittal

Company Secretary

Membership No.: A47976

**NATIONAL STANDARD (INDIA)LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

| Particulars   | Notes  | For the Year ended<br>31-March-20<br>₹ in Lakhs | For the Year ended<br>31-March-19<br>₹ in Lakhs |
|---|--------|---|---|
| <b>I INCOME</b>   |        |   |   |
| Revenue From Operations   | 21     | 538.80  | 1,382.21  |
| Other Income  | 22     | 946.16  | 1,124.85  |
| <b>Total Income</b>   |        | <b>1,484.96</b>                                 | <b>2,507.06</b>                                 |
| <b>II EXPENSES</b>  |        |   |   |
| Cost of Projects  | 23     | 83.11   | 1,310.16  |
| Employee Benefits Expense   | 24     | 6.81  | 153.58  |
| Finance Costs   | 25     | 13.21   | 28.96   |
| Depreciation Expense  | 2      | 22.84   | 2.37  |
| Other Expenses  | 26     | 530.14  | 411.16  |
| <b>Total Expense</b>  |        | <b>656.11</b>                                   | <b>1,906.23</b>                                 |
| <b>III Profit Before Tax (I-II)</b>   |        | <b>828.85</b>                                   | <b>600.83</b>                                   |
| <b>IV Tax Expense</b>   |        |   |   |
| Current Tax   | 27     | (188.99)  | (300.27)  |
| Deferred Tax  |        | 12.71   | 175.38  |
| <b>Total Tax Expense</b>  |        | <b>(176.28)</b>                                 | <b>(124.89)</b>                                 |
| <b>V Profit for the year (III+IV)</b>   |        | <b>652.57</b>                                   | <b>475.94</b>                                   |
| <b>VI Other Comprehensive Income (OCI)</b>  |        | <b>-</b>  | <b>-</b>  |
| <b>VII Total Comprehensive Income for the year (V + VI)</b>                           |        | <b>652.57</b>                                   | <b>475.94</b>                                   |
| <b>VIII Earnings per Equity Share (in ₹)</b><br>(Face value of ₹ 10 per Equity Share) |        |   |   |
| Basic   | 37     | 3.26  | 2.38  |
| Diluted   |        | 3.26  | 2.38  |
| Significant Accounting Policies   | 1      |   |   |
| See accompanying notes to the Financial Statements                                    | 1 - 45 |   |   |

As per our attached Report of even date

For MSKA & Associates  
Chartered Accountants  
Firm Registration Number: 105047W

Bhavik L. Shah  
Partner  
Membership No. 122071

Place : Mumbai  
Date : 9-June-2020

For and on behalf of the Board of Directors of  
National Standard (India) Limited

Smita Ghag  
Director  
DIN:02447362

Rameshchandra Chechani  
Chief Financial Officer

Chirag Sarvaiya  
Chief Executive Officer

Bhushan Shah  
Director  
DIN:07484485

Madhur Mittal  
Company Secretary  
Membership No.: A47976

# NATIONAL STANDARD (INDIA)LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

|   | For the Year ended<br>31-March-20<br>₹ in Lakhs | For the Year ended<br>31-March-19<br>₹ in Lakhs |
|---|---|---|
| <b>(A) Operating Activities</b>   |   |   |
| <b>Profit Before Tax</b>  | <b>828.85</b>                                   | <b>600.83</b>                                   |
| <b>Adjustments for:</b>   |   |   |
| Depreciation Expense  | 22.84   | 2.37  |
| Interest Income   | (940.82)  | (1,060.58)                                      |
| Finance Costs   | 13.21   | 28.96   |
| Loss on Disposal of Assets  | -   | 4.67  |
| Sundry Balances/ Excess Provisions written back (net)                   | (1.60)  | (46.44)   |
| <b>Operating loss before Working Capital Changes</b>                    | <b>(77.52)</b>                                  | <b>(470.19)</b>                                 |
| <b>Working Capital Adjustments:</b>                                     |   |   |
| Decrease in Trade and Other Receivables                                 | 272.07  | 317.12  |
| Decrease in Inventories   | 83.13   | 1,558.29  |
| Increase / (Decrease) in Trade and Other Payables                       | 184.04  | (167.10)  |
| <b>Cash generated from Operating Activities</b>                         | <b>461.72</b>                                   | <b>1,238.12</b>                                 |
| Income Tax paid   | (247.90)  | (523.69)  |
| <b>Net Cash Flows from Operating Activities</b>                         | <b>213.82</b>                                   | <b>714.43</b>                                   |
| <b>(B) Investing Activities</b>   |   |   |
| (Investment)/ Divestment in Fixed Deposits with Bank                    | (239.51)  | 1.24  |
| Interest received   | -   | 1,136.52  |
| Loans (Given)/ Received Back (net)                                      | 180.51  | (2,041.43)                                      |
| <b>Net Cash used in Investing Activities</b>                            | <b>(59.00)</b>                                  | <b>(903.67)</b>                                 |
| <b>(C) Financing Activities</b>   |   |   |
| Finance Costs paid  | (3.28)  | (33.31)   |
| <b>Net Cash Flows used in Financing Activities</b>                      | <b>(3.28)</b>                                   | <b>(33.31)</b>                                  |
| <b>(D) Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b> | <b>151.54</b>                                   | <b>(222.55)</b>                                 |
| Cash and Cash Equivalents at the beginning of the year                  | 100.81  | 323.36  |
| <b>Cash and Cash Equivalents at year end (Refer Note 9)</b>             | <b>252.35</b>                                   | <b>100.81</b>                                   |

### Notes:

- Cash flow statement has been prepared under the indirect method as set out in Ind AS -7 specified under Section 133 of the Act.
- There are no reconciliation item of liabilities arising from financing activities under Ind AS 7.

As per our attached Report of even date

For MSKA & Associates  
Chartered Accountants  
Firm Registration Number: 105047W

Bhavik L. Shah  
Partner  
Membership No. 122071

Place : Mumbai  
Date : 9-June-2020

For and on behalf of the Board of Directors of  
National Standard (India) Limited

Smita Ghag  
Director  
DIN:02447362

Rameshchandra Chechani  
Chief Financial Officer

Chirag Sarvaiya  
Chief Executive Officer

Bhushan Shah  
Director  
DIN:07484485

Madhur Mittal  
Company Secretary  
Membership No.: A47976

**NATIONAL STANDARD (INDIA)LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

**(A) EQUITY SHARE CAPITAL**

₹ in Lakhs

| Particulars                                     | As at<br>31-March-20 | As at<br>31-March-19 |
|---|----------------------|----------------------|
| Balance at the beginning of the reporting year  | 2,000.00             | 2,000.00             |
| Issued during the year                          | -                    | -                    |
| <b>Balance at the end of the reporting year</b> | <b>2,000.00</b>      | <b>2,000.00</b>      |

**(B) OTHER EQUITY**

₹ in Lakhs

| Particulars                             | Reserves and Surplus |                            |               |                   | Total            |
|---|----------------------|----------------------------|---------------|-------------------|------------------|
|   | Capital Reserve      | Capital Redemption Reserve | Share Premium | Retained Earnings |                  |
| <b>As at 1-April -19</b>                | <b>11.44</b>         | <b>16.67</b>               | <b>0.02</b>   | <b>17,368.26</b>  | <b>17,396.39</b> |
| Profit for the year                     | -                    | -                          | -             | 652.57            | 652.57           |
| Other Comprehensive Income              | -                    | -                          | -             | -                 | -                |
| Total Comprehensive Income for the year | -                    | -                          | -             | 652.57            | 652.57           |
| <b>As at 31-March-20</b>                | <b>11.44</b>         | <b>16.67</b>               | <b>0.02</b>   | <b>18,020.83</b>  | <b>18,048.96</b> |

₹ in Lakhs

| Particulars                             | Reserves and Surplus |                            |               |                   | Total            |
|---|----------------------|----------------------------|---------------|-------------------|------------------|
|   | Capital Reserve      | Capital Redemption Reserve | Share Premium | Retained Earnings |                  |
| <b>As at 1-April -18</b>                | <b>11.44</b>         | <b>16.67</b>               | <b>0.02</b>   | <b>16,892.32</b>  | <b>16,920.45</b> |
| Profit for the year                     | -                    | -                          | -             | 475.94            | 475.94           |
| Other Comprehensive Income              | -                    | -                          | -             | -                 | -                |
| Total Comprehensive Income for the year | -                    | -                          | -             | 475.94            | 475.94           |
| <b>As at 31-March -19</b>               | <b>11.44</b>         | <b>16.67</b>               | <b>0.02</b>   | <b>17,368.26</b>  | <b>17,396.39</b> |

As per our attached Report of even date

For MSKA & Associates  
Chartered Accountants

Firm Registration Number: 105047W

Bhavik L. Shah  
Partner  
Membership No. 122071

Place : Mumbai  
Date : 9-June-2020

For and on behalf of the Board of Directors of  
National Standard (India) Limited

Smita Ghag  
Director  
DIN:02447362

Rameshchandra Chechani  
Chief Financial Officer

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Chief Executive Officer

Bhushan Shah  
Director  
DIN:07484485

Madhur Mittal  
Company Secretary  
Membership No.: A47976

# NATIONAL STANDARD (INDIA)LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### A Company's Background

National Standard (India) Limited (the Company) is a public limited company domiciled and incorporated in India under the Companies Act, 1956 vide CIN - L27109MH1962PLC265959. The Company's registered office is located at 412 , Floor - 4, 17 G Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai - 400001. The Company is primarily engaged in the business of real estate development.

#### B Significant Accounting Policies

##### I Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs except when otherwise indicated.

##### II Summary of Significant Accounting Policies

##### 1 Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle.
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The operating cycle of the Company's real estate operations varies from project to project depending on the size of the project, type of development, project complexities and related approvals. All other assets and liabilities have been classified into current and non-current based on a period of twelve months.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020**

**2 Property, Plant and Equipment**

**i. Recognition and measurement**

All property, plant and equipment except freehold land are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisitions of the items. Cost includes freight, duties, taxes, borrowing cost and incidental expenses related to the acquisition and installation of the asset.

**ii. Subsequent costs**

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Company. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

**iii. Derecognition**

The carrying amount of an item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of Property, Plant and Equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

**iv. Depreciation**

Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as specified in Schedule II of Companies Act, 2013.

| Sr. No. | Property, Plant and Equipment | Useful life (Years) |
|---------|-------------------------------|---------------------|
| i)      | Plant and Equipment           | 8 to15              |
| ii)     | Furniture and Fixtures        | 10                  |
| iii)    | Office Equipment              | 5                   |

Depreciation on assets sold during the year is charged to the Standalone Statement of Profit and Loss up to the month preceding the month of sale.

**3 Investment Properties**

The Property that is held for long term rental yield or for capital appreciation or both, and that is not occupied by the Company is classified as an Investment Property.

Investment properties are measured initially at cost, including transaction and borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company depreciates investment properties over the useful life of 60 years from the date of original purchase as prescribed under Schedule II to the Companies Act, 2013.

**4 Inventories**

Stock of Building Materials and Traded Goods is valued at lower of cost and net realizable value. Cost is generally ascertained on weighted average basis.

Completed unsold inventory is valued at lower of Cost and Net Realizable Value.

## NATIONAL STANDARD (INDIA)LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020

Cost for this purpose includes cost of land, shares with occupancy rights, Transferrable Development Rights, premium for development rights, borrowing costs, construction / development cost and other overheads incidental to the projects undertaken.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated cost necessary to make the sale.

#### 5 Provisions and Contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure of contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### 6 Impairment of Non-Financial Assets (excluding Inventories and Deferred Tax Assets)

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest Group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs').

#### 7 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Financial Assets

##### Initial recognition and measurement

The Company classifies its financial assets in the following measurement categories.

- those to be measured subsequently at fair value (either through OCI, or through profit or loss)
- those measured at amortised cost

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- i) Debt instruments at amortised cost
- ii) Debt instruments at fair value through other comprehensive income (FVTOCI)



**NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020**

- iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment if any, are recognised in the Statement of Profit and Loss.

Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company does not have any debt instruments which meets the criteria for measuring the debt instrument at FVTOCI.

Debt instrument at FVTPL

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'Accounting Mismatch'). The Company has not designated any debt instrument at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

Equity investments

All equity investments, except investments in fellow subsidiaries and associates are measured at FVTPL. The Company may make an irrevocable election on initial recognition to present in OCI any subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis.

**Derecognition of Financial Assets**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- i) The rights to receive cash flows from the asset have expired, or

### NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020

- ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### **Impairment of Financial Assets**

The Company assess on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVTOCI debts instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk. For trade receivables, the Company is not exposed to any credit risk as the possession of residential and commercial units is handed over to the buyer only after all the instalments are recovered.

For financial assets carried at amortised cost, the carrying amount is reduced and the amount of the loss is recognised in the Statement of profit and loss. Interest income on such financial assets continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. Financial asset together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or decreased. If a write-off is later recovered, the recovery is credited to finance costs.

#### **Financial Liabilities**

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of financial liability not recorded at fair value through Profit or Loss, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings.

##### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### Financial liabilities at fair value through profit or loss

Financial liabilities measured at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of profit and loss.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020**

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to Statement of Profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**Derecognition of Financial Liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**Reclassification of Financial Assets and Financial Liabilities**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Ind AS Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020

#### 8 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or-
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### 9 Cash and Cash Equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### 10 Revenue Recognition

The Company has applied five step model as set out in Ind AS 115 to recognise revenue in this Standalone Financial Statements. The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- a. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- b. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c. The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020**

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time and over a period of time based on the conditions in the contracts with customers.

The specific revenue recognition criteria are described below:

**(I) Income from Property Development**

The Company has determined that the existing terms of the contract with customers does not meet the criteria to recognise revenue over a period of time. Revenue is recognized at point in time with respect to contracts for sale of residential and commercial units as and when the control is passed on to the customers.

The Company provides rebates to the customers. Rebates are adjusted against customer dues and the revenue to be recognized. To estimate the variable consideration for the expected future rebates the company uses the “most-likely amount” method or “expected value method”.

**(II) Contract Balances**

**Contract Assets**

The Company is entitled to invoice customers for construction of residential and commercial properties based on achieving a series of construction-linked milestones. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the company performs by transferring goods or services to a customer before the payment is due, a contract asset is recognized for the earned consideration that is conditional. Any receivable which represents the Company’s right to the consideration that is unconditional is treated as a trade receivable.

**Contract Liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

**ii) Interest Income**

For all debt instruments measured at amortised cost. Interest income is recorded using the effective interest rate (EIR).

**iii) Rental Income**

Rental income arising from operating leases is accounted over the lease terms.

**11 Current Income Tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profit for the period. The tax rates and tax laws used to compute the amount are those that are enacted by the reporting date and applicable for the period.

**Deferred Tax**

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for all deductible and taxable temporary differences arising between the tax bases of assets and liabilities and their carrying

### NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020

amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of transaction.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax asset in respect of carry forward of unused tax credits and unused tax losses are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

#### **Presentation of Current and Deferred Tax:**

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in OCI, in which case, the current and deferred tax income/ expense are recognized in OCI. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

#### **12 Borrowing Costs**

Borrowing costs that are directly attributable to long term project development activities are inventorised / capitalized as part of project cost.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

#### **13 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable equity share holders to by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable equity share holders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **14 Leases**

##### **Company as a Lessor**

In arrangements where the Company is the lessor, it determines at lease inception whether the lease is a finance lease or an operating lease. Leases that transfer substantially all of the risk and rewards incidental to ownership of the underlying asset to the counterparty (the lessee) are accounted for as finance leases. Leases that do not transfer substantially all of the risks and rewards of ownership are accounted for as operating leases. Lease payments received under operating leases are recognized as income in the statement of profit and loss on a straight-line basis over the lease term or another systematic basis. The Company applies another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020

2 Property, Plant and Equipment

₹ in Lakhs

| Particulars                        | Site / Sales Offices and Sample Flats | Plant and Equipment | Furniture and Fixtures | Office Equipments | Total         |
|------------------------------------|---------------------------------------|---------------------|------------------------|-------------------|---------------|
| <b>Gross Carrying Amount</b>       |                                       |                     |                        |                   |               |
| <b>As at 01-April-18</b>           | <b>154.01</b>                         | <b>22.07</b>        | <b>6.80</b>            | <b>5.13</b>       | <b>188.01</b> |
| Additions                          | -                                     | -                   | -                      | -                 | -             |
| Disposals / Adjustments            | -                                     | (0.75)              | -                      | (0.08)            | (0.83)        |
| <b>As at 31-March-19</b>           | <b>154.01</b>                         | <b>21.32</b>        | <b>6.80</b>            | <b>5.05</b>       | <b>187.18</b> |
| Additions                          | -                                     | -                   | -                      | -                 | -             |
| Disposals / Adjustments            | -                                     | -                   | -                      | -                 | -             |
| <b>As at 31-March-20</b>           | <b>154.01</b>                         | <b>21.32</b>        | <b>6.80</b>            | <b>5.05</b>       | <b>187.18</b> |
| <b>Depreciation and Impairment</b> |                                       |                     |                        |                   |               |
| <b>As at 01-April-18</b>           | <b>154.01</b>                         | <b>14.41</b>        | <b>6.80</b>            | <b>4.90</b>       | <b>180.12</b> |
| Depreciation charge for the year   | -                                     | 2.20                | -                      | 0.17              | 2.37          |
| Disposals / Adjustments            | -                                     | (0.09)              | -                      | (0.02)            | (0.11)        |
| <b>As at 31-March-19</b>           | <b>154.01</b>                         | <b>16.52</b>        | <b>6.80</b>            | <b>5.05</b>       | <b>182.38</b> |
| Depreciation charge for the year   | -                                     | 0.87                | -                      | -                 | 0.87          |
| Disposals / Adjustments            | -                                     | -                   | -                      | -                 | -             |
| <b>As at 31-March-20</b>           | <b>154.01</b>                         | <b>17.39</b>        | <b>6.80</b>            | <b>5.05</b>       | <b>183.25</b> |
| <b>Net Carrying Value</b>          |                                       |                     |                        |                   |               |
| <b>As at 31-March-20</b>           | <b>-</b>                              | <b>3.93</b>         | <b>-</b>               | <b>-</b>          | <b>3.93</b>   |
| As at 31-March-19                  | -                                     | 4.80                | -                      | -                 | 4.80          |

3 Investment Property

₹ in Lakhs

|  | Building      |
|--|---------------|
| <b>(A) Gross Carrying Amount</b>       |               |
| <b>Cost as at 1-April-18</b>           | <b>-</b>      |
| Transfer from Inventory                | 399.05        |
| <b>As at 31-March-19</b>               | <b>399.05</b> |
| Transfer from Inventory                | 104.40        |
| <b>As at 31-March-20</b>               | <b>503.45</b> |
| <b>(B) Depreciation and Impairment</b> |               |
| <b>As at 01-April-18</b>               | <b>-</b>      |
| Depreciation charge for the year       | -             |
| <b>As at 31-March-19</b>               | <b>-</b>      |
| Depreciation charge for the year       | 21.97         |
| <b>As at 31-March-20</b>               | <b>21.97</b>  |
| <b>(C) Net Carrying Amount (A-B)</b>   |               |
| <b>As at 31-March-20</b>               | <b>481.48</b> |
| As at 31-March-19                      | 399.05        |

## NATIONAL STANDARD (INDIA)LIMITED

### NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020

#### (i) Income and expenditure of Investment Properties

₹ in Lakhs

| Particulars   | As at<br>31-March-20 | As at<br>31-March-19 |
|---|----------------------|----------------------|
| Rental and Facilities Income  | 321.46               | 56.43                |
| Less : Direct Operating expenses for property that generate Rental Income | (236.41)             | -                    |
| <b>Profit from Investment properties before depreciation</b>              | <b>85.05</b>         | <b>56.43</b>         |
| Depreciation  | 21.97                | -                    |
| <b>Profit from Investment Properties</b>                                  | <b>63.08</b>         | <b>56.43</b>         |

#### (ii) Fair value measurement

As at 31-March -20 and 31-March-19, the fair value of the properties are ₹ 1,291.43 Lakhs and ₹ 1,021.09 Lakhs respectively. These valuations are based on recent market transactions.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

|   | As at<br>31-March-20<br>₹ in Lakhs | As at<br>31-March-19<br>₹ in Lakhs |
|---|------------------------------------|------------------------------------|
| <b>4) Non- Current Tax Assets</b>   |                                    |                                    |
| Advance Income Tax (Net of Provisions)  | 101.21                             | 55.51                              |
| <b>Total</b>  | <b>101.21</b>                      | <b>55.51</b>                       |
| <b>5) Other Non- Current Assets</b>   |                                    |                                    |
| Indirect Tax Receivables (Refer note 40)  | 247.92                             | 270.58                             |
|   | <b>247.92</b>                      | <b>270.58</b>                      |
| <b>6) Inventories</b>   |                                    |                                    |
| Building Materials  | 2.66                               | 9.83                               |
| Finished Units  | 1,669.83                           | 1,850.19                           |
| <b>Total</b>  | <b>1,672.49</b>                    | <b>1,860.02</b>                    |
| <b>7) Current Loans</b><br><b>(Unsecured considered good unless otherwise stated)</b> |                                    |                                    |
| Loans / Inter Corporate Deposits to Related Parties<br>(Refer Note 31)                | 14,110.40                          | 13,258.89                          |
| Other Loans   | 2,657.46                           | 2,700.33                           |
| <b>Total</b>  | <b>16,767.86</b>                   | <b>15,959.22</b>                   |
| <b>8) Trade Receivables</b><br><b>(Unsecured)</b>                                     |                                    |                                    |
| Considered Good   | 496.45                             | 782.87                             |
| <b>Total</b>  | <b>496.45</b>                      | <b>782.87</b>                      |
| Trade Receivables are disclosed net of advances as per agreed terms.                  |                                    |                                    |



NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020

|  | As at<br>31-March-20<br>₹ in Lakhs | As at<br>31-March-19<br>₹ in Lakhs |
|--|------------------------------------|------------------------------------|
| <b>9) Cash and Cash Equivalents</b>  |                                    |                                    |
| Balances with Banks  | 41.42                              | 100.81                             |
| Fixed Deposits with original maturity of less than 3 months  | 210.93                             | -                                  |
|  | <b>252.35</b>                      | <b>100.81</b>                      |
| <b>10) Bank Balances other than Cash and Cash Equivalents</b>                                      |                                    |                                    |
| Fixed Deposits with original maturity of more than 3 months but less than 12 months                | 239.51                             | -                                  |
|  | <b>239.51</b>                      | -                                  |
| <b>11) Other Current Financial Assets<br/>(Unsecured, considered good unless otherwise stated)</b> |                                    |                                    |
| Interest Receivables   | 912.08                             | 960.42                             |
| <b>Total</b>   | <b>912.08</b>                      | <b>960.42</b>                      |
| <b>12) Other Current Assets<br/>(Unsecured, considered good unless otherwise stated)</b>           |                                    |                                    |
| Advance to Suppliers/ Contractors  | 23.65                              | 14.00                              |
| Advance to Employee  | 0.35                               | -                                  |
| Lease Equalisation   | 27.00                              | -                                  |
|  | <b>51.00</b>                       | <b>14.00</b>                       |
| Less : Provision for Doubtful Receivables  | (14.00)                            | (14.00)                            |
|  | <b>37.00</b>                       | -                                  |
| <b>13) Equity Share Capital</b>  |                                    |                                    |
| <b>A) Authorised Share Capital</b>   |                                    |                                    |
| <b>Equity Shares of ₹ 10 each</b>  |                                    |                                    |
| <b>Numbers</b>   |                                    |                                    |
| <b>Balance at the beginning of the year</b>  | 2,00,00,000                        | 2,00,00,000                        |
| Increase/(Decrease) during the year  | -                                  | -                                  |
| <b>Balance at the end of the year</b>  | <b>2,00,00,000</b>                 | <b>2,00,00,000</b>                 |
| <b>Amount</b>  |                                    |                                    |
| <b>Balance at the beginning of the year</b>  | 2,000.00                           | 2,000.00                           |
| Increase/(Decrease) during the year  | -                                  | -                                  |
| <b>Balance at the end of the year</b>  | <b>2,000.00</b>                    | <b>2,000.00</b>                    |

## NATIONAL STANDARD (INDIA)LIMITED

### NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020

|  | As at<br>31-March-20<br>₹ in Lakhs | As at<br>31-March-19<br>₹ in Lakhs |
|--|------------------------------------|------------------------------------|
| <b>B) Issued Equity Capital</b>  |                                    |                                    |
| Equity Shares of ₹10 each issued, subscribed and fully paid up   |                                    |                                    |
| <b>Numbers</b>   |                                    |                                    |
| <b>Balance at the beginning of the year</b>  | 2,00,00,000                        | 2,00,00,000                        |
| Increase/(Decrease) during the year  | -                                  | -                                  |
| <b>Balance at the end of the year</b>  | <b>2,00,00,000</b>                 | <b>2,00,00,000</b>                 |
| <b>Amount</b>  |                                    |                                    |
| <b>Balance at the beginning of the year</b>  | 2,000.00                           | 2,000.00                           |
| Increase/(Decrease) during the year  | -                                  | -                                  |
| <b>Balance at the end of the year</b>  | <b>2,000.00</b>                    | <b>2,000.00</b>                    |
| <b>C) Terms/ rights attached to Equity Shares</b>  |                                    |                                    |
| The company has only one class of equity shares having par value of ₹10 per share.   |                                    |                                    |
| Each Shareholder is entitled for one vote per share. The Shareholders have the right to receive interim dividends declared by the Board of Directors and final dividend proposed by the Board of Directors and approved by the Shareholders. |                                    |                                    |
| In the event of liquidation, the shareholders will be entitled in proportion to the number of equity shares held by them to receive remaining assets of the Company, after distribution of all preferential amounts.                         |                                    |                                    |
| <b>D) Shares held by Holding Company</b>   |                                    |                                    |
| Anantnath Constructions and Farms Pvt. Ltd.  |                                    |                                    |
| Numbers  | 1,47,88,099                        | 1,47,88,099                        |
| Amount   | 1,478.81                           | 1,478.81                           |
| <b>E) Details of shareholders holding more than 5% shares in the company</b>   |                                    |                                    |
| Anantnath Constructions and Farms Pvt. Ltd.  |                                    |                                    |
| Numbers  | 1,47,88,099                        | 1,47,88,099                        |
| % of Holding   | 73.94%                             | 73.94%                             |
| Gurpreet Kaur Shinh  |                                    |                                    |
| Numbers  | 13,14,118                          | 13,14,118                          |
| % of Holding   | 6.57%                              | 6.57%                              |
| <b>F) There are no shares issued for consideration other than cash during the period of five years.</b>  |                                    |                                    |

NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020

|   | As at<br>31-March-20<br>₹ in Lakhs | As at<br>31-March-19<br>₹ in Lakhs |
|---|------------------------------------|------------------------------------|
| <b>14) Share Premium</b>  |                                    |                                    |
| Balance at the beginning of the year  | 0.02                               | 0.02                               |
| Increase/(Decrease) during the year   | -                                  | -                                  |
| <b>Balance at the end of the year</b>   | <b>0.02</b>                        | <b>0.02</b>                        |
| <b>15) Retained Earnings</b>  |                                    |                                    |
| Balance at the beginning of the year  | 17,368.26                          | 16,892.32                          |
| Increase/(Decrease) during the year   | 652.57                             | 475.94                             |
| <b>Balance at the end of the year</b>   | <b>18,020.83</b>                   | <b>17,368.26</b>                   |
| <b>16) Other Reserves</b>   |                                    |                                    |
| <b>i) Capital Reserve</b>   |                                    |                                    |
| Balance at the beginning of the year  | 11.44                              | 11.44                              |
| Increase/(Decrease) during the year   | -                                  | -                                  |
| <b>Balance at the end of the year</b>   | <b>11.44</b>                       | <b>11.44</b>                       |
| <b>ii) Capital Redemption Reserve</b>   |                                    |                                    |
| Balance at the beginning of the year  | 16.67                              | 16.67                              |
| Increase/(Decrease) during the year   | -                                  | -                                  |
| <b>Balance at the end of the year</b>   | <b>16.67</b>                       | <b>16.67</b>                       |
| <b>Total Other Reserves (i+ii)</b>  | <b>28.11</b>                       | <b>28.11</b>                       |
| The nature and purpose of other reserves:   |                                    |                                    |
| (i) Capital Redemption Reserve - Amounts transferred from share capital on redemption of issued shares. |                                    |                                    |
| (ii) Capital Reserve - Amount of Share capital issued on merger.  |                                    |                                    |
| <b>17) Other Non-Current Financial Liabilities</b>  |                                    |                                    |
| Deposits  | 126.83                             | 104.59                             |
|   | <b>126.83</b>                      | <b>104.59</b>                      |
| <b>18) Current Trade Payables</b>   |                                    |                                    |
| Due to Micro and Small Enterprises  | -                                  | 4.15                               |
| Due to Related Parties (Refer Note 31)  | -                                  | 13.16                              |
| Due to Others   | 136.11                             | 157.48                             |
|   | <b>136.11</b>                      | <b>174.79</b>                      |

Note: Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006 and relied upon by the auditor.

# NATIONAL STANDARD (INDIA)LIMITED

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020

|   | As at<br>31-March-20<br>₹ in Lakhs                       | As at<br>31-March-19<br>₹ in Lakhs                       |
|---|--|--|
| <b>19) Other Current Financial Liabilities</b>        |  |  |
| Deposits  | 12.42  | -  |
| Interest accrued but not due                          | -  | 3.28   |
| Payable on Cancellation of Allotted Units             | 219.04   | 250.78   |
|   | <b>231.46</b>  | <b>254.06</b>  |
| <b>20) Other Current Liabilities</b>                  |  |  |
| Advances Received from Customers                      | 785.59   | 570.38   |
| Society Payables                                      | 95.48  | 93.55  |
| Duties and Taxes                                      | 1.69   | 0.65   |
| <b>Total</b>  | <b>882.76</b>  | <b>664.58</b>  |
|   | <b>For the Year ended<br/>31-March-20<br/>₹ in Lakhs</b> | <b>For the Year ended<br/>31-March-19<br/>₹ in Lakhs</b> |
| <b>21) Revenue From Operations</b>                    |  |  |
| Income From Property Development                      | 212.80   | 1,325.04   |
| Sale of Building Materials                            | 4.54   | 0.74   |
| Other Operating Revenue                               | 321.46   | 56.43  |
| <b>Total</b>  | <b>538.80</b>  | <b>1,382.21</b>  |
| <b>22) Other Income</b>                               |  |  |
| Interest Income on:                                   |  |  |
| Loans   | 927.62   | 1,037.69   |
| Fixed Deposits with Banks                             | 13.20  | 22.89  |
| Customers   | 3.19   | -  |
| Sundry Balances/ Excess Provisions written back (net) | 1.60   | 46.44  |
| Miscellaneous Income                                  | 0.55   | 17.83  |
| <b>Total</b>  | <b>946.16</b>  | <b>1,124.85</b>  |
| <b>23) Cost of Projects</b>                           |  |  |
| Opening Stock   |  |  |
| Finished Units  | 1,850.19   | 3,806.32   |
| Add: Expenditure during the year :                    |  |  |
| Land, Construction and Development Cost               | -  | 34.25  |
| Purchases of Finished Units                           | -  | (281.92)   |
| Purchases of Building Materials                       | 7.15   | 0.67   |
| Other Construction Expenses                           | -  | 0.08   |
|   | <b>1,857.34</b>  | <b>3,559.40</b>  |

## NATIONAL STANDARD (INDIA)LIMITED

### NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020

|   | For the Year ended<br>31-March-20<br>₹ in Lakhs | For the Year ended<br>31-March-19<br>₹ in Lakhs |
|---|---|---|
| Less: Transferred to Investment Property  | (104.40)  | (399.05)  |
|   | <b>1,752.94</b>                                 | <b>3,160.35</b>                                 |
| Less: Closing Stock<br>Finished Units   | (1,669.83)                                      | (1,850.19)                                      |
|   | <b>(1,669.83)</b>                               | <b>(1,850.19)</b>                               |
| <b>Total</b>  | <b>83.11</b>                                    | <b>1,310.16</b>                                 |
| <b>24) Employee Benefits Expense</b>  |   |   |
| Salaries and Wages*   | 6.81  | 153.55  |
| Staff Welfare   | -   | 0.03  |
| <b>Total</b>  | <b>6.81</b>                                     | <b>153.58</b>                                   |
| *Salaries and Wages of ₹ 5.45 Lakhs (31-March-19 ₹ 153.55 Lakhs) reimbursable to Holding Company. |   |   |
| <b>25) Finance Costs</b>  |   |   |
| Interest Expense on Borrowings and others   | 13.21   | 28.96   |
| <b>Total</b>  | <b>13.21</b>                                    | <b>28.96</b>                                    |
| <b>26) Other Expenses</b>   |   |   |
| Rates and Taxes   | 103.97  | 9.15  |
| Postage / Telephone / Internet  | 0.29  | 0.85  |
| Printing and Stationery   | 0.39  | 0.97  |
| Donation  | 65.00   | -   |
| Legal and Professional  | 9.16  | 17.02   |
| Travelling and Conveyance   | 11.75   | 15.69   |
| Payment to Auditors as:   |   |   |
| Audit Fees  | 6.00  | 10.00   |
| Taxation Matters  | 0.25  | 1.50  |
| Other Services  | -   | 0.50  |
| Advertising expenses  | 1.17  | 1.94  |
| Brokerage   | 30.97   | 13.29   |
| Repairs and Maintenance   | 298.87  | 292.85  |
| Miscellaneous Expenses  | 2.32  | 47.40   |
| <b>Total</b>  | <b>530.14</b>                                   | <b>411.16</b>                                   |

## NATIONAL STANDARD (INDIA)LIMITED

### NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020

|   | For the Year ended<br>31-March-20<br>₹ in Lakhs | For the Year ended<br>31-March-19<br>₹ in Lakhs |
|---|---|---|
| <b>27 Tax Expense:</b>  |   |   |
| <b>a. The major components of Income Tax Expense are as follows:</b>  |   |   |
| <b>Current Income Tax:</b>  |   |   |
| Current Income Tax  | (312.00)  | (410.53)  |
| Adjustments in respect of current income tax of previous year   | 123.01  | 110.26  |
| <b>Total</b>  | <b>(188.99)</b>                                 | <b>(300.27)</b>                                 |
| <b>Deferred Tax:</b>  |   |   |
| Origination and reversal of Temporary Differences   | 12.71   | 175.38  |
| <b>Total</b>  | <b>12.71</b>                                    | <b>175.38</b>                                   |
| <b>Income Tax Expense reported in the Statement of Profit or Loss</b>   | <b>(176.28)</b>                                 | <b>(124.89)</b>                                 |
| <b>b. Reconciliation of Tax Expense and the Accounting Profit before tax multiplied by applicable India Domestic Tax Rate for the year is as under:</b> |   |   |
| <b>Accounting Profit before Income Tax</b>  | <b>828.85</b>                                   | <b>600.83</b>                                   |
| <b>Income tax expense calculated at corporate tax rate</b>  |   |   |
| Tax effect of adjustment to reconcile expected income tax expense to reported Income Tax expense:   | (208.62)  | (174.96)  |
| <b>Deductible expenses for tax purposes:</b>  |   |   |
| Other deductible expenses   | 73.70   | -   |
| <b>Non-deductible expenses for tax purposes:</b>  |   |   |
| Non-deductible expenses   | (122.60)  | (60.19)   |
| Conversion of Inventory into Capital Asset  | (41.77)   | -   |
| Adjustments in respect of current tax of previous year  | 123.01  | 110.26  |
| <b>Total</b>  | <b>(176.28)</b>                                 | <b>(124.89)</b>                                 |
| <b>c. The major components of Deferred Tax Assets arising on account of temporary differences are as follows:</b>                                       |   |   |
| <b>Deferred tax relates to the following:</b>   | <b>Balance sheet</b>                            |   |
|   | <b>As at<br/>31-March-20<br/>₹ in Lakhs</b>     | <b>As at<br/>31-March-19<br/>₹ in Lakhs</b>     |
| Accelerated depreciation and amortisation for tax purposes  | 15.52   | 19.99   |
| Conversion of Inventory to Investment Property  | 198.32  | 181.14  |
| <b>Net Deferred Tax Assets</b>  | <b>213.84</b>                                   | <b>201.13</b>                                   |

NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020

|  | Profit and loss                                 |   |
|--|---|---|
|  | For the Year ended<br>31-March-20<br>₹ in Lakhs | For the Year ended<br>31-March-19<br>₹ in Lakhs |
| Accelerated depreciation and amortisation for tax purposes | (4.47)  | (5.76)  |
| Conversion of Inventory to Investment Property             | 17.18   | 181.14  |
| <b>Deferred Tax Benefit</b>                                | <b>12.71</b>                                    | <b>175.38</b>                                   |

d. Reconciliation of Deferred Tax Assets (Net) :

|   | Balance sheet                      |                                    |
|---|------------------------------------|------------------------------------|
|   | As at<br>31-March-20<br>₹ in Lakhs | As at<br>31-March-19<br>₹ in Lakhs |
| <b>Opening balance</b>  | <b>201.13</b>                      | <b>25.75</b>                       |
| Tax Income/(Expense) during the year recognised in Statement of Profit and Loss | 12.71                              | 175.38                             |
| <b>Closing balance</b>  | <b>213.84</b>                      | <b>201.13</b>                      |

28 Category wise classification of Financial Instruments

|  | As at<br>31-March-20<br>₹ in Lakhs | As at<br>31-March-19<br>₹ in Lakhs |
|--|------------------------------------|------------------------------------|
| <b>Financial Assets carried at Amortised Cost</b>            |                                    |                                    |
| Loans  | 16,767.86                          | 15,959.22                          |
| Trade Receivables  | 496.45                             | 782.87                             |
| Cash and Cash Equivalents                                    | 252.35                             | 100.81                             |
| Bank Balances other than Cash and Cash Equivalents           | 239.51                             | -                                  |
| Other Financial Assets                                       | 912.08                             | 960.42                             |
| <b>Total Financial Assets carried at Amortised Cost</b>      | <b>18,668.25</b>                   | <b>17,803.32</b>                   |
| <b>Financial Liabilities carried at amortised cost</b>       |                                    |                                    |
| Trade Payables   | 136.11                             | 174.79                             |
| Current Other Financial Liabilities                          | 358.29                             | 358.65                             |
| <b>Total Financial Liabilities carried at amortised cost</b> | <b>494.40</b>                      | <b>533.44</b>                      |

29 Significant Accounting Judgements, Estimates and Assumptions

Judgements, Estimates And Assumptions

The Company makes certain judgement, estimates and assumptions regarding the future. Actual experience may differ from these judgements, estimates and assumptions. The estimates and assumptions that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

### NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020

#### (i) Useful Life Of Property, Plant And Equipments

The Company determines the estimated useful life of its Property, Plant and Equipments for calculating depreciation. The estimate is determined after considering the expected usage of the assets or physical wear and tear. The company periodically review the estimated useful life and the depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

#### (ii) Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. An assessment is carried to determine whether there is any indication of impairment in the carrying amount of the Company's assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

#### (iii) Income Taxes

Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

#### (iv) Estimation uncertainty due to pandemic on coronavirus (COVID-19)

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which was further extended in phases till May 31, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

#### (v) Valuation of Inventories

The determination of net realisable value of inventory includes estimates based on prevailing market conditions, current prices and expected date of commencement and completion of the project, the estimated future selling price, cost to complete projects and selling cost.

### 30 Commitments and Contingencies

#### a. Leases

##### Operating lease commitments — Company as lessor

The Company has entered into non-cancellable operating leases on its commercial premises. These leases have terms of five years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

The Company has received ₹ 321.46 lakhs (31- March-19: ₹ 56.43 lakhs) during the year towards minimum lease payment in respect of non - cancellable operating lease.



**NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020**

Future minimum rentals receivable under non-cancellable operating leases are, as follows:

|   | As at<br>31-March-20<br>₹ in Lakhs | As at<br>31-March-19<br>₹ in Lakhs |
|---|------------------------------------|------------------------------------|
| Within one year                             | 239.03                             | 200.27                             |
| After one year but not more than five years | 744.55                             | 851.09                             |
|   | <b>983.58</b>                      | <b>1,051.36</b>                    |

**b. Contingent liabilities**

| Claims against the company not acknowledged as debts             | As at<br>31-March-20<br>₹ in Lakhs | As at<br>31-March-19<br>₹ in Lakhs |
|--|------------------------------------|------------------------------------|
| Disputed Taxation Matters  | 221.33                             | 323.05                             |
| Disputed Demand of customers excluding Amounts not ascertainable | 142.27                             | -                                  |
|  | <b>363.60</b>                      | <b>323.05</b>                      |

The Contingent Liabilities exclude undeterminable outcome of pending litigations.

The Company has assessed that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

**31 Related party transactions**

Information on Related Party Transactions as required by Ind AS 24 - 'Related Party Disclosures'

**A. List of related parties:**

**(As identified by the management), unless otherwise stated**

**I Person having Control or joint control or significant influence**

- 1 Mangal Prabhat Lodha (MPL) Person in Control
- 2 Abhishek Lodha Son

**II Close family members of person having Control \***

- 1 Manjula Lodha Wife
- 2 Vinti Lodha Son's wife

\* Pursuant to an arrangement

**III Ultimate Holding Company**

- 1 Sambhavnath Infrabuild and Farms Pvt. Ltd.

**IV Holding Company**

- 1 Macrotech Developers Ltd. (Holding Company of ACFPL)
- 2 Anantnath Constructions and Farms Pvt. Ltd. (ACFPL)

**V Subsidiaries of Holding Company (with whom the Company had transactions)**

- 1 Cowntown Infotech Services Pvt. Ltd.
- 2 Cowntown Software Design Pvt. Ltd.

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### NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020

#### VI Entities controlled by person having control or joint control (Others) (with whom the Company had transactions)

- 1 Bellissimo Healthy Constructions and Developers Pvt. Ltd.
- 2 Sitaben Shah Memorial Trust

#### VII Key Management Person (KMP)

- 1 Chirag Sarvaiya (Chief Executive Officer)
- 2 Rameshchandra Chechani (Chief Financial Officer)
- 3 Madhur Mittal (Company Secretary) (w.e.f. 25-January-19)
- 4 Smita Ghag (Director)
- 5 Bhushan Shah (Director)
- 6 Prakash Vaghela (Director)
- 7 K L Arimpur (Director) (w.e.f. 12-Nov-2018)
- 8 A L Ananthnarayanan (Director) (upto May-9-2019)

#### B. Transactions during the year ended and Balances Outstanding with related parties are as follows:

##### (i) Outstanding Balances:

(₹ in Lakhs)

| Sr. No. | Nature of Transactions                     | As on       | Ultimate Holding Company | Holding Company | Subsidiary of Holding Company |
|---------|--|-------------|--------------------------|-----------------|-------------------------------|
| 1       | Trade Payables                             | 31/March/20 | -                        | -               | -                             |
|         |  | 31/March/19 | -                        | -               | 13.16                         |
| 2       | Interest Accrued but not due on borrowings | 31/March/20 | -                        | -               | -                             |
|         |  | 31/March/19 | -                        | -               | 3.28                          |
| 3       | Loan and Advances Given                    | 31/March/20 | 12,139.99                | 1,970.41        | -                             |
|         |  | 31/March/19 | 11,750.00                | 1,508.89        | -                             |
| 4       | Interest Receivables                       | 31/March/20 | 663.41                   | 108.90          | -                             |
|         |  | 31/March/19 | 794.25                   | 13.59           | -                             |

##### (ii) Disclosure in respect of material transactions with parties:

(₹ in Lakhs)

| Sr No | Nature of Transactions         | Particulars                                | Relationship                  | For the year ended |             |
|-------|--------------------------------|--|-------------------------------|--------------------|-------------|
|       |                                |  |                               | 31-March-20        | 31-March-19 |
| 1     | Purchase of Building Materials | Cowtown Infotech Services Pvt. Ltd.        | Subsidiary of Holding Company | 0.35               | 2.87        |
|       |                                | Macrotech Developers Ltd.                  | Holding Company               | -                  | 0.21        |
| 2     | Sale of Building Materials     | Macrotech Developers Ltd.                  | Holding Company               | 5.37               | 0.89        |
| 3     | Interest Income                | Sambhavnath Infrabuild and Farms Pvt. Ltd. | Ultimate Holding Company      | 663.41             | 15.10       |
|       |                                | Macrotech Developers Ltd.                  | Holding Company               | 108.90             | 882.50      |
| 4     | Interest Expenses              | Cowtown Infotech Services Pvt. Ltd.        | Subsidiary of Holding Company | -                  | 0.21        |
|       |                                | Cowtown Software Design Pvt. Ltd.          | Subsidiary of Holding Company | -                  | 3.43        |

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020**

| Sr No | Nature of Transactions                   | Particulars   | Relationship                  | For the year ended |             |
|-------|--|---|-------------------------------|--------------------|-------------|
|       |  |   |                               | 31-March-20        | 31-March-19 |
| 5     | Donation                                 | Sitaben Shah Memorial Trust                               | Others                        | 65.00              | -           |
| 6     | Reversal of Flats purchased              | Bellissimo Healthy Constructions and Developers Pvt. Ltd. | Others                        | -                  | 281.93      |
| 7     | Loans and Advances given/(Returned)(Net) | Macrotech Developers Ltd.                                 | Holding Company               | 461.52             | (11,050.09) |
|       |  | Sambhavnath Infrabuild and Farms Pvt. Ltd.                | Ultimate Holding Company      | 389.99             | 11,750.00   |
| 8     | Salaries and Wages#                      | Macrotech Developers Ltd.                                 | Holding Company               | 6.42               | 175.81      |
| 9     | Construction Contract Expenses           | Cowtown Infotech Services Pvt. Ltd.                       | Subsidiary of Holding Company | -                  | 46.80       |

# Including taxes as applicable

**C. Terms and conditions of outstanding balances with related parties**

**a) Receivables from Related parties**

The trade receivables from related parties arise mainly from sale transactions and services rendered and are received as per agreed terms. The receivables are unsecured in nature. No provisions are held against receivables from related parties.

**b) Payable to Related Parties**

The payables to related parties arise mainly from purchase transactions and services received and are paid as per agreed terms.

**c) Loans to Related Parties**

The loans to related parties are unsecured and receivable on demand bearing effective interest rate.

**32 Segment information**

For management purposes, the Company has only one reportable segments namely, Development of real estate property. The Board of Directors of the Company acts as the Chief Operating Decision Maker ("CODM"). The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators.

**33 Financial Instrument measured at Amortised Cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**34 Financial risk management objectives and policies**

The Company's principal financial liabilities comprise mainly of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans and advances, trade and other receivables, cash and cash equivalents and Bank Balances other than Cash and Cash Equivalents and Other Balances with Bank.

The Company is exposed through its operations to the following financial risks:

## NATIONAL STANDARD (INDIA)LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020

- Market risk
- Credit risk, and
- Liquidity risk.

The Company has evolved a risk mitigation framework to identify, assess and mitigate financial risk in order to minimize potential adverse effects on the company's financial performance. There have been no substantive changes in the company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated herein."

#### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

#### (b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less influence on the credit risk.

The Company has entered into contracts for the sale of residential and commercial units on an installment basis. The installments are specified in the contracts. The Company is exposed to credit risk in respect of installments due. However, the legal ownership of residential and commercial units are transferred to the buyer only after all the installments are recovered. In addition, installment dues are monitored on an ongoing basis with the result that the Company's exposure to credit risk is not significant. The Company evaluates the concentration of risk with respect to trade receivables as low, as none of its customers constitutes significant portions of trade receivables as at the year end.

Credit risk from balances with banks and financial institutions is managed by Company's treasury in accordance with the company's policy. The company limits its exposure to credit risk by only placing balances with local banks and international banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail in meeting its obligations.

#### (c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

|                                | Less than 1<br>years | 1 to 5 years  | > 5 years  | Total         |
|--------------------------------|----------------------|---------------|------------|---------------|
|                                | ₹ in lakhs           | ₹ in lakhs    | ₹ in lakhs | ₹ in lakhs    |
| <b>As at 31-March -20</b>      |                      |               |            |               |
| Trade Payables                 | 136.11               | -             | -          | 136.11        |
| Other Financial Liabilities ** | 231.46               | 126.83        | -          | 358.29        |
|                                | <b>367.57</b>        | <b>126.83</b> | -          | <b>494.40</b> |
| <b>As at 31-March-19</b>       |                      |               |            |               |
| Trade Payables                 | 174.79               | -             | -          | 174.79        |
| Other Financial Liabilities ** | 254.06               | 104.59        | -          | 358.65        |
|                                | <b>428.85</b>        | <b>104.59</b> | -          | <b>533.44</b> |

\*\* Payable on Cancellation of Allotted Units liabilities included in Other financial liabilities are stated at nominal value.

**35 Capital management**

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to Shareholders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

**36 Details of CSR Expenditure**

| Particulars  | (₹ in Lakhs)       |                    |
|--|--------------------|--------------------|
|  | As at<br>31-Mar-20 | As at<br>31-Mar-19 |
| Gross Amount required to be spent for CSR Activity | 63.25              | 120.14             |
| Amount Spent during the year *                     | 65.00              | -                  |

\* The Amount spent during the year has been incurred for the purpose other than construction / acquisition of any asset.

**37 Basic and Diluted Earnings Per Equity Share:**

| S. No. | Particulars   |              | For the Year ended<br>31-March-20 | For the Year ended<br>31-March -19 |
|--------|---|--------------|-----------------------------------|------------------------------------|
| (a)    | Profit for the year   | (₹ in Lakhs) | 652.57                            | 475.94                             |
| (b)    | Weighted average no. of Equity Shares outstanding during the year |              | 2,00,00,000                       | 2,00,00,000                        |
| (c)    | Face Value of Equity Shares                                       | (₹)          | 10                                | 10                                 |
| (d)    | Basic and Diluted Earnings Per Equity Share                       | (₹)          | 3.26                              | 2.38                               |

## NATIONAL STANDARD (INDIA)LIMITED

### NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020

#### 38 Details of dues to Micro, Small and Medium Enterprises :

The information has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding is given below :

(₹ in Lakhs)

| Particulars   | As at<br>31-March-20 | As at<br>31-March -19 |
|---|----------------------|-----------------------|
| Amount unpaid as at year end - Principal  | -                    | 4.15                  |
| Amount unpaid as at year end - Interest   | -                    | -                     |
| The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 (the 'Act') along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.              | -                    | -                     |
| The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Act.   | -                    | -                     |
| The amount of interest accrued and remaining unpaid at the end of each accounting year.   | -                    | -                     |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act. | -                    | -                     |

#### 39 Disclosure under Ind AS 115 -Revenue from Contracts with Customers

Disclosures with respect to Ind AS 115 are as follows:

##### (a) Contract Assets and Contract Liabilities

₹ in Lakhs

| Particulars   | As at       |             |
|---|-------------|-------------|
|   | 31-March-20 | 31-March-19 |
| Trade receivables (Refer Note 8)                            | 496.45      | 782.87      |
| Contract Assets- Accrued revenue                            | -           | -           |
| Contract Liabilities-Advance from customers (Refer Note 20) | 785.59      | 570.38      |

##### (b) Movement of Contract Liabilities

| Particulars  | As at         |               |
|--|---------------|---------------|
|  | 31-March-20   | 31-March-19   |
| Amounts included in contract liabilities at the beginning of the year  | 570.38        | -             |
| Amount received during the year  | 428.02        | 1,895.41      |
| Performance obligations satisfied in current year                      | (212.80)      | (1,325.04)    |
| <b>Amounts included in contract liabilities at the end of the year</b> | <b>785.59</b> | <b>570.38</b> |

40 The Company is in the process of identifying suitable business operation which will ensure appropriate utilization of Indirect Tax credit as mentioned in Note 5. Further, the Company has assessed that there is no time limit prescribe for utilization/ recoverability of Indirect Tax Credit under the law. Accordingly no Provision / write off of part or full balance of input tax credit is considered necessary by the Company.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2020**

- 41** A new section 115BAA was inserted in the Income tax Act, 1961, by the Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provision/conditions defined in the said section. Based on the assessment, the Company has decided to opt for the new tax rate.
- 42 Ind AS 116- Lease**
- The Company has adopted Ind AS 116 - Leases, using the 'Modified Retrospective Approach' with effect from 01-April-19. The application of Ind AS 116 does not have any impact on the retained earnings as on 01-April-19, being the initial date of application. Further, the application of Ind AS 116 does not have any impact on audited financial statement for the year ended 31-March-20.
- 43** During the year, the Company received a LBT (Local Body Taxes) demand of ₹ 37.79 Lakhs and equal amount of penalty under Rule 40 of the Local Body Tax Rules. The Company has deposited the LBT demand of ₹ 37.79 Lakhs with the relevant authorities. An appeal has also been filed by the Company with the Thane Municipal Corporation against the demand order. No provision has been made for the penalty, as the management is confident that the outcome would be favourable and no further liability is likely to occur.
- 44** The Company has temporarily deployed its project surplus which has resulted in it being classified as Non Banking Finance Company (NBFC) during the year ended 31<sup>st</sup> March 20, in terms of the criteria laid down by the Reserve Bank of India. The Company is in process of applying to RBI for exemption from being classified as NBFC.
- 45** The figures for the corresponding previous year have been regrouped/ reclassified, wherever considered necessary, to make them comparable with current years classification.

**As per our attached Report of even date**

**For MSKA & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 105047W**

**Bhavik L. Shah**  
**Partner**  
**Membership No. 122071**

**Place : Mumbai**  
**Date : 9-June-2020**

**For and on behalf of the Board of Directors of  
National Standard (India) Limited**

**Smita Ghag**  
**Director**  
**DIN:02447362**

**Rameshchandra Chechani**  
**Chief Financial Officer**

**Chirag Sarvaiya**  
**Chief Executive Officer**

**Bhushan Shah**  
**Director**  
**DIN:07484485**

**Madhur Mittal**  
**Company Secretary**  
**Membership No.: A47976**







If Undelivered, please return to:

The Secretarial Department  
**NATIONAL STANDARD (INDIA) LIMITED**  
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Cawasji Patel Road, Horniman Circle,  
Fort, mumbai - 400 001