Schrader Duncan Limited

52nd
Annual Report 2012 - 2013

Board Of Directors

Mr. J P Goenka	Chairman
Mr. Shantanu Parvati	Whole Time Director
Mr. A Goenka	Director
Mr. B B Tandon	Director
Mr. Nitin Kaul	Director
Mr. O P Dubey	Director
Mr. R A Shah	Director (alternate To Mr. Nitin Kaul)

Corporate Information

Registered Office
F-33, Ranjangaon Midc
Karegaon, Shirur
Pune 412 209

Plant
F-33, Ranjangaon Midc
Karegaon, Taluka - Shirur
Pune 412 209

Sales And Marketing Office
(Pneumatics Division)

502, 5th Floor, Ishan Arcade,
Bldg No.2, Near Gaodevi Mandir,
Gokhale Road,naupada,
Thane 400 602

Branch Offices
• 31, Netaji Subhash Road
Kolkata 700 001.

• Publicis House, 1-2 Aram Bagh,
Community Centre, Punchkuain Road,
New Delhi - 110055

Listed AT
Mumbai (BSE)
www.schraderduncan.com

Auditors
M/s Singhi & Co, Mumbai

Bankers
State Bank Of India, Mumbai

Legal Advisors
Crawford Bayley & Co, Mumbai

Share Transfer Agent
Link Intime India Pvt Ltd
Block No 202, 02nd Floor,
Akshay Complex,
Near Ganesh Temple,
Off-dhole Patil Road,
Pune - 411001

NOTICE

NOTICE is hereby given that the Fifty Second Annual General Meeting of the Shareholders of Schrader Duncan Limited will be held on Tuesday, July 23, 2013 at 2.30 PM at the registered office at F-33, Ranjangaon MIDC, Karegaon, Taluka Shirur, Pune 412209 for transacting the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. J P Goenka and Mr. B. B. Tandon, who retires by rotation and is eligible for re-appointment.

3. To Re- Appoint the Auditor and to fix their remuneration.

Special Business:

4. To consider and, if thought fit to pass, with or without modifications, the following as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 269 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, subject to requisite permission from the Central Government, if applicable, approval be and is hereby granted to the revision in remuneration of Mr Shantanu Parvati, Whole Time Director of the Company for a period of three years with effect from April 1, 2013.

RESOLVED FURTHER THAT subject to the limits contained in Sections 198 and 309 of the Companies Act, 1956, Mr Shantanu Parvati be paid effective April 1, 2013 such remuneration comprising of salary, performance linked bonus and perquisites as the Board may consider appropriate from time to time within the maximum limits specified below for a period of three years :

i. Salary - 1,800,000 per annum with discretionary powers to the Board to revise the amount from time to time.

ii. Special Allowance
Rs. 975,600 per annum

iii. Performance Bonus
Rs. 1,058,000 per annum

iv. Annual Perquisites
House Rent Allowance - Rs. 1,080,000 per annum
Medical reimbursement - Rs. 18,000 per annum
Leave Travel Allowance - Rs. 56,000 per annum

v. Other Perquisites
Club fees and company car with driver for official duties and telephone at residence including payment for local calls and long distance official calls and benefit of mediclaim.

Contribution to the Provident Fund Scheme, Gratuity and encashment of unavailed leave at the end of the tenure subject to rules of the Company.

RESOLVED FURTHER THAT where in any financial year during the currency of tenure of Whole Time Director, the Company has no profits or its profits are inadequate, the Company will pay the remuneration as set forth in this resolution, as minimum remuneration in accordance with the provisions of Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised from time to time to amend, alter or otherwise vary the terms and conditions of the appointment of Mr Shantanu Parvati, including remuneration, provided such remuneration shall not exceed the maximum limits for payment of managerial remuneration as may be admissible within the overall limits of Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to all such acts, deeds, matters and things, as in its absolute discretion, it may consider necessary, expedient or desirable, in order to give effect to the foregoing resolution or otherwise considered by it to be in the best interests of the Company."

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 18th July, 2013 to 23rd July, 2013 (both days inclusive) in terms of Clause 16 of the Listing Agreement with the Stock Exchange.

3. Unclaimed dividend upto the financial year 2004-2005 has been transferred to the Investor Education and Protection Fund in compliance of Sections 205A and 205C of the Companies Act, 1956. The dividend for the below mentioned financial years are due for transfer to the "Investor Education and Protection Fund" of the Central Government on the dates mentioned hereunder. Therefore, Members who have so far not encashed their dividend warrants for these years may approach the Company for payment.

2005-2006	August 30, 2013	2007-2008	August 30, 2015
2006-2007 (Interim)	March 12, 2014	2008-2009	September 5, 2016
2006-2007 (Final)	August 30, 2014	2009-2010	August 26, 2017

4. Details of the Directors being appointed / reappointed are furnished in point no. A(4) of the Corporate Governance Report.

5. An Explanatory Statement in respect of item no 4 pursuant to Section 173(2) of the Companies Act, 1956 is annexed to this notice.

6. Members are requested to intimate their queries, if any, relating to the accounts or any other matter at least seven days in advance so that the explanation can be made available and furnished readily at the meeting.

7. The Company's registered office is in Ranjangaon, Pune. Shareholders are requested to address all correspondence to the Company Secretary at the Registered office.

8. The Company's Registrar and Share Transfer Agents, Link Intime India Pvt Ltd undertake the transfer of shares, both in physical and electronic form. Their address is as follows:

Link Intime India Pvt Ltd, Block No 202, 02nd Floor, Akshay Complex, Near Ganesh Temple, Off-Dhole Patil Road, Pune - 411001

(Members may send their transfer requests and other share related queries either to the Company at the Registered Office or to Link Intime India Pvt Ltd at the above address.)

9. Members are requested to notify immediately any change in their address/bank mandate to their Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agents of the Company, Link Intime India Pvt Ltd, in respect of their physical share folios.

10. As per circular no 18/2011 on Green initiative, the Company will send Annual Report along with other documents through email to all members, who have registered their email address with the depository and physical hard copies will be dispatched to others. In case any member desire to get hard copy of Annual Report, they can write to Company at Registered Office address or email at complianceofficer@schraderduncan.com or pune@linkintime.co.in

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs (MCA), Government of India, has taken a Green Initiative in the Corporate Governance by allowing paperless compliance by the Companies and has issues circular stating that services of notice/ documents including Annual Report can be sent by email to its members. To support this Green Initiative of Government in full measures, members who have not registered their email address, so far, are requested to register their email address, in respect of electronic holdings with the Depository through their respective Depository Participants. Members who hold shares in physical form are requested to provide details of their email address to Registrar and Transfer Agent of the Company at pune@linkintime.co.in

Registered Office:
F-33, Ranjangaon MIDC
Karegaon, Tal Shirur
Pune 412 209

By Order of the Board

Parveen Agarwal
Company Secretary

Pune, May 24, 2013

EXPLANATORY STATEMENT

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

Item No 4

The Board in its meeting held on May 24, 2013 revised the remuneration of Mr Shantanu Parvati with effect from April 1, 2013.

The requisite information stipulated under Schedule XIII is furnished hereunder :

I	**GENERAL INFORMATION**	
(1)	Nature of industry	Automotive Components
(2)	Date or expected date of commencement of commercial production	Not applicable as existing Company since 1961
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
(4)	Financial performance based on given indicators	Net Sales (INR) - 6,193.18 Million Loss before Tax - (22.06) Million
(5)	Export performance and net foreign exchange collaborations	During the year ended March 2013 the Company earned foreign exchange of Rs 21.67 million through exports and service rendered.
II	**INFORMATION ABOUT THE APPOINTEE**	
(1)	Background details	Mr Shantanu Parvati, aged 39 years, holds a Bachelor of Engineering degree from Pune University and MBA from Symbiosis Institute of Business Management, Pune. Prior to joining Schrader Duncan Mr Parvati has worked at prestigious OEM in India, where he has handled corporate and business responsibilities like Projects, M&A, Strategy and operations. He has 18 Years of rich experience in industry and advisory services.
(2)	Past remuneration	2010-2011 — 31,28,000 2011-2012 — 40,00,000 2012-2013 — 46,00,000 Amount in INR
(3)	Recognition or awards	Nil
(4)	Job profile and his suitability	He has strong academic background and rich experience Automobile industry. He had worked with leading OEM in India in responsible positions.
(5)	Current Remuneration (per annum) Managerial Position held during April 1, 2012 to March 31, 2013	Salary 1,564,000 Allowances 1,779,248 Performance Bonus 9,20,000 Perquisites 336,752 4,600,000
	Proposed Remuneration* Subject to review by Board at regular intervals within the prescribed limits of Companies Act, 1956. (April 1, 2013-March 31, 2015)	Salary 1,800,000 Allowances 2,055,600 Performance Bonus 1,058,000 Perquisites 3,76,400 5,290,000

(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The Board believes that his proposed remuneration is commensurate with his role and responsibility as Whole Time Director of the Company.
(7)	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	None
III	**OTHER INFORMATION**	
(1)	Reasons of loss or inadequate profits	• Delay in approvals and release of schedules from some key tyre OEMs. • Volume and order book assumptions not materialising due to slowdown in the overall Automotive and Industrial / Capital Goods sector. • Restructuring initiatives undertaken in the business.
(2)	Steps taken or proposed to be taken for improvement	• Increased capacity utilization, driven by volume ramp up basis customer approvals and start of supplies to OEMSs • Introduction of new products • Cost optimisation and re-engineering initiatives.
(3)	Expected increase in productivity and profits in measurable terms	>80% overall plant utilisation and 12-15% operating margins in next 2 years.
IV	**DISCLOSURES**	All details are covered in the Corporate Governance Report which forms part of the annual report for the year 2013

The Board recommends the resolution for approval by the Members.

None of the Directors of the Company is concerned or interested in the resolution other than Mr Shantanu Parvati himself.

The above may be treated as sufficient disclosure under Section 302 with respect to the revision in remuneration w.e.f April 1, 2013.

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Karegaon, Tal Shirur
Pune 412 209

By Order of the Board

Parveen Agarwal
Company Secretary

Pune, May 24, 2013

DIRECTOR'S REPORT

Your Directors present their Fifty Second Report to the shareholders together with the accounts for the year ended March 31, 2013. The operating results as disclosed in the accounts are summarised below :

(INR Million)

	2012-2013	2011-2012
(Loss)/Profit before charging depreciation and taxes	2.31	327.20
Depreciation	24.37	24.26
(Loss)/Profit before tax	(22.06)	302.94
(Reversal of Provision) /Provision for Tax	(27.15)	98.31
(Loss)/Profit after tax	5.09	204.63
Balance carried from previous year	204.63	-
Balance carried forward	209.72	204.63

Dividend

Your Directors do not consider it prudent to recommend a dividend this year owing to the operating losses incurred.

Performance

Your company has shown 14% increase in sales revenue, while Operating Loss has reduced by INR 63.45 Million, from INR 116.09 Million in FY 2011-12 to Rs 52.64 Million in FY 2012-13.

This is primarily due to increase in capacity utilization and volume ramp up at the new Ranjangon Plant and various restructuring/ rationalization and cost reduction initiatives undertaken at both business units. With majority of the restructuring initiatives completed and some underway, your company is now on a stronger platform to leverage market opportunities for stable growth and performance in the coming years.

Operations

The turnover of Automotive Business Unit has increased by 41% from INR 233.00 Million in the previous year to 329.27 million in the current year.

This growth has been driven by volume ramp-up of the plant and consistency in quality and delivery of products, thereby resulting into approvals and increase in orders from major OEMs.

The turnover of Pneumatics Business Unit saw a decrease of 7% from INR 311.17 Million in the previous year to 289.92 million in the year ended March 31, 2012.

The Pneumatic Business Unit sustained competitive pressure and slow down in some core sectors in the second half of this financial year to maintain its share of business in its key market segments. This was achieved thru improved delivery of standard and customized products, by increase in productivity and value engineering initiatives.

Public Deposits

The company has not accepted any fixed deposits from the public or shareholders.

Significant developments

- The Merger of M/s Associated Polymers Limited (being 100% subsidiary of the company) after all necessary approvals and sanction by the jurisdictional High Court was completed on 17th May 2013. As per the scheme of Merger, the Accounts covered in this report include the results of the transferor company with effect from 1st April 2012 being the 'Appointed Date' for the Merger.

- In accordance with Merger Order from Jurisdictional High Court, INR 38.21 Million have been shown as Capital reserve in the Financials of the company.

- During the Year, company has sold its Land located at MIDC Tarapur, and reported an exceptional profit of INR 44.78 Million.

- During the year, the company has also completed the process of closure of its rubber mixing operations at MIDC Tarapur. Based on the settlement with the workers employed at MIDC, Tarapur - total liability of INR 3.70 Million has been accounted during the year as exceptional item.

- During the year, the company has completed the process of shifting the Pneumatics manufacturing operations from Mahape to Ranjangaon for rationalisation and consolidation. Based on the Memorandum of settlement with the union of workmen employed at Mahape, total liability of INR 10.50 Million has been accounted during the year as exceptional item.

Change in Shareholding

The foreign promoters namely, Schrader Bridgeport International Inc, USA opted to exit the joint venture and sold their entire stake comprising 50% of the share capital to the Indian promoter. The transaction took place in the 1st fortnight of April 2012.

Directors

Mr. J P Goenka and Mr. B B Tandon retire by rotation and are eligible for re-appointment. Your Directors propose his re-appointment as set out in the notice.

Auditors Report (2013)

The Auditors have reported in the Annexure to the Auditors Report, which is Self explanatory and do not require further explanation

Corporate Governance

As per clause 49 of the Listing Agreement with the Bombay Stock Exchange, a section on Corporate Governance and Management Discussion and Analysis is annexed to this report.

Details regarding all elements of remuneration package of all Directors, fixed component and performance linked incentives, service contract, notice period, severance fees and details of stock options are covered in point no 3(B)(iv), (v), (vi) and (vii) of the Corporate Governance Report.

A certificate from M/s Vaishnav Associates, Pune confirming compliance of Corporate Governance is also annexed.

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

A statement giving details of conservation of energy, technology absorption, exports and foreign exchange earnings and outgo pursuant to Section 217(1) (e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is set out in Annexure I to this Report.

Details pursuant to the requirements of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 .

There is no Employee covered under the aforesaid section.

Industrial Relations

Industrial Relations were cordial during the year. The Directors are pleased to record their appreciation of services rendered by the employees and all staff at all levels.

Directors Responsibility Statement

In Compliance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors wish to place on record based on the information made available to them

i) in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departure;

ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

iii) they have 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; and

iv) they have prepared the annual accounts on a going concern basis.

Cost Auditors

Mr. Laxman Pawar, Cost Accountants, Pune, have been appointed as Cost Auditors of the company.

Statutory Auditors

Your Directors propose to re- appoint M/s Singhi & Co, Chartered Accountants, Mumbai as Statutory Auditors of the Company.

Acknowledgement

Your Directors place on record their appreciation for the contribution made by the employees. They also take this opportunity to thank the customers, dealers, suppliers, bankers, business associates and the valued shareholders for the continuous support and encouragement.

On behalf of the Board of Directors

J P Goenka
Chairman

Mumbai, May 24, 2013

ANNEXURE I TO THE DIRECTORS' REPORT FOR THE YEAR 2012-2013

A Conservation of Energy

- Balanced load distribution for electric power thereby improving power factor and reducing power consumption.
- Energy consumption optimization in vulcanization cells.
- Migration from Individual chillers for Machines to Centralized Cooling Tower setup.

B Technology Absorption

· Research and Development (R & D)

i) Specific areas in which R & D was carried out by the Company

- Automation on buffing machines
- Improvement in mould cavity design.
- Value engineering of Products - Conversion from extrusion to GDC, conversion from Gravity Die Casting (GDC) to Pressure Die Casting (PDC).
- Development effort on improving reliability of Positioner Cylinder PackageOptimisation of Rubber Compound

ii) Benefits derived as a result of above R & D

- Improved product aesthetics, reliability and productivity.
- Stablization and ramp up of positioner cylinder packages.
- Reduction in inhouse rejection.

iii) Future Plan of Action

- New product development to expand product offering
- Continue Value Engineering efforts, on all important products, to reduce costs, improve performance, aesthetics & through-put time.

iv) Expenditure of R & D

a	Capital	Nil
b	Recurring	1.68 million
c	Total	1.68 million
d	Total R & D expenditure as a percentage of total turnover	0.27%

C Foreign Exchange Earnings and outgo

During the year, the Company has spent foreign exchange of INR 55.17 Million and earned foreign exchange of INR 21.67 Million through exports and services rendered.

Mumbai, May 24, 2013

J P Goenka
Chairman

Management Discussion and Analysis

1. Industry Structure and Development

The Indian Tyre Industry struggled to continue its growth momentum in 2012-13, due to the slowdown in the vehicle industry. The Indian automotive industry grew by 2.6% in 2012-13. Production growth was 1.2% (source: SIAM data).

This slowdown in the automotive industry had an impact on the Tyre industry as well. With over capacity is a key challenge, the long term growth fundamentals of the tyre industry remains strong and the industry is well placed to leverage the opportunities in future. Investment in infrastructure continues to support demand for commercial vehicles and other factors such as favourable demographics, rising disposable income, under penetration of vehicles, strong demand from rural market and availability of financing at competitive rates drive long term demand for passenger vehicles and two wheelers. Indian and global tyre manufacturers are committed to India including increased radicalisation. This is bound to have a positive impact on the demand for tube and tubeless tyre valves.

The Indian Pneumatics Industry faced one of its most challenging years in 2012-13, due to a significant slowdown in industrial demand and dearth of new projects and investments in sectors like Steel, Power and Infrastructure. The industry sustained itself by diversifying in to new areas and applications, where automation needs are increasing. Sectors like power, cement, ferrous and non ferrous, mining and heavy engineering will continue to drive demand for Industrial Pneumatics.

2. Opportunities and Threats

The growing demand for tube and tubeless tyres in the automotive segments, presents an opportunity for volume and market share growth. Ranjangaon Plant has obtained approvals from key tyre OEMs and has achieved a production ramp-up, paving the way for sustained growth in the coming years. New product range for TTVs (Tubeless tyre valves) has been established and discussions with automotive OEMs for product and plant approvals are underway. With this the product offering will expand and drive volume growth further. With these product ranges, the company is going to explore the opportunities in the export market.

Keeping in view the major constituents of the raw material cost (i.e. Brass and Butyl rubber) and their volatility in the international market, margin pressure continues.

In Pneumatic products, the company is in the process of exploring new customers and markets. For this, new initiatives like rationalization of standard and customized products, the value of engineering and new product development have been taken. The Pneumatics unit faces stiff competition from large established companies and low cost players, particularly in standard product segment where cost competitiveness is a challenge.

3. Segment wise / Product wise Performance

The company's product lines can broadly be classified into automotive tyre tube valves & accessories and pneumatic products. The sales performance, during the year on these segments compared to the previous year is as follows:

(INR Million)

NET SALES	2012-13	2011-12
Automotive tyre tube valves and accessories	329.40	233.03
Pneumatic Products	289.92	311.17
TOTAL	619.32	544.20

4. Outlook

Future growth of this company is linked to the automotive and Industrial segments. Growth prospects look bright with continuing investments in these sectors, large infrastructure spending and positive outlook.

5. Risks and Concerns

In automotive segment, where the company operates in one sector, the commitment of 'Investments' being a irreversible process which always has a risk of demand projections, not materializing.

In Pneumatics segment, where the company operates in Industrial and Infrastructure Sectors, which are technology intensive, needs continuous focus on product and technology development, which is imperative to sustain in contemporary products.

6. Internal control systems and their adequacy

The Company has proper and adequate systems of internal controls in all areas of its operations, through internal and external auditors. Regular internal audits and checks are carried out to ensure that responsibilities are executed effectively and that adequate systems are in place. An Audit Committee headed by a Non Executive Independent Director is in place to review various areas of the control systems.

7. Discussion on financial performance with respect to operational performance

The details of the financial performance of the Company appear in the Balance Sheet, Profit and Loss Account and other financial statements. Highlights for the year 2012-2013 are as under:

	(INR Million) 2012-2013
Net Sales	619.32
Other Income	11.63
Loss before tax (including exceptional income)	(22.06)

8. Human Resources

The Company values its human resources and encourages innovation by empowering people at all levels. The Company believes that its, able and competent human resources are adequately equipped to achieve the set objectives. There is continuous focus on enhancing productivity in all facets of our operations. All safety measures of workers and staff members, their training and welfare get high priority at all levels.

9. Cautionary Statement

Certain statements in the Management Discussion and Analysis describing the Company's views about the industry, expectations/predictions, objectives etc. may be forward looking, within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Company's operations may inter-alia be affected by the supply and demand situations, input prices and their availability, changes in Government regulations, tax laws and other factors such as industrial relations and economic developments etc. Investors are requested to bear the above in mind.

Pune, May 24, 2013

Shantanu Parvati
Whole Time Director

CEO/CFO Certificate

We certify that for the financial year ended 31st March, 2013 we have reviewed the annual accounts, financial statement and the cash flow statement and state that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading.

2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

3. There are no transactions entered into by the company during the year which are fraudulent, illegal or violate the company's code of conduct.

4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and have taken adequate steps to rectify these deficiencies.

5. We further certify that:

   (a) there have been no significant changes in internal control over financial reporting during the year;

   (b) there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Parveen Agarwal
GM Finance &
Company Secretary

Shantanu Parvati
Whole Time Director

Pune
May 24, 2013

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes in the attainment of highest levels of transparency, accountability and equity in all aspects of its operations.

The Board of Directors continues to be committed to promote the highest standards of corporate governance within the Company and towards its Stakeholders.

A. BOARD OF DIRECTORS

1. COMPOSITION

The Company's policy is to maintain an optimum combination of Executive and Non- Executive Directors. The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry. As on March 31, 2013 Board of Schrader Duncan comprises of Six Directors comprising; a Whole Time Director; three Non Executive Independent Directors (NE – ID) and two Promoter Directors including the Chairman. The Board also consists of an alternate Director to one of the Independent Directors.

None of the Independent Directors has any material pecuniary relationship or transactions with the Company, its Promoters or with its management, which would affect the independence or judgment of the Directors. The Company has also not entered into any materially significant transactions with its Promoters, Directors or their relatives or with the Management etc. that may have potential conflict with the interest of the Company at large.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than five committees across all companies in which he is a Director.

Board of Directors of the Company has laid down Code of Business Conduct and Ethics for all Directors and members of the senior management. The Company follows the practice of obtaining annual affirmation of its compliance from them.

2. DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIP

Table 1 below gives the details:

Name of the Directors	Category	No. of other Directorship and Committee Membership/Chairmanship in other Indian Public companies		
		Other Directorship	Committee Membership	Committee Chairmanship
Mr. J P Goenka (Chairman)	Promoter, Non Executive Independent	2	1	1
Mr. A Goenka	Promoter, Non Executive Independent	4	1	-
Mr. Shantanu Parvati	Whole Time Director	1	-	-
Mr. O P Dubey	Non Executive Independent	2	1	1
Mr. Nitin Kaul	Non Executive Independent	5	-	-
Mr. B B Tandon	Non Executive Independent	13	9	1
Mr. R A Shah	Alternate to Mr. Nitin Kaul	14	9	4

a. Directorships in foreign companies, private companies, companies governed by section 25 of Companies Act, 1956 and alternates excluded.

b. Memberships of Audit Committee and Shareholders /Investors Grievance Committee only are considered.

c. The Board meets at least once every quarter to review the quarterly performance and the financial results. The Board Meetings are generally scheduled in advance and the notice of each Board Meeting is given in writing to every Director. The Company placed before the Board the Budgets, Annual Operating Plans, Performance of the Business and other information including those specified under annexure 1A of clause 49 of Listing Agreement from time to time.

3. MEETING & ATTENDANCE

Given below is the consolidated list of meetings of the Board and key committees held during 2012-13 and attendance details of Directors:

NAME OF THE MEETING	DATES ON WHICH MEETINGS WERE HELD
Annual General Meeting (AGM)	13th August, 2012
Board Meeting	13th April 2012, 25th May 2012, 14th August 2012, 05th November 2012 and 06th February 2013.
Audit Committee	25th May 2012, 14th August 2012, 05th November 2012 and 06th February 2013.
Share Holders Grievance Committee(SHIGC)	14th August 2012, 05th November 2012 and 06th February 2013.
Remuneration Committee	25th May, 2012

Attendance details at the meeting during April 2012 to March 2013

	AGM	BOARD	AUDIT	SHIGC	REMUNERATION
No of meetings held / Directors	1	5	4	3	1
Mr. J P Goenka	-	3	NA	3	NA
Mr. A. Goenka	1	5	4	NA	1
Mr. Shantanu Parvati	1	5	NA	3	NA
Mr. O P Dubey	1	4	4	3	1
Mr. Nitin Kaul	-	2	NA	NA	LOA
Mr. B. B. Tandon	-	3	3	NA	1
Mr. R A Shah*	-	5*	NA	NA	NA

- *Mr. R A Shah was elected as a Chairman for the Board Meeting held on 25th May, 2012 as leave of absence was granted to Mr. J P Goenka.
- Mr. Nitin Kaul and Mr. B.B. Tandon were appointed w.e.f 13th April ,2012 and Mr. O P Dubey w.e.f. 26th April ,2012
- Mr. R C Khanna, Mr. Jean Michel Bolmont & Mr. Steven Lutz resigned w.e.f 13th April, 2012 and Mr. M K Sharma w.e.f 26th April, 2012

4. DIRECTORS TO BE APPOINTED/ RE-APPOINTED:

Profile of Directors - Pursuant to Clause 49(IV)(G) of the Listing Agreement brief profile of the Directors being re-appointed / appointed is given below :

a) **MR. J P GOENKA**

Mr. J P Goenka, born in July 1937, an Honours Graduate from the University of Calcutta, is an Industrialist hailing from the Goenka family headed by Late Sir Badridas Goenka of the Industrial Group popularly known as House of Duncans. He has held various illustrious positions viz. Chairman of Indian Woollen Mills federation (1969-70), Chairman of Calcutta Jute Fabric Shippers Association (1969-71), President of Bengal Mill Owners Association (1972-73) Chairman of Indian Jute Mill Associations (1073-74), Chairman of Indian Cotton Mills Federation (1978-80) and Chairman of Jute Manufacturers Development Council.

Mr. Goenka commands rich experience of over 50 years in managing and/or looking after the industries of diverse business interest such as jute and cotton textiles, wool-tops, industrial explosive, rubber chemicals and sophisticated engineering products.

Mr. Goenka is the Chairman of the Company and does not hold any shares in the Company.

Mr. Goenka is a member of Shareholder Grievance Committee of the Company. His Directorship and membership in other Board/ Committees are as follows:

Chairman and Managing Director of Duncan international (India) and Chairman of Oriental Carbon & Chemicals Limited.

Chairman of Shareholder Grievance Committee of Oriental Carbon & Chemicals Limited.

Mr. J P Goenka is the father of Mr. Arvind Goenka, an Independent Director of the Company

b) **MR. B. B. TANDON**

Mr B B Tandon aged about 72 years, is a post graduate in Economics and a graduate in law. He retired as Chief Election Commissioner of India. He was a member of the IAS from 1965 to 2001. Mr Tandon has held top level posts in the Government of India (GOI) as well as the State Government of Himachal Pradesh (HP). In his capacity of Additional Secretary he was a Member of the Securities Exchange Board of India (SEBI) as "special invitee". He also headed the working group on comprehensive revision of the Companies Act 1956 which recommended wholesale changes/amendments in the said Act.

He does not hold any shares in the Company. He is a member of the Audit and Remuneration Committees of the Company. His directorships and Memberships in other Board/Committees are as follows:

Director of Adani Power Ltd, ACB (India) Ltd, Bhushan Steel Ltd, Birla Corporation Ltd, Dhampur Sugar Mills Ltd, Exicom Tele-Systems Ltd, Filatex India Ltd, Jaiprakash Power Ventures Ltd, Jaypee Infratech Limited, Oriental Carbon & Chemicals Ltd, Vikas Global One Ltd and VLS Finance Ltd.

Member of Audit Committee of Adani Power Ltd, Jaiprakash Power Ventures Ltd, Bhushan Steel Ltd, Birla Corporation Ltd., Filatex India Ltd., Oriental Carbon & Chemicals Ltd and VLS Finance Limited.

Member of Remuneration Committee of Adani Power Ltd, Birla Corporation Ltd, Dhampur Sugar Mills Ltd, Exicom Tele-Systems Ltd, ACB (India) Limited, Oriental Carbon & Chemicals Ltd.,and Vikas Global One Ltd.

Member of Shareholders/Investors Grievances Committee of VLS Finance Ltd and Ambience Pvt Ltd.

Mr Tandon is not related to any Director of the Company.

B AUDIT COMMITTEE/REMUNERATION COMMITTEE/SHAREHOLDERS GRIEVANCE COMMITTEE.

1. AUDIT COMMITTEE

The Audit Committee comprises only Non-Executive Director('NEDs') with majority being 'independent' and is chaired by Mr. O P Dubey. The Chairman, Managing Director, Whole Time Director and CFO, Internal Auditors and Statutory Auditors are permanent invitees to the meetings of the Committee, with the Company Secretary acting as its Secretary. The members of the Committee are eminent professionals with necessary knowledge in financial, accounting and business matters. Any other person/ executive, when required, also attend the meetings of the Committee, Minutes of Audit Committee meetings are circulated to all the Board members.

The terms of reference of the Committee are in line with the norms specified in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. For details of meeting of the Committee held during the year and attendance therein, please refer para 2 above.

2. REMUNERATION COMMITTEE

The Purpose of this Committee is to assist the Board in the nomination of members to the Board and in evaluating the performance of the Whole Time Director and make appropriate recommendations as their remuneration, within the limits approved by the shareholders. Remuneration Committee comprises only NED's and is chaired by Mr. Arvind Goenka. For details of meetings of the Committee held during the year and attendance therein, please refer para A(2) above. Mr. Parveen Agarwal, Company Secretary was the Secretary of the Committee for the meetings held during the year.

i) Details of remuneration of Mr Shantanu Parvati, Whole Time Director for the year 2012-2013:

The agreed CTC per annum is as follows:

(INR)

SALARY	PERQUISITES & ALLOWANCE*	PERFORMANCE BONUS**	TOTAL
1,564,000	2,126,000	892,400	4,582,400

* Including Rs 10,000 sitting fees for Board Meeting of Associated Polymers Limited
** Actual Performance Pay

ii) Remuneration to Directors

The sitting fees paid to the Non Executive Directors for the year 2012-2013 is as follows:

Mr. J P Goenka	-	INR. 60,000/-
Mr. Arvind Goenka	-	INR. 1, 90,000/-
Mr. R A Shah	-	INR. 1, 00,000/-
Mr. Nitin Kaul	-	INR. 40,000/-
Mr. O P Dubey	-	INR. 1, 70,000/-
Mr. B B Tandon	-	INR. 1, 30,000/-

None of the Non Executive Director of the Company holds any shares in the Company.
None of the Non Executive Directors of the Company entered into any transaction of pecuniary nature with the Company during the year 2012-2013.
The Company has so far not issued any stock options to any Director.

iii) Service Contract with the Whole time Director.

July 29, 2011 to June 28, 2016
Mr Shantanu Parvati has been appointed as Whole Time Director of the Company for a period of five years w.e.f July 29, 2011. Mr Shantanu Parvati's appointment as Whole Time Director can be terminated with notice of six months by either side.

3. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

The Shareholders / Investors Grievance Committee is headed by Mr. J P Goenka, NED. Mr, Parveen Agarwal Company Secretary was the Secretary of the Committee for the meetings held during the year.
The total number of grievances received during the year under review was 7 and they were replied to the satisfaction of the shareholders within 7 Days of receipt.

No request for transfers/transmission/Issue of Duplicate share certificates was pending as on March 31, 2013. For details of meetings of the committee held during the year and attendance therein, please refer to para A(2) above.

C. DETAILS OF ANNUAL GENERAL MEETING

AGM for the Year	Date	Time	Venue
2009 -2010	July 20, 2010	3.15p.m	Kamalnayan Bajaj Hall, Bajaj Bhavan, Nariman Point, Mumbai 400 021
2010 – 2011	July 28,2011	2.30p.m	F 33, Ranjangaon MIDC, Karegaon, Tal. Shirur, Pune 412209
2011- 2012	August 13, 2012	2.30p.m	F 33, Ranjangaon MIDC, Karegaon, Tal. Shirur, Pune 412209

Special Resolutions Passed In the Previous Three AGMs'

AGM YEAR	MATTER APPROVED BY SPECIAL RESOLUTION
2009 – 2010	• Approval for increase in remuneration to the Managing Director, Mr Ravi Swaminathan
2010 – 2011	• Nil
2011- 2012	• Remuneration to Whole Time Director Mr. Shantanu Parvati. • Revision in Remuneration paid to Whole Time Director Mr. Shantanu Parvati

D. DISCLOSURES

- No transaction of material nature has been entered into by the company with its Director or management and their relatives etc that may have a potential conflict with the interest of the Company. Transactions with related parties are disclosed in note to the accounts in the annual report.

- Details of Non-Compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI, or any Statutory Authority, on any matter related to Capital Markets, during the last three years: Nil.

- The mandatory information as specified in Annexure IA to Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited is regularly made available to the Board, wherever applicable.

- The Company has also adopted the non-mandatory requirements as specified in Annexure ID to Clause 49 of the Listing Agreement regarding Constitution of Remuneration Committee.

E. MEANS OF COMMUNICATION

i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and annual financial results in the proforma prescribed by Clause 41 of the Listing Agreement within the prescribed period.

ii. The approved Quarterly and Half Yearly and annual financial results are published in newspapers viz. All editions of Financial Express and Lok Satta (Vernacular).

iii. The results and other relevant information are displayed on the Company's Website www.schraderduncan.com

iv. No formal presentations were made to the Institutional Investors and analysts during the year under review.

F. SHAREHOLDERS INFORMATION

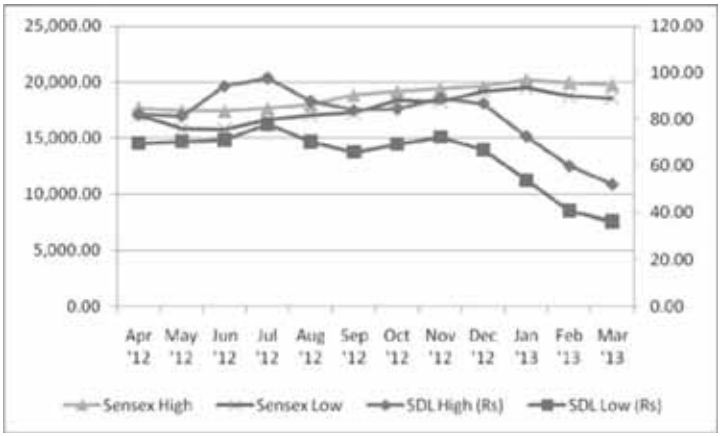
a) Annual General Meeting	
Date and Time	: 23rd July, 2013 at 2.30 PM
Venue	: Registered Office
b) Financial Calendar	
First Quarter Results	: July 2013
Second Quarter Results	: October 2013
Third Quarter Results	: January 2014
Financial Results for the Year ending March 31, 2014	: May 2014
c) Date of Book Closure	: Thursday, July 18, 2013 to Tuesday, July 23, 2013
d) Dividend Payment Date	: Nil.
e) Registered Office	: F-33 Ranjangaon Industrial Area, MIDC, Karegoan, Shirur Pune. 412 209
f) Listing on Stock Exchanges at	: Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400001
g) Listing Fees	: Listing fees is paid for period 01st April 2013 to 31st March, 2014 to a foresaid Exchange
h) Code	: 504908
i) Ordinary Share (physical form)	: 153106
demat form)	: 3542894
j) Demat ISIN in NDSL & CDSL for Company's Equity Shares	: INE340F01011

k) **Market Price Data:** The following is the high/low price of the Company's shares as quoted in the Bombay Stock Exchange Limited during each of the months of the financial year: 2012 – 2013

Month	High (Rs)	Sensex High	Low (Rs)	Sensex Low	No of shares traded
April 2012	82.00	17,664.10	69.75	17,010.16	9023
May 2012	81.40	17,432.33	70.50	15,809.71	21811
June 2012	94.30	17,448.48	71.20	15,748.98	11471
July 2012	97.85	17,631.19	78.00	16,598.48	15180
August 2012	87.90	17,972.54	70.30	17,026.97	7239
September 2012	84.00	18,869.94	66.00	17,250.80	15505
October 2012	84.50	19,137.29	69.35	18,393.42	15264
November 2012	89.00	19,372.70	72.40	18,255.69	8889
December 2012	86.90	19,612.18	67.00	19,149.03	12079
January 2013	72.75	20,203.66	53.95	19,508.93	22595
February 2013	59.90	19,966.69	40.80	18,793.97	5619
March 2013	52.00	19,754.66	36.25	18,568.43	5774

No of shares traded	150166
Highest Share Price (Rs)	97.85
Lowest Share Price (Rs)	36.25
Closing price as on March 31,2012 (Rs)	40.00

l) **Performance of Company's shares in comparison to BSE sensex**



m) Registrar & Transfer Agents

The Company's Registrar & Transfer Agents are:
Link Intime India Pvt Ltd
Block No 202, 2nd Floor, Akshay Complex,Near Ganesh Temple,
Off-Dhole Patil Road, Pune - 411001 Tel : 020-26161629\26160084
Fax : 020-26163503

n) Share Transfer System

Transfer of shares in the physical form can be lodged with Link Intime India Pvt Ltd at the above-mentioned address or sent to the Company which would be forwarded to Link Intime India Pvt Ltd.
The Transfers which are received in physical form are processed within 10-15 days from the date of receipt and the share certificates are returned duly transferred subject to the documentation being valid and complete in all respect.
The Board has delegated the authority for approving transfer, transmission etc of the Company's securities to Shareholders/ Investors Grievances Committee and the Company Secretary.
The Company obtains from Company Secretary in Practice certificate of compliance with share transfer formalities as required under Clause 47(c) of the Listing Agreement with the Stock Exchange on a half yearly basis and files a copy of the certificate with the Stock Exchange.

o) Distribution of Shareholding as on March 31, 2013

No. of Shares		No. of Holders	%	Shares	%
Form	To				
1	5000	3537	91.23	3491010	9.45
5001	10000	179	4.62	1305790	3.53
10001	20000	100	2.58	1419090	3.84
20001	30000	28	0.72	690410	1.87
30001	40000	8	0.21	300410	0.81
40001	50000	6	0.15	280200	0.76
50001	100000	11	0.28	746350	2.02
100001	999999999	8	0.21	28726740	77.72
		3877	**100.00**	**36960000**	**100.00**

p) Shareholding Pattern as on March 31, 2013

Category	No. Of Share Holders	No. of Shares Held	% of Share Capital	No. of Shares Pledge	% of Share Capital
A) Promoters					
Indian Promoters	2	27,53,836	74.51	4,65,104	12.58
Foreign Promoters	-	-	-	-	-
TOTAL- Promoter	2	27,53,836	74.51	4,65,104	12.58
B) Non Promoters					
Financial Institution & Bank	11	2,255	0.06	-	-
Corporate Bodies	93	43,457	1.18	-	-
Indian Public	3715	8,75,997	23.70	-	-
Foreign Nations/ NRIs	38	14,467	0.39	-	-
Other (Clearing Members)	18	5,988	0.16	-	-
Total Non Promoter	3875	9,42,164	25.49	--	--
TOTAL (A+B)	3877	36,96,000	100.00	4,65,104	12.58

q) **Dematerialisation of Shares and Liquidity**

The Company has entered into agreement with National Securities Depository Ltd (NSDL) as well as the Central Depository Services Ltd (CDSL) for demat facility. 95.86% of the Company's shares is dematerialized as on March 31, 2013.

Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of all the registered shareholders. Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Transfer Agents.

r) **Plant Location**

Automotive & Pneumatics Business Unit
-F-33 Ranjangaon Industrial Area, MIDC,
Karegoan, Tal. Shirur, Dist Pune- 412 209

s) **Address for correspondence**

Investor Correspondence

Link Intime India Pvt Ltd
Block No 202, 2nd Floor, Akshay Complex,
Near Ganesh Temple, Off-Dhole Patil Road,
Pune - 411001
Tel : 020-26161629\26160084
Fax : 020-26163503
Email: pune@linkintime.co.in

For Query on Annual Report
Mr. Parveen Agarwal
Company Secretary & Compliance Officer

Schrader Duncan Limited
F-33 Ranjangaon Industrial Area, MIDC,
Karegoan, Tal, Shirur, Dist- Pune 412 209
Tel : (021) 38660066 Fax: (021) 38660067
Email: complianceofficer@schraderduncan.com
Website: www.schraderduncan.com

t) **Prohibition of Insider Trading**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992, as amended, the Board of Directors of the Company approved and adopted a Code of conduct for prevention of insider trading in the shares and securities of the Company by its directors and designated employees.

The code inter-alia prohibits purchase/ sale of shares of the Company by the directors and designated employees, while in possession of unpublished price sensitive information in relation to the Company during certain prohibitive periods. An annual disclosure of shareholding has been received from all the Directors and

members of the Senior Management of the Company.

Mr. Parveen Agarwal, Company Secretary has been designated as the Compliance Officer for monitoring adherence to the regulations.

u) **Secretarial Audit**

Pursuant to SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated 31st December 2002 on Secretarial Audit, a Practicing Company Secretary carried out the audit for the quarters ended June 30, 2012, September 30, 2012, December 31, 2012 and March 31, 2013. The Audit Report confirms that there is no discrepancy whatsoever in the issued listed and admitted capital of the Company.

v) **Outstanding GDRs / ADRs/ warrants or any convertible instruments, conversion date and likely impact on the Equity**

The Company does not have any outstanding GDR/ADR/Warrant or any Convertible Instruments as on date.

G. **DECLARATION**

As provided under Clause 49(1)(D) of the Listing Agreement the Company has formulated and implemented a code of conduct for Board Members and Senior Management of the Company and the same is available in the Company's website. Requisite annual affirmations of compliance with respective codes have been made by the Directors and Senior Management of the Company.

M/s Vaishnav Associates, Practising Company Secretaries, Pune have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange.

On behalf of the Board of Directors

Shantanu Parvati
Whole time Director

Pune May 24, 2013

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Schrader Duncan Limited.

We have examined the compliance of conditions of Corporate Governance by Schrader Duncan Limited for the year ended 31st March, 2013 as stipulated in revised clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

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

For Vaishnav Associates
Practicing company Secretaries
Shaswati Vaishnav
ACS: 11392 CP No: 8675

Pune May 24, 2013

Independent Auditor's Report

To the Members of
Schrader Duncan Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Schrader Duncan Limited. ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("theOrder") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required under provisions of section 227(3) of the Companies Act 1956, we report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;

e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Singhi & Co.
Chartered Accountants
FRN: 302049E

Mr. Nikhil Singhi
Partner
(Membership No. 061567)

Place: Mumbai
Date: May 24, 2013

ANNEXURE TO THE AUDITOR'S REPORT

1. a) According to the information and explanations given to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   b) As explained to us, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion the frequency of verification is reasonable.

   c) In our opinion and according to the information and explanations given to us, the company has not disposed off substantial part of fixed assets during the year.

2. a) According to the information and explanations given to us, physical verification has been conducted by the management at reasonable intervals during the year in respect of inventory of raw materials, stores and spare parts, work-in-process and finished goods in the Company's possession. The existence of stocks lying with third parties as at 31 March 2013 has been evidenced based on confirmations or statements of account received in most cases. In our opinion, the frequency of physical verification is reasonable.

   b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business

   c) According to the information and explanations given to us and on the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

3. a) As informed to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956.

   b) The company has during the year taken unsecured loans, from two parties covered in the register maintained under section 301 of the Act, the maximum amount involved during the year being Rs. 30,000,000 and the yearend balance of loan being Rs.20, 000,000.

   c) In our opinion, the rate of interest and other terms and conditions of such loan are not prima facie prejudicial to the interest of the company.

   d) In respect of the aforesaid loan the company is regular in repaying the principal amount, as stipulated and is also regular in paying of interest, as applicable.

4. In our opinion and according to the information and explanation given to us, the internal control procedures are adequate and commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods and rendering of services, except for certain general information system controls which needs to be strengthened.During the course of our audit we have not observed any continuing failure to correct major weakness in internal controls.

5. a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.

   b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding Rs 5 lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. According to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the rules framed thereunder.

7. In our opinion and according to the information and explanation given to us, the company has an adequate internal audit system commensurate with the size and the nature of its business.

8. We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.

9. According to the information and explanations given to us and records of the Company examined by us in respect of statutory dues:

a) The company is generally regular in depositing the amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues, except dues in respect of sales tax and income tax, though there have been delays in a few cases. The extent of the arrears of statutory dues outstanding as at 31stMarch 2013, for a period of more than six months from the date they became payable, in respect of sales tax and Income Tax are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of payment
Maharashtra Value Added Tax Act,2005	Sales Tax (including interest and penalty)	30,14,411	Assessment years 2004-05, 2005-06,2006-07	Various due dates	Not paid
Central Sales Tax Act,1956	Central Sales Tax	25,513	Assessment year 2013-14	Various Due dates	April '2013
Income Tax Act,1961	Tax Collected At Source (including interest)	1,302	Assessment year 2013-14	7th May,2012	27.04.2013 along with interest

b) There are no dues of Income tax, sales tax, Wealth tax, Service tax, Customs duty Excise duty and Cess which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the statue	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	7,13,907	2005-2006	High Court, Mumbai
Central Excise Act, 1944	Excise Duty	14,33,923	2009-2010	Additional Commissioner of Central Excise, Mumbai
Central Sales Tax Act, 1956	Sales tax and Penalty	20,87,124	2004-2005	Joint commissioner sales tax appeals.
Central Sales Tax Act, 1956	Sales Tax and Penalty	48,90,788	2005-2006	Deputy Commissioner of Sales Tax
Central Sales Tax Act, 1956	Sales Tax and	21,16,432	2008-2009	Deputy Commissioner of

10. In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth as at March 31, 2013 and it has not incurred cash losses in the financial year ended on that date.

11. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institutions or debenture-holders during the year.

12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. According to the information and explanation given to us, the Company is not a chit fund or a Nidhi/ mutual benefit fund / Society.

14. According to the information and explanation given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

16. In our opinion as per the explanations and information provided by the management, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.

17. On the basis of overall examination of the balance sheet of the company, in our opinion, and according to the information and explanations given to us, there are no funds raised on short-term basis which have been used for long-term investment.

18. According to the information and explanation given to us, the company has not made preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the companies Act, 1956 during the year.

19. According to the information and explanation given to us and the records examined by us, the Company has not issued any debentures during the year and does not have any debenture outstanding as at the year end.

20. The Company has not raised any money by way of public issue during the year.

21. According to the information and explanations given to us and based on examination of books of accounts of the company, no fraud by the company and no fraud on the Company has been noticed or reported during the course of audit.

For SINGHI & CO.
CHARTERED ACCOUNTANTS
FRN: 302049E

Mr. Nikhil Singhi
Partner
(Membership No. 061567)

Place: Mumbai
Date: May 24, 2013

Schrader Duncan Limited
Balance Sheet as at March 31, 2013

	Note	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Equity and Liabilities			
Shareholders' funds			
Share Capital	4	36,960,000	36,960,000
Reserves and Surplus	5	313,956,171	270,663,550
		350,916,171	**307,623,550**
Non-current liabilities			
Long-term borrowings	6	47,125,415	95,765,031
Long-term provisions	7	2,204,313	7,425,786
		49,329,728	**103,190,817**
Current liabilities			
Short-term borrowings	8	108,514,061	137,934,314
Trade payables	9	110,472,630	119,434,356
Other current liabilities	10	56,806,650	77,515,037
Short-term provisions	11	10,150,082	77,100,509
		285,943,423	**411,984,216**
Total		**686,189,322**	**822,798,583**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	12.A	299,447,827	313,081,906
Intangible assets	12.B	945,262	1,705,548
Capital work-in-progress		1,320,716	462,450
		301,713,805	**315,249,904**
Non-current investments	13	1,455,831	1,720,217
Long-term loans and advances	14	12,829,706	8,205,293
		14,285,537	**9,925,510**
Current assets			
Inventories	15	137,601,096	108,953,220
Trade receivables	16	170,425,578	127,704,052
Cash and Bank balances	17	9,981,630	10,008,387
Short-term loans and advances	18	25,246,841	31,029,019
Other current assets	19	26,934,835	219,928,491
		370,189,980	**497,623,169**
Total		**686,189,322**	**822,798,583**
Significant Accounting Policies and Notes to financial statements	1 to 45		

The notes are an integral part of these Financial Statements

As per our report of even date.

For Singhi & Co.
Firm Registration No. : 302049E
Chartered Accountants

Nikhil Singhi
Partner
Membership No 061567

Mumbai
Date : May 24 , 2013

For and on behalf of the Board of Directors

Shantanu Parvati
Wholetime Director

A Goenka
Director

Parveen Agarwal
Company Secretary

Mumbai
Date : May 24 , 2013

Schrader Duncan Limited
Statement of Profit and Loss for the year ended March 31, 2013

	Note	Year ended March 31, 2013 Rupees	Year ended March 31, 2012 Rupees
Revenue from operations (Net)	20	619,318,437	544,198,022
Other income	21	11,628,761	5,577,794
Total Revenue		**630,947,198**	**549,775,816**
Expenses			
Cost of materials consumed	22	430,892,190	379,082,786
Purchases of stock-in-trade		2,358,124	6,748,807
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(21,892,380)	24,578,059
Employee benefits expense	24	102,752,104	92,625,622
Finance costs	25	28,967,464	40,199,376
Depreciation and amortisation expense	26	24,365,799	24,266,330
Other expenses	27	116,144,951	98,364,620
Total Expenses		**683,588,252**	**665,865,600**
Profit / (Loss) before exceptional items and tax		**(52,641,054)**	**(116,089,784)**
Exceptional items (Net)	28	30,577,959	419,031,845
Profit /(Loss) before tax		**(22,063,095)**	**302,942,061**
Tax expense:			
Current tax		-	78,463,021
Current tax relating to prior years		-	18,310,094
Minimum Alternate Tax (MAT) Credit entitlement		(8,531,787)	-
Minimum Alternate Tax (MAT) Credit utilised		-	1,543,979
Excess provision written back		(18,617,713)	-
Profit /(Loss) for the period		**5,086,405**	**204,624,967**
Earnings /(Loss) per equity share (Face Value of Rs. 10 each) Basic and Diluted	44	1.38	55.36
Significant Accounting Policies and Notes to financial statements	1 to 45		

The notes are an integral part of these Financial Statements

As per our report of even date.

For Singhi & Co.
Firm Registration No. : 302049E
Chartered Accountants

Nikhil Singhi
Partner
Membership No 061567

Mumbai
Date : May 24 , 2013

For and on behalf of the Board of Directors

Shantanu Parvati
Wholetime Director

A Goenka
Director

Parveen Agarwal
Company Secretary

Mumbai
Date : May 24 , 2013

Schrader Duncan Limited
Consolidated Cash Flow Statement for the year ended March 31, 2013

	Rupees	Year ended March 31, 2013 Rupees	Year ended March 31, 2012 Rupees
A. Cash flow from Operating Activities			
Net Profit / (Loss) before taxation		(22,063,095)	302,942,061
Adjustments for:			
Depreciation and amortisation expense	24,365,799		24,266,330
Finance costs	28,967,464		40,199,376
Unrealised Foreign Exchange loss (net)	45,152		23,109
(Profit) / Loss on Sale / discard of Fixed Assets	1,990,102		101,457
Bad Debts / advances written off	-		6,140,628
Provision for Doubtful Debts	-		3,812,118
Liabilities no longer required	(823,463)		(1,845,748)
Dividend on Non-Current Investments	(50,078)		(12,687)
Profit on Sale of Land	(44,775,921)		(419,031,845)
Provision for Doubtful debts written back	(2,315,305)		-
Interest income	(564,622)	6,839,128	(237,586)
Operating profit / (loss) before working capital changes		(15,223,967)	(43,642,787)
Increase/ (Decrease) in Current and Non Current Liabilities	7,084,325		22,064,775
(Increase) / Decrease in Inventories	(28,647,876)		53,844,420
(Increase) / Decrease in Trade receivables	(39,987,967)		(33,035,105)
(Increase) / Decrease in Loans and Advances and Other Current and Non Current Assets	1,801,409	(59,750,109)	16,038,837
Cash generated from operations		(74,974,076)	58,912,927
Direct Taxes paid (Net of refunds)		(61,800,000)	(4,888,213)
Net cash used in Operating Activities		**(136,774,076)**	**10,381,926**
B. Cash flow from Investing Activities			
Purchase of Tangible / Intangible assets	(12,545,536)		(11,494,001)
Sale of Tangible / Intangible assets	555,000		60,200,135
Advance received for Sale of Land	26,130,000		-
Proceeds from sale of Land at Mulund (Net of Expenses)	212,055,850		
Expenses related to Sales of Land	-		-19,537,000
Decrease in the value of Investment	(49,840)		(2,686)
Interest received	564,622		441,545
Dividend received	50,078	226,760,174	12,687
Net cash from investing activities		**226,760,174**	**29,620,679**
C. Cash flow from Financing Activities			
Repayment of long-term borrowings		(32,503,616)	(30,121,201)
Increase/ (Decrease) in Cash Credit Utilisation		(32,420,253)	21,682,040
Proceeds from long-term borrowings			1,141,000
Interest paid		(30,313,375)	(42,270,374)
Foreign Currency Demand Loan Repaid		-	(19,304,247)
Proceeds from other short-term borrowings		3,000,000	17,000,000
Net cash used in Financing Activities		**(92,237,244)**	**(51,872,782)**
Net increase /(Decrease) in cash and cash equivalents (A+B+C)		**(2,251,145)**	**(11,870,177)**
Cash and cash equivalents at the beginning of the year		10,008,387	21,878,564
Cash and Cash Equivalents taken over due to Merger		2,224,388	-
Cash and cash equivalents at the end of the year		**9,981,630**	**10,008,387**
Cash and cash equivalents comprise of:			
(a) Cash on hand		85,766	23,058
(b) Cheques on hand		0	1,339,518
(c) Bank balances:			
In current accounts		3,438,286	4,230,946
In EEFC accounts		49,593	898,793
(d) Other bank balances:			
Unpaid Dividends accounts *		1,867,985	2,137,672
Balances held as margin money *		4,540,000	1,378,400
Total		**9,981,630**	**10,008,387**

* Amounts are not available for use by the Company

Notes :

1 The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on "Cash Flow Statement"

2 Purchase of Fixed Assets are shown inclusive of movement in Capital Work in Progress, Capital Advances and Capital Creditors

3 Previous year's figure have been re-grouped/re-arranged, wherever necessary.

This is the Consolidated Cash Flow Statement referred to in our report of even date

For Singhi & Co.
Firm Registration No. : 302049E
Chartered Accountants

Nikhil Singhi
Partner
Membership No 061567

Mumbai
Date : May 24, 2013

For and on behalf of the Board of Directors

Shantanu Parvati
Wholetime Director

A Goenka
Director

Parveen Agarwal
Company Secretary

Mumbai
Date : May 24, 2013

Schrader Duncan Limited
Notes to the Financial Statements for the year ended 31st March, 2013

Significant Accounting policies and Notes to Accounts

Note 1
Corporate Information

Schrader Duncan Limited is a manufacturer of tyre tube valves and accessories and pneumatic products. The Company has its manufacturing unit situated in Ranjangaon (near Pune). The Company is a Public Limited Company and is listed on the Bombay Stock Exchange (BSE).

Note 2
Significant Accounting Policies

2.1 Basis of preparation :

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the, accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956 (the Act).

2.2 Use of estimates :

The preparation of financial statement requires estimates and assumptions to be made that affect the reported amount of Assets and Liabilities on date of the financial statement and reported amount of revenues and expenses during reporting period. Difference between actual results and estimates are recognized in the period in which results are known/materialized.

2.3 Fixed Assets :

(a) Tangible Assets :

Tangible fixed assets are stated at cost less accumulated depreciation/ amortization and impairments, if any. Direct cost including the purchase price and any attributable cost of bringing the asset to its working condition for its intended use are capitalized when fixed assets are ready for use.

(b) Intangible Assets :

Intangible Assets resulting in future economic benefits where the cost can be reliably measured are capitalized. Intangible assets are stated at cost less accumulated depreciation/ amortization and impairment loss.

2.4 Depreciation & Amortization :

Depreciation on additions/ deletions to fixed assets is calculated pro-rata from/ upto the date of such additions/ deletions. Depreciation is provided on a straight line method on the cost of tangible assets, at the rates given in Schedule XIV to the Companies Act, 1956 except:

(i) Vehicles, which have been depreciated in 7 years period.
(ii) Computers, which have been depreciated in 4 years period.
(iii) Leasehold Improvements are amortized equally over the period of the respective leases.
(iv) Guest house Equipments and Furniture which have been depreciated in 3 years period.

Depreciation on additions/ deletions to intangible assets is calculated pro-rata from/ upto the date of such additions/ deletions. Depreciation on intangible assets is provided on a straight line method at the following rates:

Asset	Rate of depreciation (%)
Computer Software	25

2.5 Impairment of Assets :

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generation unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exist, the recoverable amount is reassessed and the assets is reflected at the recoverable amount.

2.6 Foreign Currency Transactions :

All foreign currency receivables and payables, except those covered under forward exchange contracts, are restated at the exchange rate prevailing as on the date of Balance Sheet and exchange differences arising thereon are debited /credited to the Statement of Profit and Loss. In case of assets and liabilities covered by forward contracts, the exchange difference is recognized over the life of the contract. Exchange differences arising on concluded transactions during the year are debited/credited in the Statement of Profit and Loss of the same year.

2.7 Investments :

Long Term Investments are valued at cost. Provision is made to recognize a diminution, other than temporary, in the value of investments. Current Investments are stated at lower of cost and fair value.

Notes to the Financial Statements for the year ended 31st March, 2013

2.8 Valuation of Inventory :

(a) Inventories are valued at lower of cost and Net realizable value.

Cost of raw materials, stores and spares are determined on a weighted average basis.

Cost of work-in-progress includes raw material cost determined on a weighted average basis, labour charges and proportionate factory overheads.

Cost of finished goods includes raw material cost determined on a weighted average basis, labour charges, proportionate factory overheads and excise duty.

2.9 Revenue Recognition :

Sale of goods :
Domestic sales are recognized on dispatch, and are net of sales tax. Export sales are recognized on shipment, on the basis of the Bills of Lading.

Sale of services :
Revenue from services is recognized on rendering of services in accordance with the Contractual arrangements.

2.10 Employee Benefits :

(i) Contribution towards the defined contribution plans are recognised in the Statement of Profit and Loss on accrual basis

(ii) Liabilities in respect of defined benefit plans are determined based on actuarial valuation made by an independent actuary, using Projected Unit Credit Method, as at each balance sheet date. The actuarial gains or losses are recognised immediately in the Statement of Profit and Loss.

(iii) Leave Encashment has been determined and accrued on the basis of actuarial valuation.

2.11 Taxation:

(a) Current Tax :
Current tax is determined as the amount of tax payable in respect of taxable income for the year under the provisions of the Income Tax Act, 1961 of India.

(b) Deferred Tax :

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

(c) Minimum Alternate Tax (MAT) Credit Entitlement :

MAT paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

2.12 Borrowing Cost :

Borrowing cost directly attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalization during the period, any income earned on the temporary investments of those borrowing is deducted from cost incurred.

2.13 Provisions, Contingent Liability and Contingent assets :

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statement.

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2013

Note 3

Scheme of Amalgamation

(a) A Scheme of Amalgamation of Associated Polymers Limited (APL) herein after (referred to as "Transferor company") and Schrader Duncan Limited (the Company or SDL) and their respective shareholders, under section 391 to 394 of the companies Act, 1956 ("the scheme") has been sanctioned by the Hon'ble Court of Judicature at Bombay (vide its order dated 18th April, 2013).

(b) The Scheme became effective on 17th May 2013 ("effective date") on filing of the certified copies of the Orders with the Registrar of companies. The Appointed date from which the Scheme is operative is 1st April 2012 (the "Appointed Date").

(c) APL was engaged in the business of processors of all kind of rubber whether natural and/or synthetic and/or reclaimed and/or PVC and/or Polyethylene and/or resins and/or celluloid and/or other substitutes thereof.

(d) Consequent to the Scheme becoming effective from the Appointed date, the entire business and undertaking of the transferor company including all assets, debts, liabilities, duties and obligations have, without further act, instrument or deed, but subject to the charges affecting the same as on the effective date, been transferred and vested in the company. On the scheme becoming effective, all Staff, workmen and employees of the transferor company in service on the effective date, are deemed to have become staff, workmen and employees of the company.

(e) During the period from the Appointed date to the effective date, the transferor company have been deemed to have carried out their respective business and activities for and on account of and in trust for the company. Accordingly, the revenue from operations and profit before tax of the transferor company for the year ended 31 March '2013 are included in the financial statements.

(f) In terms of the Scheme, the company has accounted for the amalgamation based on the 'Pooling of Interest' method as under:

(i) All the assets and liabilities recorded in the books of the transferor company have been recorded by the company at their respective book values; the amount of inter-company balances have been cancelled.

(ii) APL being a wholly owned subsidiary of the company, no fresh shares are required to be issued and the Investments of SDL in APL stands cancelled.

(iii) The surplus arising between the aggregate values of assets of the transferor company acquired, net of the aggregate of the liabilities of the transferor companies, has been recorded as capital reserve of the Company based on the Court Order as under:

Particulars	**Amount (Rs.)**	
Tangible Fixed Assets	1,101,156	
Long Term Loans and Advances *	35,487,508	
Current Investments	1,185,905	
Trade Receivables	364,542	
Cash and Bank Balances	2,224,388	
Short term Loans and Advances	676,301	
Other Current Assets	13,217	41,053,017
Less :		
Long term Provisions	115,687	
Short term borrowings	389,000	
Trade Payables	120,201	
Other current Liabilities	704,233	
Short term provisions	17,550	1,346,671
Net Assets Taken Over (A)		39,706,346
Less : Investment of SDL in APL (Being 100% Subsidiary) (B)		1,500,130
Capital Reserve on Amalgamation (A - B)		38,206,216

* Setoff against each other on Amalgamation

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March.31,2013

Note 4

Share Capital

	As at March.31,2013 Rupees	As at March 31, 2012 Rupees
Authorised :		
5,000,000 (March 31, 2012 - 5,000,000) Equity Shares of Rs. 10 each	50,000,000	50,000,000
Issued, Subscribed and Paid-up :		
3,696,000 (March 31, 2012 - 3,696,000) Equity Shares of Rs. 10 each	36,960,000	36,960,000
Total	**36,960,000**	**36,960,000**

(a) Reconciliation of number of shares :

Equity Shares:	As at March 31,2013 No. of shares	As at March 31,2013 Rupees	As at March 31, 2012 No. of shares	As at March 31, 2012 Rupees
Number of Equity shares outstanding at the beginning of the year	3,696,000	36,960,000	3,696,000	36,960,000
Add: Additional Equity shares issued during the year	-	-	-	-
Less: Shares forfeited/ bought back during the year	-	-	-	-
Number of Equity shares outstanding at the end of the year	3,696,000	36,960,000	3,696,000	36,960,000

(b) Number of shares held by each shareholder holding more than 5% shares in the company are as follows:

Particulars	Number of shares as at March 31,2013	Holding in percentage as at March 31,2013	Number of shares as at March 31, 2012	Holding in percentage as at March 31, 2012
Equity Shares:				
Oriental Carbon and Chemicals Limited (OCCL).	2,313,604	62.60%	465,104	12.58%
Cosmopolitan Investment Limited.	440,232	11.91%	440,232	11.91%
Schrader Bridgeport International Inc (Also refer note d below)	-	0.00%	1,848,000	50.00%

(c) Rights, preferences and restrictions attached to shares :

The Company has issued one class of equity shares having a face value of Rs. 10 per share. Each shareholder has right to vote in respect of such share, on every resolution placed before the Company and his voting right on a poll shall be in proportion to his share of the paid-up equity capital of the Company. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.

(d) Change in Shareholding :
However, subsequent to the year end on April 01, 2012, Schrader Bridgeport International Inc, USA opted to exit the joint venture and sold their entire stake comprising 50% of the share capital to OCCL, the Indian Promoter.

Note 5

Reserves and Surplus

	As at March 31,2013 Rupees	As at March 31, 2012 Rupees
Capital Reserve		
Balance at the beginning of the year	-	-
Add : Acquired on Merger (Refer Note 3)	38,206,216	-
Balance as at the end of the year	**38,206,216**	**-**
General Reserve		
Balance at the beginning of the year	66,031,583	66,031,583
Less: As per contra in Statement of Profit and Loss	-	-
Balance as at the end of the year	**66,031,583**	**66,031,583**
Surplus /(Deficit) in Statement of Profit and Loss:		
Balance at the beginning of the year	204,631,967	-
Add: Profit / (Loss) for the year	5,086,405	204,631,967
Less: As per contra in General Reserve	-	-
Balance as at the end of the year	**209,718,372**	**204,631,967**
	313,956,171	**270,663,550**

Note 6

Long-term borrowings

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Secured:		
Term loan from a bank	47,125,415	60,000,000
Vehicle loan	-	765,031
Total	**47,125,415**	**60,765,031**
Unsecured:		
Loans from subsidiary Company	-	35,000,000
	-	**35,000,000**
Total	**47,125,415**	**95,765,031**

a) Nature of Security and Terms of Repayment of Secured Borrowings :

Nature of Security	Terms of Repayment
Term loan from State Bank of India is secured by primary 1st exclusive mortgage/ hypothecation charge on the tangible movable/ immovable fixed assets created at Ranjangaon, Pune and collateral charge on the Company's current assets. Corporate Guarantees by (i) Oriental Carbon & Chemicals Ltd, and ii) Cosmopolitan Investments Ltd. and the aggregate amount of such loan is amounting to Rs. 70,261,415 (March 31, 2012 : Rs 102,000,000)	Repayable in equal monthly installment of 19,28,000/- from the rescheduled date (i.e. Oct '2012) upto March 2016 along with interest of 14.10% p.a.
Vehicle loan is secured by hypothecation of asset underlying the lease.	Repaid in full during the current Year.

* Amount repayable within 12 months from March 31, 2013 are included in Other Current Liabilities (Refer Note 10).

Note 7

Long-term provisions

	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits :		
Provision for compensated absences	1,762,086	1,821,201
Provision - Others :		
Provision for Income Tax (net of advance tax and tax deducted at source amounting to Rs. 155,605,956)	442,227	5,604,585
Total	**2,204,313**	**7,425,786**

Note 8	**As at March 31, 2013 Rupees**	**As at March 31, 2012 Rupees**
Short-term borrowings		
Secured :		
Working capital loans repayable on demand		
From banks:		
Cash Credit	88,514,061	120,934,314
	88,514,061	**120,934,314**
Unsecured:		
From other parties - Holding Company	20,000,000	17,000,000
	20,000,000	**17,000,000**
Total	**108,514,061**	**137,934,314**

(a) Details of security for the Secured Short-term borrowings :

Cash Credit is secured by Primary first hypothecation charge on the company's entire current assets, both present and future, Collateral first charge on Company's movable fixed assets and tangible Fixed assets at Ranjagaon, Pune. Further by Corporate Guarantees of (i) Oriental Carbon & Chemicals Ltd, and ii) Cosmopolitan Investments Ltd.

Note 9		
Trade payables :		
Micro, Small and Medium Enterprises	16,601,019	16,370,787
Others	93,871,611	103,063,569
Total	**110,472,630**	**119,434,356**

Note 10
Other current liabilities

	As at March 31, 2013	**As at March 31, 2012**
Current maturities of long-term debt	23,136,000	42,000,000
Current maturities of vehicle loan	-	254,769
Interest accrued and due on borrowings	-	1,345,911
Unpaid dividends (Refer Note (a) below)	1,867,985	2,137,672
Advances from customers	4,578,021	2,746,886
Employee Benefits Payable	6,360,790	3,641,984
Statutory dues including Provident Fund and Tax deducted at Source	6,686,310	7,219,122
Other Contractual liabilities	8,495,382	10,718,136
Other payables:		
Liabilities towards purchase of fixed assets	1,768,718	3,176,978
Trade deposits	928,661	803,661
Liability for gratuity (net)	2,191,022	542,273
Retention Money Account	150,000	150,000
Others	643,761	2,777,645
Total	**56,806,650**	**77,515,037**

(a) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund under section 205C of the Companies Act, 1956 as at the year end.

Note 11
Short-term provisions

	As at March 31, 2013 Rupees	**As at March 31, 2012 Rupees**
Provision for employee benefits :		
Provision for compensated absences	177,241	275,541
	177,241	**275,541**
Others Provisions :		
Provision for Sales Tax liability against Pending C Forms	9,972,841	-
Provision for tax	-	76,824,968
Total	**10,150,082**	**77,100,509**

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2013

Note 12

A. Tangible Assets

Rupees

	GROSS BLOCK					DEPRECIATION					NET BLOCK	
PARTICULARS	Cost as at April 1, 2012	Additions on Amalgamation	Other addition during the Year	Disposal/ Adjustments during the Year	Cost as at March 31, 2013	Accumulated Depreciation as at April 1, 2012	Addition on Amalgamation	Depreciation for the Year	On Disposals/ Adjustments during Year	Accumulated Depreciation as at as at March 31, 2013	Written Down Value as at March 31, 2013	Written Down Value as at March 31, 2012
Leasehold Land	20,482,770	135,783		135,783	20,482,770	658,156	51,861	221,618	53,289	878,346	19,604,424	19,824,614
Leasehold Building (Refer Note 1 below)	143,452,424	1,248,268	603,696	1,248,268	144,056,120	10,082,558	1,138,940	3,973,825	1,143,182	14,052,141	130,003,979	133,369,866
Machinery, Workshops and Laboratory Equipment	162,892,728	4,587,355	10,144,108	7,517,957	170,106,234	51,287,839	4,080,376	15,302,571	6,099,865	64,570,921	105,535,313	111,605,189
Electrical Installations	23,909,289	870,780	55,745	935,082	23,900,732	2,748,608	499,101	1,157,348	532,708	3,872,349	20,028,383	21,160,681
Air-conditioning Equipment	3,049,054			40,252	3,008,802	382,223		144,351	31,178	495,396	2,513,406	2,666,831
Furniture and Fixture	21,704,819	43,243		1,290,495	20,457,567	5,214,100	33,942	1,252,515	801,983	5,698,574	14,758,993	16,490,719
Office Equipment	11,805,977	58,619	269,808	1,629,731	10,504,673	6,193,671	38,372	1,079,077	1,428,462	5,882,658	4,622,015	5,612,306
Vehicle	3,146,649		394,236	245,700	3,295,185	827,632		252,961	166,722	913,871	2,381,314	2,319,017
Leasehold Improvement	2,851,417			2,851,417	-	2,818,734		1,576	2,820,310	-	-	32,683
Total	**393,295,127**	**6,944,048**	**11,467,593**	**15,894,685**	**395,812,083**	**80,213,521**	**5,842,592**	**23,385,842**	**13,077,699**	**96,364,256**	**299,447,827**	**313,081,905**
Previous year	391,227,682		12,773,760	10,706,315	393,295,127	66,627,489		23,272,991	9,687,260	80,213,221		

B. Intangible Assets

	GROSS BLOCK					AMORTISATION					NET BLOCK	
PARTICULARS	Cost as at April 1, 2012	Additions on Amalgamation	Addition during the Year	Disposal/ Adjustments during the Year	Cost as at Dec 31, 2012	Accumulated Depreciation as at April 1, 2012	Additions on Amalgamation	for the Year	On Disposals/ Adjustments during Year	Accumulated Depreciation as at as at June 30, 2012	Written Down Value as at Dec. 31, 2012	Written Down Value as at March 31, 2012
Computer Software	4,310,643	-	219,676	25,900	4,504,419	2,605,095	-	979,957	25,895	3,559,157	945,262	1,705,548
Total	**4,310,643**		**219,676**	**25,900**	**4,504,419**	**2,605,095**		**979,957**	**25,895**	**3,559,157**	**945,262**	**1,705,548**
Previous year	4,408,638		92,809	190,804	4,310,643	1,736,525		993,339	124,769	2,605,095		

Notes : 1) Advance rent against lease premises (Net Block Rs. 898,256) is being amortised over the lease period of 60 years.

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2013

Note 13

Non-current investments

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Other investments (valued at cost unless stated otherwise):		
Quoted:		
800 fully paid Equity Shares of Rs. 2 each in Swan Energy Limited formerly known as Swan Mills Limited	1,441	1,441
Apollo Tyres Limited 1000 equity shares of Rs. 1 each fully paid	7,002	-
Ceat Limited 75 equity shares of Rs. 10 each fully paid	1,663	-
Summit Securities Limited 4 equity shares of Rs. 10 each fully paid	66	-
Goodyear India Limited 100 equity shares of Rs. 10 each fully paid	6,259	-
J. K. Industries Limited 56 equity shares of Rs. 10 each fully paid	1,411	-
J. K. Sugar Limited 15 equity shares of Rs. 10 each fully paid	186	-
TVS Srichakra Tyres Limited 100 equity shares of Rs. 10 each fully paid	3,795	-
Falcon Tyres Limited 600 equity shares of Rs. 5 each fully paid	1,573	-
MRF Limited 13 equity shares of Rs. 10 each fully paid	19,438	-
Triton Valves Limited 50 equity shares of Rs. 10 each fully paid	16,252	-
Modi Rubber Limited 100 equity shares of Rs. 10 each fully paid	3,042	-
Unquoted:		
Investment in subsidiaries: 150,007 fully paid Equity Shares of Rs. 10 each in Associated Polymers Limited	-	1,500,130
Others: 360 fully paid Equity Shares of Rs. 100 each in Duncan Services Limited (includes 180 shares received as fully paid Bonus Shares)	18,000	18,000
National Savings Certificate (Lodged as security deposit with Sales Tax Authorities)	-	-
UTI Balanced Fund (Income-Reinvestment) 13,942.31 Units (Previous Year: 13,328.38) of Rs. 10 each fully paid up (Dividend units Re-invested during the year: 613.93)	213,991	200,646
1095.85 units (Previous Year:1063.03 units) of UTI- Treasury Advantage Fund-Weekly Dividend Plan - Re-investment of Rs. 1,000 each fully paid [Purchased during the year Nil units Sold during the year Nil units Dividend Reinvested during the year 32.82 units]	1,133,761	-
20.74 units (Previous Year: 20.29 units) of UTI-Treasury Advantage Fund-Quarterly Dividend Plan - Re-investment of Rs.1,000 each fully paid [Purchased during the year Nil units Sold during the year Nil units Dividend Reinvested during the year 0.45 units]	26,465	-
J. K. Agri Genetics Limited 10 equity shares of Rs. 10 each fully paid	273	-
Dunlop India Limited 100 equity shares of Rs. 10 each fully paid	1,212	-
Netflier Finco Limited 18 equity shares of Rs. 10 each fully paid	1	-
Total	**1,455,831**	**1,720,217**

Aggregate amount of quoted investment Rs. 62,128 (Previous Year: Rs. 1,441)
Aggregate amount of unquoted investment Rs. 1,393,703 (Previous Year: Rs.1,718,776)
Aggregate amount of market value of quoted investment Rs. 436,736 (Previous Year: Rs. 92,520)

	As at March 31, 2013	As at March 31, 2012
Note 14		
Long-term loans and advances	**Rupees**	**Rupees**
Unsecured, Considered Good:		
Capital advances	-	726,781
Security deposits	3,924,577	6,108,405
Minimum alternate tax credit entitlement	8,531,787	-
Other Loans and advances		
Prepaid expenses	373,342	134,107
Balances with Government Authorities	-	1,236,000
Others		-
	12,829,706	**8,205,293**
Note 15		
Inventories		
(At lower of cost and net realisable value)		
Raw materials (Including Packing Materials)	74,214,687	68,443,586
Work-in-progress	32,431,649	16,291,509
Finished goods	15,592,148	11,472,090
Stores and spares	2,124,706	1,621,531
Traded Goods	887,200	1,874,061
Scrap	12,350,706	9,250,443
	137,601,096	**108,953,220**
Note 16		
Trade receivables		
Secured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	37,296	-
Others	604,723	803,661
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	5,014,688	2,223,863
Others	164,768,871	124,676,528
Unsecured, considered doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	-	1,388,606
Others	-	2,423,512
Less: Provision for doubtful debts	-	(3,812,118)
	170,425,578	**127,704,052**
Note 17		
Cash and Bank Balances		
Cash and Cash equivalents :		
Cash on hand	85,766	23,058
Cheques on hand	-	1,339,518
Balances with banks :		
In current accounts	3,438,286	4,230,946
In Exchange Earnest Foreign Currency Accounts	49,593	898,793
	3,573,645	**6,492,315**
Other bank balances :		
Unpaid dividend accounts	1,867,985	2,137,672
Margin money	4,540,000	1,378,400
	6,407,985	**3,516,072**
Total	**9,981,630**	**10,008,387**
Note 18		
Short-term loans and advances		
Unsecured considered good, unless otherwise stated :		
Advances Recoverable in Cash or in Kind	980,628	2,541,418
Prepaid Expenses	2,151,011	-
Advance to Subsidiary Company	-	389,000
Security deposits	4,819,068	1,503,800
Advances to Suppliers	4,132,326	3,115,616
Balances with Government Authorities:	13,085,430	23,479,185
Others	78,378	-
Total	**25,246,841**	**31,029,019**

Note 19 **Other current assets**	**Year ended March 31, 2013 Rupees**	**Year ended March 31, 2012 Rupees**
Unsecured, considered good:		
Interest accrued on deposits	316,734	272,769
Dues from Subsidiary		303,372
Assets held for sale	84,292	-
Receivable for Sale of Fixed Assets	26,533,809	219,352,350
Total	**26,934,835**	**219,928,491**

Note 20
Revenue from operations

Sale of products	687,604,968	586,589,762
Less : Discount on Sales	4,431,884	9,819,467
	683,173,084	**576,770,295**
Other Operating Revenue		
Sale of scrap	10,651,280	23,408,973
	693,824,364	**600,179,268**
Less : Excise duty	74,505,927	55,981,246
	619,318,437	**544,198,022**
(i) Details of Sales (Finished Goods)		
Passenger and Truck Valves	311,809,782	197,444,460
Hydraulic and Pneumatic Equipment	329,743,334	328,143,726
Others	40,360,028	42,164,075
	681,913,144	**567,752,261**
(ii) Details of Sales (Traded Goods)		
Seal Kit	-	13,948,482
Valve Cores	5,500,924	3,978,812
High Pressure Valves	190,900	546,663
Tubeless Valve	-	107,578
Other	-	255,966
	5,691,824	**18,837,501**

Note 21
Other income

Dividend on investments	50,078	12,687
Interest Income	564,622	237,586
Interest on Income Tax Refund		-
Profit on Sale of Fixed Assets (Net)	514,999	-
Profit on Sale of Investments		-
Rent Income	1,440,000	960,000
Support Services	2,760,000	2,140,000
Liabilities no Longer Payable written back	823,463	1,845,748
Bad Debts Recovered	2,179,814	200,195
Provision for Doubtful Debts written back	2,315,305	-
Provision for Dimunition written back		-
Net gain on Foreign currency translations and transactions	138,731	-
Miscellaneous Income	841,749	181,578
	11,628,761	**5,577,794**

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2013

Note 22 **Cost of materials consumed (Refer Note 33)**	**Year ended March 31, 2013 Rupees**	**Year ended March 31, 2012 Rupees**
Raw Material Consumed		
Opening stock	68,265,706	97,437,847
Add: Purchases	431,542,980	345,603,234
Less: Closing stock	73,752,680	68,265,706
Cost of Raw material consumed during the year	**426,056,006**	**374,775,375**
Packing Material Consumed		
Opening stock	177,880	220,035
Add: Purchases	5,120,311	4,265,256
Less: Closing stock	462,007	177,880
Cost of Packing material consumed during the year	**4,836,184**	**4,307,411**
	430,892,190	**379,082,786**

Note 23
Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Increase)/decrease in stocks		
Inventories at the end of the year:		
Finished goods	15,592,148	11,472,090
Work-in-progress	32,431,649	16,291,509
Traded goods	887,200	1,874,061
Scrap	12,350,706	9,250,443
Total (a)	**61,261,703**	**38,888,103**
Inventories at the beginning of the year:		
Finished goods	11,472,090	2,800,780
Work-in-progress	16,291,509	41,169,704
Traded goods	1,874,061	6,811,176
Scrap	9,250,443	10,988,967
Total (b)	**38,888,103**	**61,770,627**
Movement in Excise duty on finished products	481,220	1,695,535
(Increase) /Decrease in Stocks (b-a)	**(21,892,380)**	**24,578,059**

Note 24

Employee benefits expense

	Year ended March 31, 2013 Rupees	**Year ended March 31, 2012 Rupees**
Salaries, Wages, Bonus and Commission	74,955,613	70,552,638
Contributions to provident and other funds	3,633,105	3,969,181
Gratuity	2,191,022	542,271
Staff welfare expenses	21,972,364	17,561,532
	102,752,104	**92,625,622**

Note 25
Finance costs

Interest on borrowings	26,932,318	39,434,376
Other borrowing costs	2,035,146	765,000
	28,967,464	**40,199,376**

Note 26
Depreciation and Amortisation Expense

Depreciation on Tangible Assets	23,385,842	23,272,991
Amortisation on Intangible Assets	979,957	993,339
	24,365,799	**24,266,330**

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2013

Note 27

Other expenses

		Year ended March 31, 2013	Year ended March 31, 2012	
		Rupees	Rupees	
General Stores and Spares Consumed		26,441,914	15,246,621	
Power and Fuel		14,479,159	11,939,778	
Excise Duty		129,299	-	
Rent		9,151,975	8,864,163	
Rates and Taxes		11,920,641	3,333,060	
Repairs and Maintenance				
-Machinery		4,630,679	3,977,609	
-Building		120,246	109,839	
-Others		2,884,715	2,445,401	
Insurance		2,011,270	1,411,298	
Commission and Discount on Sales		2,492,776	2,422,778	
Business Promotion		95,865	1,180,382	
Carriage Outward		5,145,376	3,443,427	
Travelling and Conveyance		10,007,474	9,221,355	
Bad Debts /Advances written-off	1,503,055			
Less: Provision held	-1,503,055	-	6,140,628	
Provision for Doubtful Debts		-	3,812,118	
Directors' Fees		700,000	720,000	
Auditors' Remuneration				
As Auditors		525,000	1,225,000	*
For Tax Audit		140,000	150,000	*
For Out-of-Pocket Expenses		38,271	73,600	*
Legal and Professional Charges		6,212,490	7,336,966	
Foreign Exchange Loss (net)		-	407,999	
Loss on Sale /Discard of Fixed Assets (net)		2,505,101	101,457	
Prior Period Expenses		540,516	0	
Miscellaneous		15,972,184	14,801,141	
		116,144,951	**98,364,620**	

* Paid to erstwhile auditor

Note 28
Exceptional items (Net)

	Year ended March 31, 2013	Year ended March 31, 2012
Profit on Sale of Fixed Assets (Refer Note 32)	(44,775,921)	(419,031,845)
Settlement Compensation Paid to Employees (Refer note 31)	14,197,962	-
	30,577,959	**419,031,845**

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2013

Note 29	**As at 31 March, 2013**	**As at 31 March, 2012**
Contingent Liabilities:		
(a) Claims against the Company with respect to Income Tax Matters not acknowledged as debts . Appeals filed by the Company with the relevant authorities of Income Tax Department are pending disposal.	1,278,698	6,874,536
(b) Guarantees given by the Bank on behalf of the Company. These are financial and performance guarantees given to the customers, expiring on various future dates over the next 26 months.	3,227,027	3,843,211
(c) Claims against the Company with respect to Sales Tax Matters not acknowledged as debts.	1,603,537	3,323,124
(d) Claims against the Company with respect to Excise and Service Tax Matters not acknowledged as debts. Appeals filed by the Company with CESTAT, West Zone Bench, and Additional Commissioner of Central Excise Mumbai, is pending disposal.	2,147,830	2,590,790
	8,257,092	**16,631,661**

Note 30	**As at 31 March, 2013**	**As at 31 March, 2012**
Capital and other commitments:		
Estimated amount of Contracts remaining to be executed on capital account (net of advances) and not provided for	1,094,287	404,279

Note 31
Voluntary Retirement of Service
(i) During the year, the company has completed the process of shifting the manufacturing operations of Mahape to Ranjangoan for rationalisation and consolidation of its operations dated 9th January 2013 based on the Memorandum of settlement with the union of workmen employed at Mahape total liability of Rs. 10,496,600 (including the incremental settlement liability of Rs. 9,296,600) has been accounted during the year as exceptional item.

(ii) During the year, the company has also completed the process of shifting the manufacturing operations of its rubber mixing operations from MIDC Tarapur to Ranjangoan for rationalisation and consolidation of its processes dated 19th October, 2012 based on the settlement with the workers employed at MIDC, Tarapur total liability of Rs. 3,701,362 (including the incremental settlement liability of Rs. 3,291,954) has been accounted during the year as exceptional item.

Note 32
Sale of Land
During the year, the company has entered into an MOU dated 27th September, 2012 for transfer of its land at MIDC, Tarapur. The permission from MIDC for transfer of Land was received during the year. The company considers risks and rewards relating to the transaction to have been transferred and has accordingly recognized profit on transfer of land amounting to Rs. 44,775,921.

Note 33
Tax Provision :
Based on evaluation of its tax provisions, the company has reversed excess provision for tax relating to earlier years amounting to Rs. 18,617,713 and recognized MAT credit entitlement of Rs. 8,531,787 during the year.

Note 34
Sales Tax liability
During the year company has received Sales Tax Assessment order for the year 2005-06 and 2008-09. The company is still receiving some C forms and went into the Appeal. On Prudence basis of accounting, company has during the year provided Rs 7,661,648/- as potential sales tax liability for the four years consisting of 2005-06,2006-07,2007-08 and
2008-09. This amount has been debited to Rates and Taxes and shown as other current Liabilities.

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2013

Note 35.1

Dues to Micro and Small enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	Particulars	**2012-2013**	**2011-2012**
a)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	16,601,019	16,106,562
b)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	25,165	264,225
c)	Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
d)	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
e)	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
f)	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
g)	Further interest remaining due and payable for earlier years	25,165	264,225

The above information regarding Micro and Small enterprises has been determined on the basis of information available with the Company.

Note 35.2

Disclosure Pursuant to Clause 32 of the listing agreements with the stock exchanges

	Particulars	**2012-2013**	**2011-2012**
a)	Intercorporate deposit taken from Oriental Carbon and Chemicals Limited, a Holding Company and a company in which a director is interested.		
i)	- Amount at the end of the year	20,000,000	10,000,000
ii)	- Maximum amount during the year.	25,000,000	10,000,000

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2013

Note 36

Disclosures under Accounting Standards 15

(A) Defined Contribution Plans

a. Provident fund
b. Superannuation fund
c. State defined contribution plans
- Employers' Contribution to Employees' State Insurance
- Employers' Contribution to Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner and the superannuation fund is administered by the trustees of Schrader Duncan Limited. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income tax authorities.

The Company has recognised the following amounts in the Statement of Profit and Loss for the :

	Year ended March 31, 2013 Rupees	Year ended March 31, 2012 Rupees
Contribution to Provident Fund	1,933,443	1,828,530
Contribution to Employee's Pension Scheme	1,314,207	1,226,787
Contribution to Employee's Superannuation Fund	165,322	496,472
Contribution to Employee's State Insurance Scheme	194,259	398,780
Contribution to Labour Welfare Fund	25,874	18,612
	3,633,105	**3,969,181**

(B) Defined Benefit Plans

(a) Gratuity
Valuations in respect of Gratuity (funded) has been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

	Year Ended March 31, 2013	Year Ended March 31, 2012
Discount Rate (Per annum)	8.00%	8.50%
Rate of increase in Compensation levels	6.00%	6.00%
Rate of Return on Plan Assets	8.70%	8.00%
Expected Average remaining working lives of employees in number of Years	22	20

(i) Changes in present value of obligation

	Year Ended March 31, 2013 Rupees	Year Ended March 31, 2012 Rupees
Present value of Obligation as at beginning of the year	8,871,952	8,792,378
Interest Cost	741,119	754,174
Current Service Cost	810,928	927,058
Benefits paid	(6,482,762)	(1,155,850)
Actuarial (Gains)/Loss	1,240,398	(500,257)
Present value of Obligation as at the end of the year	**5,181,635**	**8,817,503**

(ii) Changes in Fair value of plan assets

	Year Ended March 31, 2013 Rupees	Year Ended March 31, 2012 Rupees
Present value of plan assets as at beginning of the year	8,329,679	6,704,808
Expected return on Plan Assets	657,547	659,412
Actuarial gain/(loss) on Plan Assets	(56,123)	5,549
Actual Company Contribution	542,272	2,115,760
Benefits paid	(6,482,762)	(1,155,850)
Fair value of Plan Assets as at the end of the year	**2,990,613**	**8,329,679**

(iii) Percentage of each category of plan assets to total fair value of plan assets

	Year Ended March 31, 2013	Year Ended March 31, 2012
Administered by Life Insurance Corporation of India	**100%**	**100%**

(iv) Reconciliation of the Present Value of Defined Present Obligations and the Fair value of Assets

	Year Ended March 31, 2013 Rupees	Year Ended March 31, 2012 Rupees
Present value of Funded Obligation as at the end of the year	5,181,635	8,817,503
Fair value of Plan Assets as at the end of the year	2,990,613	8,329,679
(Asset)/ Liability recognised in the Balance Sheet	**2,191,022**	**487,824**

(v) Amounts recognised in the Balance Sheet

	Year Ended March 31, 2013 Rupees	Year Ended March 31, 2012 Rupees
Present value of Obligation as at end of the year	5,181,635	8,817,503
Fair value of Plan Assets as at end of the year	2,990,613	8,329,679
Funded (Asset)/ Liability recognised in the Balance Sheet	**2,191,022**	**487,824**

(vi) Expenses recognised in the Statement of Profit and Loss

	Year Ended March 31, 2013 Rupees	Year Ended March 31, 2012 Rupees
Current Service Cost	810,928	927,058
Interest Cost	741,119	754,174
Expected Return on Plan Asset	(657,546)	(659,412)
Net Actuarial (Gain)/ Loss	1,296,521	(505,806)
Total Expenses recognised in the Statement of Profit and Loss	**2,191,022**	**516,014**

(vii) Expected employers' contribution for the next year	**1,912,255**	**1,026,824**
(viii) Experience adjustments		
On Plan Liabilities Gain/ (Loss)	**(1,006,704)**	**266,237**
On Plan Assets Gain/ (Loss)	**(56,123)**	**5,549**

(C) Disclosure as required under Para 120(n);
Amounts recognised in current year and previous four years

	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009
Present value of defined benefit obligation	5,181,635	8,817,503	8,792,378	22,739,965	22,484,575
Fair Value of Plan Assets	2,990,613	8,329,679	6,704,808	23,951,184	21,878,298
Surplus/ (Deficit) in the Plan	2,191,022	(487,824)	(2,087,570)	121,219	(6,277)
Experience adjustments on Plan Liabilities Gain/ (Loss)	(1,006,704)	295,691	(1,444,449)	1,691,758	(1,083,917)
Experience adjustments on Plan Assets Gain/ (Loss)	(56,123)	5,549	(121,070)	91,401	55,441

(D) The Liability for leave encashment and compensated balances as at year end is Rs.1,939,327/- (Previous Year Rs. 2,229,979).

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2013

Note 37

CIF Value of Imports:

	Year ended March 31, 2013 Rupees	Year ended March 31, 2012 Rupees
Raw materials	48,977,146	27,912,543
Traded Goods	2,252,600	2,451,280
Stores and Spares	3,213,431	-
	54,443,177	**30,363,823**

Note 38

Expenditure in foreign currency:

	Year ended March 31, 2013 Rupees	Year ended March 31, 2012 Rupees
Travelling Expenses	727,436	751,736
Capital Goods	-	2,476,433
	727,436	**3,228,169**

Note 39

Earnings in Foreign Currency:

	Year ended March 31, 2013 Rupees	Year ended March 31, 2012 Rupees
FOB value of exports	21,670,472	6,001,683
	21,670,472	**6,001,683**

Note 40

Details of Consumption and Purchases

	Year ended March 31, 2013 Rupees	Year ended March 31, 2012 Rupees
(a) Details of Raw Material Consumed *		
Metals	131,678,264	76,742,369
Rubber	36,130,300	23,390,735
Others	263,083,626	278,949,682
	430,892,190	**379,082,786**

(b) Details of consumption of imported and indigenous items:
Raw Materials, Packing Material and outside Contracts consumed during the year:

	Year ended March 31, 2013		Year ended March 31, 2012	
	Value Rupees	%	Value Rupees	%
Raw Material Consumed:				
Imported	48,329,846	11.22%	30,243,262	7.98%
Indigenous	382,562,344	88.78%	348,839,524	92.02%
	430,892,190	**100.00%**	**379,082,786**	**100.00%**

Stores and Spares Consumed:

	Year ended March 31, 2013		Year ended March 31, 2012	
	Value Rupees	%	Value Rupees	%
Imported	3,153,423	11.93%	-	-
Indigenous	23,288,491	88.07%	15,246,621	100%
	26,441,914	**100%**	**15,246,621**	**100%**

* The value of consumption of raw materials has been arrived at on the basis of Opening Stock plus Purchases less Closing Stock. The consumption, therefore, includes adjustments for raw materials written-off, shortage /excess etc.

(c) Information for each class of goods manufactured

	Year ended March 31, 2013		Year ended March 31, 2012	
	Opening Stock of Goods Produced	Closing stock of Goods Produced	Opening Stock of Goods Produced	Closing stock of Goods Produced
Passenger & Truck Valves	3,693,131	11,088,488	-	3,693,131
Hydraulic & Pneumatic Equipment	7,609,256	4,213,557	2,013,525	7,609,256
Others	169,703	290,103	787,255	169,703
	11,472,090	**15,592,148**	**2,800,780**	**11,472,090**

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2013

Note 41

Segment information for the year ended March 31, 2013

I. Information about primary business segments

(in Rupees)

	2012-2013				2011-2012			
	Automotive Products	**Pneumatic Products**	**Unallocated**	**Total**	**Automotive Products**	**Pneumatic Products**	**Unallocated**	**Total**
Revenue								
External Sales (Net of Discount and Excise Duty)	329,269,464	289,918,727	130,246	619,318,437	233,030,499	311,167,523	-	544,198,022
Other Income	4,964,491	870,008	36,372,221	42,206,720	611,452	1,601,557	422,159,043	424,372,052
Total Revenue	**334,233,955**	**290,788,735**	**36,502,467**	**661,525,157**	**233,641,951**	**312,769,080**	**422,159,043**	**968,570,074**
Result								
Segment Result	(37,349,211)	48,454,776	-	11,105,565	(69,226,144)	30,007,754	-	(39,218,390)
Unallocated expenditure (Net of unallocated income)			(4,765,818)	(4,765,818)	-	-	382,122,241	382,122,241
Interest expenses			(28,967,464)	(28,967,464)	-	-	(40,199,376)	(40,199,376)
Interest Income			564,622	564,622	-	-	237,586	237,586
Profit before Taxation	**(37,349,211)**	**48,454,776**	**(33,168,660)**	**(22,063,095)**	**(69,226,144)**	**30,007,754**	**342,160,451**	**302,942,061**
Other Information								
Segment Assets	490,770,951	138,218,480	(628,989,431)	-	436,569,056	143,079,056	243,150,470	822,798,583
Segment Liabilities	84,031,986	54,308,882	196,932,283	335,273,151	169,093,142	76,703,415	269,378,476	515,175,033
Capital Expenditure	7,405,518	3,761,879	519,872	11,687,269	11,356,056	1,510,513	-	12,866,569
Depreciation	21,967,239	1,150,670	1,247,890	24,365,799	21,850,350	1,588,350	827,630	24,266,330
Non-cash expenses other than depreciation				-	-	-	-	-

II. Information about Secondary Business Segments (in Rupees)

	India	**Outside**	**Total**	**India**	**Outside**	**Total**
Revenue by geographical market						
External Sales (Net of Discount and Excise Duty)	592,198,128	27,120,309	619,318,437	534,961,502	9,236,520	544,198,022
Carrying amount of segment assets	(2,382,595)	2,382,595	-	815,212,136	7,586,447	822,798,583
Additions to fixed assets	11,687,269	-	11,687,269	12,866,569	-	12,866,569

III. Notes:

a) The company is organized into two main business segments -
- Automotive products– comprising of tyre tube valves and accessories.
- Pneumatic products – comprising of pneumatic equipment and hydraulic products.

Segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organization structure and the internal financial reporting systems.

b) The segment revenue in the geographical segments considered for disclosure are as follows:
- Revenue within India includes sales to customers located within India and earnings in India.
- Revenue outside India includes sales to customers located outside India and earnings outside India.

c) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2013

Note 42

Related Party Disclosures (As identified by the Management)

A) Relationships:

(i) Holding Company
Oriental Carbon and Chemicals Limited *

(ii) Associate Company
Cosmopolitan Investments Limited *

(iii) Erstwhile Subsidiary of the Company: (merged with effect from 1st April, 2012)
Associated Polymers Limited

(iv) Key Management Personnel:
Mr. Shantanu Parvati - Managing Director

* Oriental Carbon and chemicals Limited and Cosmopolitan Investments Limited has given corporate Guarantees to Bank (State Bank of India) against all credit facilities.

Related Party Disclosures (As identified by the Management)

B) The following summarized the transactions entered into with related parties:

(Rupees)

Nature of transactions During the year	**Oriental Carbon & Chemicals Ltd**	**Cosmopolitan Investment Limited**	**Associated Polymers Limited**	**KMP**
Management Services	-	-	-	
(Income)		-	*(300,000)*	
Remuneration				4,600,000
				(4,000,000)
Loan Taken during the year	35,000,000	-		
	(10,000,000)	-	-	
Loan Given during the year	-	-	-	
	-	-	*(200,000)*	
Processing charges	-	-		
(Expenses)	-	-	(2,338,122)	
Expenses incurred on	3,142,049	-	-	
behalf of the company	(2,837,297)	-	-	
Expenses paid on behalf of	-	-		
the company	-	-	*(389,000)*	
Interest on inter Corporate	2,201,849	-		
Deposit	(18,493)	-	*(2,100,000)*	
Year End Balances	-	-	-	
Sundry Creditors	202,961	-	-	
	(204,188)	-	*(364,542)*	
Unsecured Loans	20,000,000	-		
	(10,000,000)	-	*(35,000,000)*	
Loans and Advances	-	-		
	-	-	(692,372)	
Interest Accrued and due	-	-	-	
	(18,493)	-	(1,894,885)	

figures in bracket indicates previous year figures.

Schrader Duncan Limited
Notes to the Financial Statements for the year ended June 30, 2013

Note 43

Deferred Tax:

The Deferred Tax balances are set out as below

Particulars		As at March 31, 2013	As at March 31, 2012
Deferred Tax Liabilities			
Depreciation		24,955,519	29,503,379
	Total (a)	**24,955,519**	**29,503,379**
Less :**Deferred Tax Assets**			
Voluntary Retirement Scheme		24,955,519	29,503,379
	Total (b)	**24,955,519**	**29,503,379**
Net Deferred Tax Liability (a-b)		-	-

* on consideration of prudence the Company has accounted deferred tax asset only to the extent of liability.

Note 44

Basic and Diluted Earnings per share :
The company reports basic and diluted earnngs per equity share in Accordance with AS-20, 'Earnings per share'. Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share outstanding during the year. There is no diluted earning per share as there are no dilutive potential equity shares.

	As at March 31, 2013	As at March 31, 2012
Profit / (Loss) for the year	5,086,405	204,624,967
Weighted Average Number of Equity Shares	3,696,000	3,696,000
Earnings per Equity Share - Basic	1.38	55.36
Earnings per Equity Share - Diluted	1.38	55.36
Nominal value of an Equity Share	10	10

Note 45

In the Opinion of the management and to the best of its knowledge and belief, the value on realization of current assets, loans, advances and payment of current liabilities and provisions in the ordinary course of business would not be less/ more, than the amount at which they are stated in the Balancesheet.

For **Singhi & Co.**
Firm Registration No. : 302049E
Chartered Accountants

Nikhil Singhi
Partner
Membership No 061567

Mumbai
Date : May 24, 2013

For and on behalf of the Board of Directors

Shantanu Parvati
Wholetime Director

A Goenka
Director

Parveen Agarwal
Company Secretary

Mumbai
Date : May 24, 2013

SCHRADER DUNCAN LIMITED
Registered Office : F-33, Ranjangaon MIDC
Karegaon, Shirur, Pune 412 209

ATTENDANCE SLIP

Folio : _____ DP Id No, Client Id No : _____

No of ES held : _____

I hereby record my presence at the FIFTIETH SECOND ANNUAL GENERAL MEETING of the Company on Tuesday, July 23, 2013 at 2.30 p.m. at F-33, Ranjangaon MIDC, Karegaon, Shirur, Pune 412 209

Name of the Shareholder : _____

Signature of the Shareholder / Proxy present : _____

Notes : 1. Shareholder/Proxy wishing to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.
2. Member/Proxy desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

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SCHRADER DUNCAN LIMITED
Registered Office : F-33, Ranjangaon MIDC
Karegaon, Shirur, Pune 412 209

PROXY FORM

I/We _____ of _____ _____ in the district of _____ being member / members of Schrader Duncan Limited hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ _____ in the district of _____ as my / our proxy to attend and vote for me / us and on my / our behalf at the Fiftieth Second Annual General Meeting of the Company to be held on Tuesday, July 23, 2013 at 2.30 p.m. at F-33, Ranjangaon MIDC, Karegaon, Shirur, Pune 412 209 and at any adjournment thereof.

Folio : _____ DP Id No, Client Id No : _____

No of ES held : _____

As witness my / our hand (s) this _____ day of _____ 2013

Signature : _____ Revenue Stamp _____

Note : The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting

Registered Office
Schrader Duncan Limited
F-33, Ranjangaon MIDC,
Karegaon, Tal.- Shirur, Pune - 412 209.
Maharashtra, INDIA.

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	Schrader Duncan Limited
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of Observation	No adverse comments. Financial statements i.e. balance sheet, profit and loss account and cash flow statement for the relevant period are prepared, presented and reflect a true and fair view and are in conformity with the accounting principles generally accepted in India.
5.	To be signed by- • CEO/Managing Director	
	• CFO	
	• Auditor of the Company	SINGHI & CO. ★ Chartered Accountants ★
	• Audit Committee Chairman	