
SCHRADER DUNCAN LIMITED

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SCHRADER DUNCAN LIMITED

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	Existing Auditors
F-33, Ranjangaon MIDC	M/s Pricewater House & Co., Mumbai
Karegaon, Tal Shirur	Proposed Auditors for F.Y. 2012-13
Pune 412 209	M/s Singhi & Co., Mumbai

Plants

Ranjangaon - Maharashtra
F-33, Ranjangaon MIDC 412 209
Navi Mumbai – Maharashtra
A-473 TTC, MIDC, Mahape 400 701

Bankers
State Bank of India

Legal Advisors
Crawford Bayley & Co

Branch Offices

31, Netaji Subhash Road
Kolkata 700 001
Publicis House, 1-2 Aram Bagh,
Community Centre, Punchkuain Road
New Delhi 110 055

Listed at
Mumbai (BSE)

Share Transfer Agent
Link Intime India Pvt Ltd
C-13 Pannalak Silk Mills Compound,
L B S Marg, Bhandup, Mumbai 400 078.

SCHRADER DUNCAN LIMITED

NOTICE

NOTICE is hereby given that the Fifty First Annual General Meeting of the Shareholders of Schrader Duncan Limited will be held on Monday, August 13, 2012 at 2.30 PM at the registered office at F-33, Ranjangaon MIDC, Karegaon, Tal Shirur, Pune 412 209 for transacting the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 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. A Goenka, who retires by rotation and is eligible for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary resolution :

“RESOLVED THAT subject to the provisions of Section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s Singhi & Co. Chartered Accountants, Mumbai be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of the Annual General Meeting upto the conclusion of of next Annual General Meeting of the company, in place of the retiring Statutory Auditors, M/s Price Waterhouse & Co., chartered Accountants to examine and audit the accounts of the company for the Financial year 2012-13 on such remuneration which would be mutually agreed between the Board of Directors of the company and the Auditors, in connection with the audit of the accounts of the Company for the year ending March, 31, 2013.

Special Business:

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

“Resolved that Mr Shantanu Parvati who was appointed as Additional Director of the Company w.e.f July 29, 2011 and who holds office upto the fifty first annual general meeting of the Company be and is hereby appointed as whole time Director of the Company, not liable to retire by rotation.”

5. 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

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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 appointment of Mr Shantanu Parvati as the Whole Time Director of the Company with effect from July 29, 2011 for a period of five years.

RESOLVED FURTHER THAT subject to the limits contained in Sections 198 and 309 of the Companies Act, 1956, Mr Shantanu Parvati be paid effective July 29, 2011 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 :

1. Salary - Rs. 1,360,000 /- per annum with discretionary powers to the Board to revise the amount from time to time.
2. Special Allowance
Rs. 761,520/- per annum
3. Performance Bonus
Rs. 760,000 per annum
4. Annual Perquisites
House Rent Allowance - Rs. 816,000 per annum
Medical reimbursement - Rs. 18,000 per annum
Leave Travel Allowance - Rs. 56,000 per annum
5. 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

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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.”

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

“Resolved that Mr B B Tandon who was appointed as Additional Director of the Company on April 13, 2012 and who holds office upto the fifty first annual general meeting of the Company be and is hereby appointed as Director of the Company, liable to retire by rotation.”

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

“Resolved that Mr Nitin Kaul who was appointed as Additional Director of the Company on April 13, 2012 and who holds office upto the fifty first annual general meeting of the Company be and is hereby appointed as Director of the Company, liable to retire by rotation.”

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

“Resolved that Mr O P Dubey who was appointed as Additional Director of the Company on April 26, 2012 and who holds office upto the fifty first annual general meeting of the Company be and is hereby appointed as Director of the Company, liable to retire by rotation.”

9. 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

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Mr Shantanu Parvati, Whole Time Director of the Company for a period of three years with effect from April 1, 2012.

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, 2012 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 :

1. Salary - 1,564,000 per annum with discretionary powers to the Board to revise the amount from time to time.
2. Special Allowance
Rs. 840,848 per annum
3. Performance Bonus
Rs. 920,000 per annum
4. Annual Perquisites
House Rent Allowance - Rs. 938,400 per annum
Medical reimbursement - Rs. 18,000 per annum
Leave Travel Allowance - Rs. 56,000 per annum
5. 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.

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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 6th August, 2012 to 11th August, 2012 (both days inclusive) in terms of Clause 16 of the Listing Agreement with the Stock Exchange.
3. Unclaimed dividend upto the financial year 2003-2004 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.

2004-2005	August 31, 2012		2007-2008	August 30, 2015
2005-2006	August 30, 2013		2008-2009	September 5, 2016
2006-2007 (Interim)	March 12, 2014		2009-2010	August 26, 2017
2006-2007 (Final)	August 30, 2014			

4. Details of the Directors being appointed/reappointed are furnished in point no. 8(a) of the Corporate Governance Report.
5. An Explanatory Statement in respect of item no 4, 5, 6, 7 8 and 9 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 registered office is in Ranjangaon, Pune. Shareholders are requested to address all correspondence to the Company Secretary at the Registered Office.

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EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 Item No 4

The Board in its meeting held on July 29, 2011 appointed Mr Shantanu Parvati as an Additional Director effective July 29, 2011. As such, pursuant to Section 260 of the Companies Act, 1956, Mr Shantanu Parvati holds office of Director upto the date of this Annual General Meeting. It is proposed to appoint Mr Shantanu Parvati as a Director not liable to retire by rotation. A notice in writing, pursuant to Section 257 of the Companies Act, 1956, has been received from a member entitled to propose Mr Shantanu Parvati as a candidate for the office of Director at the Annual General Meeting along with the requisite deposit as required under that section.

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.

Item No 5 and 9

The Board in its meeting held on July 29, 2011 also appointed Mr Shantanu Parvati as Whole Time Director of the Company to assume responsibilities as such with effect from July 29, 2011 and also fixed his remuneration.

The Board in its meeting held on May 25, 2012 revised the remuneration of Mr Shantanu Parvati with effect from April 1, 2012.

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 - 544.20 million Profit before Tax - 302.94 million* Profit after Tax - 20.46 million *The profit before tax of 303 million is entirely attributed to the sale of Mulund land. The Company has incurred operating losses during the year ended March 2012.
(5)	Export performance and net foreign exchange collaborations	During the year ended March 2012 the Company earned foreign exchange of Rs 6.01 million through exports.

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II		INFORMATION ABOUT THE APPOINTEE	
(1)	Background details	Mr Shantanu Parvati, aged 38 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 15 Years of rich experience in industry and advisory services.	
(2)	Past remuneration	2009-2010	2,800,000
		2010-2011	3,128,000
		2011-2012	40,00,000
(3)	Recognition or awards	Nil	
(4)	Job profile and his suitability	He has strong academic background and rich experience in Automobile industry. He had worked with leading OEM in India in responsible positions.	
(5)	Current Remuneration (per annum) Managerial Position held during July 29, 2011 to March 31, 2012	Salary	1,360,000
		Allowances	1,577,520
		Performance Bonus	760,000
		Perquisites	302,480

			4,000,000

	Proposed Remuneration* (per annum) Subject to review by Board at regular intervals within the prescribed limits of Companies Act, 1956. (April 1, 2012-March 31, 2015)	Salary	1,564,000
		Allowances	1,779,248
		Performance Bonus	920,000
		Perquisites	336,752

			4,600,000

(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	None	

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	personnel, if any	
III	OTHER INFORMATION	
(1)	Reasons of loss or inadequate profits	Due to longer than estimated time taken for volume ramp up at the new Ranjangan Plant and various restructuring/ rationalization initiatives undertaken at both business units.
(2)	Steps taken or proposed to be taken for improvement	Increased capacity utilization, cost re-engineering and new product development.
(3)	Expected increase in productivity and profits in measurable terms	To achieve 90% capacity utilization and 12-15% EBIDTA 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 2012

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, 2012.

The abstract under Section 302 of the Companies Act, 1956 for Mr Parvati's appointment and remuneration w.e.f July 29, 2011 was sent to the members on 17th August 2011.

Item No 6

The Board in its meeting held on April 13, 2012 appointed Mr B B Tandon as an Additional Director. As such, pursuant to Section 260 of the Companies Act, 1956, Mr Tandon holds office of Director upto the date of this Annual General Meeting. It is proposed to appoint Mr Tandon as a Director liable to retire by rotation. A notice in writing, pursuant to Section 257 of the Companies Act, 1956, has been received from a member entitled to propose Mr Tandon as a candidate for the office of Director at the Annual General Meeting along with the requisite deposit as required under that section.

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 Tandon himself.

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Item No 7

The Board in its meeting held on April 13, 2012 appointed Mr Nitin Kaul as an Additional Director. As such, pursuant to Section 260 of the Companies Act, 1956, Mr Kaul holds office of Director upto the date of this Annual General Meeting. It is proposed to appoint Mr Kaul as a Director liable to retire by rotation. A notice in writing, pursuant to Section 257 of the Companies Act, 1956, has been received from a member entitled to propose Mr Kaul as a candidate for the office of Director at the Annual General Meeting along with the requisite deposit as required under that section.

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 Kaul himself.

Item No 8

The Board vide a circular resolution appointed Mr O P Dubey as an Additional Director w.e.f April 26, 2012. As such, pursuant to Section 260 of the Companies Act, 1956, Mr Dubey holds office of Director upto the date of this Annual General Meeting. It is proposed to appoint Mr Dubey as a Director liable to retire by rotation. A notice in writing, pursuant to Section 257 of the Companies Act, 1956, has been received from a member entitled to propose Mr Dubey as a candidate for the office of Director at the Annual General Meeting along with the requisite deposit as required under that section.

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 Dubey himself.

Registered Office:
F-33, Ranjangaon MIDC
Karegaon, Tal Shirur
Pune 412 209
May 25, 2012

By Order of the Board

Parveen Agarwal
Company Secretary

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Directors' Report

Your Directors present their Fifty First report to the shareholders together with the accounts for the year ended March 31, 2012. The operating results as disclosed in the accounts are summarised below:

	Rs Million	
	2011-2012	2010-2011
(Loss)/Profit before charging depreciation and taxes	327.20	(191.01)
Depreciation	24.26	25.00
(Loss)/Profit before tax	302.94	(216.01)
Provision for Tax	98.31	3.93
(Loss)/Profit after tax	204.63	(212.08)
Balance carried from previous year	(6.30)	205.78
Balance carried forward	198.33	(6.30)

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 9% increase in sales revenue, while Operating Loss has increased by Rs 34.0 Million, from Rs 82.1 Million in FY 2010-11 to Rs 116.1 Million in FY 2011-12.

This is primarily due to longer than estimated time taken for volume ramp up at the new Ranjangan Plant and various restructuring/ rationalization 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 29% from 180.27 million in the previous year to 233.00 million in the current year.

This growth has been driven by stabilization 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 has been stable with a marginal decrease of 2% from 318.63 million in the previous year to 311.17 million in the

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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 rationalization of standard and customized products, increase in productivity and improvement in delivery lead time.

Sale of Mulund Land

The company had, on March 26, 2011, entered into an agreement for sale-cum-development of its land at Mulund Plant. During the financial year 2011-12, the company has met all its obligations as a seller except for completing the administrative process for mutation for a small portion of land in its name.

The company is of the view that all significant risks and rewards in respect of the said land have been transferred to the buyer which has been adequately supported by a legal opinion and accordingly, Profit on Sale of land amounting to Rs. 419.03 Million has been recorded during the quarter ended March 31, 2012 and disclosed as exceptional item. Out of the total sales consideration, the company is yet to receive an amount of Rs. 219.35 Million and same has been disclosed in the financial statements as at March 31, 2012 under the head "Other Current Assets".

Public Deposits

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

Subsidiary

Associated Polymers Limited, the Company's subsidiary processed 156 MT of rubber compound during the year ended March 31, 2012 as against 126 MT in the previous year. The rubber compound that was processed during the year was entirely supplied to the Company.

Accounts of the subsidiary company

Annual Accounts of Subsidiary company and the related detailed information can be obtained on request by the shareholders of the company and of the subsidiary company. These are also available for inspection at Registered Office of the company on all working days.

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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 A Goenka retires by rotation and is eligible for re-appointment. Your Directors propose his re-appointment as set out in the notice.

Appointments

Mr Shantanu Parvati was appointed as Additional Director and Whole Time Director w.e.f July 29, 2011.

Mr B B Tandon was appointed as Additional Director on April 13, 2012.

Mr Nitin Kaul was appointed as Additional Director on April 13, 2012.

Mr O P Dubey was appointed as an Additional Director on April 26, 2012.

These Directors' terms shall expire at the ensuing Annual General Meeting. Your Directors propose their appointment as set out in the notice.

Resignations

Mr Ravi Swaminathan resigned as Managing Director of the Company in June 2011.

Mr Steven Lutz, Mr Jean Michel Bolmont and Mr Nitin Kaul resigned from the Board as nominees of SBII in April 2012.

Mr R C Khanna has resigned from the Board with effect from 13th April, 2012

Mr M K Sharma has resigned from the Board with effect from 26th April, 2012

Your Board of Directors wishes to place on record its appreciation for the support extended by these Directors during their tenure in office.

Auditors Report

The Auditors have reported in the Annexure to the Auditors Report that the general information systems & controls need to be strengthened. Your directors wish to inform that the management is in the process of implementation of adequate control systems.

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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 N L Bhatia & Associates 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 is set out in Annexure II to this Report.

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;

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- 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

Your directors propose to appoint Mr Pramod Dubey, Cost Accountant, Pune, as Cost Auditors of the company.

Statutory Auditors

M/s Price Waterhouse & Co, Chartered Accountants, retire at the conclusion of the Annual General Meeting.

Your Directors propose to 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 25, 2012**

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ANNEXURE I TO THE DIRECTORS' REPORT FOR THE YEAR 2011-2012

A Conservation of Energy

- Balanced load distribution for electric power thereby improving power factor and reducing power consumption.
- Energy consumption optimization in vulcanization cells.

B Technology Absorption

- Research and Development (R & D)

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

- Automation in machining cell.
- Cascading system on rinsing tanks.
- 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).
- Material substitution in some components
- Development effort on improving reliability of Positioner Cylinder Package

2 Benefits derived as a result of above R & D

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

3 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.

4 Expenditure of R & D

a Capital	Nil
b Recurring	2.06 million
c Total	2.06 million
d Total R & D expenditure as a percentage of total turnover	0.34%

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C Foreign Exchange Earnings and outgo

The Company has been making continuous efforts to increase its exports.

During the year, the Company has spent foreign exchange of Rs 33.59 million and earned foreign exchange of Rs 6.01 million through exports and services rendered.

J P Goenka
Chairman

Mumbai,
May 25, 2012

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ANNEXURE II TO THE DIRECTORS' REPORT FOR THE YEAR 2011-2012

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

Employed for part of the year (April to June 2011)

Name	Age	Designation	Remuneration received/receivable (Rs)	Qualification	Experience (years)	Date of Commencement of employment	Last employment held before joining the Company		
							Company	Designation	Period
Ravi Swaminathan	47	Managing Director	20,79,998	B E (Mech) MBA (Louisville, USA)	22	February 1, 2008	Gates Unitta Asia, Singapore	Business Development Director, Asia	11 years

Notes :

1. Remuneration includes salary, company's contribution to Provident and Superannuation Fund and excludes gratuity benefits.
2. The nature of employment is contractual.
3. Other terms and conditions of employment are as per agreement and rules of the Company.
4. The designation represents the nature of duties.
- 5 Mr Ravi Swaminathan is not a relative of any Director of the Company.

J G Goenka
Chairman

Mumbai,
May 25, 2012

Management Discussion and Analysis

1. Industry Structure and Development

The overall Indian automotive industry grew by 12% in 2011-12 driven by demand for Two Wheelers and light trucks. The industry has undergone numerous developments and made investments that have impacted the market dynamics.

The Indian Tyre Industry continued its growth momentum backed by healthy demand from both the Auto OEMs & replacement segments and supported by capacity ramp up by major players. The long term growth fundamentals of the industry remain strong. Improving road infrastructure is reducing vehicle turnaround time, restrictions on overloading and investment in infrastructure continue to support demand for commercial vehicles and 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 expanding capacities in India including moving towards radialisation. This is bound to increase the demand for tube and tubeless tyre valves.

Pneumatics has wide ranging applications across industrial segments. The automation industry of which Pneumatics is a part has rapidly moved in the last decade from purely mechanical products towards more integrated electro mechanical and electronic platforms. In the Pneumatics space there is growing trend towards miniaturization which is being achieved through latest developments in the field of materials. Industries like power, cement, ferrous and non ferrous, mining and other heavy engineering and infrastructure sector companies will continue to drive demand for 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 all major tyre OEMs and has been on a production ramp-up, paving the way for 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 have been initiated. With this

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the product offering is going to expand and drive volume growth further. With this product range, the company is going to explore the opportunities in the export market.

Keeping in view the major constituents of the raw material cost (Brass and Butyl rubber) and their volatility in the international market, margins have been under pressure.

Keeping in view the sustained industry growth for 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, value 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. Segmentwise/Productwise 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:

NET SALES	(in million)	
	2011-12	2010-11
Automotive tyre tube valves and accessories	233.03	180.27
Pneumatic products	311.17	318.63
Total	544.20	498.90
	=====	=====

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, various economic fillips by the government, 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 always has a risk of demand projections not materializing.

SCHRADER DUNCAN LIMITED

In Pneumatics segment, where the company operates in Industrial and infrastructure sectors, which are technology intensive, continuous focus on product and technology development 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 2011-2012 are as under:

	(in million)
	<u>2011-2012</u>
Net Sales	544.20
Other Income	5.58
Profit before tax (including exceptional income)	302.94

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.

SCHRADER DUNCAN LIMITED

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.

Shantanu Parvati
Whole Time Director

Mumbai,
May 25, 2012

SCHRADER DUNCAN LIMITED

CEO/CFO Certificate

We certify that for the financial year ended 31st March, 2012 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
DGM Finance & Company Secretary

Shantanu Parvati
Whole Time Director

Mumbai
May 25, 2012

SCHRADER DUNCAN LIMITED

REPORT ON CORPORATE GOVERNANCE

for the year 2011 - 12

A. MANDATORY REQUIREMENTS

1) 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.

2) Board of Directors

In the second week of April 2012 the entire stake of the foreign promoter comprising of 50% of the share capital was sold to the Indian Promoter. The nominee directors of the foreign promoter resigned and new directors have been appointed on the Board.

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry. The Board consists 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.

Prior to the change in April 2012 the Board consisted of eight Directors comprising; one Whole Time Director; four Non Executive Independent Directors (NE – ID) including the Chairman and three Nominee Directors of Schrader Bridgeport International Inc, U S A - Promoters. The Board also included an alternate Director to one of the Nominee 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 judgement 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.

During the financial year 2011 -2012 five meetings of the Board of directors were held on May 18, 2011, July 29, 2011, October 19, 2011, February 10, 2012 and March 5, 2012.

SCHRADER DUNCAN LIMITED

The details of composition and categories of the Directors and number of memberships in other Boards / Board Committees and attendance at the Board Meetings and Annual General Meeting of the Company during 2011 -2012 are as under:

Name of the Director and category	Number of Board meetings held are 5 and attended during 2011 - 2012	Whether attended last AGM	Number of Directorships in other Companies	Number of Memberships in other Board Committees	Number of Chairmanships In other Board Committees
Mr J P Goenka Chairman (NE - ID)	4	No	2	-	1
Mr Ravi Swaminathan (Resigned w.e.f 30.06.2011)	1	No	1	-	-
Mr Shantanu Parvati Whole Time Director (ED w.e.f 29.07.2011)	4	Yes	1	-	-
Mr A Goenka Director (NE - ID)	4	Yes	3	1	-
Mr R C Khanna * (NE - ID)	3	No	2	1	2
Mr M K Sharma ** (NE - ID)	5	No	7	5	-
Mr Steven Lutz (NED) (Nominee of SBII - Promoters)	-	No	-	-	-
Nitin Kaul (NED) (Nominee of SBII - Promoters)	2	No	-	-	-
Mr Jean Michel Bolmont (NED) (Nominee of SBII - Promoters)	-	No	1	-	-
Mr R A Shah (Alternate to Mr Steven Lutz)	5	No	15	5	4

SCHRADER DUNCAN LIMITED

Note:

*Mr RC Khanna has resigned from Board with effect from 13th April, 2012

** Mr M K Sharma has resigned from Board with effect from 26th April, 2012.

1. Mr Ravi Swaminathan resigned as Managing Director in June 2011 and the Board has appointed Mr Shantanu Parvati as Whole Time Director.
2. Directorships in foreign companies, private companies, companies governed by section 25 of Companies Act, 1956 and alternates excluded.
3. Memberships of Audit Committee and Shareholders /Investors Grievance Committee only are considered.
4. 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.
5. The changes that took place in the board in April 2012 on account of the sale shares by foreign promoter is furnished in the following table:

Nominee Directors Resigned	w.e.f	New Directors Appointed	w.e.f
Mr Nitin Kaul	13.04.2012	Mr B B Tandon	13.04.2012
Mr Jean Michel Bolmont	13.04.2012	Mr Nitin Kaul (as independent director)	13.04.2012
Mr Steven Lutz	13.04.2012	Mr O P Dubey	26.04.2012

3. Audit Committee/Remuneration Committee/Shareholders Grievance Committee

A. Audit Committee

i. Composition

The Audit Committee of the Board of Directors of the Company comprised of the following Non Executive Directors as on March 31, 2012:

Mr. R C Khanna	-	Chairman
Mr. Arvind Goenka	-	Member
Mr. Nitin Kaul	-	Member
Mr. M.K Sharma	-	Member w.e.f February 2012

Ms Rama Subramanian, Company Secretary was the Secretary of the Committee for the meetings held during the year.

SCHRADER DUNCAN LIMITED

Since April 2012 the Audit Committee comprises of the following Directors:

Mr. O. P. Dubey	-	Chairman
Mr. Arvind Goenka	-	Member
Mr. B. B. Tandon	-	Member

ii. Broad terms of reference

The Audit Committee, inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The terms of Reference of the Audit Committee are in accordance with paragraph C, D and E of Clause 49(II) of the Listing agreement and as specified by the Board of Directors of the Company and inter-alia includes

- Review of the Company's financial reporting process, the financial statement and financial/risk management policies.
- Review of the adequacy of the internal control systems and functioning of the Internal Audit team.
- Discussions with the internal and external auditors, scope of audit including the observations of the auditors for the financial year and a joint post-audit review of the same.
- Reviewing with management the Annual financial statements before submission to the Board.
- Recommending the appointment and removal of statutory auditors, fixation of audit and other fees.
- Approval of appointment of CFO

SCHRADER DUNCAN LIMITED

iii. Meetings and Attendance

Four meetings were held during the year 2011 -2012 and the attendance was as follows:

Sr No	Date of Meeting	Attendance by Members
1	May 18, 2011	Mr R C Khanna, Mr Arvind Goenka, Mr Nitin Kaul
2	July 29, 2011	Mr R C Khanna, Mr Arvind Goenka
3	October 19, 2011	Mr R C Khanna, Mr Arvind Goenka, Mr Nitin Kaul
4	February 10, 2012	Mr M K Sharma, Mr Arvind Goenka

iv. Internal Auditor

The Company has appointed M/s Pipalia Singhal & associates, Chartered Accountants as the internal auditors to carry out periodical internal checks and to review the control systems of the company. The Audit Committee reviews the report of the Internal Auditor.

B. Remuneration Committee

I. Composition:

The Remuneration Committee of the Board of Directors of the Company comprised of the following three Independent Non Executive Directors for the year ended March 31, 2012:

Mr J P Goenka	-	Chairman
Mr Arvind Goenka	-	Member
Mr R C Khanna	-	Member

Ms Rama Subramanian, Company Secretary was the Secretary of the Committee for the meetings held during the year.

Since April 2012 the Remuneration Committee comprises of the following Directors:

Mr. Arvind Goenka	-	Chairman
Mr. B. B. Tandon	-	Member
Mr. Nitin Kaul	-	Member
Mr. O. P. Dubey	-	Member

SCHRADER DUNCAN LIMITED

ii. Reference

The Remuneration committee has been constituted to review and recommend the remuneration package for the Whole Time Director and to recommend his yearly performance linked bonus.

iii. Meetings and Attendance

Two meetings were held during the year 2011 -2012 on May 18, 2011 and July 29, 2011. All the members attended the meeting.

iv. The Remuneration policy of the Company for the Whole Time Director is

- a. The total remuneration of the Whole Time Director consists of salary, perquisites and performance bonus within the limits prescribed under Schedule XIII to the Companies Act, 1956 and subject to approval by the shareholders.
 - b. Except the Whole Time Director no other Director draws any remuneration from the Company other than sitting fees as permitted under the Companies Act for attending the meetings of the Board/Committee thereof.
- iv. Details of remuneration of Mr Shantanu Parvati, Whole Time Director for the year 2011-2012

(Rupees)

Salary	Perquisites & Allowance	Performance Bonus	Total
1,360,000	1,880,000	760,000	Per Annum 4,000,000
918,000	1,268,994	442,460	Paid during Tenure 2,629,454

Mr Parvati joined the Company as Director –Manufacturing w.e.f May 10, 2011 and was appointed as Whole Time Director w.e.f July 29, 2011.

Details of remuneration paid to Mr Ravi Swaminathan, Managing Director for the period April 2011 to June 2011

(Rupees)

Salary	Perquisites & Allowance	Performance Bonus	Total
1,500,000	579,998	2,079,998

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vi. Remuneration to Directors

The sitting fees paid to the Non Executive Directors for the year 2011-2012 is as follows:

Mr J P Goenka	-	Rs 1,00,000/-
Mr Arvind Goenka	-	Rs 1,80,000/-
Mr R C Khanna	-	Rs 1,40,000/-
Mr R A Shah	-	Rs 1,00,000/-
Mr Nitin Kaul	-	Rs 1,00,000/-
Mr M K Sharma	-	Rs 1,20,000/-

None of the Non Executive Directors 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 2011-2012.

The Company has so far not issued any stock options to any Director.

vii. Service Contract with the Whole time Director.

July 29, 2011 to July 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.

C. Shareholders / Investors Grievance Committee:

I. Composition

The Shareholders / Investors Grievance Committee of the Board of Directors of the Company functions with the following Directors under the Chairmanship of a Non Executive Independent Director to redress shareholder/investor grievances for the year ended March 31, 2012:

Mr J P Goenka	-	Chairman
Mr Shantanu Parvati	-	Member
Mr Nitin Kaul	-	Member

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Since April 2012 the Shareholders / Investors Grievance Committee comprises of the following Directors:

Mr J P Goenka	-	Chairman
Mr Shantanu Parvati	-	Member
Mr. O. P. Dubey	-	Member

Mr Parveen Agarwal has been appointed as the Company Secretary pursuant to the resignation of Ms Rama Subramanian in April 2012.

Mr Shantanu Parvati and Mr Parveen Agarwal, Company Secretary are authorized severally to approve the transfer/transmission of shares.

ii. Meetings and Attendance

During the year 2011 -2012, no meeting of the Shareholders / Investors Grievance Committee was held.

The total number of grievances received during the year under review was 2 and they were replied to the satisfaction of the shareholders.

Details are furnished below:

Nature of complaint	Number of complaints
Non receipt of dividend	2
Non receipt of demat credits	-
Non receipt of duplicate/split/ consolidated share certificates	-
Non receipt of Annual Report	-
Others	-
Total	2

No request for transfers/transmission/Issue of Duplicate share certificates was pending as on March 31, 2012.

Since April 2012 Mr Parveen Agarwal, Company Secretary is the designated Compliance Officer of the Company.

SCHRADER DUNCAN LIMITED

4. Details of Annual General Meeting

AGM for the Year	Date	Time	Venue
2008-2009	July 30, 2009	3.15 p.m.	Kamalnayan Bajaj Hall, Bajaj Bhavan, Nariman Point, Mumbai 400 021
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

5. Special Resolutions passed in the previous three AGMs

AGM for the Year	Matter approved by Special Resolution
2008-2009	Approval for cost to company in respect of remuneration to the Managing Director, Mr Ravi Swaminathan be fixed at Rs 63.50 lacs for the financial year ended March 31, 2009 Approval for increase in remuneration to the Managing Director, Mr Ravi Swaminathan
2009 - 2010	Approval for increase in remuneration to the Managing Director, Mr Ravi Swaminathan
2010 - 2011	Nil

6. 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, 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.

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7. 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. Financial Express and Lok Satta (Vernacular).
- iii. No formal presentations were made to the Institutional Investors and analysts during the year under review.

8. Shareholders Information

- a. 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 :

Mr. Arvind Goenka

Mr. Arvind Goenka, a Commerce Graduate from St. Xaviers College, Kolkata is an Industrialist hailing from the renowned family of Late Sir Badridas Goenka associated with the industrial group popularly known as House of DUNCANS. Mr Goenka commands rich experience of over 27 years in managing and/or looking after industries of diverse business interests such as jute and cotton textiles, rubber chemicals and industrial engineering products meant for sophisticated applications.

Mr Goenka has successfully planned, steered and implemented restructuring programme in some of the companies in his fold. He has also been instrumental in setting up an Export Oriented Unit manufacturing rubber chemicals. Mr Goenka, at present, is the Managing Director of Oriental Carbon & Chemicals Limited besides being one of the promoter Directors of that Company.

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

Director of Oriental Carbon and Chemicals Limited, Asahi Songwon Colors Limited Associated Polymers Limited and Tomkins Consulting Services India Private Limited.

Member of Shareholder Grievance Committee of Oriental Carbon and Chemicals Limited.

Mr Arvind Goenka is related to Mr J P Goenka, Chairman of the Company.

SCHRADER DUNCAN LIMITED

Mr. Shantanu Parvati

Mr Shantanu Parvati, aged 38 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 15 Years of rich experience in industry and advisory services.

He does not hold any shares in the Company. He is a member of the Shareholder/ Investor Grievance Committee of the Company and is on the Board of Associated Polymers Limited, the subsidiary company.

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

Mr. B. B. Tandon

Mr B B Tandon aged about 71 years, 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.

At the level of the State Government, he held the key post of Principal Secretary (Power) and Principal Secretary (Industries). He also served as Managing Director of State Public Sector Undertakings (PSUs) like H P Mineral & Industrial Development Corporation and H P Agro Industries Corporation. As Principal Secretary (Power) and Chairman of HPSEB he initiated the policy of private sector participation in the execution of hydro projects in HP. In the Ministry of mines, he handled important PSUs and initiated various policy measures for opening of the sector by deregulating the sector and dismantling controls. The sector was also for the first time opened up for foreign direct investment. He also initiated steps for disinvestment and privatization of the above mentioned public sector undertakings under the Ministry of Mines. During the period 2001-2006 he held the constitutional post of the Election Commissioner and Chief Election Commissioner of India. Before his appointment as Election Commissioner in

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2001, Mr Tandon held the post of Secretary, Government of India, Ministry of Personnel, Public Grievances and Pension for about 2 ½ years and before that he served as Secretary, Ministry of Mines for about two years.

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, Lanco Anapara Power Ltd, Oriental Carbon & Chemicals Ltd, Precision Pipes & Profiles Ltd, Vikas Global One Ltd and VLS Finance Ltd.

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

Mr. Nitin Kaul

Mr Nitin Kaul is the Director of Strategic Projects and Business Development for Tomkins plc, U.K.

Mr Kaul has a BSc in Business Management from Kings College, London, an MSc in Investment and Portfolio Management from City Business School and an MBA from Warwick Business School.

Mr Kaul has worked in investment banking and consulting prior to joining Tomkins in 2002. Mr Kaul has a rich experience in helping companies develop growth strategies as well as restructuring businesses both in Asia and North America. He has helped various multinationals roll out restructuring programs and market entry strategies.

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Mr Kaul has worked within Tomkins for the last ten years and has held various positions within the finance, operations and corporate organisation. He is currently focused on developing new businesses and markets for Tomkins as well as corporate development activity.

Mr Kaul does not hold any shares in the Company. He is a member of the Audit Committee and Shareholder Grievance committee of the Board. His Directorships and Memberships in other Board/Committees are as follows:

Director of Caryaire Air System Components Private Limited, Rolastar India Private Limited and Tomkins Consulting Services India Private Limited.

He is not related to any Director of the Company.

Mr. O. P. Dubey

Mr O P Dubey aged about 71 years, a master in sociology and a graduate in law, served LIC of India for a period of 36 years. He was a member of Governing Board and later Chair Professor at National Insurance Academy, Pune from November 2001 to November 2004. During his tenure with LIC of India, he was deeply involved in the areas of General Management, Marketing, Insurance, Legal aspects and Human Resources Department. Earlier he was on the Boards of U P State Financial Corporation, NEDFI (Guwahati, Assam) and Associated Cement Companies Limited (ACC). Before retiring from LIC of India in 2001, he was Zonal Manager in charge of Eastern Zone, Kolkata, in the rank of Executive Director. He is currently visiting faculty at different Management Institutes.

He does not hold any shares in the Company. He is a member of the Shareholder / Investor Grievance, Audit and Remuneration Committees of the Company. He is a director of Oriental Carbon & Chemicals Limited (OCCL) and a member of the Audit committee of OCCL.

He is not related to any Director of the Company.

SCHRADER DUNCAN LIMITED

b. Annual General Meeting

Date and Time : 13th Aug., 2012 at 2.30 PM
Venue : Registered Office

Financial Calendar

- i. First Quarter Results : July 2012
 - ii. Second Quarter Results : October 2012
 - iii. Third Quarter Results : January 2013
 - iv. Financial Results for the Year ending March 31, 2013 : May 2013
- c. Date of Book Closure : Monday, August 6, 2012 to Saturday, August 11, 2012
- d. Dividend Payment Date : Nil.
- e. Registered Office : F-33 Ranjangaon Industrial Area, MIDC, Karegoan, Shirur 412 209
- f. Listing on Stock Exchanges at : Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400001
- g. Listing Fees : Paid upto March 31, 2013 to the aforesaid Exchange
- h. Stock Code : Bombay Stock Exchange Ordinary Share
(physical form) 4908
(demat form) : 504908

SCHRADER DUNCAN LIMITED

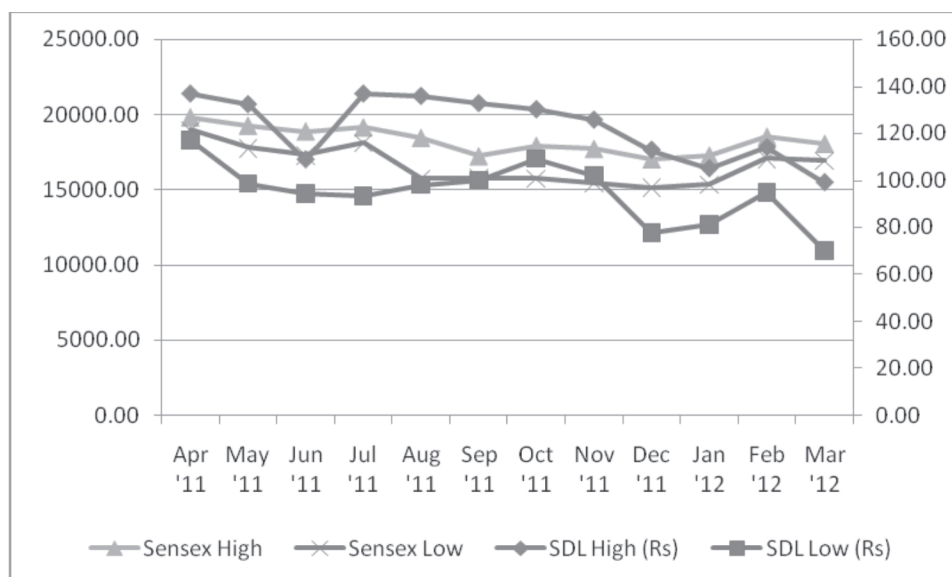
I. Demat ISIN in NDSL & CDSL for Company's Equity Shares: INE340F01011

j. 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: 2011 – 2012

Month	High (Rs)	Sensex High	Low (Rs)	Sensex Low	No of shares traded
April 2011	137.00	19811.14	117.00	18976.19	23838
May 2011	132.45	19253.87	98.55	17786.13	11440
June 2011	108.85	18873.39	94.10	17314.38	11462
July 2011	137.00	19131.70	93.20	18131.86	18002
August 2011	136.00	18440.07	98.00	15765.53	7976
September 2011	132.90	17211.80	100.00	15801.01	12330
October 2011	130.30	17908.13	109.10	15745.43	8537
November 2011	125.80	17702.26	102.05	15478.69	8825
December 2011	112.95	17003.71	77.50	15135.86	10162
January 2012	105.00	17258.97	81.10	15358.02	17949
February 2012	114.00	18523.78	94.60	17061.55	26011
March 2012	99.05	18040.69	70.00	16920.61	18897

No of shares traded	175429
Highest Share Price (Rs)	137.00
Lowest Share Price (Rs)	70.00
Closing price as on March 31,2012 (Rs)	75.00

k. Performance of Company's shares in comparison to BSE sensex



SCHRADER DUNCAN LIMITED

I. Registrar & Transfer Agents

The Company's Registrar & Transfer Agents are :

Link Intime India Pvt Ltd

202, 2 nd Floor, Akshay Complex,

Dhole Patil Road, Pune - 411001.

Tel: 020 26050084, 26051629

Fax: 26053503

m. 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.

n. Distribution of Shareholding as on March 31, 2012

No. of Shares		No. of Holders	%	No. of Shares	%
From	To				
1	5000	3598	91.27	351877	9.52
5001	10000	180	4.57	132602	3.59
10001	20000	97	2.46	135590	3.67
20001	30000	34	0.86	86344	2.34
30001	40000	9	0.23	32833	0.89
40001	50000	6	0.15	28383	0.77
50001	100000	10	0.25	70070	1.90
100001	-----	8	0.21	2858301	77.32
		3942	100.00	3696000	100.00

Shareholding Pattern as on March 31, 2012

SCHRADER DUNCAN LIMITED

Category	No. of share holders	No. of shares held	% of share capital	No. of shares pledged	% of share capital
Promoters					
Indian Promoters	2	905,336	24.50	465,104	51.37
Foreign Promoters	1	1,848,000	50.00	--	--
Total - promoters	<u>3</u>	<u>2,753,336</u>	<u>74.50</u>	<u>465,104</u>	<u>16.89</u>
Non Promoters					
Financial Institutions & Banks	11	2,255	0.06	--	--
Corporate Bodies	100	52,684	1.42	--	--
Indian Public	3,769	855,318	23.14	--	--
Foreign Nationals / NRIs	40	18,244	0.50	--	--
Others (Clearing members)	19	14,163	0.38	--	--
Total - non promoters	<u>3,939</u>	<u>942,664</u>	<u>25.50</u>	<u>--</u>	<u>--</u>
TOTAL	<u>3,942</u>	<u>3,696,000</u>	<u>100.00</u>	<u>465,104</u>	<u>12.58</u>
<i>Note: W.e.f April 13, 2012</i>					
<i>Promoters (Indian)</i>		<i>2,753,336</i>	<i>74.50</i>		
<i>Non Promoters</i>		<i>942,664</i>	<i>25.50</i>		

o. 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. 95.63% of the Company's shares is dematerialized as on March 31, 2012.

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.

SCHRADER DUNCAN LIMITED

p. Plant Locations

1. Automotive Business Unit F-33 Ranjangaon Industrial Area, MIDC, Karegoan, Shirur 412 209
2. Pneumatics Business Unit A-473, TTC, MIDC, Mahape, Navi Mumbai 400 710
F-33 Ranjangaon Industrial Area, MIDC, Karegoan, Shirur 412 209

q. Address for correspondence

Investor Correspondence
Link Intime India Pvt Ltd
202, 2 nd Floor, Akshay Complex,
Dhole Patil Road, Pune - 411001.
Tel: 020 26050084, 26051629
Fax: 26053503
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, Shirur 412 209
Tel: (021) 38660066 Fax: (021) 38660067
Email: complianceofficer@schraderduncan.com
Website: www.schraderduncan.com

r. 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.

SCHRADER DUNCAN LIMITED

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.

s. Secretarial Audit

Pursuant to SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated 31st December 2002 on Secretarial Audit, a Practising Company Secretary carried out the audit for the quarters ended June 30, 2011, September 30, 2011, December 31, 2011 and March 31, 2012. The Audit Report confirms that there is no discrepancy whatsoever in the issued, listed and admitted capital of the Company.

t. 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.

10. 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 N L Bhatia & Associates, Practising Company Secretaries, Mumbai 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

May 25, 2012, Mumbai

SCHRADER DUNCAN LIMITED

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, 2012 as stipulated in revised clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.

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 N.L.Bhatia & Associates
Practicing Company Secretaries

Navnit Lal Bhatia
FCS: 1176
CP No: 422

Mumbai
May 25, 2012

SCHRADER DUNCAN LIMITED

Auditors' Report to the Members of Schrader Duncan Limited

1. We have audited the attached Balance Sheet of Schrader Duncan Limited (the "Company") as at March 31, 2012, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as 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 dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse & Co.

Firm Registration Number: 007567S

Chartered Accountants

Uday Shah

Partner

Membership Number F-46061

Mumbai,

Date: May 25, 2012

SCHRADER DUNCAN LIMITED

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Schrader Duncan Limited on the financial statements as of and for the year ended March 31, 2012

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

(c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.

(b) The Company has taken unsecured loans, from two parties covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated to Rs. 10,000,000 and Nil, respectively.

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

(d) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts, as stipulated, and is also regular in payment of interest, as applicable.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services, except for certain general information systems controls which needs to be strengthened. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
6. 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 there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

SCHRADER DUNCAN LIMITED

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Schrader Duncan Limited on the financial statements as of and for the year ended March 31, 2012

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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. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities except dues in respect of sales tax. The extent of the arrears of statutory dues outstanding as at March 31, 2012, for a period of more than six months from the date they became payable, in respect of sales 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)	3,014,411	2004 -2005, 2005 – 2006 and 2006-2007	Various due dates	Not paid

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty as at March 31, 2012 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	1,764,358	1997-98 to 2000-01	Joint Commissioner of Service Tax, Mumbai
Central Excise Act, 1944	Excise Duty	713,907	2005-2006	High Court, Mumbai
Cenvat Credit Rules, 2004	Cenvat Credit on Service tax (Including penalty)	45,652	2008-2009	Commissioner of Central Excise (Appeals) Mumbai
Cenvat Credit Rules, 2004	Cenvat Credit on Service tax (Including penalty)	66,873	April 2009 to September 2009	Commissioner of Central Excise (Appeals) Mumbai
Central Sales Tax Act, 1956	Sales Tax and Penalty	2,087,124	2004-2005	Joint Commissioner sales tax appeals

10. The accumulated losses of the Company did not exceed fifty percent of its net worth as at March 31, 2012 and it has not incurred cash losses in the financial year ended on that date but has incurred cash losses in the immediately preceding financial year.

SCHRADER DUNCAN LIMITED

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Schrader Duncan Limited on the financial statements as of and for the year ended March 31, 2012

Page 3 of 3

11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
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. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion, and 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, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion, and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year; and does not have any debentures outstanding as at the year end.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Place: Mumbai,
Date: May 25, 2012

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants

Uday Shah
Partner
Membership Number F-46061

Schrader Duncan Limited
Balance Sheet as at March 31, 2012

	Note	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	36,960,000	36,960,000
Reserves and Surplus	4	270,663,550	66,031,583
		307,623,550	102,991,583
Non-current liabilities			
Long-term borrowings	5	95,765,031	137,000,000
Long-term provisions	6	7,425,786	1,270,453
		103,190,817	138,270,453
Current liabilities			
Short-term borrowings	7	137,934,314	118,556,522
Trade payables	8	119,434,356	97,878,589
Other current liabilities	9	76,972,764	226,092,330
Short-term provisions	10	77,642,782	2,139,194
		411,984,216	444,666,635
Total		822,798,583	685,928,671
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11.A	313,081,906	324,600,193
Intangible assets	11.B	1,705,548	2,672,113
Capital work-in-progress		462,450	136,714
		315,249,904	327,409,020
Non-current investments	12	1,720,217	1,717,530
Long-term loans and advances	13	8,205,293	18,056,803
		9,925,510	19,774,333
Current assets			
Inventories	14	108,953,220	162,797,640
Trade receivables	15	127,704,052	104,644,802
Cash and Bank balances	16	10,008,387	21,878,564
Short-term loans and advances	17	31,029,019	48,173,278
Other current assets	18	219,928,491	1,251,034
		497,623,169	338,745,318
Total		822,798,583	685,928,671

The notes are an integral part of these Financial Statements

This is the Balance Sheet referred to in our report of even date.

For **Price Waterhouse & Co.**
 Firm Registration No. : 007567S
 Chartered Accountants

For and on behalf of the Board of Directors

Uday Shah
 Partner
 Membership No. F-46061

Shantanu Parvati
 Wholetime Director

A Goenka
 Director

Mumbai
 Date : May 25, 2012

Mumbai
 Date : May 25, 2012

Parveen Agarwal
 Company Secretary

Schrader Duncan Limited
Statement of Profit and Loss for the year ended March 31, 2012

	Note	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Revenue from operations (gross)	19	600,179,268	548,908,583
Less: Excise duty		55,981,246	50,016,894
Revenue from operations (net)		544,198,022	498,891,689
Other income	20	5,577,794	6,052,878
Total Revenue		549,775,816	504,944,567
Expenses			
Cost of materials consumed	21	379,082,786	308,316,481
Purchases of stock-in-trade		6,748,807	9,976,603
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	22,882,524	9,544,887
Employee benefits expense	23	92,625,622	102,457,171
Finance costs	24	40,199,376	35,946,849
Depreciation and amortisation expense	25	24,266,330	25,009,933
Other expenses	26	100,060,155	94,954,136
Total Expenses		665,865,600	586,206,060
Loss before exceptional items and tax		116,089,784	81,261,493
Exceptional items (Net)	27	(419,031,845)	134,749,774
Profit /(Loss) before tax		302,942,061	(216,011,267)
Tax expense:			
Current tax		78,461,421	-
Minimum Alternate Tax (MAT) Credit utilised		1,538,579	-
Current tax relating to prior years		18,310,094	-
Deferred tax		-	(3,931,594)
Profit /(Loss) for the period		204,631,967	(212,079,673)
Earnings /(Loss) per equity share (Refer Note 39) (Face Value of Rs. 10 each)		55.37	(57.38)

The notes are an integral part of these Financial Statements

This is the Statement of Profit and Loss referred to in our report of even date.

For **Price Waterhouse & Co.**
 Firm Registration No. : 007567S
 Chartered Accountants

For and on behalf of the Board of Directors

Uday Shah
 Partner
 Membership No. F-46061

Shantanu Parvati
 Wholetime Director

A Goenka
 Director

Mumbai
 Date : May 25, 2012

Mumbai
 Date : May 25, 2012

Parveen Agarwal
 Company Secretary

Schrader Duncan Limited
Cash Flow Statement for the year ended March 31, 2012

	Year ended March 31, 2012	Year ended March 31, 2011
Rupees	Rupees	Rupees
A. Cash flow from Operating Activities		
Net Profit / (Loss) before taxation	302,942,061	(216,011,267)
Adjustments for:		
Depreciation and amortisation expense	24,266,330	25,009,933
Interest Expense	40,199,376	35,946,849
Unrealised Foreign Exchange loss (net)	23,109	209,720
(Profit) / Loss on Sale of Fixed Assets	101,457	(1,139,251)
Bad Debts Written off	6,140,628	279,023
Provision for Doubtful Debts	3,812,118	-
Liabilities no longer required	(1,845,748)	(310,480)
Dividend on Non-Current Investments	(12,687)	(18,055)
Profit on Sale of Fixed Assets (Net of expenses)	(419,031,845)	(20,000,000)
Provision for Doubtful debts written back	-	(219,073)
Rent Income	(960,000)	(2,645,500)
Interest income	(237,586)	(498,619)
Operating profit / (loss) before working capital changes	(44,602,787)	(179,396,720)
(Increase) / Decrease in Inventories	53,844,420	(8,287,541)
(Increase) / Decrease in Trade receivables	(33,035,105)	18,048,996
(Increase) / Decrease in Short-term loans and advances	15,856,017	(4,287,396)
(Increase) / Decrease in Long-term loans and advances	(288,114)	601,027
(Increase) / Decrease in Other current assets	470,934	868,792
Increase/ (Decrease) in Trade payables	23,401,516	21,146,378
Increase/ (Decrease) in Other current liabilities	(566,109)	(4,757,937)
Increase/ (Decrease) in Short-term provisions	(1,321,380)	8,535,055
Increase/ (Decrease) in Long-term provisions	550,748	(1,632,206)
Cash generated from operations	14,310,140	(149,161,552)
Direct Taxes paid (Net of refunds)	(4,888,213)	(1,459,025)
Net cash used in Operating Activities	9,421,927	(150,620,577)
B. Cash flow from Investing Activities		
Purchase of Tangible / Intangible assets	(11,494,001)	(31,896,073)
Sale of Tangible / Intangible assets	60,200,134	25,549,777
Advance received for Sale of Land	-	160,000,000
Expenses related to Sales of Land	(19,537,000)	-
Proceeds from sale of long-term investments	10,000	-
Purchase of Investments	(12,687)	(17,895)
Interest received	441,545	257,506
Dividend received	12,687	18,055
Rent Income	960,000	2,645,500
Net cash from investing activities	30,580,678	156,556,870

Schrader Duncan Limited
Cash Flow Statement for the year ended March 31, 2012

	<u>Rupees</u>	<u>Rupees</u>
C. Cash flow from Financing Activities		
Repayment of long-term borrowings	(30,121,201)	(18,000,000)
Term Loan obtained	-	20,000,000
Proceeds from long-term borrowings	1,141,000	-
Interest paid	(42,270,374)	(33,701,930)
Dividend paid (Including Dividend Distribution Tax)	-	(4,643,971)
Foreign Currency Demand Loan Repaid	(19,304,247)	(19,277,231)
Foreign Currency Demand Loan obtained	-	19,304,247
Loan obtained from a relative of director	10,000,000	10,000,000
Loan from a relative of director repaid	(10,000,000)	(10,000,000)
Proceeds from other short-term borrowings	17,000,000	-
Net cash used in Financing Activities	<u>(73,554,822)</u>	<u>(36,318,885)</u>
Net increase /(Decrease) in cash and cash equivalents (A+B+C)	<u>(33,552,217)</u>	<u>(30,382,592)</u>
Cash and cash equivalents at the beginning of the year	<u>(77,373,710)</u>	<u>(46,991,118)</u>
Cash and cash equivalents at the end of the year	<u>(110,925,927)</u>	<u>(77,373,710)</u>
Cash and cash equivalents comprise of:		
(a) Cash on hand	23,058	169,130
(b) Cheques on hand	1,339,518	11,255,426
(c) Bank balances:		
In current accounts	4,230,946	3,524,802
In EEFC accounts	898,793	786,865
(d) Other bank balances:		
Unpaid Dividends accounts *	2,137,672	2,359,704
Balances held as margin money *	1,378,400	3,782,637
(e) Cash Credit Utilised	(120,934,314)	(99,252,274)
Total	<u>(110,925,927)</u>	<u>(77,373,710)</u>

* 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 Cash Flow Statement referred to in our report of even date.

For **Price Waterhouse & Co.**
Firm Registration No. : 007567S
Chartered Accountants

For and on behalf of the Board of Directors

Uday Shah
Partner
Membership No F - 46061

Shantanu Parvati
Wholetime Director

A Goenka
Director

Mumbai
Date : May 25, 2012

Mumbai
Date : May 25, 2012

Parveen Agarwal
Company Secretary

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2012

Significant Accounting policies and Notes on Accounts

Note 1

General Information

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

Note 2

Summary of 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).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

2.2 Tangible Assets :

(a) Fixed assets are stated at cost less depreciation, where applicable. Leasehold land is stated at cost.

(b) Depreciation :

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 less estimated residual value, at the rates given in Schedule XIV to the Companies Act, 1956 except:

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

2.3 Intangible Assets :

Intangible Assets are stated at cost less accumulated depreciation and impairment loss.

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

2.4 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.

2.5 Valuation of Inventory :

- (a) Inventories are valued at lower of cost and market 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.

- (b) Accounting of CENVAT :

The Company follows on a consistent basis, the "non-inclusive" method of accounting for CENVAT under Central Excise Act, 1944 with regard to its inventories, purchase and consumption.

2.6 Investments :

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

2.7 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 recognised, 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 recognised 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.

2.8 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 recognised 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.

2.9 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 recognised 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.

2.10 Provisions and Contingencies :

The Company recognises 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.

2.11 Revenue Recognition :

Sale of goods :

Domestic sales are recognised on dispatch, and are net of sales tax. Export sales are recognised on shipment, on the basis of the Bills of Lading.

Sale of services :

Revenue from services is recognised on rendering of services in accordance with the Contractual arrangements.

2.12 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 recognised in the period in which results are known/materialised.

2.13 Borrowing Cost :

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

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2012

Note 3

Share Capital

	<u>As at March 31, 2012</u> Rupees	<u>As at March 31, 2011</u> Rupees
Authorised : 5,000,000 (March 31, 2011 - 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, 2011 - 3,696,000) Equity Shares of Rs. 10 each fully paid-up	36,960,000	36,960,000
Total	<u><u>36,960,000</u></u>	<u><u>36,960,000</u></u>

(a) Reconciliation of number of shares :

	As at March 31, 2012 No. of shares	As at March 31, 2012 Rupees	As at March 31, 2011 No. of shares	As at March 31, 2011 Rupees
Equity Shares:				
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	<u>3,696,000</u>	<u>36,960,000</u>	<u>3,696,000</u>	<u>36,960,000</u>

(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, 2012	Holding in percentage as at March 31, 2012	Number of shares as at March 31, 2011	Holding in percentage as at March 31, 2011
Equity Shares:				
Oriental Carbon and Chemicals Limited.	465,104	12.58%	465,104	12.58%
Cosmopolitan Investment Limited.	440,232	11.91%	440,232	11.91%
Schrader Bridgeport International Inc (Also refer note d below)	1,848,000	50.00%	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 the Indian Promoter (Oriental Carbon and Chemicals Limited).

Note 4

Reserves and Surplus

	<u>As at March 31, 2012</u> Rupees	<u>As at March 31, 2011</u> Rupees
General Reserve		
Balance at the beginning of the year	66,031,583	72,334,780
Less: As per contra in Statement of Profit and Loss	-	(6,303,197)
Balance as at the end of the year	<u><u>66,031,583</u></u>	<u><u>66,031,583</u></u>
Surplus / (Deficit) in Statement of Profit and Loss:		
Balance at the beginning of the year	-	205,776,476
Add: Profit / (Loss) for the year	204,631,967	(212,079,673)
Less: As per contra in General Reserve	-	6,303,197
Balance as at the end of the year	<u><u>204,631,967</u></u>	<u><u>-</u></u>
	<u><u>270,663,550</u></u>	<u><u>66,031,583</u></u>

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2012

Note 5

Long-term borrowings

	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Secured:		
Term loan from a bank	60,000,000	102,000,000
Vehicle loan	765,031	-
	60,765,031	102,000,000
Unsecured:		
Loans from subsidiary Company	35,000,000	35,000,000
	35,000,000	35,000,000
Total	95,765,031	137,000,000

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

Nature of Security

Term loan from State Bank of India amounting to Rs. 102,000,000 (March 31, 2011 : Rs. 132,000,000) is secured by exclusive mortgage /hypothecation charge on the tangible fixed assets at Ranjangaon, Pune. First charge on the Company's movable fixed assets at Mahape Plant and Second charge on the Company's current assets and Corporate Guarantees by (i) Tomkins Plc., London and (ii) Cosmopolitan Investments Ltd.

Vehicle loan is secured by hypothecation of vehicle.

Terms of Repayment

Repayable in 76 equal monthly instalments as per the schedule fixed by bank (December 2009 to March 2016) with rate of interest at 0.50% above Benchmark Prime Lending Rate*

Repayable in 48 monthly instalments from the date of the loan (October 15, 2011) along with interest of 10.80% per annum.*

b) Terms of Repayment of Unsecured borrowings :

Loan from Subsidiary Company

Repayable after 4 years with 6% interest per annum (Date of repayment: Rs. 24,000,000 on September 30, 2013 and Rs. 11,000,000 on October 15, 2013)

* Amount repayable within 12 months from March 31, 2012 are included in Other Current Liabilities (Refer Note 9).

Note 6

Long-term provisions

	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits :		
Provision for compensated absences (Refer Note 29)	1,821,201	1,270,453
	1,821,201	1,270,453
Provision - Others :		
Provision for Income Tax (net of advance tax and tax deducted at source amounting to Rs. 83,359,021)	5,604,585	-
Total	7,425,786	1,270,453

Note 7

Short-term borrowings

	<u>As at March 31, 2012</u> Rupees	<u>As at March 31, 2011</u> Rupees
Secured :		
Working capital loans repayable on demand		
From banks:		
Cash Credit	120,934,314	99,252,275
Foreign Currency Demand Loan	-	19,304,247
	<u>120,934,314</u>	<u>118,556,522</u>
Unsecured:		
From other parties	17,000,000	-
	<u>17,000,000</u>	<u>-</u>
Total	<u><u>137,934,314</u></u>	<u><u>118,556,522</u></u>

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

Cash Credit and Foreign Currency Demand Loan is secured by First hypothication charge on the company's entire current assets, present and future, First charge on Company's movable fixed assets at Mahape Plant, Extension of First charge on tangible Fixed assets at Ranjagaon, Pune. Further by Corporate Guarantees of (i) Tomkins Plc., London and (ii) Cosmopolitan Investments Ltd.

Note 8

Trade payables

	<u>As at March 31, 2012</u> Rupees	<u>As at March 31, 2011</u> Rupees
Trade payables :		
Trade Payables of Micro and Small Enterprises (Refer Note 28)	16,370,787	11,542,851
Trade Payables other than Micro and Small Enterprises	103,063,569	86,335,738
Total	<u><u>119,434,356</u></u>	<u><u>97,878,589</u></u>

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2012

Note 9

Other current liabilities

	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Current maturities of long-term debt (Refer Note 5)	42,000,000	30,000,000
Current maturities of vehicle loan (Refer Note 5)	254,769	-
Interest accrued and due on borrowings	1,345,911	3,416,909
Unpaid dividends (Refer Note (a) below)	2,137,672	2,359,704
Advances from customers	2,746,886	612,284
Employee Benefits Payable	3,641,984	2,586,694
Statutory dues including Provident Fund and Tax deducted at Source	7,219,122	10,132,680
Other Contractual liabilities	10,718,136	12,309,191
Other payables:		
Liabilities towards purchase of fixed assets	3,176,978	1,914,206
Trade deposits	803,661	803,661
Retention Money Account	150,000	876,149
Advance for Sale of Land	-	160,000,000
Others	2,777,645	1,080,853
Total	<u>76,972,764</u>	<u>226,092,330</u>

(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 10

Short-term provisions

	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Provision for employee benefits :		
Provision for compensated absences (Refer Note 29)	275,541	23,432
Provision for gratuity (net) (Refer Note 29)	542,273	2,115,762
	<u>817,814</u>	<u>2,139,194</u>
Others Provisions :		
Provision for tax (net of advance tax and tax deducted at source Rs. 9,986,453)	76,824,968	-
Total	<u>77,642,782</u>	<u>2,139,194</u>

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2012

Note 11

A. Tangible Assets

Rupees

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Cost as at April 1, 2011	Addition during the Year	Deduction during the Year	Cost as at March 31, 2012	Accumulated Depreciation as at April 1, 2011	for the Year	On Deduction during Year	Accumulated Depreciation as at March 31, 2012	Written Down Value as at March 31, 2011	Written Down Value as at March 31, 2012		
Freehold Land	320,504	-	320,504	-	-	-	-	-	320,504	-		
Leasehold Land	20,482,770	-	-	20,482,770	437,363	220,793	-	658,156	20,045,407	19,824,614		
Building on Freehold Land	5,845,555	-	5,845,555	-	5,845,554	-	5,845,555	-	1	-		
Leasehold Building (Refer Note 1 below)	142,935,059	517,365	-	143,452,424	6,119,093	3,963,465	-	10,082,558	136,815,966	133,369,866		
Machinery, Workshops and Laboratory Equipment	157,102,123	8,591,359	2,800,754	162,892,728	39,029,945	14,594,817	2,337,223	51,287,539	118,072,178	111,605,189		
Electrical Installations	23,869,301	39,988	-	23,909,289	1,589,050	1,159,558	-	2,748,608	22,280,251	21,160,681		
Air-conditioning Equipment	3,183,050	-	133,996	3,049,054	239,192	150,139	7,108	382,223	2,943,858	2,666,831		
Furniture and Fixture	20,496,330	1,226,077	17,588	21,704,819	3,900,032	1,327,335	13,267	5,214,100	16,595,958	16,490,719		
Office Equipment	12,259,313	585,396	1,038,732	11,805,977	5,829,681	1,367,559	1,003,569	6,193,671	6,429,972	5,612,306		
Vehicle (Refer Note 5(a))	1,366,264	1,780,385	-	3,146,649	544,758	282,874	-	827,632	821,506	2,319,017		
Leasehold Improvement	3,367,413	33,190	549,186	2,851,417	3,092,821	206,451	480,538	2,818,734	274,592	32,683		
Total	391,227,682	12,773,760	10,706,315	393,295,127	66,627,489	23,272,991	9,687,260	80,213,221	313,081,906	324,600,193		
Previous year	388,804,924	25,824,762	23,402,004	391,227,682	77,320,456	24,586,234	18,991,479	82,915,211				

B. Intangible Assets

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK	
	Cost as at April 1, 2011	Addition during the Year	Deduction during the Year	Cost as at March 31, 2012	Accumulated Depreciation as at April 1, 2011	for the Year	On Deduction during Year	Written Down Value as at March 31, 2011
Computer Software	4,408,638	92,809	190,804	4,310,643	1,736,525	993,339	124,769	2,672,113
Total	4,408,638	92,809	190,804	4,310,643	1,736,525	993,339	124,769	2,672,113
Previous year	2,371,949	2,036,689	-	4,408,638	1,312,826	423,699	-	1,705,548
								2,605,095
								1,705,548
								2,672,113

Notes : 1) Advance rent against lease premises is being amortised over a period of 60 year lease.

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2012

Note 12

Non-current investments

	<u>As at March 31, 2012</u> Rupees	<u>As at March 31, 2011</u> Rupees
Other investments (valued at cost unless stated otherwise):		
Unquoted:		
Investment in subsidiaries: 150,007 fully paid Equity Shares of Rs. 10 each in Associated Polymers Limited	1,500,130	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)	-	10,000
UTI Balanced Fund (Income-Reinvestment) 13,328.37 Units (Previous Year: 12,686.66) of Rs. 10 each fully paid up (Dividend units Re-invested during the year: 641.71)	200,646	187,959
Quoted; 800 fully paid Equity Shares of Rs. 2 each in Swan Mills Limited [Market Value of quoted long term investments Rs. 92,520 (Previous Year : Rs. 78,560)]	1,441	1,441
Total	<u><u>1,720,217</u></u>	<u><u>1,717,530</u></u>

Aggregate amount of quoted investment Rs. 1,441 (Previous Year: Rs. 1,441)
Aggregate amount of unquoted investment Rs. 17,18,776 (Previous Year: Rs. 1,716,089)
Aggregate amount of market value of quoted investment Rs. 92,520 (Previous Year: Rs. 78,560)

Note 13

Long-term loans and advances

	<u>As at March 31, 2012</u> Rupees	<u>As at March 31, 2011</u> Rupees
Unsecured, Considered Good:		
Capital advances	726,781	1,162,317
Security deposits	6,108,405	5,736,666
Advance Income Tax and Tax Deducted at Source (net of provisions) [Previous year provision Rs. 78,819,021]	-	8,165,509
Minimum alternate tax credit entitlement	-	1,538,579
Other Loans and advances		
Prepaid expenses	134,107	217,732
Balances with Government Authorities	1,236,000	1,236,000
	<u><u>8,205,293</u></u>	<u><u>18,056,803</u></u>

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2012

Note 14

Inventories

(At lower of cost and net realisable value)

	<u>As at March 31, 2012</u> Rupees	<u>As at March 31, 2011</u> Rupees
Raw materials (Including Packing Materials)	68,443,586	97,657,882
Work-in-progress	16,291,509	41,169,704
Finished goods (Refer Note 33 (c))	11,472,090	2,800,780
Stores and spares	1,621,531	3,369,131
Traded Goods	1,874,061	6,811,176
Scrap	9,250,443	10,988,967
	<u>108,953,220</u>	<u>162,797,640</u>

Note 15

Trade receivables

	<u>As at March 31, 2012</u> Rupees	<u>As at March 31, 2011</u> Rupees
Secured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	803,661	803,661
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	2,223,863	3,417,844
Others	124,676,528	100,423,297
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)	-
	<u>127,704,052</u>	<u>104,644,802</u>

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2012

Note 16

Cash and Bank Balances

	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Cash and Cash equivalents :		
Cash on hand	23,058	169,130
Cheques on hand	1,339,518	11,255,426
Balances with banks :		
In current accounts	4,230,946	3,524,802
In Exchange Earners' Foreign Currency Accounts (USD 17,738.16 ; Previous year USD 17,738.16)	898,793	786,865
	6,492,315	15,736,223
Other bank balances :		
Unpaid dividend accounts	2,137,672	2,359,704
Margin money	1,378,400	3,782,637
	3,516,072	6,142,341
Total	10,008,387	21,878,564

Note 17

Short-term loans and advances

	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Unsecured considered good, unless otherwise stated		
Advances Recoverable in Cash or in Kind	2,541,418	1,974,988
Advances to related party	-	254,198
Advances to Subsidiary Company	389,000	213,671
Security deposits	1,503,800	3,731,179
Advances to Suppliers	3,115,616	4,756,080
Balances with Government Authorities	23,479,185	35,954,922
Advance Income Tax and Tax Deducted at source net of provisions [Previous year provision of Rs. 8,350,000]	-	1,288,240
Total	31,029,019	48,173,278

Note 18

Other current assets

	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Unsecured, considered good:		
Interest accrued on deposits	272,769	476,728
Due from Subsidiary Company	303,372	774,306
Receivable for Sale of Fixed Assets (Refer Note 40)	219,352,350	-
Total	219,928,491	1,251,034

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2012

Note 19

Revenue from operations

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Sale of products	586,589,762	550,834,865
Less : Discount on Sales	9,819,467	7,033,851
	576,770,295	543,801,014
Other Operating Revenue		
Sale of scrap	23,408,973	5,107,569
	600,179,268	548,908,583
Less : Excise duty	55,981,246	50,016,894
	544,198,022	498,891,689
(i) Details of Sales (Finished Goods)		
Passenger and Truck Valves	197,444,460	152,210,139
Hydraulic and Pneumatic Equipment	328,143,727	320,883,527
Others	42,164,075	41,148,138
	567,752,262	514,241,804
(ii) Details of Sales (Traded Goods)		
Seal Kit	13,948,482	27,425,712
Valve Cores	3,978,811	9,167,349
High Pressure Valves	546,663	-
Tubeless Valve	107,578	-
Other	255,966	-
	18,837,500	36,593,061

Note 20

Other income

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Dividend on non-current investments	12,687	18,055
Interest Income	237,586	498,619
Profit on Sale of Fixed Assets (Net)	-	1,139,251
Rent Income	960,000	2,645,500
Support Services	2,140,000	780,000
Export Incentive	-	89,353
Liabilities no Longer Payable written back	1,845,748	310,480
Bad Debts Recovered	200,195	75,000
Provision for Doubtful Debts written back	-	219,073
Miscellaneous Income	181,578	277,547
	5,577,794	6,052,878

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2012

Note 21

Cost of materials consumed (Refer Note 33)

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Raw Material Consumed		
Opening stock	97,437,847	80,702,652
Add: Purchases	345,603,234	322,419,430
Less: Closing stock	68,265,706	97,437,847
Cost of Raw material consumed during the year	<u>374,775,375</u>	<u>305,684,235</u>
Packing Material Consumed		
Opening stock	220,035	374,182
Add: Purchases	4,265,256	2,478,099
Less: Closing stock	177,880	220,035
Cost of Packing material consumed during the year	<u>4,307,411</u>	<u>2,632,246</u>
Total	<u>379,082,786</u>	<u>308,316,481</u>

Note 22

Changes in inventories of finished goods, work-in-progress and traded goods

(Increase)/decrease in stocks

Inventories at the end 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 (a)	<u>38,888,103</u>	<u>61,770,627</u>
Inventories at the beginning of the year:		
Finished goods	2,800,780	17,443,608
Work-in-progress	41,169,704	41,715,680
Traded goods	6,811,176	3,911,279
Scrap	10,988,967	8,244,947
Total (b)	<u>61,770,627</u>	<u>71,315,514</u>
(Increase) / Decrease in Stocks (b-a)	<u>22,882,524</u>	<u>9,544,887</u>

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2012

Note 23

Employee benefits expense

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Salaries, Wages, Bonus and Commission	70,552,638	76,003,493
Contributions to provident and other funds (Refer Note 29)	3,969,181	5,724,016
Gratuity (Refer Note 29)	542,271	3,312,118
Staff welfare expenses	17,561,532	17,417,544
	<u>92,625,622</u>	<u>102,457,171</u>

Note 24

Finance costs

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Interest on borrowings	39,434,376	34,745,038
Other borrowing costs	765,000	1,201,811
	<u>40,199,376</u>	<u>35,946,849</u>

Note 25

Depreciation and Amortisation Expense

Depreciation on Tangible Assets	23,272,991	24,586,234
Amortisation on Intangible Assets	993,339	423,699
	<u>24,266,330</u>	<u>25,009,933</u>

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2012

Note 26

Other expenses

	Year ended March 31, 2012	Year ended March 31, 2011
	Rupees	Rupees
General Stores and Spares Consumed	15,246,621	18,796,698
Power and Fuel	11,939,778	12,998,461
Excise Duty	1,695,535	(1,425,571)
Rent	8,864,163	9,283,453
Rates and Taxes	3,333,060	2,820,776
Repairs and Maintenance		
-Machinery	3,977,609	4,701,281
-Building	109,839	24,281
-Others	2,445,401	2,601,418
Insurance	1,411,298	1,263,324
Commission and Discount on Sales	2,422,778	2,570,258
Business Promotion	1,180,382	788,656
Carriage Outward	3,443,427	4,163,575
Travelling and Conveyance	9,221,355	9,972,317
Bad Debts /Advances written-off	6,140,628	279,023
Provision for Doubtful Debts	3,812,118	-
Directors' Fees	720,000	830,000
Auditors' Remuneration		
As Auditors	1,225,000	1,025,000
For Tax Audit	150,000	100,000
For Out-of-Pocket Expenses	73,600	43,200
Legal and Professional Charges	7,336,966	5,703,182
Foreign Exchange Loss (net)	407,999	254,547
Loss on Sale /Discard of Fixed Assets (net)	101,457	-
Miscellaneous	14,801,141	18,160,257
	100,060,155	94,954,136

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2012

Note 27

Exceptional items (Net)

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Voluntary Retirement Scheme Compensation and other related expenses	-	145,720,474
Profit on Sale of Fixed Assets (Refer Note 40)	(419,031,845)	(20,000,000)
Expenses related to Sale of Mulund Land	-	9,029,300
	<u>(419,031,845)</u>	<u>134,749,774</u>

Schrader Duncan Limited**Notes to the Financial Statements for the year ended March 31, 2012****Note 28****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	2011-2012	2010-2011
a)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	16,106,562	11,465,775
b)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	264,225	77,076
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	264,225	77,076

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

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2012

Note 29

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, 2012 Rupees	Year ended March 31, 2011 Rupees
Contribution to Provident Fund	1,828,530	2,371,300
Contribution to Employee's Pension Scheme	1,226,787	1,417,446
Contribution to Employee's Superannuation Fund	496,472	1,163,855
Contribution to Employee's State Insurance Scheme	398,780	751,639
Contribution to Labour Welfare Fund	18,612	19,776
	<u>3,969,181</u>	<u>5,724,016</u>

(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, 2012	Year Ended March 31, 2011
Discount Rate (Per annum)	8.50%	8.25%
Rate of increase in Compensation levels	6.00%	6.00%
Rate of Return on Plan Assets	8.00%	8.00%
Expected Average remaining working lives of employees in number of Years	20	18

(i) Changes in present value of obligation

	Year Ended March 31, 2012 Rupees	Year Ended March 31, 2011 Rupees
Present value of Obligation as at beginning of the year	8,055,450	22,005,284
Interest Cost	691,064	1,194,929
Current Service Cost	899,011	1,608,900
Benefits paid	(1,155,850)	(18,260,382)
Actuarial (Gains)/Loss	(451,704)	1,506,719
Present value of Obligation as at the end of the year	8,037,971	8,055,450

(ii) Changes in Fair value of plan assets

	Year Ended March 31, 2012 Rupees	Year Ended March 31, 2011 Rupees
Present value of plan assets as at beginning of the year	5,939,688	23,201,639
Expected return on Plan Assets	598,202	1,125,716
Actuarial gain/(loss) on Plan Assets	(2,102)	(127,285)
Actual Company Contribution	2,115,760	-
Benefits paid	(1,155,850)	(18,260,382)
Fair value of Plan Assets as at the end of the year	7,495,698	5,939,688

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2012

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

	Year Ended March 31, 2012	Year Ended March 31, 2011
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, 2012 Rupees	Year Ended March 31, 2011 Rupees
Present value of Funded Obligation as at the end of the year	8,037,971	8,055,450
Fair value of Plan Assets as at the end of the year	7,495,698	5,939,688
(Asset)/ Liability recognised in the Balance Sheet	542,273	2,115,762

(v) Amounts recognised in the Balance Sheet

	Year Ended March 31, 2012 Rupees	Year Ended March 31, 2011 Rupees
Present value of Obligation as at end of the year	8,037,971	8,055,450
Fair value of Plan Assets as at end of the year	7,495,698	5,939,688
Funded (Asset)/ Liability recognised in the Balance Sheet	542,273	2,115,762

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

	Year Ended March 31, 2012 Rupees	Year Ended March 31, 2011 Rupees
Current Service Cost	899,011	1,608,900
Interest Cost	691,064	1,194,930
Expected Return on Plan Asset	(598,202)	(1,125,716)
Net Actuarial (Gain)/ Loss	(449,602)	1,634,004
Total Expenses recognised in the Statement of Profit and Loss	542,271	3,312,118

(vii) Expected employers' contribution for the next year

1,026,824 **813,494**

(viii) Experience adjustments

On Plan Liabilities Gain/ (Loss)	247,138	(1,506,719)
On Plan Assets Gain/ (Loss)	(2,102)	(127,285)

(C) Disclosure as required under para 120(n);

Amounts recognised in current year and previous four years

	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009	Year Ended March 31, 2008
Present value of defined benefit obligation	8,037,971	8,055,450	22,005,283	21,937,046	21,003,236
Fair Value of Plan Assets	7,495,698	5,939,688	23,201,639	21,790,642	18,784,673
Surplus/ (Deficit) in the Plan	(542,273)	(2,115,762)	1,196,356	(146,404)	(2,218,563)
Experience adjustments on Plan Liabilities Gain/ (Loss)	247,138	(1,506,719)	(1,753,839)	(1,046,265)	-
Experience adjustments on Plan Assets Gain/ (Loss)	(2,102)	(127,285)	84,524	42,881	-

(D) The Liability for leave encashment and compensated balances as at year end is Rs. 2,096,742 (Previous Year Rs. 1,293,885).

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2012

Note 30

CIF Value of Imports:

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Raw materials	27,912,543	34,784,810
Traded Goods	2,451,280	-
Stores and Spares	-	1,004,437
	<u>30,363,823</u>	<u>35,789,247</u>

Note 31

Expenditure in foreign currency:

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Travelling Expenses	751,736	686,973
Capital Goods	2,476,433	4,821,080

Note 32

Earnings in Foreign Currency:

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
FOB value of exports	6,001,683	10,370,900
	<u>6,001,683</u>	<u>10,370,900</u>

Note 33

Details of Consumption and Purchases

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
(a) Details of Raw Material Consumed *		
Metals	76,742,369	55,266,080
Rubber	23,390,735	18,265,427
Others	278,949,682	234,784,974
	<u>379,082,786</u>	<u>308,316,481</u>

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

	Year ended March 31, 2012		Year ended March 31, 2011	
	Value Rupees	%	Value Rupees	%
Raw Material Consumed:				
Imported	30,243,262	7.98%	39,517,922	12.82%
Indegenious	348,839,524	92.02%	268,798,559	87.18%
	<u>379,082,786</u>	<u>100.00%</u>	<u>308,316,481</u>	<u>100.00%</u>

Stores and Spares Consumed:

	Year ended March 31, 2012		Year ended March 31, 2011	
	Value Rupees	%	Value Rupees	%
Imported	-	-	1,138,850	6.06%
Indegenious	15,246,621	100%	17,657,848	93.94%
	<u>15,246,621</u>	<u>100%</u>	<u>18,796,698</u>	<u>100%</u>

* 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, 2012		Year ended March 31, 2011	
	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	14,881,175	-
Hydraulic & Pneumatic Equipment	2,013,525	7,609,256	1,951,696	2,013,525
Others	787,255	169,703	610,737	787,255
	<u>2,800,780</u>	<u>11,472,090</u>	<u>17,443,608</u>	<u>2,800,780</u>

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2012

Note 34

Segment information for the year ended March 31, 2012

	2011-2012			2010-2011			
	Automotive Products	Pneumatic Products	Unallocated	Automotive Products	Pneumatic Products	Unallocated	Total
Revenue							
External Sales (Net of Discount and Excise Duty)	233,030,499	311,167,523	-	180,265,469	318,626,220	-	498,891,689
Other Income	611,452	1,601,557	422,159,043	2,444,692	511,726	23,039,499	25,995,917
Total Revenue	233,641,951	312,769,080	422,159,043	182,710,161	319,137,946	23,039,499	524,887,606
Result							
Segment Result	(69,226,144)	30,007,754	-	(219,737,890)	62,891,595	-	(156,846,295)
Unallocated expenditure (Net of unallocated income)	-	-	382,122,241	-	-	(23,471,943)	(23,471,943)
Interest expenses	-	-	(40,199,376)	-	-	(35,946,849)	(35,946,849)
Interest Income	-	-	237,586	-	-	253,820	253,820
Profit before Taxation	(69,226,144)	30,007,754	342,160,451	(219,737,890)	62,891,595	(59,164,972)	(216,011,267)
Other Information							
Segment Assets	436,569,056	143,079,056	243,150,470	493,556,828	155,524,620	36,847,223	685,928,671
Segment Liabilities	169,093,142	76,703,415	269,378,476	204,534,979	87,032,381	291,369,728	582,937,088
Capital Expenditure	11,356,056	1,510,513	-	21,011,156	6,850,295	-	27,861,451
Depreciation	21,850,350	1,588,350	827,630	22,254,505	2,583,578	171,850	25,009,933
Non-cash expenses other than depreciation	-	-	-	-	-	-	-

II. Information about Secondary Business Segments (in Rupees)

	India	Outside	Total
Revenue by geographical market			
External Sales (Net of Discount and Excise Duty)	534,961,502	9,236,520	544,198,022
Carrying amount of segment assets	815,212,136	7,586,447	822,798,583
Additions to fixed assets	12,866,569	-	12,866,569

III. Notes:

- The company is organised 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 organisation structure and the internal financial reporting systems.
- 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.
- 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, 2017

Note 35

Related Party Disclosures (As identified by the Management)

A) Relationships:

(i) Investing Companies

- a. Schrader Bridgeport International, Inc.
- b. Cosmopolitan Investments Limited @

(ii) Associate Companies /Affiliates

- a. Tomkins Plc, London @
- b. Gates India Pvt. Ltd.
- c. Gates Corporation, USA
- d. Gates Corporation, Germany
- e. Schrader International – Brazil
- f. Schrader S.A.S France
- g. Schrader Engineering Product – China
- h. Gates Unitta Asia Trading Company Pte Ltd. – Singapore

(iii) Subsidiary of the Company:
Associated Polymers Limited

(iv) Key Management Personnel:

Mr. Shantanu Parvati - Managing Director

@ Tomkins Plc, London and Cosmopolitan Investments Limited has given corporate Guarantees to Bank (State Bank of India) against all credit facilities.

Schrader Duncan Limited
Notes to the Financial Statements for the year ended March 31, 2012

Note 38

Deferred Tax:

The Deferred Tax balances are set out as below

Particulars	As at March 31, 2012	As at March 31, 2011
Deferred Tax Liabilities		
Depreciation	29,417,352	20,012,062
Total (a)	29,417,352	20,012,062
Less :Deferred Tax Assets		
Voluntary Retirement Scheme	29,042,819	20,012,062
Unabsorbed Depreciation*	374,533	-
Total (b)	29,417,352	20,012,062
Net Deferred Tax Liability (a-b)	-	-

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

Note 39

Basic and Diluted Earnings per share :

	As at March 31, 2012	As at March 31, 2011
Profit / (Loss) for the year (Rs.)	204,631,967	(212,079,673)
Weighted Average Number of Equity Shares (Nos.)	3,696,000	3,696,000
Earnings per Equity Share - Basic (Rs.)	55.37	(57.38)
Earnings per Equity Share - Diluted (Rs.)	55.37	(57.38)
Nominal value of an Equity Share (Rs.)	10	10

Note 40

The Company had, on March 26, 2011, entered into an agreement for sale-cum-development of its land at Mulund Plant. During the current year, the Company has met all its obligations as a seller except for completing the administrative process for mutation for a small portion of land in its name. The Company is of the view that all significant risks and rewards in respect of the said land have been transferred to the buyer which has been adequately supported by a legal opinion and accordingly Profit on Sale of land amounting to Rs. 4,190.32 lacs has been recorded during the year ended March 31, 2012 and disclosed as exceptional item. Out of the total sales consideration, the Company is yet to receive an amount of Rs. 2,193.52 lacs and same has been disclosed in the financial statements as at March 31, 2012 under the head "Other Current Assets".

Note 41

The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

For **Price Waterhouse & Co.**
 Firm Registration No. : 0075675
 Chartered Accountants

For and on behalf of the Board of Directors

Uday Shah
 Partner
 Membership No. F-46061

Shantanu Parvati
 Wholetime Director

A Goenka
 Director

Parveen Agarwal
 Company Secretary

Mumbai
 Date : May 25, 2012

Mumbai
 Date : May 25, 2012

CONSOLIDATED

Auditor's Report on the Consolidated Financial Statements of Schrader Duncan Limited

The Board of Directors of Schrader Duncan Limited

1. We have audited the attached consolidated Balance Sheet of Schrader Duncan Limited (the "Company") and its subsidiary; hereinafter referred to as the "Group" (refer Note [2] to the attached consolidated financial statements) as at March 31, 2012, the related consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, notified under Section 211(3C) of the Companies Act, 1956.
4. In our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Price Waterhouse & Co.**
Firm Registration Number: 007567S
Chartered Accountants

Place: Mumbai,
Date: May 25, 2012

Uday Shah
Partner
Membership Number F-46061

Schrader Duncan Limited
Consolidated Balance Sheet as at March, 2012

	Note	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	36,960,000	36,960,000
Reserves and Surplus	4	308,783,741	104,090,655
		345,743,741	141,050,655
Non-current liabilities			
Long-term borrowings	5	60,765,031	102,000,000
Deferred Tax Liabilities (Net)	6	86,025	97,142
Long-term provisions	7	7,541,473	1,342,334
		68,392,529	103,439,476
Current liabilities			
Short-term borrowings	8	137,934,314	118,556,522
Trade payables	9	119,190,016	97,423,332
Other current liabilities	10	77,373,625	224,734,535
Short-term provisions	11	77,660,331	2,139,192
		412,158,286	442,853,581
Total		826,294,556	687,343,712
Assets			
Non-current assets			
Fixed assets			
Tangible assets	12.A	314,183,062	325,823,745
Intangible assets	12.B	1,705,548	2,672,113
Capital work-in-progress		462,450	136,714
		316,351,060	328,632,572
Non-current investments	13	220,087	217,400
Long-term loans and advances	14	8,692,800	18,528,343
		8,912,887	18,745,743
Current assets			
Current Investments	15	1,185,905	1,127,930
Inventories	16	108,953,220	162,797,640
Trade receivables	17	127,704,052	104,644,802
Cash and Bank balances	18	12,232,775	22,467,586
Short-term loans and advances	19	31,316,321	48,439,359
Other current assets	20	219,638,336	488,080
		501,030,609	339,965,397
Total		826,294,556	687,343,712

The notes are an integral part of these Consolidated Financial Statements

This is the Consolidated Balance Sheet referred to in our report of even date.

For **Price Waterhouse & Co.**
Firm Registration No. : 007567S
Chartered Accountants

For and on behalf of the Board of Directors

Uday Shah
Partner
Membership No. F-46061

Shantanu Parvati
Wholetime Director

A Goenka
Director

Mumbai
Date : May 25, 2012

Mumbai
Date : May 25, 2012

Parveen Agarwal
Company Secretary

Schrader Duncan Limited
Statement of Consolidated Profit and Loss for the year ended 31 March, 2012

	Note	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Revenue from operations (gross)	21	600,179,268	548,908,583
Less: Excise duty		55,981,246	50,016,894
Revenue from operations (net)		544,198,022	498,891,689
Other income	22	5,397,312	5,450,566
Total Revenue		549,595,334	504,342,255
Expenses			
Cost of materials consumed	23	376,744,664	305,988,908
Purchases of stock-in-trade		6,748,807	9,976,603
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	22,882,524	9,544,887
Employee benefits expense	25	94,282,096	104,076,625
Finance costs	26	38,099,376	33,846,849
Depreciation and amortisation expense	27	24,388,726	25,135,894
Other expenses	28	102,481,923	97,018,715
Total Expenses		665,628,116	585,588,481
Loss before exceptional items and tax		116,032,782	81,246,226
Exceptional items (Net)	29	(419,031,845)	134,749,774
Profit /(Loss) before tax		302,999,063	(215,996,000)
Tax expense:			
Current tax		78,463,021	-
Minimum Alternate Tax (MAT) Credit utilised		1,543,979	-
Current tax relating to prior years		18,310,094	(1,459)
Deferred tax (Credit)		(11,117)	(3,925,182)
Profit /(Loss) for the period		204,693,086	(212,069,359)
Earnings /(Loss) per equity share (Refer Note 40) (Face Value of Rs. 10 each)		55.38	(57.38)

The notes are an integral part of these Consolidated Financial Statements

This is the Statement of Consolidated Profit and Loss referred to in our report of even date.

For **Price Waterhouse & Co.**
Firm Registration No. : 007567S
Chartered Accountants

For and on behalf of the Board of Directors

Uday Shah
Partner
Membership No. F-46061

Shantanu Parvati
Wholetime Director

A Goenka
Director

Mumbai
Date : May 25, 2012

Mumbai
Date : May 25, 2012

Parveen Agarwal
Company Secretary

Schrader Duncan Limited
Consolidated Cash Flow Statement for the year ended March 31, 2012

	<u>Rupees</u>	<u>Rupees</u>
C. Cash flow from Financing Activities		
Repayment of long-term borrowings	(30,121,201)	(18,000,000)
Term Loan obtained	-	20,000,000
Proceeds from long-term borrowings	1,141,000	-
Interest paid	(46,265,257)	(33,701,930)
Dividend paid (Including Dividend Distribution Tax)	-	(4,643,971)
Foreign Currency Demand Loan Repaid	(19,304,247)	(19,277,231)
Foreign Currency Demand Loan obtained	-	19,304,247
Loan obtained from a relative of director	10,000,000	10,000,000
Loan from a relative of director repaid	(10,000,000)	(10,000,000)
Proceeds from other short-term borrowings	17,000,000	202,415
Net cash used in Financing Activities	<u>(77,549,705)</u>	<u>(36,116,470)</u>
Net increase /(Decrease) in cash and cash equivalents (A+B+C)	<u>(31,916,850)</u>	<u>(30,817,431)</u>
Cash and cash equivalents at the beginning of the year	<u>(76,784,689)</u>	<u>(45,967,258)</u>
Cash and cash equivalents at the end of the year	<u>(108,701,539)</u>	<u>(76,784,689)</u>
Cash and cash equivalents comprise of:		
(a) Cash on hand	25,160	172,522
(b) Cheques on hand	1,339,518	11,255,426
(c) Bank balances:		
In current accounts	6,453,232	4,110,432
In EEFC accounts	898,793	786,865
(d) Other bank balances:		
Unpaid Dividends accounts *	2,137,672	2,359,704
Balances held as margin money *	1,378,400	3,782,637
(e) Cash Credit Utilised	(120,934,314)	(99,252,275)
Total	<u>(108,701,539)</u>	<u>(76,784,689)</u>

* 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 **Price Waterhouse & Co.**
Firm Registration No. : 007567S
Chartered Accountants

For and on behalf of the Board of Directors

Uday Shah
Partner
Membership No F - 46061

Shantanu Parvati **A Goenka**
Wholetime Director Director

Mumbai
Date : May 25, 2012

Mumbai
Date : May 25, 2012

Parveen Agarwal
Company Secretary

Schrader Duncan Limited
Notes to the Consolidated financial statements for the year ended March 31,2012

Significant Accounting policies and Notes on Accounts

Note 1

General Information

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

Note 2

Summary of Significant Accounting Policies

2.1 Basis of preparation :

The Consolidated financial statements of Schrader Duncan Limited ("the Company") and its domestic subsidiary (collectively referred to as "the Group") are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, to the extent possible, in the same format as that adopted by the Company for its separate financial statements.

2.2 Principles of Consolidation :

The consolidated financial statements relate to Schrader Duncan Limited ("the Parent Company") and its wholly owned Subsidiary Company, Associated Polymers Limited (APL), incorporated in India, which have been prepared in accordance with Accounting Standard 21 (AS-21) as prescribed by Companies (Accounting Standards) Rules, 2006. The consolidated financial statements have been prepared on the following basis:

- Subsidiaries are consolidated from the date on which control is transferred to the group and are not consolidated from the date that control ceases. The financial statements of the Company and its subsidiaries have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Intra-group balances and intragroup transactions and resulting unrealised profits have been eliminated.

- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

- The excess of cost to the Company of its investment in the Subsidiary Company is recognised in the financial statements as goodwill, which has b

2.3 Tangible Assets :

(a) Fixed assets are stated at cost less depreciation, where applicable. Leasehold land is stated at cost.

(b) Depreciation :

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 less estimated residual value, at the rates given in Schedule XIV to the Companies Act, 1956 except:

(i) Vehicles, which have been depreciated in 7 years period.

(ii) Leasehold Improvements are amortised equally over the period of the respective leases.

(iii) Guest house Equipments and Furniture which have been depreciated in 3 years period.

2.4 Intangible Assets :

Intangible Assets are stated at cost less accumulated depreciation and impairment loss.

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 Employee Benefits :

(i) Contribution towards the defined contribution plans are recognised in the Statement of Consolidated 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 Consolidated Profit and Loss.

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

2.6 Valuation of Inventory :

(a) Inventories are valued at lower of cost and market 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.

Schrader Duncan Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(b) Accounting of CENVAT :

The Company follows on a consistent basis, the "non-inclusive" method of accounting for CENVAT under Central Excise Act, 1944 with regard to its inventories, purchase and consumption.

2.7 Investments :

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

2.8 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 recognised, 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 recognised 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.

2.9 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 Consolidated Profit and Loss. In case of assets and liabilities covered by forward contracts, the exchange difference is recognised 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.

2.10 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 recognised in the Statement of Consolidated 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.

2.11 Provisions and Contingencies :

The Company recognises 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.

2.12 Revenue Recognition :

Sale of goods :

Domestic sales are recognised on dispatch, and are net of sales tax. Export sales are recognised on shipment, on the basis of the Bills of Lading.

Sale of services :

Revenue from services is recognised on rendering of services in accordance with the Contractual arrangements.

Interest Income and Dividend :

a) Interest Income is accounted on accrual basis.

b) Dividend Income on Investment is accounted for when the right to receive the payment is established.

2.13 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 recognised in the period in which results are known/materialised.

2.14 Borrowing Cost :

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

Schrader Duncan Limited
Notes to the Consolidated financial statements for the year ended March 31,2012

Note 3

Share Capital

	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Authorised : 5,000,000 (March 31, 2011 - 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, 2011 - 3,696,000) Equity Shares of Rs. 10 each fully paid-up	36,960,000	36,960,000
Total	36,960,000	36,960,000

(a) Reconciliation of number of shares :

	As at March 31, 2012 No. of shares	As at March 31, 2012 Rupees	As at March 31, 2011 No. of shares	As at March 31, 2011 Rupees
Equity Shares:				
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, 2012	Holding in percentage as at March 31, 2012	Number of shares as at March 31, 2011	Holding in percentage as at March 31, 2011
Equity Shares:				
Oriental Carbon and Chemicals Limited.	465,104	12.58%	465,104	12.58%
Cosmopolitan Investment Limited.	440,232	11.91%	440,232	11.91%
Schrader Bridgeport International Inc (Also refer note d below)	1,848,000	50.00%	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 the Indian Promoter (Oriental Carbon and Chemicals Limited).

Note 4

Reserves and Surplus

	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
General Reserve	81,113,663	81,113,663
Surplus / (Deficit) in Statement of Consolidated Profit and Loss:		
Balance at the beginning of the year	22,976,992	235,046,351
Add: Profit / (Loss) for the year	204,693,086	(212,069,359)
Balance as at the end of the year	227,670,078	22,976,992
	308,783,741	104,090,655

Note 5

Long-term borrowings

	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Secured:		
Term loan from a bank	60,000,000	102,000,000
Vehicle loan	765,031	-
Total	60,765,031	102,000,000

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

Nature of Security

Term loan from State Bank of India amounting to Rs.102,000,000 (March 31, 2011 : Rs. 132,000,000) is secured by exclusive mortgage /hypothecation charge on the tangible fixed assets at Ranjangaon, Pune. First charge on the Company's movable fixed assets at Mahape Plant and Second charge on the Company's current assets and Corporate Guarantees by (i) Tomkins Plc., London and (ii) Cosmopolitan Investments Ltd.

Vehicle loan is secured by hypothecation of vehicle.

Terms of Repayment

Repayable in 76 equal monthly instalments as per the schedule fixed by bank (December 2009 to March 2016) with rate of interest at 0.50% above Benchmark Prime Lending Rate*

Repayable in 48 monthly instalments from the date of the loan (October 15, 2011) along with interest of 10.80% per annum.*

* Amount repayable within 12 months from March 31, 2012 are included in Other Current Liabilities (Refer Note 10).

Note 6

Deferred Tax Liabilities (Net) :

The Deferred Tax balances are set out as below

	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Deferred Tax Liabilities		
Depreciation	29,503,377	20,109,204
Total (a)	29,503,377	20,109,204
Less :b) Deferred Tax Assets		
Voluntary Retirement Scheme	29,042,819	20,012,062
Unabsorbed Depreciation*	374,533	-
Total (b)	29,417,352	20,012,062
Net Deferred Tax Liability (a-b)	86,025	97,142

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

Note 7

Long-term provisions

	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Provision for employee benefits :		
Provision for compensated absences (Refer Note 31)	1,936,888	1,342,334
	1,936,888	1,342,334
Provision - Others :		
Provision for Income Tax (net of advance tax and tax deducted at source amounting to Rs. 83,359,021)	5,604,585	-
Total	7,541,473	1,342,334

Schrader Duncan Limited
Notes to the Consolidated financial statements for the year ended March 31,2012

Note 8

Short-term borrowings

	<u>As at March 31, 2012 Rupees</u>	<u>As at March 31, 2011 Rupees</u>
Secured :		
Working capital loans repayable on demand		
From banks:		
Cash Credit	120,934,314	99,252,275
Foreign Currency Demand Loan	-	19,304,247
	<u>120,934,314</u>	<u>118,556,522</u>
Unsecured:		
From other parties	17,000,000	-
	<u>17,000,000</u>	<u>-</u>
Total	<u><u>137,934,314</u></u>	<u><u>118,556,522</u></u>

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

Cash Credit and Foreign Currency Demand Loan is secured by First hypothication charge on the company's entire current assets, present and future, First charge on Company's movable fixed assets at Mahape Plant, Extension of First charge on tangible Fixed assets at Ranjagaon, Pune. Further by Corporate Guarantees of (i) Tomkins Plc., London and (ii) Cosmopolitan Investments Ltd.

Note 9

Trade payables

	<u>As at March 31, 2012 Rupees</u>	<u>As at March 31, 2011 Rupees</u>
Trade payables :		
Trade Payables of Micro and Small Enterprises (Refer Note 30)	16,370,787	11,542,851
Trade Payables other than Micro and Small Enterprises	102,819,229	85,880,481
Total	<u><u>119,190,016</u></u>	<u><u>97,423,332</u></u>

Schrader Duncan Limited**Notes to the Consolidated financial statements for the year ended March 31,2012****Note 10****Other current liabilities**

	<u>As at March 31, 2012</u> Rupees	<u>As at March 31, 2011</u> Rupees
Current maturities of long-term debt (Refer Note 5)	42,000,000	30,000,000
Current maturities of vehicle loan (Refer Note 5)	254,769	-
Interest accrued and due on borrowings	1,345,911	1,522,026
Unpaid dividends (Refer Note (a) below)	2,137,672	2,359,704
Advances from customers	2,746,886	612,284
Employee Benefits Payable	3,766,061	2,711,004
Statutory dues including Provident Fund and Tax deducted at Source	7,284,093	10,262,848
Other Contractual liabilities	10,929,949	12,591,800
Other payables:		
Liabilities towards purchase of fixed assets	3,176,978	1,914,206
Trade deposits	803,661	803,661
Retention Money Account	150,000	876,149
Advance for Sale of Land	-	160,000,000
Others	2,777,645	1,080,853
Total	<u>77,373,625</u>	<u>224,734,535</u>

(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**

	<u>As at March 31, 2012</u> Rupees	<u>As at March 31, 2011</u> Rupees
Provision for employee benefits :		
Provision for compensated absences (Refer Note 31)	293,091	23,432
Provision for gratuity (net) (Refer Note 31)	542,272	2,115,760
	<u>835,363</u>	<u>2,139,192</u>
Others Provisions :		
Provision for tax (net of advance tax and tax deducted at source Rs. 9,986,453)	76,824,968	-
Total	<u>77,660,331</u>	<u>2,139,192</u>

Schrader Duncan Limited
Notes to the Consolidated financial statements for the year ended March 31, 2012

Note 12

A. Tangible Assets

Rupees

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at April 1, 2011	Addition during the Year	Deduction during the Year	Cost as at March 31, 2012	Accumulated Depreciation as at April 1, 2011	for the Year	On Deduction during Year	Accumulated Depreciation as at March 31, 2012	Written Down Value as at March 31, 2011	Written Down Value as at March 31, 2012
Freehold Land	320,504	-	320,504	-	-	-	-	-	320,504	-
Leasehold Land	20,618,553	-	-	20,618,553	487,796	222,221	-	710,017	20,130,757	19,908,536
Building on Freehold Land	5,845,555	-	5,845,555	-	5,845,554	-	5,845,555	-	1	-
Leasehold Building (Refer Note 1 below)	144,183,327	517,365	-	144,700,692	7,251,517	3,969,981	-	11,221,498	136,931,810	133,479,194
Machinery, Workshops and Laboratory Equipment	161,689,478	8,591,359	2,800,754	167,480,083	43,021,512	14,683,926	2,337,223	55,368,215	118,667,966	112,111,868
Electrical Installations	24,740,081	39,988	-	24,780,069	2,066,256	1,181,453	-	3,247,709	22,673,825	21,532,360
Air-conditioning Equipment	3,183,050	-	133,996	3,049,054	239,192	150,139	7,108	382,223	2,943,858	2,666,831
Furniture and Fixture	20,539,573	1,226,077	17,588	21,748,062	3,932,580	1,328,729	13,267	5,248,042	16,606,653	16,500,020
Office Equipment	12,317,932	585,396	1,038,732	11,864,596	5,865,999	1,369,613	1,003,569	6,232,043	6,452,273	5,632,553
Vehicle [Refer Note 5 (a)]	1,366,264	1,780,385	-	3,146,649	544,758	282,874	-	827,632	821,506	2,319,017
Leasehold Improvement	3,367,413	33,190	549,186	2,851,417	3,092,821	206,451	480,538	2,818,734	274,592	32,683
Total	398,171,730	12,773,760	10,706,315	400,239,175	72,347,985	23,395,387	9,687,260	86,056,113	314,183,062	325,823,745
Previous year	395,748,972	25,824,762	23,402,004	398,171,730	82,914,991	24,712,195	18,991,479	88,635,707		

B. Intangible Assets

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK			
	Cost as at April 1, 2011	Addition during the Year	Deduction during the Year	Cost as at March 31, 2012	Accumulated Depreciation as at April 1, 2011	for the Year	On Deduction during Year	Accumulated Depreciation as at March 31, 2012	Written Down Value as at March 31, 2011	Written Down Value as at March 31, 2012
Computer Software	4,408,638	92,809	190,804	4,310,643	1,736,525	993,339	124,769	2,605,095	1,705,548	2,672,113
Total	4,408,638	92,809	190,804	4,310,643	1,736,525	993,339	124,769	2,605,095	1,705,548	2,672,113
Previous year	2,371,949	2,036,689	-	4,408,638	1,312,826	423,699	-	1,736,525		

Notes : 1) Advance rent against lease premises is being amortised over a period of 60 year lease.

Schrader Duncan Limited
Notes to the Consolidated financial statements for the year ended March 31,2012

Note 13

Non-current investments

	<u>As at March 31, 2012 Rupees</u>	<u>As at March 31, 2011 Rupees</u>
Other investments (valued at cost unless stated otherwise):		
Unquoted:		
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)	-	10,000
UTI Balanced Fund (Income-Reinvestment) 13,328.37 Units (Previous Year: 12,686.66) of Rs. 10 each fully paid up (Dividend units Re-invested during the year: 641.71)	200,646	187,959
Quoted;		
800 fully paid Equity Shares of Rs. 2 each in Swan Mills Limited [Market Value of quoted long term investments Rs. 92,520 (Previous Year : Rs. 78,560)]	1,441	1,441
Total	<u>220,087</u>	<u>217,400</u>

Aggregate amount of quoted investment Rs. 1,441 (Previous Year: Rs. 1,441)
 Aggregate amount of unquoted investment Rs. 218,646 (Previous Year: Rs. 215,959)
 Aggregate amount of market value of quoted investment Rs. 92,520 (Previous Year: Rs. 78,560)

Note 14

Long-term loans and advances

	<u>As at March 31, 2012 Rupees</u>	<u>As at March 31, 2011 Rupees</u>
Unsecured, Considered Good:		
Capital advances	726,781	1,162,317
Security deposits	6,389,991	6,018,252
Advance Income Tax and Tax Deducted at Source (net of provisions) [Previous year provision Rs. 78,819,021]	-	8,165,509
Minimum alternate tax credit entitlement	150,734	1,694,713
Prepaid expenses	134,846	223,359
Balances with Government Authorities	1,236,000	1,236,000
Others	54,448	28,193
	<u>8,692,800</u>	<u>18,528,343</u>

Schrader Duncan Limited
Notes to the Consolidated financial statements for the year ended March 31,2012

Note 15

Current Investments

	As at March 31, 2012		As at March 31, 2011	
	Rupees	Rupees	Rupees	Rupees
Non-Trade Investments				
Quoted				
Apollo Tyres Limited 1000 equity shares of Rs. 1 each fully paid	7,002		7,002	
Ceat Limited 75 equity shares of Rs. 10 each fully paid	1,663		1,663	
Summit Securities Limited 4 equity shares of Rs. 10 each fully paid	66		66	
Goodyear India Limited 100 equity shares of Rs. 10 each fully paid	6,259		6,259	
J. K. Industries Limited 56 equity shares of Rs. 10 each fully paid	1,411		1,411	
J. K. Sugar Limited 15 equity shares of Rs. 10 each fully paid	186		186	
J. K. Agri Genetics Limited 10 equity shares of Rs. 10 each fully paid	273		273	
TVS Srichakra Tyres Limited 100 equity shares of Rs. 10 each fully paid	3,795		3,795	
Falcon Tyres Limited 600 equity shares of Rs. 5 each fully paid	1,573		1,573	
MRF Limited 13 equity shares of Rs. 10 each fully paid	19,438		19,438	
Triton Valves Limited 50 equity shares of Rs. 10 each fully paid	16,252		16,252	
Dunlop India Limited 100 equity shares of Rs. 10 each fully paid	1,212		1,212	
Modi Rubber Limited 100 equity shares of Rs. 10 each fully paid	3,042		3,042	
		62,172		62,172
[Market value of quoted current investments Rs. 336,794 (Previous Year: Rs. 332,891)]				
Unquoted				
1063.03 units (Previous Year:1009.30 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 53.73 units]	1,097,898		1,040,981	
20.30 units (Previous Year: 19.50 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 0.80 units]	25,834		24,776	
Netflier Finco Limited 18 equity shares of Rs. 10 each fully paid	1		1	
		1,123,733		1,065,758
		1,185,905		1,127,930

Aggregate amount of quoted investment Rs. 62,172 (Previous Year: Rs. 62,172)
Aggregate amount of unquoted investment Rs. 1,123,733 (Previous Year: Rs. 1,065,758)
Aggregate amount of market value of quoted investment Rs. 336,794 (Previous Year: Rs. 332,891)

Schrader Duncan Limited
Notes to the Consolidated financial statements for the year ended March 31,2012

Note 16

Inventories

(At lower of cost and net realisable value)

	<u>As at March 31, 2012</u> Rupees	<u>As at March 31, 2011</u> Rupees
Raw materials (Including Packing Materials)	68,443,586	97,657,882
Work-in-progress	16,291,509	41,169,704
Finished goods [Refer Note 35(c)]	11,472,090	2,800,780
Stores and spares	1,621,531	3,369,131
Traded Goods	1,874,061	6,811,176
Scrap	9,250,443	10,988,967
	<u>108,953,220</u>	<u>162,797,640</u>

Note 17

Trade receivables

	<u>As at March 31, 2012</u> Rupees	<u>As at March 31, 2011</u> Rupees
Secured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	803,661	803,661
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	2,223,863	3,417,844
Others	124,676,528	100,423,297
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)	-
	<u>127,704,052</u>	<u>104,644,802</u>

Schrader Duncan Limited
Notes to the Consolidated financial statements for the year ended March 31,2012

Note 18

Cash and Bank Balances

	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Cash and Cash equivalents :		
Cash on hand	25,160	172,522
Cheques on hand	1,339,518	11,255,426
Balances with banks :		
In current accounts	6,453,232	4,110,432
In Exchange Earners' Foreign Currency Accounts (USD 17,738.16 ; Previous year USD 17,738.16)	898,793	786,865
	8,716,703	16,325,245
Other bank balances :		
Unpaid dividend accounts	2,137,672	2,359,704
Margin money	1,378,400	3,782,637
	3,516,072	6,142,341
Total	12,232,775	22,467,586

Note 19

Short-term loans and advances

	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Unsecured considered good, unless otherwise stated :		
Advances Recoverable in Cash or in Kind	2,571,219	2,049,938
Advances to related party	-	254,198
Prepaid Expenses	22,885	30,048
Security deposits	1,503,800	3,731,179
Advances to Suppliers	3,115,616	4,756,080
Balances with Government Authorities:	23,479,185	35,954,922
Advance Income Tax and Tax Deducted at source [(net of provisions for Tax Rs. 13,638,351 (Previous year provision for Tax of Rs. 21,513,348)]	603,616	1,635,223
Others	20,000	27,771
Total	31,316,321	48,439,359

Note 20

Other current assets

	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Unsecured, considered good:		
Interest accrued on deposits	285,986	488,080
Receivable for Sale of Fixed Assets (Refer Note 41)	219,352,350	-
Total	219,638,336	488,080

Schrader Duncan Limited

Notes to the Consolidated financial statements for the year ended March 31,2012

Note 21

Revenue from operations

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Sale of products	586,589,762	550,834,865
Less : Discount on Sales	9,819,467	7,033,851
	576,770,295	543,801,014
Other Operating Revenue		
Sale of scrap	23,408,973	5,107,569
	600,179,268	548,908,583
Less : Excise duty	55,981,246	50,016,894
	544,198,022	498,891,689
(i) Details of Sales (Finished Goods)		
Passenger and Truck Valves	197,444,460	152,210,139
Hydraulic and Pneumatic Equipment	328,143,727	320,883,527
Others	42,164,075	41,148,138
	567,752,262	514,241,804
(ii) Details of Sales (Traded Goods)		
Seal Kit	13,948,482	27,425,712
Valve Cores	3,978,811	9,167,349
High Pressure Valves	546,663	-
Tubeless Valve	107,578	-
Other	255,966	-
	18,837,500	36,593,061

Note 22

Other income

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Dividend on investments	70,662	62,314
Interest Income	252,271	513,304
Interest on Income Tax Refund	-	4,758
Profit on Sale of Fixed Assets (Net)	-	1,139,251
Profit on Sale of Investments	-	8,252
Rent Income	960,000	2,645,500
Support Services	1,840,000	-
Export Incentive	-	89,353
Liabilities no Longer Payable written back	1,892,606	312,235
Bad Debts Recovered	200,195	75,000
Provision for Doubtful Debts written back	-	219,073
Provision for Dimunition written back	-	4,252
Miscellaneous Income	181,578	377,274
	5,397,312	5,450,566

Schrader Duncan Limited
Notes to the Consolidated financial statements for the year ended March 31,2012

Note 23

Cost of materials consumed

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Raw Material Consumed		
Opening stock	97,437,847	80,702,652
Add: Purchases	343,265,112	320,091,857
Less: Closing stock	68,265,706	97,437,847
Cost of Raw material consumed during the year	<u>372,437,253</u>	<u>303,356,662</u>
Packing Material Consumed		
Opening stock	220,035	374,182
Add: Purchases	4,265,256	2,478,099
Less: Closing stock	177,880	220,035
Cost of Packing material consumed during the year	<u>4,307,411</u>	<u>2,632,246</u>
	<u>376,744,664</u>	<u>305,988,908</u>

Note 24

Changes in inventories of finished goods, work-in-progress and traded goods

(Increase)/decrease in stocks

Inventories at the end 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 (a)	<u>38,888,103</u>	<u>61,770,627</u>
Inventories at the beginning of the year:		
Finished goods	2,800,780	17,443,608
Work-in-progress	41,169,704	41,715,680
Traded goods	6,811,176	3,911,279
Scrap	10,988,967	8,244,947
Total (b)	<u>61,770,627</u>	<u>71,315,514</u>
(Increase) /Decrease in Stocks (b-a)	<u>22,882,524</u>	<u>9,544,887</u>

Schrader Duncan Limited
Notes to the Consolidated financial statements for the year ended March 31,2012

Note 25

Employee benefits expense

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Salaries, Wages, Bonus and Commission	72,109,135	77,519,041
Contributions to provident and other funds (Refer Note 31)	4,063,454	5,815,860
Gratuity (Refer Note 31)	516,014	3,298,789
Staff welfare expenses	17,593,493	17,442,935
	<u>94,282,096</u>	<u>104,076,625</u>

Note 26

Finance costs

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Interest on borrowings	37,334,376	32,645,038
Other borrowing costs	765,000	1,201,811
	<u>38,099,376</u>	<u>33,846,849</u>

Note 27

Depreciation and amortisation expense

Depreciation on Tangible Assets	23,395,387	24,712,195
Amortisation on Intangible Assets	993,339	423,699
	<u>24,388,726</u>	<u>25,135,894</u>

Schrader Duncan Limited
Notes to the Consolidated financial statements for the year ended March 31,2012

Note 28

Other expenses

	Year ended March 31, 2012	Year ended March 31, 2011
	Rupees	Rupees
General Stores and Spares Consumed	15,329,414	18,824,228
Power and Fuel	13,127,268	13,905,230
Water Charges	139,881	115,248
Excise Duty	1,695,535	(1,425,571)
Rent	8,864,163	9,283,453
Rates and Taxes	3,375,879	2,868,850
Repairs and Maintenance		
-Machinery	3,982,763	4,764,988
-Building	109,839	24,281
-Others	2,473,145	2,645,966
Insurance	1,437,167	1,281,786
Commission and Discount on Sales	2,422,778	2,570,258
Business Promotion	1,180,382	788,656
Carriage Outward	3,463,040	4,184,537
Travelling and Conveyance	9,258,416	10,002,304
Bad Debts /Advances written-off	6,140,628	279,023
Provision for Doubtful Debts	3,812,118	-
Directors' Fees	740,000	862,500
Auditors' Remuneration		
As Auditors	1,275,000	1,075,000
For Tax Audit	175,000	125,000
For Out-of-Pocket Expenses	80,540	48,120
Legal and Professional Charges	7,424,421	5,825,614
Foreign Exchange Loss (net)	407,999	254,547
Loss on Sale /Discard of Fixed Assets (net)	101,457	-
Dimunition in the Value of Investment	-	470
Miscellaneous	15,465,090	18,714,227
	102,481,923	97,018,715

Schrader Duncan Limited
Notes to the Consolidated financial statements for the year ended March 31,2012

Note 29

Exceptional items (Net)

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Voluntary Retirement Scheme Compensation and other related expenses	-	145,720,474
Profit on Sale of Fixed Assets (Refer Note 41)	(419,031,845)	(20,000,000)
Expenses related to Sale of Mulund Land	-	9,029,300
	<u>(419,031,845)</u>	<u>134,749,774</u>

Schrader Duncan Limited**Notes to the Consolidated financial statements for the year ended March 31, 2012****Note 30****Dues to Micro, Small and Medium 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	2011-2012	2010-2011
a)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	16,106,562	11,465,775
b)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	264,225	77,076
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	264,225	77,076

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

Note 31

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 Consolidated Statement of Profit and Loss for the :

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Contribution to Provident Fund	1,921,651	2,461,956
Contribution to Employee's Pension Scheme	1,226,787	1,417,446
Contribution to Employee's Superannuation Fund	496,472	1,163,855
Contribution to Employee's State Insurance Scheme	398,780	751,639
Contribution to Labour Welfare Fund	19,764	20,964
	4,063,454	5,815,860

(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, 2012	Year Ended March 31, 2011
Discount Rate (Per annum)	8.50%	8.25%
Rate of increase in Compensation levels	6.00%	6.00%
Rate of Return on Plan Assets	8.00%	8.00%

(i) Changes in present value of obligation

	Year Ended March 31, 2012 Rupees	Year Ended March 31, 2011 Rupees
Present value of Obligation as at beginning of the year	8,792,378	22,739,967
Interest Cost	754,174	1,255,963
Current Service Cost	927,058	1,638,349
Benefits paid	(1,155,850)	(18,309,039)
Actuarial (Gains)/Loss	(500,257)	1,467,137
Present value of Obligation as at the end of the year	8,817,503	8,792,377

(ii) Changes in Fair value of plan assets

	Year Ended March 31, 2012 Rupees	Year Ended March 31, 2011 Rupees
Present value of plan assets as at beginning of the year	6,704,808	23,951,184
Expected return on Plan Assets	659,412	1,183,733
Actuarial gain/(loss) on Plan Assets	5,549	(121,070)
Actual Company Contribution	2,115,760	-
Benefits paid	(1,155,850)	(18,309,039)
Fair value of Plan Assets as at the end of the year	8,329,679	6,704,808

Schrader Duncan Limited

Notes to the Consolidated financial statements for the year ended March 31, 2012

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

	Year Ended March 31, 2012 100%	Year Ended March 31, 2011 100%
Administered by Life Insurance Corporation of India		

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

	Year Ended March 31, 2012 Rupees	Year Ended March 31, 2011 Rupees
Present value of Funded Obligation as at the end of the year	8,817,503	8,792,378
Fair value of Plan Assets as at end of the year	8,329,679	6,704,808
(Asset)/ Liability recognised in the Consolidated Balance Sheet	487,824	2,087,570

(v) Amounts recognised in the Consolidated Balance Sheet

	Year Ended March 31, 2012 Rupees	Year Ended March 31, 2011 Rupees
Present value of Obligation as at end of the year	8,817,503	8,792,378
Fair value of Plan Assets as at end of the year	8,329,679	6,704,808
Funded (Asset)/ Liability recognised in the Consolidated Balance Sheet	487,824	2,087,570

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

	Year Ended March 31, 2012 Rupees	Year Ended March 31, 2011 Rupees
Current Service Cost	927,058	1,638,349
Interest Cost	754,174	1,255,964
Expected Return on Plan Asset	(659,412)	(1,183,733)
Net Actuarial (Gain)/ Loss	(505,806)	1,588,209
Total Expenses recognised in the Statement of Consolidated Profit and Loss	516,014	3,298,789

(vii) Expected employers' contribution for the next year

1,026,824 **840,073**

(viii) Experience adjustments

On Plan Liabilities Gain/ (Loss)	266,237	(1,444,449)
On Plan Assets Gain/ (Loss)	5,549	(121,070)

(C) Disclosure as required under para 120(n);

	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009	Year Ended March 31, 2008
Present value of defined benefit obligation	8,817,503	8,792,378	22,739,965	22,484,575	21,473,924
Fair Value of Plan Assets	8,329,679	6,704,808	23,951,184	21,878,298	19,409,762
Surplus/ (Deficit) in the Plan	(487,824)	(2,087,570)	121,219	(6,277)	(2,064,162)
Experience adjustments on Plan Liabilities Gain/ (Loss)	295,691	(1,444,449)	1,691,758	(1,083,917)	-
Experience adjustments on Plan Assets Gain/ (Loss)	5,549	(121,070)	91,401	55,441	-

(D) The Liability for leave encashment and compensated balances as at year end is Rs. 2,229,979 (Previous Year Rs. 1,365,767).

Schrader Duncan Limited
Notes to the Consolidated financial statements for the year ended March 31, 2012

Note 32

CIF Values of Imports:

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Raw materials	27,912,543	34,784,810
Traded Goods	2,451,280	-
Stores and Spares	-	1,004,437
	<u>30,363,823</u>	<u>35,789,247</u>

Note 33

Expenditure in foreign currency:

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Travelling Expenses	751,736	686,973
Capital Goods	2,476,433	4,821,080

Note 34

Earnings in Foreign Currency:

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
FOB value of exports	6,001,683	10,370,900
	<u>6,001,683</u>	<u>10,370,900</u>

Note 35

Details of Consumption and Purchases

	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
(a) Details of Raw Material Consumed *		
Metals	76,742,369	55,266,080
Rubber	23,390,735	18,265,427
Others	276,611,560	232,457,401
	<u>376,744,664</u>	<u>305,988,908</u>

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

	Year ended March 31, 2012		Year ended March 31, 2011	
	Value Rupees	%	Value Rupees	%
Raw Material Consumed:				
Imported	30,243,262	8.03%	39,517,922	12.91%
Indegenious	346,501,402	91.97%	266,470,986	87.09%
	<u>376,744,664</u>	<u>100.00%</u>	<u>305,988,908</u>	<u>100.00%</u>

Stores and Spares Consumed:

	Year ended March 31, 2012		Year ended March 31, 2011	
	Value Rupees	%	Value Rupees	%
Imported	-	-	1,138,850	6.06%
Indegenious	15,246,621	100%	17,657,848	93.94%
	<u>15,246,621</u>	<u>100%</u>	<u>18,796,698</u>	<u>100%</u>

* 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, 2012		Year ended March 31, 2011	
	Opening Stock of Goods Produced	Closing stock of Goods Produced	Opening Stock of Goods Produced	Closing stock of Goods Produced
Passenger and Truck Valves	-	3,693,131	14,881,175	-
Hydraulic and Pneumatic Equipment	2,013,525	7,609,256	1,951,696	2,013,525
Others	787,255	169,703	610,737	787,255
	<u>2,800,780</u>	<u>11,472,090</u>	<u>17,443,608</u>	<u>2,800,780</u>

Schrader Duncan Limited
Notes to the Consolidated financial statements for the year ended March 31, 2012

Note 36

Related Party Disclosures (As identified by the Management)

A) Relationships:

- (i) Investing Companies
a. Schrader Bridgeport International, Inc.
b. Cosmopolitan Investments Limited @
- (ii) Associate Companies /Affiliates
a. Tomkins Plc, London @
b. Gates India Pvt. Ltd.
c. Gates Corporation, USA
d. Gates Corporation, Germany
e. Schrader International – Brazil
f. Schrader S.A.S France
g. Schrader Engineering Product – China
h. Gates Unitta Asia Trading Company Pte Ltd. – Singapore
- (iii) Subsidiary of the Company:
Associated Polymers Limited
- (iv) Key Management Personnel:
Mr. Shantanu Parvati - Managing Director

@ Tomkins Plc, London 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 summarised the transactions entered into with related parties:

Nature of transactions	(Rupees)						
	Gates India Pvt Ltd	Gates Corporation-Germany	Schrader International, INC. - Virginia	Schrader International, Brazil	Schrader Engineered Products (Kunshan) Co Ltd. - China	Schrader S.A.S. France	Schrader Bridgeport - USA
During the year							
Rent (Income)	960,000	-	-	-	-	-	-
	-	-	-	-	-	-	-
Management and Support Services (Income)	1,840,000	-	-	-	-	-	-
	-	-	-	-	-	-	-
Material Purchased	-	-	774,592	894,234	2,545,668	140,529	-
	-	-	-	1,016,211	885,551	-	49,718
Sales	-	-	-	1,921,399	-	-	-
	-	-	-	1,697,182	-	-	-
Travelling Expenses	98,986	-	-	-	51,736	-	-
	82,254	-	-	165,025	16,649	489,546	-
Expenses paid on behalf of the company	-	-	-	-	-	-	-
	-	254,198	-	-	-	-	-
Interest on inter Corporate Deposit	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Year End Balances							
Sundry Creditors	327,540	-	774,592	894,234	-	-	-
	-	-	-	-	370,799	-	-
Loans and Advances	-	-	-	-	-	-	-
	-	254,198	-	-	-	-	-

Note: Figures in italics represents previous year figures.

Schrader Duncan Limited
Notes to the Consolidated financial statements for the year ended March 31, 2012

Note 37

Segment information for the year ended March 31, 2012

I. Information about primary business segments (in Rupees)

	2011-2012				
	Automotive Products	Pneumatic Products	Other Business	Unallocated	Total
Revenue					
External Sales (Net of Discount and Excise Duty)	233,030,499	311,167,523	-	-	544,198,022
Other Income	1,276,544	1,643,898	119,518	422,270,969	425,310,929
Total Revenue	234,307,043	312,811,421	119,518	422,270,969	969,508,951
Result					
Segment Result	(67,188,022)	30,007,754	(4,081,120)	2,100,000	(39,161,388)
Unallocated expenditure (Net of unallocated income)	-	-	-	382,122,239	382,122,239
Interest expenses	-	-	-	(40,199,375)	(40,199,375)
Interest Income	-	-	-	237,587	237,587
Profit / Loss before Taxation	(67,188,022)	30,007,754	(4,081,120)	344,260,451	302,999,063
Other Information					
Segment Assets	435,876,684	143,029,056	5,688,475	241,650,341	826,294,556
Segment Liabilities	168,728,600	76,703,415	740,324	234,378,476	480,550,815
Capital Expenditure	11,356,056	1,510,513	-	-	12,866,569
Depreciation	21,850,350	1,588,350	122,396	827,630	24,388,726
Non-cash expenses other than depreciation	-	-	-	-	-

II. Information about Secondary Business Segments (in Rupees)

Revenue by geographical market	Total		
	India	Outside	Total
External Sales (Net of Discount and Excise Duty)	534,961,502	9,236,520	544,198,022
Carrying amount of segment assets	818,708,242	7,586,447	826,294,689
Additions to fixed assets	12,866,569	-	12,866,569

III. Notes:

- a) The company is organized into three business segments, namely :
- Automotive products – comprising of tyre valves and accessories.
- Pneumatic products – comprising of pneumatic equipment and hydraulic products.
- Other Businesses – comprising of processing of rubber compound.

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

Automotive Products	2010-2011			
	Pneumatic Products	Other Business	Unallocated	Total
180,265,469	318,626,220	-	-	498,891,689
2,444,692	511,726	1,755	23,039,499	25,987,672
182,710,161	319,137,946	1,755	23,039,499	524,889,361
(217,410,317)	62,891,595	(4,588,239)	-	(159,106,961)
-	-	-	(23,310,695)	(23,310,695)
-	-	-	(33,846,849)	(33,846,849)
-	-	-	268,505	268,505
(217,410,317)	62,891,595	(4,588,239)	(56,889,039)	(215,996,000)
492,782,522	155,524,620	1,812,574	37,223,996	687,343,712
167,640,094	87,032,381	153,710	291,466,872	546,293,057
21,011,156	6,850,295	-	-	27,861,451
22,254,505	2,583,578	125,961	171,850	25,135,894
-	-	-	-	-

India	Total	
	Outside	Total
487,327,834	11,563,855	498,891,689
682,694,845	4,620,673	687,315,518
27,861,451	-	27,861,451

Schrader Duncan Limited
Notes to the Consolidated financial statements for the year ended March 31, 2012

Note 38

Contingent Liabilities:

(a) Claims against the Company with respect to Income Tax Matters not acknowledged as debts is Rs. 6,874,536 (Previous Year : Rs. 13,312,357). Appeals filed by the Company with the relevant authorities of Income Tax Department are pending disposal.

(b) Guarantees given by the Bank on behalf of the Company are Rs. 3,843,211 (Previous Year: Rs. 3,786,119). These are financial and performance guarantees given to the customers, expiring on various future dates over the next 26 months.

(c) Claims against the Company with respect to Sales Tax Matters not acknowledged as debts is Rs. 3,323,124 (Previous Year : Rs. 3,323,124).

(d) Claims against the Company with respect to Excise and Service Tax Matters not acknowledged as debts is Rs. 2,590,790 (Previous Year : Rs. 2,590,790) . Appeals filed by the Company with Customs, Excise and Service Tax Appellate Tribunal, West Zone Bench, and Commissioner of Central Excise (Appeals) Mumbai, is pending disposal.

Note 39

Capital and other commitments:

Outstanding commitments for capital expenditure (net of advance) Rs. 404,279 (Previous Year: Rs. 3,038,012).

Note 40

Basic and Diluted Earnings per share :

	As at March 31, 2012	As at March 31, 2011
Profit for the year (Rs.)	204,693,086	(212,069,359)
Weighted Average Number of Equity Shares (Nos.)	3,696,000	3,696,000
Earnings per Equity Share - Basic (Rs.)	55.38	(57.38)
Earnings per Equity Share - Diluted (Rs.)	55.38	(57.38)
Nominal value of an Equity Share (Rs.)	10	10

Schrader Duncan Limited

Notes to the Consolidated financial statements for the year ended March 31, 2012

Note 41

The Company had, on March 26, 2011, entered into an agreement for sale-cum-development of its land at Mulund Plant. During the current year, the Company has met all its obligations as a seller except for completing the administrative process for mutation for a small portion of land in its name. The Company is of the view that all significant risks and rewards in respect of the said land have been transferred to the buyer which has been adequately supported by a legal opinion and accordingly Profit on Sale of land amounting to Rs. 419,032,000 has been recorded during the year ended March 31, 2012 and disclosed as exceptional item. Out of the total sales consideration, the Company is yet to receive an amount of Rs. 219,352,350 and same has been disclosed in the financial statements as at March 31, 2012 under the head "Other Current Assets".

Note 42

The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

For **Price Waterhouse & Co.**
Firm Registration No. : 007567S
Chartered Accountants

For and on behalf of the Board of Directors

Uday Shah
Partner
Membership No. F-46061

Shantanu Parvati
Wholetime Director

A Goenka
Director

Mumbai
Date : May 25, 2012

Parveen Agarwal
Company Secretary

Mumbai
Date : May 25, 2012

Details of Subsidiary Company Considered in the preparation of Consolidated Financial Statements (pursuant to Section 212(8) of the Companies Act,1956) is as under.

		ASSOCIATED POLYMER LIMITED
		Amount in Rupee
		31st March, 2012
a	Financial year of the Subsidiary	
b	Extent of Holding	100%
c	Capital	1,500,070
d	Reserves and surplus	38,120,251
e	Total assets (Fixed Assets + investments + Current assets)	41,053,017
f	Total Liabilities (Debts + Current Liabilities)	1,432,696
g	Details of investment	1,185,905
	<i>Aggregate amount of quoted investment Rs. 62,172</i>	
	<i>Aggregate amount of unquoted investment Rs. 1,123,733</i>	
	<i>Aggregate amount of market value of quoted investment Rs. 336,794</i>	
h	Turnover (including other income)	4,557,640
i	Profit before taxation	57,002
j	Add/ (Less) : Provision for Taxation	(4,117)
k	Profit after taxation	61,119
l	Proposed Dividend	Nil

