



# Schrader Duncan Limited

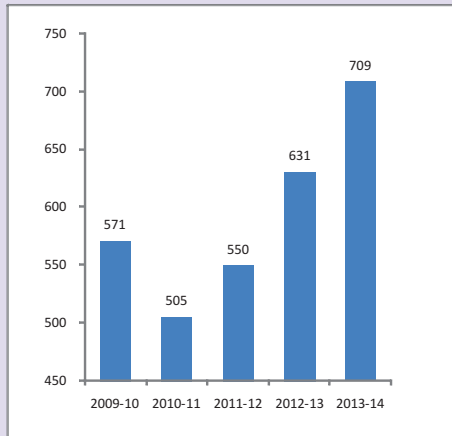
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**53<sup>rd</sup> ANNUAL REPORT**  
**2013 -2014**

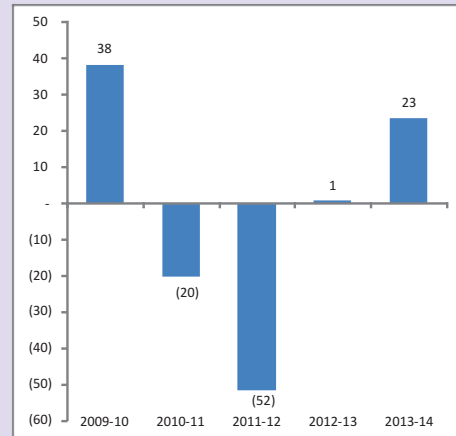
# Schrader Duncan Limited

## Key Financial Indicators

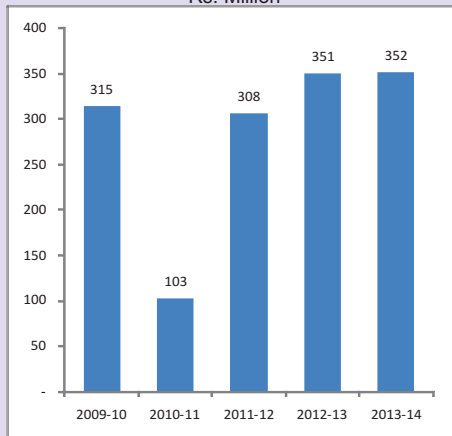
**Total Revenue**  
Rs. Million



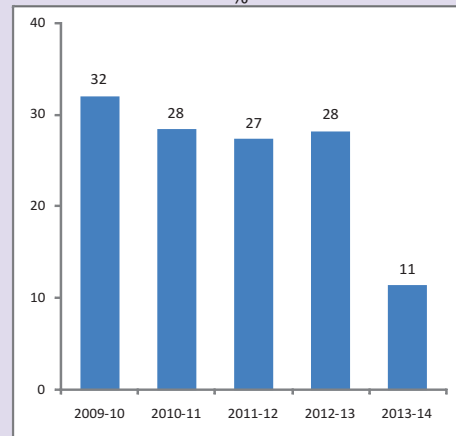
**EBITDA**  
Rs. Million



**Net Worth**  
Rs. Million



**Working Capital**  
%



## Ten Year Review

Rs. Million

Financial Year	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Total Revenue	380.79	413.27	820.47	569.50	534.39	570.97	504.94	549.78	630.95	708.86
Profit before taxes	37.09	20.55	272.62	35.69	18.37	8.68	(216.01)	302.94	(22.06)	0.10
			****				*****	****		
Profit after taxes	25.01	13.07	242.47	23.87	10.89	5.51	(212.08)	204.63	5.09	0.97
EBITDA (before exceptional items)	42.20	26.42	281.77	45.08	28.61	38.19	(20.30)	(51.62)	0.69	23.45
Working Capital %	23.49	21.06	19.82	25.10	26.73	32.11	28.49	27.40	28.27	11.49
Net Worth	159.54	153.64	302.90	307.32	313.89	315.07	102.99	307.62	350.92	351.89
Earning per share* Rs.	6.77	3.54	65.60	6.46	2.95	1.49	(57.38)	55.37	1.38	0.26
Return on Investment %	15.96	8.35	106.22	7.82	3.51	1.75	(101.46)	99.67	1.54	0.28

\*\*\*\*Includes profit on sale of portion of surplus land

\*\*\*\*\*Includes exceptional expenses on VRS to employees

FY 2012-13 Figures reported after taking effect of merger of 100% wholly owned subsidiary Associated Polymers Limited  
w.e.f. 01/04/2012

## **BOARD OF DIRECTORS**

Mr. J P Goenka  
Mr. Shantanu Parvati  
Mr. A Goenka  
Mr. B B Tandon  
Mr. Nitin Kaul  
Mr. O P Dubey  
Mr. R A Shah

Chairman  
Whole Time Director  
Director  
Director  
Director  
Director  
Director (Alternate to Mr. Nitin Kaul)

## **CORPORATE INFORMATION**

**REGISTERED OFFICE**  
F-33, Ranjangaon MIDC  
Karegaon, Shirur  
Pune 412 209

## **AUDITORS**

M/s. Singhi & Co., Mumbai

## **Company Secretary**

Nirnoy Sur

## **PLANT**

F-33, Ranjangaon MIDC  
Karegaon, Shirur  
Pune 412 209

## **BANKERS**

State Bank of India, Mumbai

## **SALES AND MARKETING OFFICE (FLUID POWER & AUTOMATION)**

502, 5<sup>th</sup> Floor, Ishan Arcade,  
Bldg No.2, Near Gaodevi Mandir,  
Gokhale Road, Naupada,  
Thane 400 602

## **LEGAL ADVISORS**

Crawford Bayley & Co, Mumbai

## **BRANCH OFFICES**

- 31, Netaji Subhash Road  
Kolkata 700 001.
- Publicis House, 1-2 Aram Bagh,  
Community Centre, Punchkuain Road,  
New Delhi – 110055

## **REGISTRAR & SHARE TRANSFER AGENT**

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

**LISTED AT**  
**Bombay Stock Exchange**



# SCHRADER DUNCAN LIMITED

Registered Office: F-33, Ranjangaon MIDC, Karegaon, Tal- Shirur, Pune-412209

CIN No. L28991PN1961PLC139151

Email: [complianceofficer@schraderduncan.com](mailto:complianceofficer@schraderduncan.com)

Website: [www.schraderduncan.com](http://www.schraderduncan.com)

Phone: +91 2138 660-066 Fax: +91 2138 660-067

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## NOTICE

**NOTICE** is hereby given that the Fifty Three Annual General Meeting of the Shareholders of Schrader Duncan Limited will be held on Monday, August 04, 2014 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 Financial Statement of the Company for the year ended 31<sup>st</sup> March, 2014 comprising audited Balance Sheet as at 31<sup>st</sup> March, 2014 and Profit and Loss Account for the year ended on that date, together with Notes forming part thereof and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Arvind Goenka (holding DIN 00135653), liable to retire by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To consider and thought fit to pass with or without modifications, the following Resolution as an ORDINARY RESOLUTION: "RESOLVED THAT pursuant to the provisions of section 139 and 142 of the Companies Act 2013, the retiring Auditors, M/S Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) Mumbai be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 4<sup>th</sup> Annual General Meeting (after commencement of the Companies Act, 2013), subject to ratification by members at every Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company from time to time."

### Special Business :

4. To consider and, if thought fit to pass, with or without modification(s), the following as an Ordinary Resolution :  
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013, Mr. Brij Behari Tandon (holding DIN 00740511), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 6<sup>th</sup> Annual General Meeting of the Company ."
5. To consider and, if thought fit to pass, with or without modifications, the following as an Ordinary Resolution :  
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013, Mr. Om Prakash Dubey (holding DIN 00228441), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 6<sup>th</sup> Annual General Meeting of the Company."
6. To consider and, if thought fit to pass, with or without modifications, the following as an Ordinary Resolution :  
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013, Mr. Nitin Kaul (holding DIN 01718619), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 6<sup>th</sup> Annual General Meeting of the Company."
7. 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 196,197 other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said Act, subject to requisite permission from the Central

Government, if applicable, approval be and is hereby granted to the revision in remuneration of Mr Shantanu Parvati, Whole Time Director of the Company with effect from April 1, 2014.

**RESOLVED FURTHER THAT** subject to the limits contained in Sections 197 and read with schedule V of the Companies Act, 2013, Mr Shantanu Parvati be paid effective from April 1, 2014 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 two years subject to review by Board at regular intervals within the prescribe limits of the Companies Act, 2013 :

1. **Salary** - 2,040,000 per annum with discretionary powers to the Board to revise the amount from time to time.
2. **Special Allowance** - Rs. 1,119,280 per annum
3. **Performance Bonus** - Rs. 1,200,000 per annum
4. **Annual Perquisites**
  - House Rent Allowance - Rs. 1,224,000 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 V to the Companies Act, 2013.

**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 V to the Companies Act, 2013.

**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."

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## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF 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 30<sup>th</sup> July, 2014 to 4<sup>th</sup> August, 2014 (both days inclusive) in terms section 91 of the Companies Act, 2013 and of Clause 16 of the Listing Agreement with the Stock Exchange.
3. In terms of the provisions of Section 124 of the Companies Act, 2013 (corresponding to section 205A of the Companies Act, 1956), the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government. Accordingly, the unclaimed dividend in respect of financial year 2006-07 is due for transfer to the said Fund in August 2014. In terms of provision of Section 124 of the Companies Act, 2013 (Corresponding to section 205C of the Companies Act, 1956), no claim shall lie against the Company or the said Fund after the said Transfer. Members who have neither received nor encashed their dividend warrant(s) for the financial year 2006-07 upto Financial Year 2009-10, are requested to write to the Company, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate / revalidated dividend warrant(s).
4. Details of the Directors being appointed / reappointed are furnished in point no. 3 of the Corporate Governance Report.
5. An Explanatory Statement in respect of item nos.4,5,6 and 7 pursuant to Section 102 of the Companies Act, 2013 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 F-33, Tal- Shirur, Pune- 412209. Shareholders are requested to address all correspondence to the Company Secretary at the Registered Office.
8. The Company's Registrar and Share Transfer Agents, Link Intime India Pvt Ltd undertake the transfer of shares, both in physical and electronic form. Their address is as follows: **Link Intime India Pvt Ltd, Block No 202, 2<sup>nd</sup> Floor, Akshay Complex, Near Ganesh Temple, Off-Dhole Patil Road, Pune - 411001 (Members may send their transfer requests and other share related queries either to the Company at the Registered Office or to Link Intime India Pvt Ltd at the above address.)**
9. Members are requested to notify immediately any change in their address/bank mandate to their Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agents of the Company, Link Intime India Pvt Ltd, in respect of their physical share folios.
10. As per circular no 18/2011 on Green initiative, the Company will send Annual Report along with other documents through email to all members, who have registered their email address with the depository and physical hard copies will be dispatched to others. In case any member desire to get hard copy of Annual Report, they can write to Company at Registered Office address or email at [complianceofficer@schraderduncan.com](mailto:complianceofficer@schraderduncan.com) or [pune@linkintime.co.in](mailto:pune@linkintime.co.in)

#### **Important Communication to Members**

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

11. Voting through electronic means :
  - I. In Compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the fifty three Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).
  - II. The Instructions of for e-voting are as under :
    - A. In case a Member receives an email from NSDL/Link Intime India Pvt Ltd. [for members whose email IDs are registered with the Company/Depository Participants(s)] :
      - (i) Open email and open PDF file viz; "Schrader Duncan e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
      - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
      - (iii) Click on Shareholder – Login
      - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
      - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
      - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
      - (vii) Select "EVEN" of Schrader Duncan Limited.
      - (viii) Now you are ready for e-voting as Cast Vote page opens.
      - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
      - (x) Upon confirmation, the message "Vote cast successfully" will be displayed
      - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote

- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [sdl.scrutineer@gmail.com](mailto:sdl.scrutineer@gmail.com) or [e-voting@schraderduncan.com](mailto:e-voting@schraderduncan.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical Physical copy]:
- (i) Initial password is provided at the bottom of the Attendance Slip for the AGM : **EVEN (E Voting Event Number) USER ID PASSWORD/PIN**
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 28<sup>th</sup> July (9 a.m.) and ends on 30<sup>th</sup> July ( 6 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 13<sup>th</sup> June 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of June 13, 2014.
- VII. Ms. Shaswati Vaishnav , Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.schraderduncan.com](http://www.schraderduncan.com) and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
12. The Securities and Exchange Board Of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market, Members holding shares in electronic form are, therefore, requested to submit the PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
13. Members may also note that the Notice of the 53<sup>rd</sup> Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's Website [www.schraderduncan.com](http://www.schraderduncan.com) for their download. The Physical copies of the aforesaid will also be available at the company's Registered Office in Pune for inspection during normal business hours on working days.
14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.a.m. to 6 p.m.) on all working days except Saturdays and Sundays up to and including the date of the Annual General Meeting of the Company.

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

By Order of the Board

May 22, 2014

**Nirnoy Sur**  
Company Secretary



## EXPLANATORY STATEMENT

### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

#### Item No 7

The Board in its meeting held on May 22, 2014 revised the remuneration of Mr Shantanu Parvati with effect from April 1, 2014.

The requisite information stipulated under Schedule V is furnished hereunder :

I	GENERAL INFORMATION	
(1)	Nature of industry	Automotive Components
(2)	Date or expected date of commencement of commercial production	Not applicable as existing Company since 1961
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
(4)	Financial performance based on given indicators	Net Sales (INR) - 691.24 million Profit before Tax - 0.10 million
(5)	Foreign investments or collaborations, if any	Not Applicable
II	INFORMATION ABOUT THE APPOINTEE	
(1)	Background details	Mr Shantanu Parvati, aged 40 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 19 Years of rich experience in industry and advisory services.
(2)	Past remuneration	2011-2012 40,00,000 2012-2013 46,00,000 2013-2014 52,90,000
(3)	Recognition or awards	Nil
(4)	Job profile and his suitability	He has strong academic background and rich experience Automobile industry. He had worked with leading Corporates in India in responsible positions.
(5)	Remuneration Proposed (Subject to review by Board at regular intervals within the prescribe limits of the Companies Act, 2013. ( April 1, 2014 to March, 31, 2016)	Salary 2,040,000 Allowances 2,343,280 Performance Bonus 1,200,000 Perquisites <u>416,720</u> 60,00,000
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The Board believes that this proposed remuneration is commensurate with his role and responsibility as Whole Time Director of the Company.
(7)	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	None

<b>III</b>	<b>OTHER INFORMATION</b>	
(1)	Reasons of loss or inadequate profits.	<ul style="list-style-type: none"> <li>● Volume and order book assumptions not materialising due to slowdown in overall Automotive and Industrial / Capital Goods Sector.</li> <li>● Restructuring initiatives undertaken in the business.</li> </ul>
(2)	Steps taken or proposed to be taken for improvement	<ul style="list-style-type: none"> <li>● Implementation of Lean Management</li> <li>● Increased capacity utilization, driven by volume ramp up.</li> <li>● New product introductions and market penetration.</li> <li>● Cost optimisation and re-engineering initiatives.</li> </ul>
(3)	Expected increase in productivity and profits in measurable terms	>80% overall plant utilisation and 10-12% operating margin in next 2 Years.
<b>IV</b>	<b>DISCLOSURES</b>	All details are covered in the Corporate Governance Report which forms part of the annual report for the year 2014

The Board recommends the resolution for approval by the Members.

None of the Directors of the Company and Key Managerial Personnel or their relatives is concerned financially or interested in the resolution other than Mr Shantanu Parvati himself.

The above may be treated as sufficient disclosure under Section 190 with respect to the revision in remuneration w.e.f. April 1, 2014.

This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

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

By Order of the Board

May 22, 2014

**Nirnoy Sur**  
Company Secretary

**Item No.4 :**

Mr. Brij Behari Tandon :

Mr. Brij Behari Tandon (holding DIN 00740511), aged 73 years is a post graduate in Economics and a graduate in law. He was a Member of Indian Administrative Services from 1965 to 2001.

Mr. Tandon has held top level posts in the Government of India (both Central and State). During his tenure as Additional Secretary, he was a Member of the Securities Exchange Board of India (SEBI) as "Special Invitee".

He is a Director of the following Companies :

Sr.No.	Name of the Company
1	Ambuja Cement Foundation
2	Adani Power Ltd.
3	Birla Corporation Ltd.
4	Oriental Carbon & Chemicals Ltd.
5	Jaiprakash Power Ventures Ltd.
6	Dhampur Sugar Mills Ltd.
7	Filatex India Ltd.
8	Bhushan Steel Ltd.
9	VLS Finance Ltd.
10	Exicom Tele-Systems Ltd.
11	Ambience Pvt. Ltd.
12	Jaypee Infratech Limited
13	ACB(India) Limited
14	Schrader Duncan Ltd
15	Jinbhuvish Power Generations Private Limited

Mr. Brij Behari Tandon does not hold any shares in the Company

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

In the opinion of the Board, Mr. Brij Behari Tandon fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is Independent Management.

Copy of Draft Letter of Appointment of Mr. Brij Behari Tandon as Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays and Sundays.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to avail services of Mr. Brij Behari Tandon as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Brij Behari Tandon as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Tandon, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out in item No.4. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

**Item No. 5.**

Mr. O.P. Dubey (Director Identification Number( 00228411) aged about 73 years is a Masters in Sociology and a graduate in Law. He began his career with Life Insurance Corporation, where he served for 36 years. He was a Member of the Governing Board and also a Professor at National Insurance Academy, Pune from November 2001 to November 2004.

Presently he is a visiting faculty at various Management Institutes.

He is a Director of the following Companies :

Sr.No.	Name of the Company
1	Oriental Carbon & Chemicals Ltd,
2	Schrader Duncan Ltd.,

Mr . O.P. Dubey does not hold any shares in the Company.

Mr. O.P . Dubey is not related to any Director of the Company.

In the opinion of the Board, Mr. O. P. Dubey, fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is Independent Management.

Copy of Draft Letter of Appointment of Mr. O.P. Dubey as Independent Director setting out the terms and conditions would

be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to avail services of Mr.O.P. Dubey , as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr.O.P.Dubey as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Dubey, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out in item No.4 . This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

**Item No. 6.**

Mr. Nitin Kaul (Director Identification No.01718619) is the Director of Strategic Projects and Business Development for Tomkins plc. U.K.and has been with the Company for past 12 years.

Mr. Kaul has a graduate degree Business Management from Kings College, London, a Masters Degree and is an MBA from Warwick Business School.

Mr. Kaul has worked in the investment banking sector and his expertise lies in developing growth strategies and Restructuring businesses in Asia and North America.

He is a Director in the following Companies :

Sr.No.	Name of the Company
1	Rolastar Private Limited
2.	Gates Unitta India Company Private Limited
3.	Tomkins Consulting Services India Private Limited (under Liquidation)
4	Gates India Private Limited
5	Ruskin Titus India Private Limited
6	Schrader Duncan Limited

Mr. Kaul does not hold any shares in the Company

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

In the opinion of the Board, Mr. Nitin Kaul, fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is Independent Management.

Copy of Draft Letter of Appointment of Mr. Nitin Kaul as Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to avail services of Mr. Nitin Kaul as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Nitin Kaul as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Kaul, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out in item No. 4. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

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

By Order of the Board

May 22, 2014

**Nirnoy Sur**  
Company Secretary

## DIRECTOR'S REPORT

1. Your Directors have the pleasure of presenting the Fifty Three Annual Report to the shareholders together with the audited statement accounts for the year ended March 31, 2014. The operating results as disclosed in the audited accounts are summarised below:

(Rs. in Lacs)

	2013-2014	2012-2013
(Loss) / Profit before tax	0.96	(220.63)
(Reversal of Provision) / Provision for Tax	(8.78)	(271.50)
(Loss) / Profit after tax	9.74	50.86
Transferred to General Reserve	50.86	2046.25
<b>Balance carried to Balace Sheet</b>	<b>60.60</b>	2097.11

### 2. Dividend

Your Directors do not consider it prudent to recommend a dividend this year owing to inadequate profit.

### 3. Performance

Your company has shown 12.35% increase in sales revenue, while PBT (before exceptional item) has reduced by INR 25.89 Million, from INR 52.64 Million in FY 2012-13 to INR 26.75 Million in FY 2013-14.

While the overall market continued to be subdued, the growth is primarily due to increase in capacity utilization and volume in the Automotive Business and various restructuring and cost reduction initiatives undertaken. With majority of the restructuring initiatives completed, your company is now on a stronger platform to leverage market opportunities for stable growth and performance in the coming years.

### 4. Operations

The turnover of Automotive Business Unit has increased by 21.60% from Rs. 329.27 million in the previous year to 400.36 million in the current year.

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

The turnover of Fluid Power & Automation Buseness Unit in the current year saw a minor decrease compared to previous year. This was achieved in a very difficult market and slowing demand in the industrial and capital goods sector

The Fluid Power & Automation Business Unit sustained competitive pressure in core sectors to improve its profitability. This was achieved through improved delivery of standard and customized products, increase in productivity and value engineering initiatives.

### 5. Public Deposits

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

### 6. Particular of Employees :

There is no employee whose particulars are required to be given under section 217(2A) (a) of the Companies Act 1956 read with Notification dated 31<sup>st</sup> March, 2011 by Ministry of Corporate Affairs.

### 7. Directors

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

### 8. Auditors Report (2014)

The Observation made in the Auditors Report, read together with the relevant notes thereon, are self explanatory and hence does not call for any comments under section 217(3) of the Companies Act.

## 9. 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.

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

## 10. 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.

## 11. Directors Responsibility Statement

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

- i) in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departure;
- ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) they have prepared the annual accounts on a going concern basis.

## 12. Cost Auditors

In Compliance with the Central Government's order, Your Board has appointed Mr. Laxman Pawar, Cost Accountants, Pune, to carry out the Cost Audit of the Company. This appointment has to be made in each financial year and based on the application of your Company the Central Government has approved the re-appointment of Cost Auditor for the year under review. The Cost Audit Report for the year ended 31<sup>st</sup> March, 2013 has been submitted to Ministry of Corporate Affairs.

## 13. Statutory Auditors

Your Directors propose to re- appoint M/s Singhi & Co, Chartered Accountants, Mumbai as Statutory Auditors of the Company as per the terms and conditions of the Companies Act, 2013.

## 14. Disclosures:

### a) Materially Significant Related Party Transactions

All related party transactions form part of the notes to the Balance Sheet. Save those, there were no materially significant related party transactions with Company's promoters, directors or its management their relatives, etc. that had a potential conflict with the interest of the Company.

### b) Accounting Treatment

No treatment different from that prescribed in an Accounting Standards has been followed by the Company.

### c) Statutory Compliance, Strictures and Penalties

The Company has complied with rules and regulations prescribed by the Stock Exchange, Securities Exchange Board of India and any other statutory authority relating to capital market.

No penalties and/or strictures have been imposed on the Company by any Stock Exchange or SEBI or any Statutory authority during the last three years.

## 15. Repositioning Pneumatics Business Unit :

Pneumatics Business Unit of Schrader Duncan Limited has been re-positioned as "Fluid Power & Automation (FPA)" Business Unit and all our new promotion material/marketing communication reflects this change.

## 16. Acknowledgements

Your Directors would like to thank to the Bankers, Central and State Government, Stock Exchanges, other Regulatory Agencies, Investors, Shareholder and Employees of the Company and wish to acknowledge and place on record their sincere appreciation for the continuous excellent support given by them to the Company and their confidence in its management. Industrial relations continued to be cordial and peaceful.

On behalf of the Board of Directors

Mumbai, May 22, 2014

**Shantanu Parvati**  
Whole Time Director

## ANNEXURE I TO THE DIRECTORS' REPORT FOR THE YEAR 2013-2014

### A Conservation of Energy

- Balanced load distribution for electric power thereby improving power factor and reducing power consumption.
- Energy consumption optimization in vulcanization cells.
- Reduced consumption of treated water through process improvements.

### B Technology Absorption

- Research and Development (R & D)
  - i) Specific areas in which R & D was carried out by the Company
    - Improvement in mould cavity design.
    - Value engineering of Products - Conversion from extrusion to GDC, conversion from Gravity Die Casting (GDC) to Pressure Die Casting (PDC).
    - Development effort on Pneumatic Penals.
  - ii) Benefits derived as a result of above R & D
    - Improved product aesthetics, reliability and productivity.
    - Stablization and ramp up of pneumatic penal and systems.
    - Reduction in inhouse rejection.
  - iii) Future Plan of Action
    - New product development to expand product offering
    - Continue Value Engineering efforts, on all important products, to reduce costs, improve performance, aesthetics & through-put time.
  - iv) Expenditure of R & D
    - a) Capital Nil
    - b) Recurring INR 1.53 million
    - c) Total INR 1.53 million
    - d) Total R & D expenditure as a percentage of total turnover 0.22%

### C Foreign Exchange Earnings and outgo

During the year, the Company has spent foreign exchange of INR 130.82 Million and earned foreign exchange of INR 13.38 Million through exports and services rendered.

On behalf of the Board of Directors

Mumbai, May 22, 2014

**Shantanu Parvati**  
Whole Time Director

# Management Discussion and Analysis

## 1. Industry Structure and Development

The Indian auto industry has experienced difficult times over the past two years. A sluggish economy, weak consumer demand, increase in fuel prices and high rates of interest resulted in sales data showing a negative trend.

The Indian Tyre Industry struggled to continue its growth momentum in 2013-14, due to the slowdown in the vehicle industry. The long term growth fundamentals of the tyre industry remains strong and the industry is well placed to leverage the opportunities in future. Investment in infrastructure continues to support demand for commercial vehicles and other factors such as favourable demographics, rising disposable income, under penetration of vehicles, strong demand from rural market and availability of financing at competitive rates drive long term demand for passenger vehicles and two wheelers. Indian and global tyre manufacturers are committed to India including increased radialisation. This is bound to have a positive impact on the demand for tube and tubeless tyre valves.

The Indian Fluid Power Industry faced one of its most challenging years in 2013-14, due to a significant slowdown in industrial demand and dearth of new projects and investments in sectors like Steel, Power and Infrastructure. The industry sustained itself by diversifying in to new areas and applications, where automation needs are increasing. Sectors like power, cement, ferrous and non ferrous, mining and heavy engineering will continue to drive demand for Industrial Fluid Power and Automation.

## 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. New product range for TTVs (Tubeless tyre valves) has been established and discussions with automotive OEMs for product and plant approvals are underway. With this the product offering will expand and drive volume growth further. With this product range, the company is going to explore the opportunities in the replacement market and export market.

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

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

## 3. Segment wise / Product wise Performance

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

	(INR Million)	
NET SALES	2013-14	2012-13
Automotive tyre tube valves and	400.36	329.40
Fluid Power & Automation	290.88	289.92
<b>TOTAL</b>	<b>691.24</b>	<b>619.32</b>

## 4. Outlook

Future growth of this company is linked to the automotive and Industrial segments. Growth prospects look bright with continuing investments in these sectors, large infrastructure spending and positive outlook. The Company also expects to improve its operating profits by improving sales, operating efficiencies and aggressive cost cutting.

## 5. Risks and Concerns

In the automotive segment, overcapacity and demand projections, not materializing continues to be risk.

In Fluid Power & Automation segment, where the company operates in Industrial and Infrastructure Sectors, which are technology intensive it needs continuous focus on product and technology development, which is imperative to sustain in a highly competitive environment.

Apart from the risk associated with the volatility in Industry specific sectors, your company is also exposed to other general risks related to volatility in Foreign Exchange rates, change in taxation structures, increase in interest rates, natural/man made disasters, and political risks.



## 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 and their adequacy.

## 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 2013-2014 are as under :

	(INR Million)
	<b>2013-2014</b>
Net Sales	691.24
Other Income	17.63
Profit / (Loss) before tax (including exceptional income)	0.10

## 8. Human Resources

The Company values its human resources and encourages innovation by empowering people at all levels. Nurturing and developing human resource has been a major source of creating competitive advantage at Schrader Duncan. Over the years Company has maintained consistency in its efforts in training and developing its human resource with a view to face the competition

Industrial relations continued to remain cordial throughout the year and saw increased co-operation between the management and the workers in working towards the overall objectives of the Company. The workmen in the company have set up their internal trade union to further better workmen and management relations.

## 9. Cautionary Statement

Statements in the management discussions and analysis section describing company's projections, estimations, expectation and predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from the expressed or implied. Important factors that would make a difference to the company's operations include demand supply conditions, raw material prices, changes in government regulations, tax regimes, competition, economic developments within and outside the country, etc.

Mumbai, May 22, 2014

**Shantanu Parvati**  
Whole Time Director

## CEO/CFO Certificate

We certify that for the financial year ended 31st March, 2014 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.

Pune  
May 22, 2014

**V S Patil**  
Dy. General Manager-  
Accounts & Finance

**Shantanu Parvati**  
Whole Time Director

# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company recognizes that good Corporate Governance is a continuous exercise and always acts as a good corporate citizen which inherent in the culture of the Organization. The Company believes in the attainment of highest level of transparency, accountability and equity in all aspects of its operations. The Company firmly believes that these aspects as well as compliances of applicable legislations and timely disclosures enhance the image of the Company and long term values of all its shareholders and stakeholders. The Board of Directors of the Company has framed a Code of Conduct for its Directors and Senior Management. The Code of Conduct is available on the Website of the Company: [www.schraderduncan.com](http://www.schraderduncan.com).

### A. BOARD OF DIRECTORS

#### 1. COMPOSITION

The Company's policy is to maintain an optimum combination of Executive and Non- Executive Directors. The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry. As on March 31, 2014 Board of Schrader Duncan comprises of Six Directors comprising; a Whole Time Director; three Non Executive Independent Directors (NE – ID) and two Promoter Directors including the Chairman. The Board also consists of an alternate Director to one of the Independent Directors.

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

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

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

#### 2. MEETING & ATTENDANCE

Given below is the consolidated list of meetings of the Board and key committees held during 2013-14 and attendance details of Directors :

NAME OF THE MEETING	DATES ON WHICH MEETINGS WERE HELD
<b>Annual General Meeting (AGM)</b>	23 <sup>rd</sup> July, 2013
<b>Board Meeting</b>	24 <sup>th</sup> May 2013, 24 <sup>th</sup> July 2013, 31 <sup>st</sup> October 2013, 14 <sup>th</sup> February 2014.
<b>Audit Committee</b>	24 <sup>th</sup> May 2013, 24 <sup>th</sup> July 2013, 31 <sup>st</sup> October 2013, 14 <sup>th</sup> February 2014.
<b>Share Holders Grievance Committee(SHIGC)</b>	24 <sup>th</sup> May 2013, 31 <sup>st</sup> October, 2013 and 14 <sup>th</sup> February, 2014
<b>Remuneration Committee</b>	24 <sup>th</sup> May 2013

Attendance details at the meeting during April 2013 to March 2014 and at the last Annual General Meeting as also the number of the other directorships and committee memberships are given below

Name of the Director	Category	No. of Board Meeting Attended	Attendance at Last AGM	No. of Directorships in other Public Ltd., Companies	Committee positions held in other Public Limited Companies	
					Member	Chairman
<b>Mr. J P Goenka</b>	Promoter, Non Executive Independent	3	-	2	1	1
<b>Mr. A. Goenka</b>	Promoter, Non Executive Independent	4	Yes	2	1	-
<b>Mr. Shantanu Parvati</b>	Whole Time Director	4	Yes	-	-	-
<b>Mr. O P Dubey</b>	Non Executive Independent	4	Yes	1	1	1
<b>Mr. Nitin Kaul</b>	Non Executive Independent	1	-	-	-	-
<b>Mr. B. B. Tandon</b>	Non Executive Independent	4	Yes	12	9	1
<b>Mr. R A Shah*</b>	Alternate to Mr. Nitin Kaul	3	-	16	9	4

- Directorships in foreign companies, private companies, companies governed by section 25 of Companies Act, 1956 and alternates excluded.
- Memberships of Audit Committee and Shareholders /Investors Grievance Committee only are considered.
- 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
- \*On Board Meeting dated 31<sup>st</sup> October 2014 Mr. R A Shah attended as Invitee to the Board.

### 3. DIRECTORS TO BE APPOINTED/ RE-APPOINTED :

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

#### a) MR. ARVIND GOENKA

Mr. Arvind Goenka, 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 29 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 Oreintal Carbon & Chemicals Limited besides being one of the promoter Directors of the Company. Mr. Goenka is recognized for his professionalism, commitment to excellence and his contribution to the Companies.

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 and Tomkins Consulting Services India Private Limited which is under liquidation.

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

## B. Audit Committee/Remuneration Committee/Shareholders Grievance Committee.

### 1. AUDIT COMMITTEE

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

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

### 2. REMUNERATION COMMITTEE

The Purpose of this Committee is to assist the Board in the nomination of members to the Board and in evaluating the performance of the Whole Time Director and make appropriate recommendations as their remuneration, within the limits approved by the shareholders. Remuneration Committee comprises only NED's and is chaired by Mr. Arvind Goenka. For details of meetings of the Committee held during the year and attendance therein, please refer para (A)2 above. Mr. Parveen Agarwal, Company Secretary (till October 10, 2013) was the Secretary of the Committee for the meetings held during the year.

#### i. Details of remuneration of Mr Shantanu Parvati, Whole Time Director for the year 2013-2014 :

The agreed CTC per annum is as follows :

(INR)			
SALARY	PERQUISITES & ALLOWANCE	PERFORMANCE BONUS*	TOTAL
1,800,000	2,432,000	1,058,000	5,290,000

\*Actual Performance Pay

#### ii. Remuneration to Directors

The sitting fees paid to the Non Executive Directors for the year 2013-2014 is as follows:

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

None of the Non Executive Director of the Company holds any shares in the Company.

None of the Non Executive Directors of the Company entered into any transaction of pecuniary nature with the Company during the year 2013-2014.

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

#### iii. Service Contract with the Whole time Director.

July 29, 2011 to June 28, 2016

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

### 3. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE :

The Shareholders / Investors Grievance Committee is headed by Mr. J P Goenka, NED. Mr. Nirnoy Sur Company Secretary (after October 10, 2013) was the Secretary of the Committee for the meetings held during the year.

The total number of grievances received during the year under review was 7 and they were replied to the satisfaction of the shareholders within 7 Days of receipt.

No request for transfers/transmission/Issue of Duplicate share certificates was pending as on March 31, 2014.

For details of meetings of the committee held during the year and attendance therein, please refer to para 2 above.

### C. DETAILS OF ANNUAL GENERAL MEETING

AGM for the Year	Date	Time	Venue
2010 – 2011	July 28,2011	2.30p.m	F 33, Ranjangaon MIDC, Karegaon, Tal. Shirur, Pune 412209
2011- 2012	August 13, 2012	2.30p.m	F 33, Ranjangaon MIDC, Karegaon, Tal. Shirur, Pune 412209
2012- 2013	July 23, 2013	2.30p.m	F 33, Ranjangaon MIDC, Karegaon, Tal. Shirur, Pune 412209

‘Special Resolutions Passed In the Previous Three AGMS’

AGM YEAR	MATTER APPROVED BY SPECIAL RESOLUTION
2010 – 2011	● Nil
2011 – 2012	● Remuneration to Whole Time Director Mr. Shantanu Parvati. ● Revision in Remuneration paid to Whole Time Director Mr. Shantanu Parvati
2012- 2013	● Remuneration to Whole Time Director Mr. Shantanu Parvati. ● Revision in Remuneration paid to Whole Time Director Mr. Shantanu Parvati

### D. DISCLOSURES

- No transaction of material nature has been entered into by the company with its Director or management and their relatives etc that may have a potential conflict with the interest of the Company. Transactions with related parties are disclosed in note to the accounts in the annual report.
- Details of Non-Compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI, or any Statutory Authority, on any matter related to Capital Markets, during the last three years: Nil.
- The mandatory information as specified in Annexure IA to Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited is regularly made available to the Board, wherever applicable.
- The Company has also adopted the non-mandatory requirements as specified in Annexure ID to Clause 49 of the Listing Agreement regarding Constitution of Remuneration Committee.

### E. MEANS OF COMMUNICATION

- The Board of Directors of the Company approves and takes on record the quarterly, half yearly and annual financial results in the pro forma prescribed by Clause 41 of the Listing Agreement within the prescribed period.
- The approved Quarterly and Half Yearly and annual financial results are published in newspapers viz. All editions of Financial Express and Lok Satta (Vernacular).
- The results and other relevant information are displayed on the Company’s Website [www.schraderduncan.com](http://www.schraderduncan.com)
- No formal presentations were made to the Institutional Investors and analysts during the year under review.

### F. SHAREHOLDERS INFORMATION

#### a) Annual General Meeting

Date and Time : Monday, August 4, 2014 at 2.30 P.M.

Venue : Registered Office

#### b) Financial Calendar

First Quarter Results : July 2014

Second Quarter Results : October 2014

Third Quarter Results : January 2015

**Financial Results for the Year  
ending March 31, 2015**

- : May 2015
- c) **Date of Book Closure** : Wednesday, July 30, 2014 to Monday, August 04, 2014
- d) **Dividend Payment Date** : Nil.
- e) **Registered Office** : F-33 Ranjangaon Industrial Area, MIDC,  
Karegoan, Shirur Pune 412 209
- f) **Listing on Stock Exchanges at** : Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai 400001
- g) **Listing Fees** : Listing fees is paid for period 01st April 2014 to  
31st March, 2015 to aforesaid Exchange
- h) **Code** : 504908
- i) **Ordinary Share (physical form)** : 153106  
**(demat form)** : 502494
- j) **Demat ISIN in NDSL & CDSL for  
Company's Equity Shares** : INE340F01011
- k) **Market Price Data:** The following is the high/low price of the Company's shares as quoted in the Bombay Stock Exchange Limited during each of the months of the financial year 2013 – 2014 :

Month	High (Rs)	Sensex High	Low (Rs)	Sensex Low	No. of shares traded
April 2013	58.00	19622.68	38.25	18,144.22	3,487
May 2013	56.70	20,443.62	49.45	19,451.26	4,509
June 2013	53.75	19,860.19	48.00	18,467.16	225
July 2013	50.00	20,351.06	39.25	19,126.82	4,128
August 2013	42.00	19,569.20	33.35	17,448.71	3,022
September 2013	46.20	20,739.69	34.30	18,166.17	5,944
October 2013	39.25	21,205.44	33.90	19,264.72	9,524
November 2013	42.45	21,321.53	34.00	20,137.67	12,874
December 2013	48.00	21,483.74	37.10	20,568.70	11,251
January 2014	53.10	21,409.66	43.40	20,343.78	5,161
February 2014	50.35	21,140.51	40.50	19,963.12	4,504
March 2014	57.75	22,467.21	36.25	20,920.98	8,014

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

No of shares traded	72,643
Highest Share Price (Rs)	58.00
Lowest Share Price (Rs)	33.35
Closing price as on March 31, 2014 (Rs)	52.60

**m) Registrar & Transfer Agents**

The Company's Registrar & Transfer Agents are:

Link Intime India Pvt Ltd

Block No 202, 02nd Floor, Akshay Complex, Near Ganesh Temple,  
Off-Dhole Patil Road, Pune - 411001

Tel : 020-26161629\26160084 Fax : 020-26163503

**n) Share Transfer System**

Transfer of shares in the physical form can be lodged with Link Intime India Pvt Ltd at the above-mentioned address or sent to the Company which would be forwarded to Link Intime India Pvt Ltd.

The Transfers which are received in physical form are processed within 10-15 days from the date of receipt and the share certificates are returned duly transferred subject to the documentation being valid and complete in all respect.

The Board has delegated the authority for approving transfer, transmission etc of the Company's securities to Shareholders/ Investors Grievances Committee and the Company Secretary.

The Company obtains from Company Secretary in Practice certificate of compliance with share transfer formalities as required under Clause 47(c) of the Listing Agreement with the Stock Exchange on a half yearly basis and files a copy of the certificate with the Stock Exchange.

**o) Distribution of Shareholding as on March 31, 2014**

No. of Shares		No. of Holders	%	Shares Amount	%
From	to			Rs.	
1	5000	3643	91.2520	3382080	9.1510
5001	10000	179	4.7170	1313510	3.5540
10001	20000	93	2.4510	1324430	3.5830
20001	30000	27	0.7110	659820	1.7850
30001	40000	8	0.2110	285850	0.7730
40001	50000	5	0.1320	235830	0.6380
50001	100000	10	0.2640	693290	1.8760
100001	999999999	10	0.2640	29065190	78.6400
		<b>3795</b>	<b>100.0000</b>	<b>36960000</b>	<b>100.00</b>

**p) Shareholding Pattern as on March 31, 2014**

Category	No. Of Share Holders	No. of Shares Held	% of Share Capital	No. of Shares Pledge	% of Share Capital
A) Promoters					
Indian Promoters	2	27,53,836	74.5085	-	-
Foreign Promoters	-	-	-	-	-
<b>TOTAL- Promoter</b>	<b>2</b>	<b>27,53,836</b>	<b>74.5085</b>	<b>-</b>	<b>-</b>
B) Non Promoters					
Financial Institution & Bank	11	2,255	0.0610	-	-
Corporate Bodies	84	40,800	1.1039	-	-
Indian Public	3648	8,79,410	3.7012	-	-
Foreign Nations/NRIs	36	12,449	0.3915	-	-
Other (Clearing Members)	14	7250	0.1962	-	-
<b>Total Non Promoter</b>	<b>3793</b>	<b>942164</b>	<b>25.4915</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A+B)</b>	<b>3795</b>	<b>36,96,000</b>	<b>100.0000</b>	<b>-</b>	<b>-</b>

**q) Dematerialisation of Shares and Liquidity**

The Company has entered into agreement with National Securities Depository Ltd (NSDL) as well as the Central Depository Services Ltd (CDSL) for demat facility. 95.99% of the Company's shares is dematerialized as on March 31, 2014.



## Nomination

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

### r) **Plant Location**

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

### s) **Address for correspondence**

#### **Investor Correspondence**

##### **Link Intime India Pvt Ltd**

Block No 202, 02nd Floor, Akshay Complex,  
Near Ganesh Temple, Off-Dhole Patil Road,  
Pune - 411001

Tel : 020-26161629\26160084

Fax : 020-26163503

Email: pune@linkintime.co.in

#### **For Query on Annual Report**

##### **Mr. Nirnoy Sur**

Company Secretary & Compliance Officer

##### **Schrader Duncan Limited**

F-33 Ranjangaon Industrial Area, MIDC,  
Karegoan, Tal, Shirur, Dist- Pune 412 209

Tel : (021) 38660066 Fax: (021) 38660067

Email: complianceofficer@schraderduncan.com

Website: www.schraderindia.com

### t) **Prohibition of Insider Trading**

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

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

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

### u) **Share Reconciliation Audit Report**

Pursuant to SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated 31st December 2002 on Secretarial Audit, a Practicing Company Secretary carried out the audit for the quarters ended June 30, 2013, September 30, 2013, December 31, 2013 and March 31, 2014. The Audit Report confirms that there is no discrepancy whatsoever in the issued listed and admitted capital of the Company.

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

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

## G. DECLARATION

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

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

**On behalf of the Board of Directors**

May 22, 2014

**Shantanu Parvati**  
Whole Time Director

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## 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 31<sup>st</sup> March, 2014 as stipulated in revised clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

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

**For Vaishnav Associates**

Pune  
May 22, 2014

**Shaswati Vaishnav**  
Practising Company Secretaries  
ACS: 11392 CP No: 8675

# Independent Auditor's Report

To the Members of  
Schrader Duncan Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of Schrader Duncan Limited. ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

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

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

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

## Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required under provisions of section 227(3) of the Companies Act 1956, we report that :
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the accounting standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ("the Act");
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

**Nikhil Singhi**  
Partner  
(Membership No. 061567)

Place: Mumbai  
Date: May 22, 2014

## ANNEXURE TO THE AUDITOR'S REPORT

1.
  - a) According to the information and explanations given to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion the frequency of verification is reasonable.
  - c) In our opinion and according to the information and explanations given to us, the company has not disposed off substantial part of fixed assets during the year.
2.
  - a) According to the information and explanations given to us, physical verification has been conducted by the management at reasonable intervals during the year in respect of inventory of raw materials, stores and spare parts, work-in-process and finished goods in the Company's possession. The existence of stocks lying with third parties as at 31 March 2014 has been evidenced based on confirmations or statements of account received in most cases. In our opinion, the frequency of physical verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business
  - c) According to the information and explanations given to us and on the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
3.
  - a) As informed to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956.
  - b) The company had taken unsecured loans from companies, from two parties covered in the register maintained under section 301 of the Act, the maximum amount involved during the year being Rs. 20,000,000 and the outstanding amount at the year end is Nil.
  - c) In our opinion, the rate of interest and other terms and conditions of such loan are not prima facie prejudicial to the interest of the company.
  - d) In respect of the aforesaid loan the company was regular in repaying the principal amount, as stipulated and was also regular in paying of interest, as applicable.
4. In our opinion and according to the information and explanation given to us, the internal control procedures are adequate and commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods and rendering of services, except for certain general information system controls which needs to be strengthened. During the course of our audit we have not observed any continuing failure to correct major weakness in the internal controls.
5.
  - a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding Rs 5 lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. According to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the rules framed thereunder.
7. In our opinion and according to the information and explanation given to us, the company has an adequate internal audit system commensurate with the size and the nature of its business.

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

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

a) The company is generally regular in depositing the amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues.

According to the information and explanations given to us no undisputed amount payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues is outstanding as at 31<sup>st</sup> March 2014, for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty and Penalty	7,13,907	2005-2006	High Court, Mumbai
Central Excise Act, 1944	Excise Duty Service Tax	12,79,873 375,210	2009-2010	The Commissioner of Central Excise (Appeals), Navi Mumbai
Central Sales Tax Act, 1956	Sales tax and Penalty	20,87,124	2004-2005	Joint commissioner sales tax appeals.
Central Sales Tax Act, 1956	Sales Tax and Penalty	30,97,788	2005-2006	Maharashtra Sales Tax Tribunal Mumbai
Central Sales Tax Act, 1956	Sales Tax and Penalty	10,36,432	2008-2009	Maharashtra Sales Tax Tribunal Mumbai
Central Sales Tax Act, 1956	Sales Tax and Penalty	9,10,175	2009-2010	Maharashtra joint Commissioner Sales Tax Appeals.

10. In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth as at March 31, 2014 and it has not incurred cash losses in the financial year ended on that date.

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

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

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

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

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion as per the explanations and information provided by the management, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
17. On the basis of overall examination of the balance sheet of the company, in our opinion, and according to the information and explanations given to us, there are no funds raised on short-term basis which have been used for long-term investment.
18. According to the information and explanation given to us, the company has not made preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the companies Act, 1956 during the year.
19. According to the information and explanation given to us and the records examined by us, the Company has not issued any debentures during the year and does not have any debenture outstanding as at the year end.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us and based on examination of books of accounts of the company, no fraud on or by the company has been noticed or reported during the course of audit.

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

**Nikhil Singhi**  
Partner  
(Membership No. 061567)

Place: Mumbai  
Date: May 22, 2014

**Schrader Duncan Limited**  
**Balance Sheet as at 31<sup>st</sup> March 2014**

	Note No.	As at 31 <sup>st</sup> March, 2014 Rs.	As at 31 <sup>st</sup> March, 2013 Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds :</b>			
(a) Share capital	1	36,960,000	36,960,000
(b) Reserves and surplus	2	314,929,748	313,956,171
		<u>351,889,748</u>	<u>350,916,171</u>
<b>(2) Non-current liabilities :</b>			
(a) Long-term borrowings	3	23,160,000	46,296,000
(b) Long-term provisions	4	1,798,539	1,762,086
		<u>24,958,539</u>	<u>48,058,086</u>
<b>(3) Current liabilities :</b>			
(a) Short-term borrowings	5	116,443,403	108,514,061
(b) Trade payables	6	96,313,154	110,472,630
(c) Other current liabilities	7	44,553,801	54,621,654
(d) Short-term provisions	4	3,654,367	13,606,720
		<u>260,964,725</u>	<u>287,215,065</u>
<b>TOTAL</b>		<u><u>637,813,012</u></u>	<u><u>686,189,322</u></u>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets:</b>			
(i) Tangible assets	8	284,062,228	299,447,827
(ii) Intangible assets	8	2,330,420	945,262
(iii) Capital work-in-progress		235,000	1,320,716
		<u>286,627,648</u>	<u>301,713,805</u>
(b) Non-current investments	9	1,455,831	1,455,831
(c) Long-term loans and advances	10	12,952,354	12,829,706
		<u>14,408,185</u>	<u>14,285,537</u>
<b>(2) Current assets</b>			
(a) Inventories	11	117,839,046	137,601,096
(b) Trade receivables	12	175,247,373	170,425,578
(c) Cash and bank balance	13	21,440,227	9,981,630
(d) Short-term loans and advances	10	21,858,524	25,246,841
(e) Other current assets	14	392,009	26,934,835
		<u>336,777,179</u>	<u>370,189,980</u>
<b>TOTAL</b>		<u><u>637,813,012</u></u>	<u><u>686,189,322</u></u>
Summary of significant accounting policies	26		
Contingent liabilities and commitments	27		
Other notes on accounts	28		

The accompanying notes are an integral part of the financial statements.

In terms of our Report of even date attached.

For and on behalf of the Board

**For SINGHI & CO.**  
Chartered Accountants  
Firm Reg. No. 302049E

**Shantanu Parvati**  
Whole Time Director

**A Goenka**  
Director

**Nikhil Singhi**  
Partner  
Membership No. 061567

**Nirnoy Sur**  
Company Secretary

Place : Mumbai  
Date: 22<sup>nd</sup> May, 2014

Place : Mumbai  
Date: 22<sup>nd</sup> May, 2014



**Schrader Duncan Limited**  
**Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2014**

	Note No.	For the Year ended 31 <sup>st</sup> March, 2014 Rs.	For the Year ended 31 <sup>st</sup> March, 2013 Rs.
<b>I REVENUE :</b>			
Revenue from operations(net)	15	691,239,552	619,318,437
<b>II Other income</b>	16	16,759,438	11,628,761
<b>III Total Revenue (I + II)</b>		<b>707,998,990</b>	<b>630,947,198</b>
<b>IV EXPENSES :</b>			
Cost of raw materials consumed	17	457,891,003	430,892,190
Purchase of stock-in-trade		6,444,006	2,358,124
Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	9,602,695	(21,892,380)
Employee benefits expense	19	103,101,583	102,752,104
Other expenses	20	107,648,388	116,144,951
<b>V Total</b>		<b>684,687,675</b>	<b>630,254,989</b>
<b>VI Profit before finance cost, depreciation and amortisation and tax (III - V)</b>		<b>23,311,315</b>	<b>692,209</b>
<b>VII Finance costs</b>	21	<b>25,125,644</b>	<b>28,967,464</b>
<b>VIII Depreciation and amortisation</b>	22	<b>25,080,381</b>	<b>24,365,799</b>
<b>IX Profit before Exceptional Items and Tax (VI - VII - VIII)</b>		<b>(26,894,710)</b>	<b>(52,641,054)</b>
<b>X Exceptional items</b>	23	<b>(26,990,582)</b>	<b>(30,577,959)</b>
<b>XI Profit before Tax (IX - X)</b>		<b>95,872</b>	<b>(22,063,095)</b>
<b>Tax expense</b>			
Current tax	24	(877,704)	(27,149,500)
<b>Profit for the year</b>		<b>973,576</b>	<b>5,086,405</b>
Basic & Diluted Earnings Per Equity Share (Face value Rs.10/- each) (Rs.)	28.14	<b>0.26</b>	<b>1.38</b>
Summary of significant accounting policies	26		
Other notes on accounts	28		

The accompanying notes are an integral part of the financial statements.

In terms of our Report of even date attached.

For and on behalf of the Board

**For SINGHI & CO.**  
Chartered Accountants  
Firm Reg. No. 302049E

**Shantanu Parvati**  
Whole Time Director

**A Goenka**  
Director

**Nikhil Singhi**  
Partner  
Membership No. 061567

**Nirnoy Sur**  
Company Secretary

Place : Mumbai  
Date: 22<sup>nd</sup> May, 2014

Place : Mumbai  
Date: 22<sup>nd</sup> May, 2014

**Schrader Duncan Limited**  
**Cash Flow Statement for the year ended 31<sup>st</sup> March 2014**

	Year ended 31 <sup>st</sup> March, 2014 Rs.	Year ended 31 <sup>st</sup> March, 2013 Rs.
<b>A. Cash flow from Operating Activities</b>		
Net Profit / (Loss) before taxation	95,872	(22,063,095)
Adjustments for:		
Depreciation and amortisation expense	25,080,381	24,365,799
Finance costs	25,125,644	28,967,464
Unrealised Foreign Exchange loss (net)	36,439	45,152
(Profit) / Loss on Sale / discard of Fixed Assets	1,485,217	1,990,102
Bad Debts / advances written off	1,165,688	-
Provision for Doubtful Debts	630,127	-
Liabilities no longer required	(8,677,587)	(823,463)
Dividend on Non-Current Investments	(79,244)	(50,078)
Profit on Sale of Leasehold Building / Land	(26,990,582)	(44,775,921)
Provision for Doubtful debts written back	-	(2,315,305)
Interest income	(558,851)	(564,622)
<b>Operating profit / (loss) before working capital changes</b>	<b>17,313,104</b>	<b>(15,223,967)</b>
Increase/ (Decrease) in Current and Non Current Liabilities	(24,308,102)	7,084,325
(Increase) / Decrease in Inventories	19,762,050	(28,647,876)
(Increase) / Decrease in Trade receivables	(6,617,610)	(39,987,967)
(Increase) / Decrease in Loans and Advances and Other Current and Non Current Assets	3,372,405	1,801,409
Cash generated from operations	(7,791,257)	(59,750,109)
Direct Taxes paid (Net of refunds)	-	(61,800,000)
<b>Net cash used in Operating Activities</b>	<b>9,521,847</b>	<b>(136,774,076)</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Tangible / Intangible assets	(14,497,532)	(12,545,536)
Proceeds from Sale of Tangible / Intangible assets (net)	56,542,497	555,000
Advance received for Sale of Land	-	26,130,000
Proceeds from sale of Land at Mulund (Net of Expenses)	-	212,055,850
Decrease in the value of Investment	-	(49,840)
Interest received	540,376	564,622
Dividend received	-	50,078
<b>Net cash from investing activities</b>	<b>42,585,341</b>	<b>226,760,174</b>
<b>C. Cash flow from Financing Activities</b>		
Repayment of long-term borrowings	(23,136,000)	(32,503,616)
Repayment of loan from holding company	(20,000,000)	-
Increase/ (Decrease) in Cash Credit Utilisation	27,929,342	(32,420,253)
Interest & finance cost paid	(25,441,933)	(30,313,375)
Proceeds from other short-term borrowings	-	3,000,000
<b>Net cash used in Financing Activities</b>	<b>(40,648,591)</b>	<b>(92,237,244)</b>
<b>Net increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>11,458,597</b>	<b>(2,251,146)</b>
Cash and cash equivalents at the beginning of the year	9,981,630	10,008,388
Cash and Cash Equivalents taken over due to Merger	-	2,224,388
<b>Cash and cash equivalents at the end of the year</b>	<b>21,440,227</b>	<b>9,981,630</b>
Cash and cash equivalents comprise of :		
(a) Cash on hand	78,516	85,766
(b) Cheques on hand	-	-
(c) Bank balances :		
In current accounts	17,195,417	3,438,286
In EEFC accounts	54,800	49,593
(d) Other bank balances :		
Unpaid Dividends accounts *	617,194	1,867,985
Balances held as margin money *	3,494,300	4,540,000
<b>Total</b>	<b>21,440,227</b>	<b>9,981,630</b>

\* Amounts are not available for use by the Company

**Notes :**

- The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on "Cash Flow Statement"
- Purchase of Fixed Assets are shown inclusive of movement in Capital Work in Progress, Capital Advances and Capital Creditors.
- Previous year's figure have been re-grouped/re-arranged, wherever necessary.

In terms of our Report of even date attached.

For and on behalf of the Board

**For SINGHI & CO.**  
Chartered Accountants  
Firm Reg. No. 302049E

**Shantanu Parvati**  
Whole Time Director

**A Goenka**  
Director

**Nikhil Singhi**  
Partner  
Membership No. 061567

**Nirnoy Sur**  
Company Secretary

Place : Mumbai  
Date: 22<sup>nd</sup> May, 2014

Place : Mumbai  
Date: 22<sup>nd</sup> May, 2014

**Schrader Duncan Limited**  
**Notes annexed to and forming part of Balance Sheet**

	As at 31 <sup>st</sup> March,2014 Rs.	As at 31 <sup>st</sup> March,2013 Rs.
<b>1 Share capital</b>		
<b>Authorised</b>		
5,000,000 (Previous year 5,000,000) Equity shares of Rs 10 each	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
<b>Issued, subscribed and paid-up :</b>		
3,696,000 (Previous year 3,696,000) Equity shares of Rs. 10/- each	36,960,000	36,960,000
	<u>36,960,000</u>	<u>36,960,000</u>

**(a) Terms/ rights attached to Equity shares**

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However, same except interim dividend is subject to the approval of the shareholders in the Annual General Meeting.

**(b) Reconciliation of the number of Equity shares outstanding :**

S. No.	Equity shares:	As at 31 <sup>st</sup> March,2014 No. of shares	As at 31 <sup>st</sup> March,2014 Rs.	As at 31 <sup>st</sup> March,2013 No. of shares	As at 31 <sup>st</sup> March,2013 Rs.
1	Number of Equity shares outstanding at the beginning of the year	3,696,000	36,960,000	3,696,000	36,960,000
2	Add: Additional Equity shares issued during the year	-	-	-	-
3	Less: Shares forfeited/ bought back during the year	-	-	-	-
4	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>

**(c) Shareholders holding more than 5 percent equity shares of the company :**

S. No.	Name of shareholder	As at 31 <sup>st</sup> March,2014		As at 31 <sup>st</sup> March,2013	
		Number of shares held	Percentage of holding	Number of Shares held	Percentage of holding
1	Oriental Carbon and Chemicals Limited (OCCL).*	1,848,500	50.01%	2,313,604	62.60%
2	Cosmopolitan Investment Limited (CIL).	905,336	24.50%	440,232	11.91%

\* Holding Company

	As at 31 <sup>st</sup> March,2014 Rs.	As at 31 <sup>st</sup> March,2013 Rs.
<b>2 Reserves and surplus</b>		
<b>(i) Capital reserve</b>		
Balance as per last financial statement	38,206,216	-
Add : Acquired on Merger	-	38,206,216
	<u>38,206,216</u>	<u>38,206,216</u>
<b>(ii) General reserve</b>		
Balance as per last financial statement	66,031,583	66,031,583
	<u>66,031,583</u>	<u>66,031,583</u>
<b>(iii) Surplus in statement of profit &amp; loss</b>		
Balance as per last financial statement	209,718,373	204,631,967
Add: Profit for the year	973,576	5,086,405
	<u>210,691,949</u>	<u>209,718,372</u>
<b>Total Reserves and surplus (i to iii)</b>	<u>314,929,748</u>	<u>313,956,171</u>

3 Long-term borrowings	Non-current portion		Current maturities	
	As at 31 <sup>st</sup> March,2014 Rs.	As at 31 <sup>st</sup> March,2013 Rs.	As at 31 <sup>st</sup> March,2014 Rs.	As at 31 <sup>st</sup> March,2013 Rs.
<b>(i) Secured :</b>				
Term loan from a Bank	23,160,000	46,296,000	23,136,000	23,136,000
	<u>23,160,000</u>	<u>46,296,000</u>	<u>23,136,000</u>	<u>23,136,000</u>
<b>(ii) Amount disclosed under the head "Other current liabilities" (Note No.7)</b>	-	-	(23,136,000)	(23,136,000)
<b>Total (i)+(ii)</b>	<u>23,160,000</u>	<u>46,296,000</u>	<u>-</u>	<u>-</u>

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

**Nature of Security**

Term loan from State Bank of India is secured by primary 1st exclusive mortgage/ hypothecation charge on the tangible movable/ immovable fixed assets created at Ranjangaon, Pune and collateral charge on the Company's current assets, further by Corporate Guarantees of (i) Oriental Carbon & Chemicals Ltd, and (ii) Cosmopolitan Investments Ltd. The aggregate amount of such loan is amounting to Rs. 46,809,125 (Previous year : Rs 70,261,415) Includes Interest amounting to Rs 513,125 (Previous year : Rs 829,414) disclosed under other current liabilities.

**Terms of Repayment**

Repayable in equal monthly installment of 19,28,000/- from the rescheduled date (i.e. Oct '2012) upto March 2016 along with interest rate of 3.5% p.a. over base rate linked to base rate

**Schrader Duncan Limited**  
**Notes annexed to and forming part of Balance Sheet**

**4 Provisions**

	Long- term		Short - term	
	As at 31 <sup>st</sup> March,2014 Rs.	As at 31 <sup>st</sup> March,2013 Rs.	As at 31 <sup>st</sup> March,2014 Rs.	As at 31 <sup>st</sup> March,2013 Rs.
Provision for employee benefits	1,798,539	1,762,086	239,220	177,241
Provision for Income Tax (Net)	-	-	-	442,227
Provision for Sales Tax liability against Pending C Forms	-	-	3,415,147	12,987,252
	<b>1,798,539</b>	<b>1,762,086</b>	<b>3,654,367</b>	<b>13,606,720</b>

	As at 31 <sup>st</sup> March,2014 Rs.	As at 31 <sup>st</sup> March,2013 Rs.
	<b>5 Short-term borrowings</b>	
(i) <b>Secured :</b>		
<b>Working capital loans repayable on demand</b>		
Cash Credit from Banks	116,443,403	88,514,061
	<b>116,443,403</b>	<b>88,514,061</b>
(ii) <b>Unsecured:</b>		
From other parties - Holding Company	-	20,000,000
	-	20,000,000
(iii) <b>Total (i + ii)</b>	<b>116,443,403</b>	<b>108,514,061</b>
(a) <b>Details of security for the Secured Short-term borrowings :</b>		
Cash credit is secured by primary first exclusive mortgage/ hypothecation charge on the tangible movable/ immovable fixed assets created at Ranjangaon, Pune and collateral charge on the Company's current assets, further by Corporate Guarantees of (i) Oriental Carbon & Chemicals Ltd, and (ii) Cosmopolitan Investments Ltd.		

**6 Trade payables**

Micro, Small and Medium Enterprises	18,384,948	16,601,019
Others	77,928,206	93,871,611
	<b>96,313,154</b>	<b>110,472,630</b>

**7 Other current liabilities**

Current maturities of Long-Term Debts	23,136,000	23,136,000
Interest accrued and due on borrowings	513,125	829,414
Advance received from and Credit balance of Customers	976,594	4,546,251
Unpaid dividend (Refer Note (a) below)	617,194	1,867,985
Statutory dues payable	6,636,607	3,671,900
Employees liabilities	3,953,068	6,360,790
Other Contractual liabilities	6,539,278	8,495,382
Other payables:		
Liabilities towards purchase of fixed assets	689,400	1,768,718
Trade deposits	1,028,661	928,661
Liability for gratuity	310,078	2,183,434
Retention Money Account	-	150,000
Others	153,796	683,119
	<b>44,553,801</b>	<b>54,621,654</b>

(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.

Schrader Duncan Limited  
Notes annexed to and forming part of Balance Sheet

8 : FIXED ASSETS

Description	GROSS BLOCK COST/BOOK VALUE				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As At April 1, 2013	Additions / Adjustments	Deductions	As At March 31, 2014	As At April 1, 2013	For the Year	Deductions	As at March 31, 2014	As at March 31, 2014	As at April 1, 2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>(A) Tangible assets</b>										
Leasehold land	20,482,770	-	-	20,482,770	878,346	220,190	-	1,098,536	19,384,234	19,604,424
Leasehold building	144,056,120	-	898,256	143,157,864	14,052,141	3,976,072	329,115	17,699,098	125,458,766	130,003,979
Plant and equipment	170,106,234	12,658,174	7,712,623	175,051,785	64,570,921	16,218,751	5,584,970	75,204,702	99,847,083	105,535,313
Electrical installation	23,900,732	-	13,145	23,887,587	3,872,349	1,133,629	1,059	5,004,919	18,882,668	20,028,383
Furniture and fixtures	20,457,567	139,040	2,000,749	18,595,858	5,698,574	1,145,734	913,517	5,930,791	12,665,067	14,758,993
Vehicles	3,295,185	-	1,120,564	2,174,621	913,871	465,455	809,301	570,025	1,604,596	2,381,314
Air conditioners & coolers	3,008,802	-	341,575	2,667,227	495,396	130,738	58,710	567,424	2,099,803	2,513,406
Office equipment	10,504,673	476,285	427,451	10,553,507	5,882,658	865,221	314,383	6,433,496	4,120,011	4,622,015
<b>Sub total</b>	<b>395,812,083</b>	<b>13,273,499</b>	<b>12,514,363</b>	<b>396,571,219</b>	<b>96,364,256</b>	<b>24,155,790</b>	<b>8,011,055</b>	<b>112,508,991</b>	<b>284,062,228</b>	<b>299,447,827</b>
<b>(B) Intangible assets</b>										
Computer software	4,504,419	2,309,749	-	6,814,168	3,559,157	924,591	-	4,483,748	2,330,420	945,262
<b>Sub total</b>	<b>4,504,419</b>	<b>2,309,749</b>	<b>-</b>	<b>6,814,168</b>	<b>3,559,157</b>	<b>924,591</b>	<b>-</b>	<b>4,483,748</b>	<b>2,330,420</b>	<b>945,262</b>
<b>TOTAL (A+B)</b>	<b>400,316,502</b>	<b>15,583,248</b>	<b>12,514,363</b>	<b>403,385,387</b>	<b>99,923,413</b>	<b>25,080,381</b>	<b>8,011,055</b>	<b>116,992,739</b>	<b>286,392,648</b>	<b>300,393,089</b>
Previous year	387,605,770	18,631,317	15,920,585	400,316,502	88,661,208	24,365,799	13,103,594	99,923,413	300,393,089	

**Schrader Duncan Limited**  
**Notes annexed to and forming part of Balance Sheet**

	Face Value per Unit	As at 31 <sup>st</sup> March,2014 (Nos.)	As at 31 <sup>st</sup> March,2013 (Nos.)	As at 31 <sup>st</sup> March,2014 Rs.	As at 31 <sup>st</sup> March,2013 Rs.
<b>9 Non-current investments</b>					
<b>Long term investments (Non trade)</b>					
<b>I) Investments in equity shares - quoted (At cost)</b>					
Swan Energy Limited formerly known as Swan Mills Limited 1600 fully paid Equity Shares of Rs. 1 each (2013: 800 fully paid Equity Shares of Rs. 2 each)	2	1600	800	1,441	1,441
Apollo Tyres Limited	1	1000	1000	7,002	7,002
Ceat Limited	10	75	75	1,663	1,663
Summit Securities Limited	10	4	4	66	66
Goodyear India Limited	10	100	100	6,259	6,259
J. K. Tyre & Industries Limited	10	56	56	1,411	1,411
Dhampur Sugar Limited (Previously known as J. K. Sugar Limited)	10	4	15	186	186
TVS Srichakra Tyres Limited	10	100	100	3,795	3,795
Falcon Tyres Limited	5	600	600	1,573	1,573
MRF Limited	10	13	13	19,438	19,438
Triton Valves Limited	10	50	50	16,252	16,252
Modi Rubber Limited	10	100	100	3,042	3,042
J. K. Agri Genetics Limited	10	10	10	273	273
<b>II) Investments in equity shares - unquoted (At cost)</b>					
Duncan Services Limited	100	360	360	18,000	18,000
Dunlop India Limited	10	100	100	1,212	1,212
Netflier Finco Limited	10	18	18	1	1
<b>III) Investments in mutual funds - unquoted (At cost)</b>					
UTI Balanced Fund (Income-Reinvestment) (Dividend units Re-invested during the year:)	10		13942.31	213,991	213,991
UTI Treasury Advantage Fund-Weekly Dividend Plan - Re-investment	1000		1095.85	1,133,761	1,133,761
UTI-Treasury Advantage Fund-Quarterly Dividend Plan - Re-investment	1000		20.74	26,465	26,465
				<b>1,455,831</b>	<b>1,455,831</b>
Aggregate amount of Quoted Investments				62,401	62,401
Aggregate amount of Unquoted Investments				1,393,430	1,393,430
Aggregate amount of market value of quoted investment				705,766	436,736

	Long-term		Short-term	
	As at 31 <sup>st</sup> March,2014 Rs.	As at 31 <sup>st</sup> March,2013 Rs.	As at 31 <sup>st</sup> March,2014 Rs.	As at 31 <sup>st</sup> March,2013 Rs.
<b>10 Loans and advances</b>				
<b>Unsecured (Considered good unless stated otherwise)</b>				
Capital Advances	200,925	-	-	-
Security Deposits	3,570,000	3,924,577	103,397	4,819,068
Advances to Suppliers			1,968,300	4,132,326
Loans and Advances to Employees	24,993	-	672,092	980,628
Advance Income Tax and Tax Deducted at source			733,445	-
Balances with Government Authorities	-	-	14,709,104	13,085,430
Other Advances			-	78,378
Prepaid Expenses	606,162	373,342	3,672,186	2,151,011
MAT credit entitlement	8,550,274	8,531,787	-	-
	<b>12,952,354</b>	<b>12,829,706</b>	<b>21,858,524</b>	<b>25,246,841</b>

**Schrader Duncan Limited**  
**Notes annexed to and forming part of Balance Sheet**

	As at 31 <sup>st</sup> March, 2014 Rs.	As at 31 <sup>st</sup> March, 2013 Rs.
<b>11 Inventories</b>		
(Valued at lower of cost or net realisable value)		
Raw Materials (Including Packing Materials)	65,055,047	74,214,687
Work-in-Progress	28,583,604	32,431,649
Finished Goods	17,153,323	15,592,148
Scrap	3,305,511	12,350,706
Traded Goods	2,006,995	887,200
Stores and Spares	1,734,566	2,124,706
	<u>117,839,046</u>	<u>137,601,096</u>
Goods in transit included in above inventories are as under :		
Raw Materials	139,617	-
<b>12 Trade receivables</b>		
(Secured, Considered Good)		
Outstanding for a period exceeding six months (from the due date)	1,036	37,296
Outstanding for a period less than six months (from due date)	555,946	604,723
(Unsecured, Considered Good)		
Outstanding for a period exceeding six months (from the due date)	16,895,137	5,014,688
Outstanding for a period less than six months (from due date)	157,795,254	164,768,871
Unsecured, considered doubtful		
Outstanding for a period exceeding six months (from the due date)	630,127	-
Outstanding for a period less than six months (from due date)	-	-
Less: Provision for doubtful debts	(630,127)	-
	<u>175,247,373</u>	<u>170,425,578</u>
<b>13 Cash and Bank balances :</b>		
<b>(a) Cash and cash equivalents:</b>		
Cash on hand	78,516	85,766
Balance with Banks:		
In current accounts	17,195,417	3,438,286
In exchange earnest foreign currency accounts	54,800	49,593
	<u>17,328,733</u>	<u>3,573,645</u>
<b>(b) Other bank balances</b>		
<b>Earmarked balances with banks:</b>		
Unpaid dividend account	617,194	1,867,985
Margin money	3,494,300	4,540,000
	<u>4,111,494</u>	<u>6,407,985</u>
	<u>21,440,227</u>	<u>9,981,630</u>
<b>14 Other current assets</b>		
Unsecured, considered good:		
Interest accrued on deposits	298,259	316,734
Assets held for sale	50,849	84,292
Receivable for sale of fixed assets	-	26,533,809
Other	42,901	-
	<u>392,009</u>	<u>26,934,835</u>

**Schrader Duncan Limited**  
**Notes annexed to and forming part of Statement of Profit & Loss**

	For the Year ended 31 <sup>st</sup> March, 2014 Rs.	For the Year ended 31 <sup>st</sup> March, 2013 Rs.
<b>15 Revenue from operations :</b>		
Sale of products:	718,522,246	687,604,968
Less : Discount on sales	(1,747,347)	(4,431,884)
	<u>716,774,899</u>	<u>683,173,084</u>
<b>Other operating revenues</b>		
Sale of scrap	50,553,090	10,651,280
Gross revenue from operations	767,327,989	693,824,364
Less: Excise duty	(76,088,437)	(74,505,927)
Net revenue from operations	<u>691,239,552</u>	<u>619,318,437</u>
<b>(i) Details of sales (Finished goods)</b>		
Passenger and Truck Valves	363,411,418	311,809,782
Hydraulic and Pneumatic Equipment	324,739,390	329,743,334
Others	23,983,724	40,360,028
	<u>712,134,532</u>	<u>681,913,144</u>
<b>(ii) Details of sales (Traded goods)</b>		
Valve Cores	6,221,086	5,500,924
High Pressure Valves	166,628	190,900
Tubeless Valve	-	-
	<u>6,387,714</u>	<u>5,691,824</u>
<b>16 Other income</b>		
Dividend on investments	79,244	50,078
Interest income		
- On Deposits	558,851	564,622
- On Income tax refund	10,819	-
Profit on sale of fixed assets (Net)	1,124,140	514,999
Rent Income	1,440,000	1,440,000
Support Services	2,760,000	2,760,000
Provision no Longer Required Written Back	8,677,587	823,463
Bad Debts Recovered	157,348	2,179,814
Provision for Doubtful Debts Written Back	-	2,315,305
Net gain on Foreign currency translations and transactions	-	138,731
Miscellaneous Income	1,951,449	841,749
	<u>16,759,438</u>	<u>11,628,761</u>
<b>17 Cost of raw materials consumed</b>		
Raw material consumed		
Brass	148,443,548	131,678,264
Rubber	41,403,340	36,130,300
Other	262,753,286	258,247,442
	<u>452,600,174</u>	<u>426,056,006</u>
Packing material consumed	5,290,829	4,836,184
	<u>457,891,003</u>	<u>430,892,190</u>



**Schrader Duncan Limited**

**Notes annexed to and forming part of Statement of Profit & Loss**

	For the Year ended 31 <sup>st</sup> March, 2014 Rs.	For the Year ended 31 <sup>st</sup> March, 2013 Rs.
<b>18 Changes in inventories of finished goods, work-in-progress and traded goods</b>		
<b>I Inventories as at the beginning of the year</b>		
Finished Goods	15,592,148	11,472,090
Work-in-Progress	32,431,649	16,291,509
Traded Goods	887,200	1,874,061
Scrap	12,350,706	9,250,443
	<u>61,261,703</u>	<u>38,888,103</u>
<b>II Inventories as at end of the year</b>		
Finished Goods	17,153,323	15,592,148
Work-in-Progress	28,583,604	32,431,649
Traded Goods	2,006,995	887,200
Scrap	3,305,511	12,350,706
	<u>51,049,433</u>	<u>61,261,703</u>
III Movement in excise duty on finished products	(609,575)	481,220
<b>IV Change in inventories (I - II + III)</b>	<u>9,602,695</u>	<u>(21,892,380)</u>
<b>19 Employee benefit expenses</b>		
Salaries, Wages and Bonus	80,953,170	74,955,613
Contribution to Provident and Other Funds	3,774,811	3,633,105
Gratuity	352,526	2,191,022
Employee Welfare Expenses	18,021,076	21,972,364
	<u>103,101,583</u>	<u>102,752,104</u>
<b>20 Other expenses</b>		
General stores and spares consumed	28,338,043	26,441,913
Power and fuel	16,354,577	14,479,159
Water charges	1,196,538	4,634,724
Rent	6,681,164	9,281,274
Rates and taxes	2,970,156	11,920,641
Repairs to machinery	5,717,616	4,630,679
Repairs to buildings	871,949	120,246
Repairs to others	2,816,586	2,884,715
Insurance	2,702,352	2,011,270
Commission and discount on sales	3,709,496	2,492,776
Business promotion	1,398,215	95,865
Freight & forwarding expenses	5,130,166	5,145,376
Travelling and conveyance	7,599,084	10,007,474
Bad Debts /Advances written-off	1,165,688	-
Provision for doubtful debts	630,127	-
Directors' fees	657,500	700,000
Auditors' Remuneration		
As Auditors	655,000	525,000
For Tax audit	150,000	140,000
For Out-of-pocket expenses	86,248	38,271
Legal & professional expenses	5,965,102	6,212,490
Foreign exchange loss (net)	347,956	-
Loss on sale/discard of fixed assets (net)	2,609,357	2,505,101
Prior period expenses	-	540,516
Miscellaneous	9,895,468	11,337,461
	<u>107,648,388</u>	<u>116,144,951</u>

**Schrader Duncan Limited****Notes annexed to and forming part of Statement of Profit & Loss**

	<b>For the Year ended 31<sup>st</sup> March, 2014 Rs.</b>	<b>For the Year ended 31<sup>st</sup> March, 2013 Rs.</b>
<b>21 Finance costs</b>		
Interest	<b>22,841,841</b>	26,932,318
Other borrowing cost	<b>2,283,803</b>	2,035,146
	<b>25,125,644</b>	28,967,464
<b>22 Depreciation and Amortisation</b>		
Depreciation on tangible assets	<b>24,155,790</b>	23,385,842
Amortisation of Intangible assets	<b>924,591</b>	979,957
	<b>25,080,381</b>	24,365,799
<b>23 Exceptional items</b>		
Profit on Sale of Fixed Assets	<b>(26,990,582)</b>	(44,775,921)
Settlement Compensation Paid to Employees	-	14,197,962
	<b>(26,990,582)</b>	(30,577,959)
<b>24 Current tax</b>		
Current tax for the year	<b>18,487</b>	-
Less: MAT credit entitlement	<b>(18,487)</b>	(8,531,787)
Less: Taxation adjustments for earlier years (net)	<b>(877,704)</b>	(18,617,713)
	<b>(877,704)</b>	(27,149,500)

**Schrader Duncan Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2014**  
**Significant Accounting policies and Notes to Accounts**

**Note 25**

**Corporate Information**

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

**Note 26**

**Significant Accounting Policies**

**26.1 Basis of preparation :**

The financial statements have been prepared under historical cost convention, on accrual basis of accounting and in accordance with the generally accepted accounting principles in India and the provision of the companies Act, 1956 to the extent applicable and accounting standard notified under the companies Act 1956 ("The Act") read with the general circular 15/2013 dated 13<sup>th</sup> September 2013, of the Ministry of Corporate affairs in respect of section 133 of the Companies Act, 2013.

**26.2 Use of estimates :**

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

**26.3 Classification of Assets and Liabilities as Current and Non Current**

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised 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, 12 months has been considered by the Company for the purpose of current/ non-current classification of assets and liabilities.

**26.4 Fixed Assets :**

(a) Tangible Assets :

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

(b) Intangible Assets :

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

**26.5 Depreciation & Amortization :**

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

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

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

<b>Asset</b>	<b>Rate of depreciation (%)</b>
Computer Software	25

**26.6 Impairment of Assets :**

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

**26.7 Foreign Currency Transactions :**

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

**26.8 Investments :**

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

**26.9 Valuation of Inventory :**

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

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

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

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

**26.10 Segment Reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Primary Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Revenue, Expense, Assets and Liabilities, which relate to the Company as a whole and could not be allocated to segments on a reasonable basis, have been classified as unallocated. Secondary segment is identified based on geography by location of customers i.e. in India and outside India. Inter-segment revenue have been accounted for based on the transaction price agreed to between the segments, which is primarily market based.

**26.11 Revenue Recognition :**

Sale of goods :

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

Sale of services :

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

**26.12 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.

**26.13 Taxation :**

(a) Current Tax :

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

(b) Deferred Tax :

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

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

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

**Schrader Duncan Limited****Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2014****26.14 Borrowing Cost :**

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

**26.15 Operating Leases**

Lease rent in respect of assets taken on operating lease are charged to Statement of Profit & Loss as per the terms of lease agreements.

**26.16 Provisions, Contingent Liability and Contingent assets :**

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

	<b>As at 31<sup>st</sup> March, 2014 Rs.</b>	<b>As at 31<sup>st</sup> March, 2013 Rs.</b>
<b>Note 27</b>		
<b>Contingent Liabilities:</b>		
(a) Claims against the Company with respect to Income Tax Matters not acknowledged as debts. Appeals filed by the Company with the relevant authorities of Income Tax Department are pending disposal.	-	1,278,698
(b) Guarantees given by the Bank on behalf of the Company. These are financial and performance guarantees given to the customers, expiring on various future dates.	<b>4,754,898</b>	3,227,027
(c) Claims against the Company with respect to Sales Tax Matters not acknowledged as debts.	<b>7,418,032</b>	1,603,537
(d) Claims against the Company with respect to Excise and Service Tax Matters not acknowledged as debts. Appeals filed by the Company with CESTAT, West Zone Bench, and Additional Commissioner of Central Excise Mumbai, is pending disposal.	<b>3,967,557</b>	2,147,830
	<b>16,140,487</b>	<b>8,257,092</b>

**Note 27.2****Capital and other commitments :**

Estimated amount of Contracts remaining to be executed on capital account (net of advances) and not provided for.	1,599,008	1,094,287
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**Note 28 Other Notes on Accounts****Note 28.1****Surrender of Office premises**

During the year, the company has entered into Deed of Surrender dated 24th March, 2014 for transfer of its office premises at WTC, Mumbai. The company has recognized profit on transfer of office premises amounting to Rs.26,990,582 as an exceptional item.

**Note 28.2****Tax Provision :**

Based on evaluation of its tax provisions, the company has reversed excess provision for tax relating to earlier years amounting to Rs. 877,704

**Note 28.3****Sales Tax liability**

- During the year company has written back an amount of Rs. 31,95,499 for pending C form liabilities for the year 2006-07 as the same has been time barred.
- During the year company has conducted an evaluation of its sales tax liabilities and has written back an amount of Rs. 41,75,509 for excess provision created in earlier years.

**Note 28.4****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	2013-2014 Rs.	2012-2013 Rs.
a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	18,384,948	16,601,019
b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	74,577	25,165
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	74,577	25,165

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

**Note 28.5****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, 2014 Rs.	Year ended March 31, 2013 Rs.
Contribution to Provident Fund	1,960,012	1,933,443
Contribution to Employee's Pension Scheme	1,584,559	1,314,207
Contribution to Employee's Superannuation Fund	184,320	165,322
Contribution to Employee's State Insurance Scheme	17,488	194,259
Contribution to Labour Welfare Fund	28,432	25,874
	<b>3,774,811</b>	<b>3,633,105</b>

**(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 :

Discount Rate (Per annum)	9.31%	8.00%
Rate of increase in Compensation levels	6.00%	6.00%
Rate of Return on Plan Assets	8.70%	8.70%
Expected Average remaining working lives of employees in number of Years	21	22

**Schrader Duncan Limited**

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2014**

	<b>Year Ended March 31, 2014 Rs.</b>	<b>Year Ended March 31, 2013 Rs.</b>
<b>(i) Changes in present value of obligation</b>		
Present value of Obligation as at beginning of the year	5,102,491	8,037,971
Interest Cost	408,199	683,228
Current Service Cost	767,846	803,340
Benefits paid	(752,164)	(5,662,446)
Actuarial (Gains)/Loss	<u>(580,536)</u>	<u>1,240,398</u>
Present value of Obligation as at the end of the year	<u>4,945,836</u>	<u>5,102,491</u>
<b>(ii) Changes in Fair value of plan assets</b>		
Present value of plan assets as at beginning of the year	2,919,057	7,495,698
Expected return on Plan Assets	253,958	599,656
Actuarial gain/(loss) on Plan Assets	(10,975)	(56,123)
Actual Company Contribution	2,225,882	542,272
Benefits paid	(752,164)	(5,662,446)
Fair value of Plan Assets as at the end of the year	<u>4,635,758</u>	<u>2,919,057</u>
<b>(iii) Percentage of each category of plan assets to total fair value of plan assets</b>		
Administered by Life Insurance Corporation of India	100%	100%
<b>(iv) Reconciliation of the Present Value of Defined Present Obligations and the Fair value of Assets</b>		
Present value of Funded Obligation as at the end of the year	4,945,836	5,102,491
Fair value of Plan Assets as at the end of the year	4,635,758	2,919,057
(Asset)/ Liability recognised in the Balance Sheet	<u>310,078</u>	<u>2,183,434</u>
<b>(v) Amounts recognised in the Balance Sheet</b>		
Present value of Obligation as at end of the year	4,945,836	5,102,491
Fair value of Plan Assets as at end of the year	4,635,758	2,919,057
Funded (Asset)/ Liability recognised in the Balance Sheet	<u>310,078</u>	<u>2,183,434</u>
<b>(vi) Expenses recognised in the Statement of Profit and Loss</b>		
Current Service Cost	767,846	803,340
Interest Cost	408,199	741,119
Expected Return on Plan Asset	(253,958)	(657,546)
Net Actuarial (Gain)/ Loss	<u>(569,561)</u>	<u>1,296,521</u>
Total Expenses recognised in the Statement of Profit and Loss	<u>352,526</u>	<u>2,183,434</u>
<b>(vii) Expected employers' contribution for the next year</b>	933,566	1,912,255
<b>(viii) Experience adjustments</b>		
On Plan Liabilities Gain/ (Loss)	(10,417)	(1,006,704)
On Plan Assets Gain/ (Loss)	(10,975)	(56,123)

**(C) Disclosure as required under Para 120(n);**

Amounts recognised in current year and previous four years

	<b>Year Ended March 31, 2014</b>	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010
Present value of defined benefit obligation	4,945,836	5,102,491	8,817,503	8,792,378	22,739,965
Fair Value of Plan Assets	4,635,758	2,919,057	8,329,679	6,704,808	23,951,184
Surplus/ (Deficit) in the Plan	310,078	2,183,434	(487,824)	(2,087,570)	121,219
Experience adjustments on Plan Liabilities Gain/ (Loss)	(10,417)	(1,006,704)	295,691	(1,444,449)	1,691,758
Experience adjustments on Plan Assets Gain/ (Loss)	(10,975)	(56,123)	5,549	(121,070)	91,401

**(D)** The Liability for leave encashment and compensated balances as at year end is Rs.2,037,760/- (Previous Year Rs. 1,939,327).

**Schrader Duncan Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2014**

	Year Ended March 31, 2014 Rs.	Year Ended March 31, 2013 Rs.
<b>Note 28.6</b>		
<b>CIF Value of Imports :</b>		
Raw materials	116,048,996	48,977,146
Traded Goods	6,979,054	2,252,600
Stores and Spares	4,927,093	3,213,431
	<u>127,955,143</u>	<u>54,443,177</u>

<b>Note 28.7</b>		
<b>Expenditure in foreign currency :</b>		
Travelling Expenses	307,633	727,436
Capital Goods	2,556,588	-
	<u>2,864,221</u>	<u>727,436</u>

<b>Note 28.8</b>		
<b>Earnings in Foreign Currency :</b>		
FOB value of exports	13,385,992	21,670,472
	<u>13,385,992</u>	<u>21,670,472</u>

<b>Note 28.9</b>		
<b>Details of Consumption and Purchases</b>		
(a) Details of Raw Material Consumed *		
Metals	148,443,548	131,678,264
Rubber	41,403,340	36,130,300
Others	268,044,115	263,083,626
	<u>457,891,003</u>	<u>430,892,190</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, 2014		Year ended March 31, 2013	
	Value Rs.	%	Value Rs.	%
Raw Material Consumed :				
Imported	119,875,865	26.18%	48,329,846	11.22%
Indigenous	338,015,138	73.82%	382,562,344	88.78%
	<u>457,891,003</u>	<u>100.00%</u>	<u>430,892,190</u>	<u>100.00%</u>
Stores and Spares Consumed :				
Imported	7,076,009	24.97%	3,153,423	11.93%
Indigenous	21,262,034	75.03%	23,288,490	88.07%
	<u>28,338,043</u>	<u>100%</u>	<u>26,441,913</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.



**Schrader Duncan Limited****Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2014**

(c) Information for each class of goods manufactured

	Year ended March 31, 2014		Year ended March 31, 2013	
	Opening Stock of Goods Produced	Closing stock of Goods Produced	Opening Stock of Goods Produced	Closing stock of Goods Produced
Automotive Tyres Valves & Accessories	11,088,488	12,811,931	3,693,131	11,088,488
Fluid Power & Automation	4,213,557	3,516,168	7,609,256	4,213,557
Others	290,103	825,224	169,703	290,103
	<b>15,592,148</b>	<b>17,153,323</b>	11,472,090	15,592,148

28.10 Segment Reporting

The following tables present the revenue, profit, assets and liabilities information relating to the Business/Geographical segment for the year ended 31.03.2014  
**Information about Business Segment - Primary**

Reportable Segments	Tyres Valves & Accessories		Fluid Power & Automation		Elimination		Total	
	For the Year ended 31st March, 2014 Rs.	For the Year ended 31st March, 2013 Rs.	For the Year ended 31st March, 2014 Rs.	For the Year ended 31st March, 2013 Rs.	For the Year ended 31st March, 2014 Rs.	For the Year ended 31st March, 2013 Rs.	For the Year ended 31st March, 2014 Rs.	For the Year ended 31st March, 2013 Rs.
<b>Revenue</b>								
External Sales (Net of Discount and Excise Duty)	400,364,668	329,269,464	290,874,884	289,918,727	-	-	691,239,552	619,188,191
Unallocated Revenue	-	-	164,820	146,800	(164,820)	(146,800)	-	130,246
Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Revenue from operations	400,364,668	329,269,464	291,039,704	290,065,527	(164,820)	(146,800)	691,239,552	619,318,437
<b>Result</b>								
Segment Result	(16,438,407)	(37,349,211)	52,471,780	48,454,776	-	-	36,033,373	11,105,565
Unallocated Corporate Income ( Net )							(37,802,439)	(34,779,155)
Finance costs							(25,125,644)	(28,967,464)
<b>Profit before Exceptional Item and Tax</b>							(26,894,710)	(52,641,054)
Exceptional items							26,990,582	30,577,959
<b>Profit before Tax</b>							95,872	(22,063,095)
Less: Provision for Taxation (Including Deferred Tax)							(877,704)	(27,149,500)
<b>Profit after Tax</b>							973,576	5,086,405
<b>Other Information</b>								
Segment Assets	373,411,520	357,693,986	193,301,838	126,042,882	-	-	566,713,358	483,736,868
Unallocated Corporate Assets							73,988,129	202,452,283
<b>Total Assets</b>							640,701,487	686,189,151
Segment Liabilities	62,722,161	84,031,986	45,420,840	54,308,882	-	-	108,143,001	138,340,868
Unallocated Corporate Liabilities							180,668,738	196,932,112
<b>Total Liabilities</b>							288,811,739	335,272,980
Capital Expenditure	10,543,222	7,405,518	2,114,952	3,761,879	-	-	12,658,174	11,167,397
Unallocated Capital Expenditure							2,925,074	7,463,920
<b>Total Capital Expenditure</b>							15,583,248	18,631,317
Depreciation	18,890,898	21,967,239	3,917,464	1,150,670	-	-	22,808,362	23,117,909
<b>Unallocated Depreciation</b>							2,272,019	1,247,890
							25,080,381	24,365,799

**Schrader Duncan Limited**

**Notes to the Financial Statements for the year ended 31st March, 2014**

**Information about Secondary Business Segments**

Reportable Segments	India		Outside		Total	
	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
External Sales (Net of Discount and Excise Duty)	677,853,560	597,647,965	13,385,992	21,670,472	691,239,552	619,318,437
Carrying amount of segment assets	632,235,403	683,806,556	8,466,084	2,382,595	640,701,487	686,189,151
Additions to fixed assets	15,583,248	18,631,317	-	-	15,583,248	18,631,317

**Notes:**

- a) The company is organized into two main business segments -  
 - Automotive Tyres Valves & Accessories- comprising of tyre tube valves and accessories.  
 - Fluid Power & Automation- comprising of pneumatic equipment and hydraulic products.

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

- b) The segment revenue in the geographical segments considered for disclosure are as follows:

- Revenue within India includes sales to customers located within India and earnings in India.  
 - Revenue outside India includes sales to customers located outside India and earnings outside India.

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

**Schrader Duncan Limited**

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2014**

**Note 28.11**

**Related Party Disclosures (As identified by the Management)**

**A) Relationships :**

- (i) Holding Company  
Oriental Carbon and Chemicals Limited \*

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

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

**Related Party Disclosures (As identified by the Management)**

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

(Rupees)

Nature of transactions During the year	Oriental Carbon & Chemicals Ltd	Key Management personnel
Management Services (Income)	-	
Remuneration		5,290,000 (4,600,000)
Loan Taken during the year	- (35,000,000)	
Loan Given during the year	-	
Processing charges (Expenses)	-	
Expenses incurred on behalf of the company	2,971,647 (3,142,049)	
Expenses paid on behalf of the company	-	
Interest on inter Corporate Deposit	263,562 (2,201,849)	
<b>Year End Balances</b>	-	
Sundry Creditors	484,346 (202,961)	
Unsecured Loans	- (20,000,000)	
Loans and Advances	-	
Interest Accrued and due	-	

# figures in bracket indicates previous year figures.

**Note 28.12**

**Deferred Tax :**

**The Deferred Tax balances are set out as below**

Particulars	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
<b>Deferred Tax Liabilities</b>		
Depreciation	34,701,720	24,955,519
<b>Total (a)</b>	<b>34,701,720</b>	<b>24,955,519</b>
<b>Less : Deferred Tax Assets</b>		
Voluntary Retirement Scheme	11,927,714	24,955,519
Disallowance u/s 43B of the Income Tax Act, 1961	3,023,109	
Unabsorbed depreciation / loss carried forward as per provisions of the Income Tax Act, 1961	19,750,897	-
<b>Total (b)</b>	<b>34,701,720</b>	<b>24,955,519</b>
<b>Net Deferred Tax Liability (a-b)</b>	<b>-</b>	<b>-</b>

\* on grounds of prudence the Company has considered deferred tax asset only to the extent of liability.

**Note 28.13**

Foreign currency exposure not hedged by a derivative instrument or otherwise :

Currency	Cross Currency	Payables As on 31 <sup>st</sup> March, 2014	
		Foreign Currency	INR
USD	INR	402,956	24,035,238
EURO	INR	6,860	565,180

Currency	Cross Currency	Receivable As on 31 <sup>st</sup> March, 2014	
		Foreign Currency	Rs.
USD	INR	138,830	8,281,199

**Note 28.14****Basic and Diluted Earnings per share :**

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

	As at March 31, 2014	As at March 31, 2013
Profit / (Loss) for the year	973,576	5,086,405
Weighted Average Number of Equity Shares	3,696,000	3,696,000
Earnings per Equity Share - Basic	0.26	1.38
Earnings per Equity Share - Diluted	0.26	1.38
Nominal value of an Equity Share	10	10

**Note 28.15**

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

**Note 28.16**

Previous year figures have been regrouped/rearranged wherever necessary to conform to this year classification.

For and on behalf of the Board

**For SINGHI & CO.**  
Chartered Accountants  
Firm Reg. No. 302049E

**Shantanu Parvati**  
Whole Time Director

**A Goenka**  
Director

**Nikhil Singhi**  
Partner  
Membership No. 061567

**Nirnoy Sur**  
Company Secretary

Place : Mumbai  
Date: 22<sup>nd</sup> May, 2014

Place : Mumbai  
Date: 22<sup>nd</sup> May, 2014





# Book-Post

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**Schrader Duncan Limited**

Registered Office: F-33, MIDC, Ranjangaon, Karegaon,  
Tal-Shirur, Pune - 412 209, Maharashtra, India  
[www.schraderduncan.com](http://www.schraderduncan.com)





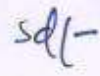
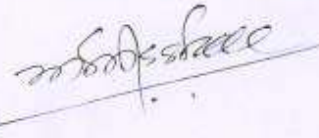


**SCHRADER DUNCAN LIMITED**

Form -A

Covering Letter of annual audit report

(SEBI Circular No. CIR/CFD/DIL/7/2012 Dated August 13, 2012)

1	Name of The Company	Schrader Duncan Limited
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2014
3	Types of Audit Observation	Un-qualified
4	Frequency of Observation	Not Applicable
5	To be signed by-	
	Mr. Shantanu Parvati, Whole Time Director	
	Mr. V S Patil, GM- Finance & Accounts	
	Mr. Nikhil Singhi, Partner, Membership No. 061567 Firm Reg. No. 302049E Singhi & Co., Chartered Accountant	
	Mr. Om Prakash Dubey, Audit Committee Chairman	

**Schrader Duncan Limited**

Registered Office

F-33, Ranjangaon MIDC,  
Karegaon, Tal. Shirur,  
Dist. Pune - 412 209  
India

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