



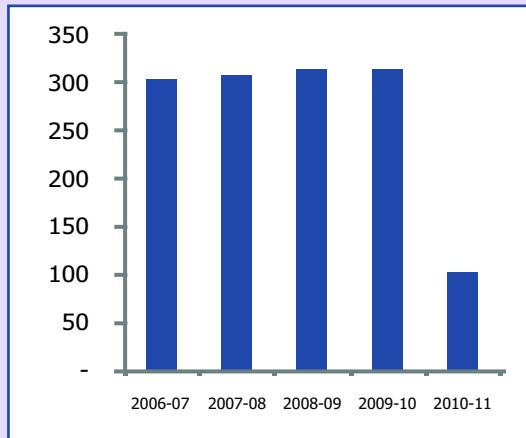
Schrader Duncan Limited

Annual Report 2010-2011

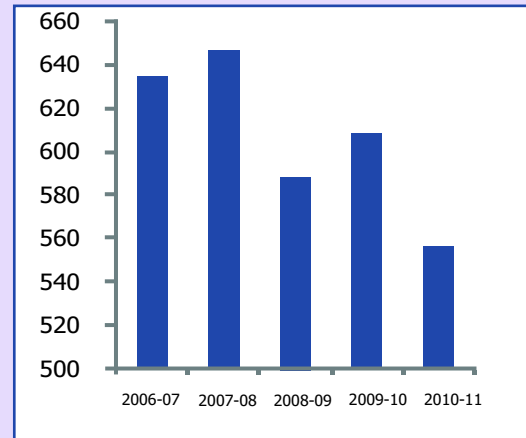
Schrader Duncan Limited

Key Financial Indicators Five Years

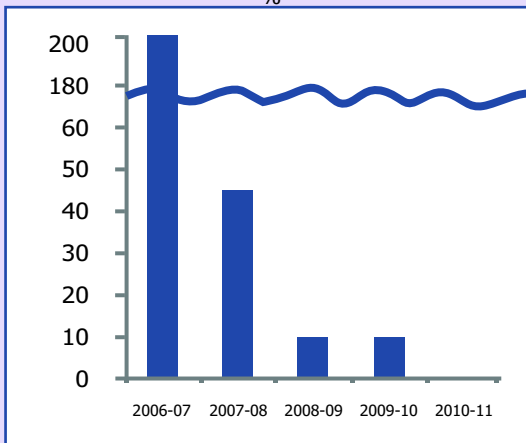
Net Worth
₹ Million



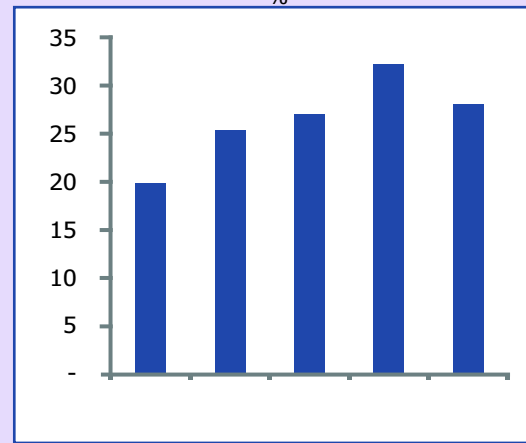
Turnover
₹ Million



Dividend
%



Working Capital
%



Ten Year Review

(Rupees in Million)

Accounting Year	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Turnover	321.28	364.77	411.72	447.36	481.03	618.03	646.24	587.81	608.28	555.94
Profit before taxes	** 4.60	24.76	36.34	37.09	20.55	**** 272.62	35.69	18.37	8.68	-216.01
Profit after taxes	** 2.41	16.30	22.95	25.01	13.07	**** 242.47	23.87	10.89	5.51	-212.08
Dividend %	35.00	35.00	45.00	45.00	45.00	*** 220.00	45.00	10.00	10.00	0
Working Capital %	30.69	29.27	26.47	23.49	21.06	19.82	25.10	26.73	31.77	28.13
Net Worth	147.91	149.61	153.80	159.54	153.64	302.90	307.32	313.89	315.07	102.99
Earning per share* ₹	** 0.65	4.41	6.21	6.77	3.54	65.60	6.46	2.95	1.49	-57.38
Return on Investment %	** 1.56	10.96	15.13	15.96	8.35	106.22	7.82	3.51	1.75	-101.46

* The original number of 350,000 shares was increased to 385,000 in 1967-68 to 462,000 in 1970-71 to 924,000 in 1975 to 1,848,000 in 1993-94 and to 3,696,000 in 1995-96 through Bonus issues

** Includes exceptional provision for diminution in value of UTI's US-64 scheme

*** Includes interim dividend of 175%

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

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BOARD OF DIRECTORS

Mr J P Goenka	Chairman
Mr Ravi Swaminathan	Managing Director
Mr A Goenka	Director
Mr Jean Michel Bolmont	Director
Mr Steven Lutz	Director
Mr Nitin Kaul	Director
Mr R C Khanna	Director
Mr M K Sharma	Director
Mr R A Shah	Director (Alternate to Mr Steven Lutz)

CORPORATE INFORMATION

Registered Office

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

Plants

Ranjangaon - Maharashtra
F-33, Ranjangaon MIDC 412 209

Navi Mumbai – Maharashtra
A-473 TTC, MIDC, Mahape 400 710

Nasik – Maharashtra
B-37, NICE, Satpur 422 007

Branch Offices

31, Netaji Subhash Road
Kolkata 700 001

Publicis House, 1-2 Aram Bagh,
Community Centre, Punchkuain Road
New Delhi 110 055

Auditors

Price Waterhouse & Co

Bankers

State Bank of India

Legal Advisors

Crawford Bayley & Co

Listed at

Mumbai (BSE)

Share Transfer Agent

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

Schrader Duncan Limited

NOTICE

NOTICE is hereby given that the Fiftieth Annual General Meeting of the Shareholders of Schrader Duncan Limited will be held on Thursday, July 28, 2011 at 2.30 p.m. at the registered office at F-33, Ranjangaon MIDC, Karegaon, Tal Shirur, Pune 412 209 for transacting the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr J P Goenka, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr Steven Lutz, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 16, 2011 to Friday, July 22, 2011 (both days inclusive) in terms of Clause 16 of the Listing Agreement with the Stock Exchange.
3. Unclaimed dividend upto the financial year 2002-2003 has been transferred to the Investor Education and Protection Fund in compliance of Sections 205A and 205C of the Companies Act, 1956. The dividend for the below mentioned financial years are due for transfer to the "Investor Education and Protection Fund" of the Central Government on the dates mentioned hereunder. Therefore, Members who have so far not encashed their dividend warrants for these years may approach the Company for payment.

2003-2004	August 26, 2011		2006-2007 (Final)	August 30, 2014
2004-2005	August 26, 2012		2007-2008	August 30, 2015
2005-2006	August 26, 2013		2008-2009	September 5, 2016
2006-2007 (Interim)	March 12, 2014		2009-2010	August 26, 2017

4. Details of the Directors being reappointed are furnished in point no. 9 of the Corporate Governance Report.
5. 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.
6. The Company's new registered office is in Ranjangaon, Pune. However, shareholders are requested to **address all correspondence to the Company Secretary at the administrative office at A-473, TTC, MIDC, Mahape, Navi Mumbai 400 710.**
7. 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, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai 400 078

Members may send their transfer requests and other share related queries either to the Company at the Administrative Office or to Link Intime India Pvt Ltd at the above address.
8. 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.

Registered Office:

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

May 18, 2011

By Order of the Board

**Rama Subramanian
Company Secretary**

Directors' Report

Your Directors present their Fiftieth report to the shareholders together with the accounts for the year ended March 31, 2011. The operating results as disclosed in the accounts are summarised below :

	₹ in million	
	2010-2011	2009-2010
(Loss) / Profit before charging depreciation and taxes	(191.01)	24.58
Depreciation	25.00	15.90
(Loss) / Profit before tax	(216.01)	8.68
Provision for Tax	3.93	3.17
(Loss) / Profit after tax	(212.08)	5.51
Balance carried from previous year	205.78	205.14
		210.65
Proposed Dividend	-	3.70
Less : Tax on Dividend	-	0.63
Less : Transfer to General Reserve	-	0.55
Balance carried forward	(6.30)	205.77

Dividend

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

Operations

The Pneumatics Division of the Company showed a growth of 9.8% in sales from ₹ 290.21 million in the previous year to ₹ 318.63 million in the year ended March 31, 2011. The capacity of the satellite unit of the Pneumatics Division at Nasik has been increased to meet market demand.

The Automotive Division however witnessed a decline in sales from ₹ 266.41 million in the previous year to ₹ 180.27 million in the current year. The previous year's sales were the aggregate of both the Plants at Mulund and Ranjangaon, whereas during the year under review Mulund Plant could contribute to sales only in the first quarter after which it was shut down.

Expenses relating to the closure of the Mulund Plant of around ₹ 160 million has had an adverse impact on the profits and reserves of the Company. Besides, the Company is yet to realize the full potential of the Ranjangaon Plant. Being a new Plant, stabilization of the production process has taken longer than expected. Once approvals would be in place from all customers, the Company would be in a position to increase its turnover.

Raw Materials

There was an increase in the prices of raw materials owing to the prevalent inflationary conditions. The Company could not pass this fully to the customers as a price increase could not be taken in keeping with the general market trend.

Closure of Mulund Plant

The Company closed down its Plant for automotive products at Mulund, Mumbai as it was incurring losses for the past many years. The 177 number of unionized category of workmen and staff employed in the Plant were given voluntary retirement compensation (VRS) aggregating to ₹ 140 million in the month of July 2010.

Sale of Mulund Land

Shareholders may recall that a portion of land at the Mulund Plant site that was in excess of the Company's needs was sold in the year 2006. After closure of the Plant, the remaining portion of land also has been sold for a total consideration of ₹ 430 million. The Company is still in the process of completing all the formalities relative to closure of Plant and obtaining a clear title to a portion of land due to which the land sale could not be concluded during the year under review. The Company expects to complete all the formalities in the current year and realize the land sale proceeds in full.

Schrader Duncan Limited

Change of Registered Office

Pursuant to the special resolution passed by the Shareholders by way of Postal Ballot in October 2010 approval has been received from the Regional Director, Western Region, Ministry of Corporate Affairs for changing the Company's registered office from L B S Marg, Mulund West, Mumbai 400 080 to F-33, Ranjangaon MIDC, Karegaon, Tal Shirur, Pune 412 209.

Finance

The Company received an advance against sale consideration of the Mulund land during the year which was used to settle the VRS compensation. The Company has managed its fund flow effectively to ensure smooth operations in the Company. The cost of working capital continues to be under effective control.

Growth Plans

The Company's manufacturing facility in Ranjangaon houses the automotive division and will focus on introducing new product lines and also tap the exports market.

The Pneumatics Division is taking steps to enable it meet the growing market needs.

Public Deposits

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

Subsidiary

Associated Polymers Limited, the Company's subsidiary processed 126 M T of rubber compound during the year ended March 31, 2011 as against 546 M T in the previous year. The supply of rubber compounds used to be made to both the Plants at Mulund and Ranjangaon. Pursuant to the closure of the Mulund Plant, the supply was made only to the Ranjangaon Plant resulting in lower volumes.

Directors

Mr J P Goenka and Mr Steven Lutz retire by rotation and are eligible for re-appointment. These Directors' terms shall expire at the ensuing Annual General Meeting. Your Directors propose their appointment as set out in the notice.

Auditors Report

The Auditors have reported in the Annexure to the Auditors Report that the general information systems control needs to be strengthened and there are accumulated cash losses for the current year. Your Directors wish to inform that the management is in the process of implementing adequate systems control and the cash losses are due to the expenses incurred on closure of Mulund Plant which will be made good once the Mulund land sale proceeds would be realized in full.

Corporate Governance

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

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

A certificate from M/s N L Bhatia & Associates confirming compliance of Corporate Governance is also annexed.

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

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

Details pursuant to the requirements of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is set out in Annexure II to this Report.

Industrial Relations

Industrial Relations were cordial during the year. Pursuant to the closure of Mulund Plant, the workmen employed there were given voluntary retirement compensation.

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 that :-

- 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.

Auditors

M/s Price Waterhouse & Co, Chartered Accountants, retire at the conclusion of the Annual General Meeting and being eligible will be re-appointed.

Acknowledgement

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

On behalf of the Board of Directors

**Mumbai,
May 18, 2011**

J P Goenka
Chairman

Schrader Duncan Limited

ANNEXURE I TO THE DIRECTORS' REPORT FOR THE YEAR 2010-2011

A Conservation of Energy

Reduction in energy consumption by approximately 27,734 KW per annum due to replacement of 250W HPSV lighting with LED lighting. Plant maintains good unity power factor.

B Technology Absorption

Research and Development (R & D)

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

- Re-engineering of components - conversion from Gravity Die casting (GDC) to Pressure die casting (PDC).
- Material substitution in some components.

2 Benefits derived as a result of above R & D

- Improved quality with reduction in material and tooling.
- Improved quality with no chance of mix-up.
- Improved quality and better material utilization resulting in cost reduction.
- Improved product aesthetics, increased productivity and also the profit margin.
- Reduced raw material cost and product weight, improved processing time resulting in faster deliveries.

3 Future Plan of Action

- Plans to expand product range & accessories to target replacement market and exports.
- Continue material substitution in some selective components.

4 Expenditure on R & D

a	Capital	Nil
b	Recurring	₹ 1.88 million
c	Total	₹ 1.88 million
d	Total R & D expenditure as a percentage of total turnover	0.38%

C Foreign Exchange Earnings and outgo

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

During the year, the Company has spent foreign exchange of ₹ 47.39 million and earned foreign exchange of ₹ 10.61 million through exports and services rendered as per details given in Note nos. 11, 12, 13 and 14 of Schedule 15.

J P Goenka
Chairman

ANNEXURE II TO THE DIRECTORS' REPORT FOR THE YEAR 2010-2011

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

Employed throughout the year

Name	Age	Designation	Remuneration received/receivable (Rs)	Qualification	Experience (years)	Date of Commencement of employment	Last employment held before joining the Company		
							Company	Designation	Period
Ravi Swaminathan	46	Managing Director	83,20,000	B E (Mech) MBA (Louisville, USA)	21	February 1, 2008	Gates Unitta Asia, Singapore	Business Development Director, Asia	11 years

Notes :

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

J P Goenka
Chairman

CORPORATE GOVERNANCE
2010 -2011

1. Company's Philosophy on Corporate Governance

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

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

2. Board of Directors

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry. The Board consists of eight Directors comprising; one Managing Director; four Non Executive Independent Directors (NE – ID) including the Chairman and three Nominee Directors of Schrader Bridgeport International Inc, U S A - Promoters. The Board also consists of an alternate Director to one of the Nominee Directors.

None of the Independent Directors has any material pecuniary relationship or transactions with the Company, its Promoters or with its management, which would affect the independence or judgement of the Directors.

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

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

During the financial year 2010 -2011 five meetings of the Board of directors were held on May 26, 2010, July 20, 2010, August 25, 2010, November10, 2010 and February 4, 2011.

The details of composition and categories of the Directors and number of memberships in other Boards / Board Committees and attendance at the Board Meetings and Annual General Meeting of the Company during 2010 -2011 are as under:

Name of the Director and category	Number of Board meetings attended during 2010 - 2011	Whether attended last AGM	Number of Directorships in other Companies	Number of Memberships in other Board Committees	Number of Chairmanships in other Board Committees
Mr J P Goenka Chairman (NE - ID)	4	No	2	-	1
Mr Ravi Swaminathan	5	Yes	1	-	-
Mr A Goenka Director (NE - ID)	5	Yes	3	1	-
Mr R C Khanna (NE - ID)	5	No	2	1	2

Schrader Duncan Limited

Name of the Director and category	Number of Board meetings attended during 2010 - 2011	Whether attended last AGM	Number of Directorships in other Companies	Number of Memberships in other Board Committees	Number of Chairmanships in other Board Committees
Mr R A Shah (Alternate to Mr Steven Lutz)	2	No	15	5	5
Mr Steven Lutz (NED) (Nominee of SBII - Promoters)	1	No	-	-	-
Nitin Kaul (NED) (Nominee of SBII - Promoters)	4	No	-	-	-
Mr M K Sharma (NE – ID)	5	Yes	-	-	-
Mr Jean Michel Bolmont (NED) (Nominee of SBII – Promoters)	3	Yes	1	-	-

Note:

1. Directorships in foreign companies, private companies, companies governed by section 25 of Companies Act, 1956 and alternates excluded.
2. Memberships of Audit Committee and Shareholders /Investors Grievance Committee only are considered.
3. The Board meets at least once every quarter to review the quarterly performance and the financial results. The Board Meetings are generally scheduled in advance and the notice of each Board Meeting is given in writing to every Director. The Company placed before the Board the Budgets, Annual Operating Plans, Performance of the Business and other information including those specified under annexure 1A of clause 49 of Listing Agreement from time to time.

3. Audit Committee/Remuneration Committee/Shareholders Grievance Committee

A. Audit Committee

I. Composition

The Audit Committee of the Board of Directors of the Company comprises of the following Non Executive Directors:

Mr R C Khanna	-	Chairman
Mr Arvind Goenka	-	Member
Mr Nitin Kaul	-	Member

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

II. Broad terms of reference

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

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

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

III. Meetings and Attendance

Four meetings were held during the year 2010 -2011 and the attendance was as follows

Sr No	Date of Meeting	Attendance by Members
1	May 26, 2010	Mr R C Khanna, Mr Arvind Goenka, Mr Nitin Kaul
2	July 20, 2010	Mr R C Khanna, Mr Arvind Goenka
3	November 10, 2010	Mr R C Khanna, Mr Arvind Goenka, Mr Nitin Kaul
4	February 4, 2011	Mr R C Khanna, Mr Arvind Goenka, Mr Nitin Kaul

IV. Internal Auditor

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

B. Remuneration Committee

I. Composition:

The Remuneration Committee of the Board of Directors of the Company comprises the following three Independent Non Executive Directors:

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

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

II. Reference

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

Schrader Duncan Limited

III. Meetings and Attendance

Only one meeting was held during the year 2010-2011 on May 26, 2010 and all the members attended the meeting.

IV. The Remuneration policy of the Company for the Managing Director is

- The total remuneration of the Managing Director consists of salary, perquisites and performance bonus within the limits prescribed under Schedule XIII to the Companies Act, 1956 and subject to approval by the shareholders.
- Except the Managing Director no other Director draws any remuneration from the Company except sitting fees as permitted under the Companies Act for attending the meetings of the Board/Committee thereof.

V. Details of remuneration paid to Mr Ravi Swaminathan, Managing Director for the year 2010 -2011

Rupees			
Salary	Perquisites & Allowance *	Performance Bonus**	Total
7,620,000	700,000		8,320,000

* excludes gratuity benefits

** Performance Bonus to be borne and paid by the Company's foreign promoters as recommended by the Board based on achieving financial, tactical & strategic objectives.

vi. Remuneration to Directors

The sitting fees paid to the Non Executive Directors for the year 2010-2011 is as follows:

Mr J P Goenka	-	Rs 90,000/-
Mr Arvind Goenka	-	Rs 1,90,000/-
Mr R C Khanna	-	Rs 1,90,000/-
Mr R A Shah	-	Rs 40,000/-
Mr Jean Michel Bolmont	-	Rs 60,000/-
Mr Nitin Kaul	-	Rs 1,40,000/-
Mr M K Sharma	-	Rs 1,00,000/-
Mr steven Lutz	-	Rs. 20,000/-

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

None of the Non Executive Directors of the Company entered into any transaction of pecuniary nature with the Company during the year 2010-2011.

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

VII. Service Contract with the Managing Director.

February 1, 2008 to January 31, 2013

Mr Ravi Swaminathan has been appointed as Managing Director of the Company for a period of five year w.e.f February 1, 2008. Being a foreign national, the remuneration payable has been effective April 1, 2008 which was pursuant to obtaining employment visa / work permit by him. Mr Ravi Swaminathan's appointment as Managing Director can be terminated with notice of six months by either side.

C. Shareholders / Investors Grievance Committee:

I. Composition

The Shareholders / Investors Grievance Committee of the Board of Directors of the Company functions with the following Directors under the Chairmanship of a Non Executive Independent Director to redress shareholder/investor grievances :

Mr J P Goenka	-	Chairman
Mr Ravi Swaminathan	-	Member
Mr Nitin Kaul	-	Member

Mr. Ravi Swaminathan and Ms. Rama Subramanian, Company Secretary are authorized severally to approve the transfer/transmission of shares.

II. Meetings and Attendance

During the year 2010 -2011, no meeting of the Shareholders / Investors Grievance Committee was held.

The total number of grievances received during the year under review was 20 and they were replied to the satisfaction of the shareholders. Details are furnished below:

Nature of complaint	Number of complaints
Non receipt of dividend	12
Non receipt of demat credits	3
Non receipt of duplicate/split/ consolidated share certificates	1
Non receipt of Annual Report	3
Others	1
Total	20

No request for transfers/transmission/Issue of Duplicate share certificates was pending as on March 31, 2011.

Ms Rama Subramanian, Company Secretary is the designated Compliance Officer of the Company.

4. Details of Annual General Meeting

Year	Date	Time	Venue
2007-2008	July 25, 2008	3.15 p.m	Kamalnayan Bajaj Hall, Bajaj Bhavan, Nariman Point, Mumbai 400021
2008-2009	July 30, 2009	3.15 p.m.	Kamalnayan Bajaj Hall, Bajaj Bhavan, Nariman Point, Mumbai 400021
2009-2010	July 20, 2010	3.15p.m	Kamalnayan Bajaj Hall, Bajaj Bhavan, Nariman Point, Mumbai 400021

Schrader Duncan Limited

5. Special Resolutions passed in the previous three AGMs

Year	Matter approved by Special Resolution
2007-2008	Approval for appointment and payment of remuneration to the Managing Director, Mr Ravi Swaminathan
2008-2009	Approval for cost to company in respect of remuneration to the Managing Director, Mr Ravi Swaminathan be fixed at Rs 63.50 lacs for the financial year ended March 31, 2009 Approval for increase in remuneration to the Managing Director, Mr Ravi Swaminathan
2009 - 2010	Approval for increase in remuneration to the Managing Director, Mr Ravi Swaminathan

6. Postal Ballot

During the year approval of the shareholders was sought for sale of Mulund Plant Land and change of Registered Office to Ranjangaon through postal ballot in terms of Sec,192 A of the Companies Act 1956. The postal ballot was conducted by Mr N L Bhatia FCS Practising Company Secretary.

The result of the Postal Ballot was as follows:

Particulars	Number and % of vote cast in Favour	Number and % of votes cast against
Resolution passed under Section 192A and 293 (1)(a) of The Companies Act,1956 seeking consent of members for sale of the premises/ land at Mulund	2791611 99.89	3057 0.11
Special Resolution under sec. 146(2) of The Companies Act for shifting Registered Office of the Company outside the local limits of Mumbai	2789246 99.91	2558 0.09

At present there is no proposal to get any resolution passed through postal ballot.

7. 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 no 16 of Schedule 15 to the accounts in the annual report.

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

The mandatory information as specified in Annexure IA to Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited is regularly made available to the Board, wherever applicable. The Company has also adopted the non-mandatory requirements as specified in Annexure ID to Clause 49 of the Listing Agreement regarding Constitution of Remuneration Committee and Unqualified Financial Statements.

8. Means of Communication

- i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and annual financial results in the proforma prescribed by Clause 41 of the Listing Agreement within the prescribed period.
- ii. The approved Quarterly and Half Yearly and annual financial results are published in newspapers viz. Business Standard and Nav Shakti (Vernacular).
- iii. No formal presentations were made to the institutional investors and analysts during the year under review.

9. Shareholders Information

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

Mr J P Goenka

Mr J P Goenka, born in July 1937, an Honours Graduate from the University of Calcutta, is an Industrialist hailing from the Goenka family headed by Late Sir Badridas Goenka of the Industrial Group popularly known as House of Duncans. He has held various illustrious positions viz. Chairman of Indian Woollen Mills Federation (1969-70), Chairman of Calcutta Jute Fabric Shippers' Association (1969-71), President of Bengal Mill Owners Association (1972-73) Chairman of Indian Jute Mills Association (1973-74), Chairman of Indian Cotton Mills Federation (1978-80) and Chairman of Jute Manufacturers Development Council.

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

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

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

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

Member of Shareholders Grievance Committee of Oriental Carbon & Chemicals Limited.

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

Mr Steven H Lutz

Mr Steven Lutz, born in June 1958, began his career at Stant Manufacturing in 1980 as a Staff Accountant and Payroll Supervisor. Stant Manufacturing grew over the years with several acquisitions, eventually becoming Stant Corporation and was acquired by Tomkins plc in 1997. During his career, he has held several assignments with the company including Manager of Cost Accounting, Plant Controller, Traffic Manager, Quality Circle Coordinator, Division Controller and Corporate Controller. His current position is Vice President and Group Controller with responsibility for five manufacturing and distribution entities serving the automotive original equipment and replacement markets as well as the industrial sector. He received a Bachelor's degree with a major in Accounting from Ball State University in 1980.

Mr Lutz is a nominee director of Schrader Bridgeport International Inc, U.S.A. and does not hold any shares in the Company. He does not hold any other Directorships. Mr Lutz is not related to any of the Directors of the Company.

Schrader Duncan Limited

b. Annual General Meeting

Date and Time : July 28, 2011 at 2.30 p.m.
 Venue : F-33, Ranjangaon MIDC
 Karegaon, Tal Shirur
 Pune 412 209

Financial Calendar

i. First Quarter Results : July 2011
 ii. Second Quarter Results : October 2011
 iii. Third Quarter Results : January 2012
 iv. Financial Results for the Year : May 2012
 ending March 31, 2012

Date of book closure : July 16, 2011 to July 22, 2011

c. **Registered Office** : F-33 Ranjangaon MIDC,
 Karegaon, Shirur, Pune 412 209

d. **Listing on Stock Exchanges at** : Bombay Stock Exchange Limited
 Phiroze Jeejeebhoy Towers, Dalal Street
 Mumbai 400001

e. **Listing Fees** : Paid upto March 31, 2012 to the
 aforesaid Exchange

f. **Stock Code** : Bombay Stock Exchange
 Ordinary Share (physical form) : 4908
 (demat form) : 504908

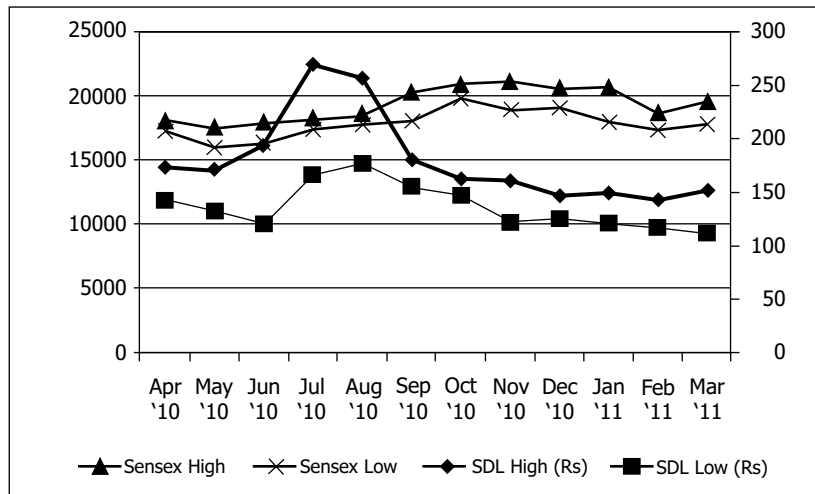
g. **Demat ISIN in NDSL & CDSL for Company's Equity Shares:** INE340F01011

h. **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 2010 – 2011

Month	High (Rs)	Sensex High	Low (Rs)	Sensex Low	No of shares traded
April 2010	173.40	18,047.86	142.40	17,276.80	44,207
May 2010	172.00	17,536.86	132.05	15,960.15	25,764
June 2010	194.10	17,919.62	120.25	16,318.39	678,883
July 2010	269.40	18,237.56	166.00	17,395.58	489,804
August 2010	257.15	18,475.27	177.25	17,819.99	181,274
September 2010	180.60	20,267.98	155.05	18,027.12	125,192
October 2010	162.25	20,854.55	147.00	19,768.96	22,693
November 2010	160.65	21,108.64	121.90	18,954.82	28,763
December 2010	147.50	20,552.03	125.00	19,074.57	28,031
January 2011	148.95	20,664.80	121.00	18,038.48	15,871
February 2011	143.45	18,690.97	117.00	17,295.62	15,668
March 2011	152.00	19,575.16	111.00	17,792.17	31,398

No of shares traded	1687548
Highest Share Price (Rs)	269.40
Lowest Share Price (Rs)	111.00
Closing price as on March 31,2011 (Rs)	115.15

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



j. Registrar & Transfer Agents

The Company's Registrar & Transfer Agents are :

Link Intime India Pvt Ltd
 C-13 Pannalal Silk Mills Compound
 L B S Marg, Bhandup (West)
 Mumbai 400 078
 Tel : 2594 6970
 Fax: 2594 6969

k. 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's administrative office in Navi Mumbai 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.

l. Distribution of Shareholding as on March 31, 2011

No. of Shares		No. of Holders	%	No. of Shares	%
From	To				
1	5000	3687	91.53	357835	9.68
5001	10000	184	4.57	135265	3.66
10001	20000	103	2.56	146689	3.97
20001	30000	21	0.52	49592	1.34
30001	40000	7	0.18	26592	0.72
40001	50000	8	0.20	38555	1.04
50001	100000	8	0.20	53465	1.45
100001	-----	10	0.24	2888007	78.14
		4028	100.00	3696000	100.00

Schrader Duncan Limited

Shareholding Pattern as on March 31, 2011

Category	No. of share holders	No. of shares held	% of share capital	No. of shares pledged	% of share capital
Promoters					
Indian Promoters	2	905,336	24.50	465,104	51.37
Foreign Promoters	1	1,848,000	50.00	--	--
Total - promoters	3	2,753,336	74.50	465,104	16.89
Non Promoters					
Financial Institutions & Banks	11	2,255	0.06	--	--
Corporate Bodies	109	69,830	1.89	--	--
Indian Public	3,865	848,460	22.95	--	--
Foreign Nationals / NRIs	27	10,087	0.27	--	--
Others (Clearing members)	13	12,032	0.33	--	--
Total – non promoters	4,025	942,664	25.50	--	--
TOTAL	4,028	3,696,000	100.00	465,104	12.58

m. 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. 45.39% of the Company's shares is dematerialized as on March 31, 2011.

Group coming within the definition of group as defined in the Monopolies and Restrictive Trade Practices Act, 1969

Schrader Bridgeport International Inc, USA, Schrader International Holding Co, Tomkins Mauritius Company Limited and Cosmopolitan Investments Limited.

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.

n. Plant Locations

1. Automotive Business Unit F-33 Ranjangaon, MIDC, Karegoan, Shirur, Pune 412 209
2. Pneumatics Business Unit A-473, TTC, MIDC, Mahape, Navi Mumbai – 400 710
B-37, Nasik Industrial Co-op Estate, Satpur, Nasik– 422 007

o. Address for correspondence

Investor Correspondence

Link Intime India Pvt Ltd

C-13 Pannalal Silk Mills Compound,
L B S Marg, Bhandup (West),
Mumbai 400 078
Tel : 2596 3838 Fax : 2594 6969
Email : isrl@linkintime.co.in

For Query on Annual Report

Ms Rama Subramanian
Company Secretary & Compliance Officer
Schrader Duncan Limited
A 473 TTC, Mahape, Navi Mumbai – 400 710
Tel : (022) 39810066 Fax: (022) 39810067
Email: complianceofficer@schraderindia.com
Website: www.schraderindia.com

p. 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.

Ms Rama Subramanian, Company Secretary has been designated as the Compliance Officer for monitoring adherence to the regulations.

q. Secretarial Audit

Pursuant to SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated 31st December 2002 on Secretarial Audit, a Practising Company Secretary carried out the audit for the quarters ended June 30, 2010, September 30, 2010, December 31, 2010 and March 31, 2011. The Audit Report confirms that there is no discrepancy whatsoever in the issued, listed and admitted capital of the Company.

r. Outstanding GDRs / ADRs/ warrants or any convertible instruments, conversion date and likely impact on the Equity

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

10. Declaration

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

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

On behalf of the Board of Directors

Ravi Swaminathan
Managing Director

May 18, 2011

Schrader Duncan Limited

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Schrader Duncan Limited

We have examined the compliance of conditions of Corporate Governance by Schrader Duncan Limited for the year ended 31st March, 2011 as stipulated in 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 N. L. Bhatia & Associates
Practicing company Secretaries**

**Navnit Lal Bhatia
FCS : 1176
CP No. 422**

**Mumbai
May 18, 2011**

Management Discussion and Analysis

1. Industry Structure and Development

Indian economy had a phenomenal growth during the year 2010-2011 and greatly exceeded expectations, which in turn positively impacted the Indian automotive industry with an impressive growth of more than 25% in total vehicle production. This contributed to robust growth in tyre industry as well. With the declaration of major investments coming in from tyre majors like Michelin and Bridgestone, coupled with expansion plans of Indian tyre companies, the production of Truck/Bus tubeless radials and Passenger car tubeless radials is bound to increase manifolds leading to phenomenal increase in consumption of tubeless tyre valves.

The Automation industry in India has had a phenomenal growth in the last decade and is estimated to have clocked a growth of 20% last year. The fluid power industry of which Pneumatics is a part, is one of the fastest growing segments of the industry after Hydraulics. The industry has moved from supplying standard Pneumatic components to systems integration and now to a combination of Pneumatics interface with Electronics and PLC controls. With industries like automobiles, power, cement, infrastructure, mining and steel all going for major expansions, the fluid power industry has huge growth potential in the coming years.

2. Opportunities and Threats

Due to the impressive progress exhibited by Indian economy, the demand pressure in automotive supply chain will increase leading to robust demand for the valves from the newly operational Ranjangaon unit. The unit at Ranjangaon is now fully operational and has already started catering to Major OE's of the tyre industry. The new product range TTV (Tubeless tyre valves) production has already been established and approved from the french counterpart. Though this unit is going to be a cost effective supplier for Tyre tube valves and tubeless tyre valves and accessories segment, stiff completion is foreseen to gain market share.

The raw material price increase viz. brass, butyl rubber since last few months has drastically eroded the profitability of the company and the division is left with no other option but to go to our customers for a price increase. The revised price list effective 1st May, 2011 has already been issued.

The rising trend of key raw materials like aluminum, brass and steel in the last few months has increased the material cost for the pneumatics business unit also. The unit may have to consider a selective price revision for some product groups. Engineering and material changes, effective supply chain management, reducing material movements and changes in manufacturing process have resulted in cost savings to partially offset the increase in cost of raw materials which will help it remain competitive. While key industrial segments like cement, power, tyres are on a growth path, the division faces increased price competition from several low cost players. The Division also has to cater to the demands of the unionized labour force employed therein.

3. Segmentwise/Productwise performance

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

	(₹ in million)	
	<u>2010-2011</u>	<u>2009-2010</u>
Automotive tyre tube valves and accessories	199.94	288.86
Pneumatic products	348.97	312.99
Total	<u>548.91</u>	<u>601.85</u>
	=====	=====

Schrader Duncan Limited

4. Outlook

With strong industry demand, the newly commissioned, better eco-friendly unit at Ranjangaon, Pune looks forward to ambitious growth.

With the additional facility at Nasik fully operational and the Chennai facility geared to meet requirements of its customers from the southern part of the country, the Pneumatics Business Unit is also looking forward to robust growth.

5. Risks and Concerns

Though, the automotive business unit has started catering to major OE's in tyre industry for bulk production, it needs to increase its market share, amid stiff competition, to reach higher production levels. Steady increase in raw material prices may also hit the bottom line of the company.

The pneumatics business unit faces challenges to reduce cost and upgrade products to protect its market share.

6. Internal control systems and their adequacy

The Company has proper and adequate systems of internal controls in order to ensure that all assets are safeguarded against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly. Regular internal audits and checks are carried out to ensure that responsibilities are executed effectively and that adequate systems are in place. An Audit Committee headed by a Non Executive Independent Director is in place to review various areas of the control systems.

7. Discussion on financial performance with respect to operational performance

The details of the financial performance of the Company appear in the Balance Sheet, Profit and Loss Account and other financial statements. Highlights for the year 2010-2011 are as under:

	(₹ in million)
	<u>2010-2011</u>
Sales (including excise, net of sales tax and discounts)	548.91
Services	0.70
Other Income	25.76
Profit before tax	(213.22)

8. Human Resources

The Company values its human resources and encourages innovation by empowering people at all levels. The Company believes that its able and competent human resources team is adequately equipped to achieve the set objectives.

9. Cautionary Statement

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

CEO/CFO Certificate

We certify that for the financial year ended 31st March, 2011 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.

Ravi Swaminathan
Managing Director

V S Patil
Sr Manager – MIS

Mumbai
May 18, 2011

Schrader Duncan Limited

AUDITORS' REPORT TO THE MEMBERS OF SCHRADER DUNCAN LIMITED

1. We have audited the attached Balance Sheet of Schrader Duncan Limited, ('the Company') as at March 31, 2011, the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order'), issued by the Central Government of India in terms of sub-section 4A of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - e. On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Uday Shah
Partner
Membership No. F-46061

Mumbai,
Date: May 18, 2011

Annexure to Auditors' Report

Referred to in paragraph 3 of Auditors' Report of even date to the members of Schrader Duncan Limited on the financial statements for the year ended March 31, 2011

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

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

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

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

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

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

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

(d) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest, where applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and sale of goods and services, *except for certain general information systems control which needs to be strengthened*. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.

Schrader Duncan Limited

Annexure to Auditors' Report

Referred to in paragraph 3 of Auditors' Report of even date to the members of Schrader Duncan Limited on the financial statements for the year ended March 31, 2011

9. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including investor education and protection fund, employees' state insurance, income-tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues as applicable, with the appropriate authorities except dues in respect of sales tax. The extent of the arrears of statutory dues outstanding as at March 31, 2011, for a period of more than six months from the date they became payable, in respect of sales tax are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of Payment
Maharashtra Value Added Tax Act, 2005	Sales tax (including interest and penalty)	3,014,411	2004 - 2005, 2005 - 2006 and 2006-2007	Various due dates	Not paid

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess as applicable, as at March 31, 2011 which have not been deposited on account of any dispute are as follows-

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	1,764,358	1997-98 to 2000-01	Joint Commissioner of Service Tax, Mumbai
Income Tax Act, 1961	Income Tax	5,636,077	2003-2004	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax (Including Interest)	40,203	2005-2006	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Excise Duty	713,907	2005-2006	High Court, Mumbai
Cenvat Credit Rules, 2004	Cenvat Credit on Service tax (Including penalty)	45,652	2008-2009	Commissioner of Central Excise (Appeals) Mumbai
Cenvat Credit Rules, 2004	Cenvat Credit on Service tax (Including penalty)	66,873	April 2009 to September 2009	Commissioner of Central Excise (Appeals) Mumbai.
Central Sales Tax Act, 1956	Sales Tax and Penalty	2,087,124	2004-2005	Joint Commissioner sales tax appeals.

10. The accumulated losses of the Company as at March 31, 2011 are not more than fifty percent of its net worth. *Further, the Company has incurred cash losses during the year* however, there were no cash losses in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.

Annexure to Auditors' Report

Referred to in paragraph 3 of Auditors' Report of even date to the members of Schrader Duncan Limited on the financial statements for the year ended March 31, 2011

15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, funds raised on a short-term basis to the extent of ₹ 60,297,284 which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

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

Uday Shah
Partner
Membership No. F-46061

Mumbai,
Date: May 18, 2011

Schrader Duncan Limited

Balance Sheet as at March 31, 2011

Sources of Funds	Schedule	As at March 31, 2011		As at March 31, 2010	
		Rupees	Rupees	Rupees	Rupees
Shareholders' Funds					
Capital	1	36,960,000		36,960,000	
Reserves and Surplus	2	66,031,583	102,991,583	278,111,256	315,071,256
Loan Funds					
Secured Loans	3		252,078,549		231,432,134
Unsecured Loans	4		36,894,885		35,004,884
			-		3,931,594
Deferred Tax Liability (Net) (Refer Notes 1(h) and 6 - Schedule 15)					
			<u>391,965,017</u>		<u>585,439,868</u>
Application of Funds					
Fixed Assets	5				
Gross Block		395,636,320		391,176,873	
Less : Depreciation		68,364,014		62,345,558	
Net Block		327,272,306		328,831,315	
Capital Work-in-Progress		1,299,031		3,812,792	
			328,571,337		332,644,107
Investments	6		1,717,530		1,699,635
Current Assets, Loans and Advances	7				
Inventories		162,797,640		154,510,099	
Sundry Debtors		104,644,802		122,753,741	
Cash and Bank Balances		21,878,564		36,475,560	
Loans and Advances		66,318,799		61,801,079	
		355,639,805		375,540,479	
Less : Current Liabilities and Provisions	8				
Liabilities		290,554,008		117,217,559	
Provisions		3,409,647		7,226,794	
		293,963,655	61,676,150	124,444,353	251,096,126
Profit and Loss Account	9				
			-		-
			<u>391,965,017</u>		<u>585,439,868</u>
Notes to the Accounts	15				

Schedules referred to above form an integral part of the Balance Sheet.

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

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

Uday Shah
Partner
Membership No. F-46061

Place: Mumbai
Dated: May 18, 2011

For and on behalf of the Board

J. P. Goenka Chairman
Ravi Swaminathan Managing Director

R. C. Khanna }
A. Goenka }
R. A. Shah } Directors
Nitin Kaul }
M. K. Sharma }

Rama Subramanian Company Secretary

Mumbai,
May 18, 2011

Profit and Loss Account for the year ended March 31, 2011

	Schedule	As at		As at	
		March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011
		Rupees	Rupees	Rupees	Rupees
Income					
Sales (Net of Sales Tax)		555,942,434		608,281,253	
(Refer Notes 1(l) and 18 - Schedule 15)					
Less : Discount on Sales		7,033,851		6,429,075	
		<u>548,908,583</u>		<u>601,852,178</u>	
Less : Excise duty		50,016,894		45,227,158	
			498,891,689		556,625,020
Services			780,000		4,079,330
Other Income	10		5,272,878		10,264,679
			<u>504,944,567</u>		<u>570,969,029</u>
Expenditure					
Materials Consumed	11		325,205,725		338,497,835
Stores and Spares Consumed			21,428,944		19,892,919
Other Expenses	12		178,614,609		174,387,028
Interest Expenses	13		35,946,849		13,604,209
Depreciation			25,009,933		15,903,983
			<u>586,206,060</u>		<u>562,285,974</u>
(Loss) / Profit before Taxation and before exceptional items			(81,261,493)		8,683,055
Less : Exceptional items (Net)	14		134,749,774		-
(Loss) / Profit before Taxation and after exceptional items			(216,011,267)		8,683,055
Less : Provision for Taxation					
- Current			-	1,600,000	
- Deferred		(3,931,594)		2,990,103	
(Refer Notes 1(h) and 6 - Schedule 15)					
- Minimum Alternate Tax (MAT) Credit			-	(1,538,579)	
- Short Provision for earlier years			-	122,145	3,173,669
			<u>(3,931,594)</u>		<u>3,173,669</u>
(Loss) / Profit after Tax			(212,079,673)		5,509,386
Profit and Loss Account Balance Brought Forward			205,776,476		205,142,225
			<u>(6,303,197)</u>		<u>210,651,611</u>
Appropriation :					
Less : Final Dividend			-	3,696,000	
Tax on Dividend			-	628,135	
Transfer to General Reserve			-	551,000	
			<u>-</u>		<u>4,875,135</u>
Profit and Loss Account Balance Carried to Balance Sheet			(6,303,197)		205,776,476
Basic and Diluted (Loss)/Earnings per Share (in Rs.)			(57.38)		1.49
(Refer Note 17 - Schedule 15)					

Notes to the Accounts

15

Schedules referred to above form an integral part of the Profit and Loss Account.

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

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

Uday Shah

Partner
Membership No. F-46061

Place: Mumbai
Dated: May 18, 2011

For and on behalf of the Board

J. P. Goenka Chairman
Ravi Swaminathan Managing Director
R. C. Khanna }
A. Goenka }
R. A. Shah } Directors
Nitin Kaul }
M. K. Sharma }
Rama Subramanian Company Secretary

Mumbai,
May 18, 2011

Schrader Duncan Limited

Schedules forming part of the Balance Sheet as at March 31, 2011

Schedule 1	As at March 31, 2011		As at March 31, 2010	
	Rupees	Rupees	Rupees	Rupees
Share Capital				
Authorised				
5,000,000 Equity Shares of Rs. 10 each		50,000,000		50,000,000
Issued, Subscribed and Paid-up				
3,696,000 Equity Shares of Rs. 10 each, fully paid up		36,960,000		36,960,000
Note:				
Of the above 3,346,000 Equity Shares were allotted as fully paid-up Bonus Shares by way of Capitalisation from General Reserve.				
		36,960,000		36,960,000
Schedule 2				
Reserves and Surplus				
General Reserve				
Balance as per last Balance Sheet	72,334,780		71,783,780	
Add: Transfer from Profit and Loss Account	-		551,000	
Less: As per contra in Profit and Loss Account (Refer Schedule 9)	(6,303,197)		-	
		66,031,583		72,334,780
Profit and Loss Account		-		205,776,476
		66,031,583		278,111,256
Schedule 3				
Secured Loans				
Cash Credit from Bank (Repayable on demand) (Refer Note 1 below)		99,252,274		80,987,797
Foreign Currency Demand Loan (Refer Note 1 below) [Repayable within one year : Rs. 19,185,316 (Previous Year : Rs. 19,156,379)].		19,185,316		19,156,379
Term Loan from a Bank (Refer Note 2 below) (Repayable within one year : Rs. 30,000,000, Previous Year: Rs. 18,000,000)		132,000,000		130,000,000
Interest Accrued & due				
- On Term Loan		1,522,026		1,167,106
- On Foreign Currency Demand Loan		118,933		120,852
		252,078,549		231,432,134
Schedule 4				
Unsecured Loans				
From Subsidiary Company (Due within one year is Rs. Nil, Previous Year: Rs. Nil)		35,000,000		35,000,000
Interest Accrued and due				
- On unsecured loans from Subsidiary Company		1,894,885		4,884
		36,894,885		35,004,884

Notes :

1) Cash Credit and Foreign Currency Demand Loan from Bank is secured by First hypothecation charge on the Company's entire current assets, present and future, First charge on Company's movable fixed assets at Mahape Plant & Nashik Plant, Extension of First charge on tangible Fixed Assets at Ranjangaon, Pune. Further by Corporate Guarantees of i) Tomkins Plc., London & ii) Cosmopolitan Investments Ltd.

2) Term Loan from Bank is secured by exclusive mortgage/hypothecation charge on the tangible fixed assets at Ranjangaon, Pune. First charge on the Company's movable fixed assets at Mahape Plant and Nashik Plant and Second charge on the Company's current assets and Corporate Guarantees by i) Tomkins Plc., London & ii) Cosmopolitan Investments Ltd.

Schedule forming part of the Balance Sheet as at March 31, 2011

Schedule 5

Fixed Assets

[Refer Notes 1(b) and 1(c) - Schedule 15]

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at April 1, 2010	Addition during the Year	Deduction during the Year	Cost as at March 31, 2011	Accumulated Depreciation as at April 1, 2010	for the Year	On Deduction during Year	Accumulated Depreciation as at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Freehold Land (Refer Note 1 below)	320,504	-	-	320,504	-	-	-	-	320,504	320,504
Leasehold Land	20,482,770	-	-	20,482,770	217,173	220,190	-	437,363	20,045,407	20,265,597
Building on Freehold Land (Refer Note 1 below)	5,845,555	-	-	5,845,555	4,913,928	931,626	-	5,845,554	1	931,626
Building on Leasehold Land (Refer Notes 2 and 3 below)	140,987,349	1,947,710	-	142,935,059	2,184,961	3,934,132	-	6,119,093	136,815,966	138,802,388
Machinery, Workshops and Laboratory Equipment (Refer Note 3 below)	154,340,792	16,581,708	13,820,377	157,102,123	37,364,479	13,854,566	12,189,100	39,029,945	118,072,178	116,976,313
Electrical Installations	24,137,831	1,742,003	2,010,533	23,869,301	1,590,333	1,085,924	1,087,207	1,589,050	22,280,251	22,547,498
Air-conditioning Equipment	2,950,792	253,363	21,105	3,183,050	101,407	145,085	7,300	239,192	2,943,858	2,849,385
Furniture, Fixture and Office Equipment	37,734,870	6,787,481	7,358,070	37,164,281	12,727,622	4,371,852	5,633,236	11,466,238	25,698,043	25,007,248
Vehicle	1,366,264	-	-	1,366,264	352,793	191,965	-	544,758	821,506	1,013,471
Leasehold Improvement	3,010,146	549,186	191,919	3,367,413	2,892,862	274,593	74,634	3,092,821	274,592	117,285
Total	391,176,873	27,861,451	23,402,004	395,636,320	62,345,558	25,009,933	18,991,477	68,364,014	327,272,306	328,831,315
Previous year	73,387,898	317,956,160	167,185	391,176,873	46,526,357	15,903,983	84,782	62,345,558	1,299,031	3,812,792
Capital work-in-progress (Including Capital Advance)										328,571,337
										332,644,107

Notes : 1) Represents assets held for sale, valued at lower their of net book value and net realisable value.

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

3) Amount of borrowing cost aggregating Rs. Nil (Previous Year : Rs. 7,170,800) is capitalised during the year.

Schrader Duncan Limited

Schedule forming part of the Balance Sheet as at March 31, 2011

Schedule 6	As at March 31, 2011		As at March 31, 2010	
	Rupees	Rupees	Rupees	Rupees
Investments				
[Refer Note 1(g) - Schedule 15]				
Long Term Investments (Non-trade)				
Unquoted				
150,007 fully paid Equity Shares of Rs. 10 each in Associated Polymers Limited [Subsidiary Company]		1,500,130	1,500,130	
360 fully paid Equity Shares of Rs. 100 each in Duncan Services Limited (includes 180 shares received as fully paid Bonus Shares)		18,000	18,000	
National Savings Certificate (Lodged as security deposit with Sales Tax Authorities)		10,000	10,000	
UTI Balanced Fund (Income-Reinvestment) 12,686.66 Units (Previous Year: 11,930.00) of Rs. 10 each fully paid up (Dividend units Re-invested during the year: 756.66)		187,959	170,064	
		1,716,089		1,698,194
Quoted				
800 fully paid Equity Shares of Rs. 2 each in Swan Mills Limited [Market Value of quoted long term investments Rs. 78,560 (Previous Year : Rs. 118,320)]		1,441	1,441	1,441
		1,717,530		1,699,635

Schedule forming part of the Balance Sheet as at March 31, 2011

Schedule 7	As at March 31, 2011		As at March 31, 2010	
	Rupees	Rupees	Rupees	Rupees
Current Assets, Loans and Advances				
Current Assets				
Inventories				
(Refer Notes 1(e) and 1(f) - Schedule 15)				
(As certified by the Management)				
Raw Materials and Traded goods	104,249,023		84,613,931	
Stores and Spares	3,589,166		2,491,933	
Work-in-Progress (including Material in Progress)	41,169,704		41,715,680	
Finished Goods	2,800,780		17,443,608	
Scrap	10,988,967		8,244,947	
		162,797,640		154,510,099
Sundry Debtors				
Unsecured				
Debts Outstanding for a period exceeding six months :				
- Considered Good	4,136,991		4,976,744	
- Considered Doubtful	-		276,993	
		4,136,991		5,253,737
Other Debts :				
- Considered Good	99,704,150		117,413,616	
- Considered Doubtful	-		-	
		99,704,150		117,413,616
		103,841,141		122,667,353
Secured - Considered Good				
- Debts outstanding for a period exceeding six months				
- Other debts	803,661		55,000	
		803,661	308,381	
				363,381
		104,644,802		123,030,734
Less : Provision for Doubtful Debts				
		-		(276,993)
		104,644,802		122,753,741
Cash and Bank Balances				
Cash on Hand	169,130		156,402	
Cheques on Hand	11,255,426		19,353,953	
With Scheduled Banks :				
-- On Current Account	4,311,667		10,503,029	
-- On Unpaid Dividend Account	2,359,704		2,679,539	
-- On Margin Money Deposit Account	3,782,637		3,782,637	
		21,878,564		36,475,560
[Under lien towards Bank Guarantees Rs. 3,782,637 (Previous Year : Rs. 3,782,637)]				
Loans and Advances				
Unsecured, Considered Good				
Advances Recoverable in Cash or in Kind or for Value to be Received				
	3,434,896		3,793,807	
Advances to Suppliers	4,756,080		5,550,709	
Balances with Excise, Customs and Sales Tax Authorities	37,190,922		34,896,220	
Advance Tax Less Provision	9,453,749		7,994,724	
[Net of Provision for Taxation Rs. 79,003,512 (Previous Year : Rs. 79,003,512)]				
Minimum Alternate Tax (MAT) credit entitlement	1,538,579		1,538,579	
Deposits - Others	9,467,845		7,791,425	
Interest Accrued but Not Due	476,728		235,615	
		66,318,799		61,801,079
		355,639,805		375,540,479

Schrader Duncan Limited

Schedule forming part of the Balance Sheet as at March 31, 2011

Schedule 8	As at March 31, 2011		As at March 31, 2010	
	Rupees	Rupees	Rupees	Rupees
Current Liabilities and Provisions				
Current Liabilities				
Sundry Creditors				
- Micro and Small Enterprises (Refer Note 15 - Schedule 15)	11,542,851		3,579,668	
- Others	103,726,794		89,653,832	
Advances Received from Customers	612,281		1,974,267	
Advance for Sale of Land (Refer Note 21 - Schedule 15)	160,000,000		-	
Retention Money Account	876,147		2,935,548	
Sundry Deposits	803,661		3,285,661	
Due to Subsidiary Company	532,994		213,248	
Book Overdraft	-		2,478,881	
Other Liabilities	10,099,576		10,416,915	
Dividend Declared Pending Payment / Encashment*	2,359,704		2,679,539	
		290,554,008		117,217,559
Provisions				
Proposed Dividend	-		3,696,000	
Tax on Proposed Dividend	-		628,135	
Provision for Gratuity	2,115,762		-	
Provision for Leave Encashment	1,293,885		2,902,659	
		3,409,647		7,226,794
		293,963,655		124,444,353

Schedule 9

Profit and Loss Account

Debit balance in Profit and Loss Account	6,303,197	-
Less: As per Contra in General Reserve (Refer Schedule 2)	6,303,197	-
	-	-

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund

Schedule forming part of the Profit and Loss Account for the year ended March 31, 2011

Schedule 10

Other Income

	2010-11 Rupees	2009-10 Rupees
Dividend on Current Investments	18,055	804,484
Other Interest Received-Gross [Includes Tax deducted at Source Rs. 49,862 (Previous Year : Rs. 56,371)]	498,619	557,711
Profit on Sale of Fixed Assets (Net)	1,139,251	-
Rent Income [Includes Tax deducted at Source Rs. 293,920 (Previous Year : Rs. 805,242)]	2,645,500	4,884,000
Export Incentive (Refer Note 2 - Schedule 15)	89,353	322,511
Foreign Exchange Gain (net)	-	520,874
Liabilities no Longer Payable Written Back	310,480	782,969
Bad Debts Recovered	75,000	807,784
Provision for Doubtful Debts written back	219,073	-
Miscellaneous Receipts	277,547	1,584,346
	5,272,878	10,264,679

Schedule forming part of the Profit and Loss Account for the year ended March 31, 2011

	2010-11	2009-10	
	Rupees	Rupees	Rupees
Schedule 11			
Materials Consumed			
Raw Materials			
Opening Stock	80,702,652		34,559,602
Add :			
Purchases	322,419,430		401,779,604
Total	<u>403,122,082</u>		<u>436,339,206</u>
Less :			
Closing Stock	<u>97,437,847</u>		<u>80,702,652</u>
		305,684,235	355,636,554
Traded goods			
Opening Stock	3,911,279		3,729,587
Add :			
Purchases	9,976,603		9,007,001
Total	<u>13,887,882</u>		<u>12,736,588</u>
Less :			
Closing Stock	<u>6,811,176</u>		<u>3,911,279</u>
		7,076,706	8,825,309
(Increase)/ Decrease in Stocks			
Opening Stock			
-- Work-in-Progress	35,812,680		27,043,515
-- Material-in-Progress	5,903,000		4,167,500
-- Finished Goods	17,443,608		7,253,211
-- Scrap	8,244,947		2,975,981
Total	<u>67,404,235</u>		<u>41,440,207</u>
Less :			
Closing Stock			
-- Work-in-Progress	41,169,704		35,812,680
-- Material-in-Progress	-		5,903,000
-- Finished Goods	2,800,780		17,443,608
-- Scrap	10,988,967		8,244,947
Total	<u>54,959,451</u>		<u>67,404,235</u>
		12,444,784	(25,964,028)
	<u>325,205,725</u>		<u>338,497,835</u>

Schrader Duncan Limited

Schedule forming part of the Profit and Loss Account for the year ended March 31, 2011

	2010-11	2009-10	
	Rupees	Rupees	Rupees
Schedule 12			
Other Expenses			
Employee Costs			
-- Salaries, Wages, Bonus and Commission	76,003,493		78,904,794
-- Contribution to Provident and Other Funds	5,724,016		6,591,765
-- Gratuity (Refer Notes 1(d) and 19 - Schedule 15)	3,312,118		1,803,644
-- Staff Welfare	17,417,544		14,908,509
		102,457,171	102,208,712
Insurance		1,263,324	1,161,582
Excise Duty (Refer Note 18 - Schedule 15)		(1,425,571)	976,935
Rent		9,283,453	9,165,706
Rates and Taxes		2,820,776	4,304,064
Repairs and Maintenance			
-- Machinery	4,701,281		2,578,294
-- Building	24,281		86,468
-- Others	2,601,418		1,907,137
		7,326,980	4,571,899
Commission and Discount on Sales		2,570,258	1,899,283
Business Promotion		788,656	899,611
Carriage Outward		4,163,575	4,672,158
Directors' Fees		830,000	600,000
Power and Fuel		12,998,461	15,238,064
Travelling and Conveyance		9,972,317	6,223,779
Bad Debts/Advances written-off Less : Adjusted against provision	336,943 (57,920)		1,252,254 -
		279,023	1,252,254
Provision for Doubtful Debts		-	276,993
Auditors' Remuneration			
-- As Auditors	1,025,000		875,000
-- For Tax Audit	100,000		100,000
-- For Out-of-Pocket Expenses	43,200		24,940
		1,168,200	999,940
Legal and Professional Charges		5,703,182	5,017,253
Foreign Exchange Loss (net)		254,547	-
Loss on Sale/Discard of Fixed Assets (net)		-	3,078
Miscellaneous		18,160,257	14,915,717
		178,614,609	174,387,028

Schedule forming part of the Profit and Loss Account for the year ended March 31, 2011

	2010-11		2009-10	
Schedule 13	Rupees	Rupees	Rupees	Rupees
Interest Expenses				
Interest				
- On Term Loans	17,665,500		6,469,007	
- On Cash Credit	14,979,538		6,099,006	
- On Others	3,301,811		1,036,196	
		35,946,849		13,604,209
		35,946,849		13,604,209

Schedule 14

Exceptional items (Net)

Exceptional Expenses

- Voluntary Retirement Scheme Compensation and other related expenses (Refer Note 22 (i) - Schedule 15)	145,720,474		-	
- Expenses related to Sale of Mulund Land (Refer Note 22 (ii) - Schedule 15)	9,029,300		-	
Exceptional Income				
- Profit on sale of fixed assets (Refer Note 22 (iii) - Schedule 15)	(20,000,000)		-	
		134,749,774		-
		134,749,774		-

Schrader Duncan Limited

Notes forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date

Schedule 15

1. Accounting policies:
 - (a) Accounting Conventions :
The financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, provisions of the Companies Act, 1956 (the Act) and comply in material aspects with the accounting standards notified under Section 211 (3C) of the Act, read with Companies (Accounting Standards) Rules, 2006.
 - (b) Fixed Assets :
Fixed assets are stated at cost less depreciation, where applicable. Leasehold land is stated at cost.
 - (c) Depreciation :
Depreciation has been calculated on Straight Line Method on the original cost of the assets at the rates given in Schedule XIV to the Act except:
 - (i) Vehicles, which have been depreciated in 7 years period.
 - (ii) Leasehold Improvements are amortised equally over the period of the respective leases.
 - (iii) Computers, which have been depreciated in 4 years period.
 - (iv) Guest house Equipments and Furniture which have been depreciated in 3 years period.
 - (d) Employee Benefits :
 - (i) Contribution towards the defined contribution plans are recognised in the Profit and Loss Account 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 profit and loss account.
 - (iii) Leave Encashment has been determined and accrued on the basis of actuarial valuation.
 - (e) Valuation of Inventory :
Inventories are valued at lower of cost and market value.

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

Cost of finished goods includes raw material cost determined on a weighted average basis, labour charges, proportionate factory overheads and excise duty.
 - (f) Accounting of CENVAT :
The Company follows on a consistent basis, the "non-inclusive" method of accounting for CENVAT under Central Excise Act, 1944 with regard to its inventories, purchase and consumption.
 - (g) Investments :
Long Term Investments are valued at cost. Provision is made to recognise a diminution, other than temporary, in the value of investments. Current Investments are stated at lower of cost and fair value.
 - (h) 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.

Notes forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date

Schedule 15 - Continued

(b) Deferred Tax

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

(c) Minimum Alternate Tax (MAT) Credit Entitlement

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

(i) 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 Profit and Loss Account. In case of assets and liabilities covered by forward contracts, the exchange difference is recognised over the life of the contract. Exchange differences arising on concluded transactions during the year are debited/credited in the Profit and Loss Account of the same year.

(j) Impairment of Assets :

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

(k) Provisions and Contingencies :

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

(l) Revenue Recognition :

Sale of goods

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

Sale of services

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

(m) 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/materialised.

Schrader Duncan Limited

Notes forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date

Schedule 15 - Continued

- (n) Borrowing Cost :
Borrowing cost directly attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognised as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalisation during the period, any income earned on the temporary investments of those borrowing is deducted from cost incurred.
2. Duty Entitlement Pass Book (DEPB) Credit :
During the year the Company has recognised DEPB credit aggregating Rs. 89,353 on post export basis (Previous Year: Rs. 322,511).
3. Outstanding commitments for capital expenditure (net of advance) Rs. 3,038,012 (Previous Year: Rs. 3,856,675).
4. The amount of foreign exchange difference in respect of exchange contracts to be recognised in the subsequent years Rs. 178,986 (Previous Year: Rs. 74,671).
5. Contingent Liabilities :
- a) Claims against the Company with respect to Income Tax Matters not acknowledged as debts is Rs. 13,312,357 (Previous Year : Rs. 13,749,472). Appeals filed by the Company with the relevant authorities of Income Tax Department are pending disposal.
- b) Guarantees given by the Bank on behalf of the Company are Rs. 3,786,119 (Previous Year: Rs. 2,456,608). These are financial and performance guarantees given to the customers, expiring on various future dates over the next 26 months.
- c) Claims against the Company with respect to Sales Tax Matters not acknowledged as debts is Rs. 3,323,124 (Previous Year : Rs. 3,323,124).
- d) Claims against the Company with respect to Excise and Service Tax Matters not acknowledged as debts is Rs. 2,590,790 (Previous Year : Rs. 3,080,113). Appeals filed by the Company with Customs, Excise and Service Tax Appellate Tribunal, West Zone Bench, and Commissioner of Central Excise (Appeals) Mumbai, is pending disposal.
6. Taxation
- (a) In view of loss for the year no provisions for taxation has been made in these financial statements.
- (b) Deferred Tax :

The Deferred Tax balances are set out below :

Particulars	As at	As at
	March 31, 2011	March 31, 2010
	Rupees	Rupees
a) Deferred Tax Liabilities		
Depreciation	20,012,062	16,876,042
Provision for Leave Encashment	534,395	-
Total (a)	20,546,457	16,876,042
Less: b) Deferred Tax Assets		
Unabsorbed Depreciation *	-	12,657,691
Provision for doubtful debts	-	94,150
Provision for leave Encashment	-	192,607
Voluntarily Retirement Scheme*	20,546,457	-
Total (b)	20,546,457	12,944,448
Net Deferred Tax Liability (a - b)	-	3,931,594

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

Notes forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date

Schedule 15 - Continued

	2010-2011 Rupees	2009-2010 Rupees
7. (a) Managerial Remuneration		
Salary, Bonus and Other Allowances *	6,700,000	6,200,000
Contribution to Provident and Other Funds	1,620,000	1,485,000
Other Benefits**	-	-
Total	<u>8,320,000</u>	<u>7,685,000</u>

* Excludes amount paid directly by Schrader Bridgeport International Inc. USA.

** Excludes gratuity benefits, since the valuation is done on a global basis.

	2010-2011 Rupees	2009-2010 Rupees
(b) Director's Sitting Fees	830,000	600,000

	2010-2011		2009-2010	
	Qty. Nos. 000	Value (Rupees)	Qty. Nos. 000	Value (Rupees)
8 (a) Details of turnover of the year and Quantitative details thereof as under				
Valve Cores (Excludes Traded Items as Disclosed in 8(b) below)	18	809,591	55	1,357,715
Passenger and Truck Valves	11,259	152,210,139	16,543	241,624,351
Valve Caps	2,072	512,584	2,975	577,806
Hex and Rim Nuts	826	1,951,881	1,155	2,049,380
Bridge Washer	37	107,931	117	407,078
Hydraulic and Pneumatic Equipment (Nos./Sets) (Excludes Traded Items as Disclosed in 8(b) below)	178,043	320,883,527	142,440	294,783,219
Tyre Pressure Gauges (Nos.)	6,528	5,429,947	4,403	1,810,920
Spark Foot Air Chucks (Nos.)	42	15,539	317	84,255
Blow Guns (Nos.)	933	363,969	1,794	508,247
Other accessories including rubberising of Bicycle Valves	471,701	32,439,208	1,389,977	37,983,528
		<u>514,724,316</u>		<u>581,186,499</u>
Scrap		<u>4,625,057</u>		<u>3,167,201</u>
		<u>519,349,373</u>		<u>584,353,700</u>
(b) In respect of Traded items (Hydraulic and Pneumatic equipments and cores)	Quantity (Nos.)	Value (Rupees)	Quantity (Nos.)	Value (Rupees)
Opening Balance	508,540	3,911,279	947,313	3,729,587
Purchases	8,803,389	9,976,603	5,057,971	9,007,001
Closing Balance (Including goods in transit)	1,289,126	6,811,176	508,540	3,911,279
Cost	8,022,803	7,076,706	5,496,744	8,825,309
Sales	8,022,803	36,593,061	5,496,744	23,927,553

Schrader Duncan Limited

Notes forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date

Schedule 15 - Continued

	Raw Material Consumed		2010-2011	
	<u>%</u>	<u>Value (Rupees)</u>	<u>%</u>	<u>Value (Rupees)</u>
(c) Value of Raw Materials, Spare Parts and Outside contracts consumed during the year				
Imported	3.98	12,170,413	5.31	1,138,850
Indigenous	96.02	293,513,822	94.69	20,290,094
	100.00	305,684,235	100.00	21,428,944
				2009-2010
				Stores and Spares Consumed
	<u>%</u>	<u>Value (Rupees)</u>	<u>%</u>	<u>Value (Rupees)</u>
	11.11	39,517,922	2.00	392,877
	88.89	316,118,632	98.00	19,500,042
	100.00	355,636,554	100.00	19,892,919

9 Licenced capacity, Installed capacity, Production during the year and opening and closing stocks of goods produced is given in **Annexure A**.

10 Raw Materials Consumed	Qty	2010-2011	Qty	2009-2010
	M.T.	Value Rupees	M.T.	Value Rupees
Metals	290	55,266,080	537	114,879,083
Rubber	114	18,265,427	275	38,312,235
Others *		232,152,728		202,445,236
		305,684,235		355,636,554

* The relevant information is given in aggregate as individual items are too numerous to be conveniently grouped and are of a value less than 10% of the total.

11 CIF Value of Imports	2010-2011	2009-2010
	Rupees	Rupees
Raw Materials and Traded Goods	34,784,810	48,093,903
Stores and Spare Parts	1,004,437	754,436
	35,789,247	48,848,339

Notes forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date

Schedule 15 - Continued

	2010-2011	2009-2010
	<u>Rupees</u>	<u>Rupees</u>
12. Remittance in Foreign Currency on account of dividend (Rupees)	18,48,000	1,848,000
Number of Non-Resident Shareholders to whom remittance was made	1	1
Number of shares on which remittance was made	1,848,000	1,848,000
Year for which dividend was remitted		
2008-09	-	1,848,000
2009-10	1,848,000	-
	2010-2011	2009-2010
	<u>Rupees</u>	<u>Rupees</u>
13. Expenditure in Foreign Currency (including accruals and not shown under CIF value of imports)		
Travelling Expenses	686,973	655,138
Capital Goods	4,821,080	10,196,479
	2010-2011	2009-2010
	<u>Rupees</u>	<u>Rupees</u>
14. Earnings in Foreign Exchange		
On account of export of goods on FOB basis	10,370,900	9,417,722
Services Rendered	-	3,086,860
Others (Reimbursement)	-	188,405

Schrader Duncan Limited

Notes forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date

Schedule 15 - Continued

15. Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows :

(Rupees)

	Particulars	2010-11	2009-10
a)	Principal amount and the interest due on the above at the end of the accounting year : -Principal -Interest due thereon	11,465,775 77,076	3,564,938 14,730
b)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year : -,Principal -Interest	- -	- -
c)	The amount of interest due and payable for the period of delay in making Payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d)	The Amount of interest accrued and remaining unpaid at the end of each accounting year : -Total interest Accrued -Interest remaining unpaid	77,076 77,076	14,730 14,730
e)	The Amount of further interest remaining due and payable even in the Succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	77,076	14,730

The above information and that given in Schedule 8 – “Current Liabilities and Provisions” regarding Micro and Small Enterprises has been determined on the basis of information available with the Company.

16. Related Party Disclosure (As identified by the Management)

Related party disclosure as required by AS-18, “Related Party Disclosure”, are given below:

A) Relationships:

(i) Investing Companies

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

(ii) Associate Companies/Affiliates

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

(iii) Subsidiary of the Company:

Associated Polymers Limited

(iv) Key Management Personnel :

Mr Ravi Swaminathan - Managing Director

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

Notes forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date

Schedule 15 - Continued

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

(Rupees)

Nature of Transactions	Gates India Pvt. Ltd.	Gates Corporation - USA	Gates Corporation -Germany	Schrader International-Brazil	Schrader S.A.S France	Schrader Bridgeport - USA	Schrader Eng. Product-China	Associated Polymers Limited
During the year								
Engineering Services (Income)	-	<i>3,086,860</i>	-	-	-	-	-	-
Management Services (Income)	-	-	-	-	-	-	-	780,000
	-	-	-	-	-	-	-	<i>900,000</i>
Material Purchased	-	-	-	1,016,211	-	49,718	885,551	-
	-	-	-	<i>247,408</i>	<i>266,743</i>	-	-	-
Sales	-	-	-	1,697,182	-	-	-	-
	-	-	-	-	-	-	-	-
Travelling Expenses	82,254	-	-	165,025	489,546	-	16,649	-
	-	-	-	-	-	-	-	-
Loan taken during the year	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	<i>35,000,000</i>
Loan given during the year	-	-	-	-	-	-	-	150,000
	-	-	-	-	-	-	-	-
Processing Charges (Expenses)	-	-	-	-	-	-	-	2,327,573
	-	-	-	-	-	-	-	<i>3,143,340</i>
Expenses incurred on behalf of the company	-	-	-	-	-	-	-	20,100,000
	-	-	-	-	-	-	-	-
Expenses paid on behalf of the company	-	-	254,198	-	-	-	-	-
	-	-	-	-	-	-	-	-
Interest on Inter Corporate Deposit	-	-	-	-	-	-	-	2,100,000
	-	-	-	-	-	-	-	<i>1,027,562</i>
Year End Balances								
Sundry Creditors	-	-	-	-	-	-	370,799	532,994
	-	-	-	-	-	-	-	<i>213,248</i>
Unsecured Loans	-	-	-	-	-	-	-	35,000,000
	-	-	-	-	-	-	-	<i>35,000,000</i>
Loans and Advances	-	-	254,198	-	-	-	-	987,977
	-	-	-	-	-	-	-	-
Interest Accrued and due	-	-	-	-	-	-	-	1,894,885
	-	-	-	-	-	-	-	<i>4,884</i>

Figures in italics represents previous year figures.

Schrader Duncan Limited

Notes forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date

Schedule 15 - Continued

C) Remuneration paid to Key Management Personnel is disclosed in Note 7 (a) above.

17. (Loss) / Earnings per share :

(Loss) / Earnings Per Share	2010-2011	2009-2010
(Loss) / Profit available for Equity Shareholders (Numerator used for calculation) (Rs.)	(212,079,673)	5,509,386
Weighted average number of shares of Rs. 10 each used as denominator for calculating Basic and Diluted EPS	3,696,000	3,696,000
Basic and Diluted (Loss) / Earnings per Share (Rs.)	(57.38)	1.49

18. The amount of excise duty disclosed as deduction from turnover is the total excise duty for the year except for the excise duty related to the difference between the closing stock and opening stock and excise duty paid but not recovered, which has been disclosed as excise duty expenses in "Other Expenses" under Schedule 12 forming part of the Profit and Loss Account.

19. The Company has classified various employee benefits as under:

(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 Profit and Loss Account for the :

	Year ended March 31, 2011 Rupees	Year ended March 31, 2010 Rupees
(i) Contribution to Provident Fund	2,371,300	2,587,043
(ii) Contribution to Employee's Pension Scheme	1,417,446	2,076,430
(iii) Contribution to Employee's Superannuation Fund	1,163,855	1,118,907
(iv) Contribution to Employee's State Insurance Scheme	751,639	786,926
(v) Contribution to Labour Welfare Fund	19,776	22,458
	5,724,016	6,591,764

(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:

	2010-2011	2009-2010
Discount Rate (Per annum)	8.25%	8.25%
Rate of increase in Compensation levels	6.00%	6.00%
Rate of Return on Plan Assets	8.00%	8.00%
Expected Average remaining working lives of employees in number of Years	18	12

Notes forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date

Schedule 15 - Continued

(i) Changes in present value of obligation	2010-2011 Rupees	2009-2010 Rupees
Present value of Obligation as at beginning of the year	22,005,284	21,937,046
Interest Cost	1,194,929	1,674,778
Current Service Cost	1,608,900	1,507,078
Benefits paid	(18,260,382)	(3,668,169)
Actuarial (Gains)/Loss	1,506,719	554,551
Present value of Obligation as at the end of the year	8,055,450	22,005,284
(ii) Changes in Fair value of plan assets	Year Ended March 31, 2011 Rupees	Year Ended March 31, 2010 Rupees
Present value of plan assets as at beginning of the year	23,201,639	21,790,641
Expected return on Plan Assets	1,125,716	1,848,237
Actuarial gain/(loss) on Plan Assets	(127,285)	84,524
Actual Company Contribution	-	3,146,405
Benefits paid	(18,260,382)	(3,668,169)
Fair value of Plan Assets as at the end of the year	5,939,688	23,201,639
(iii) Percentage of each category of plan assets to total fair value of plan assets	Year Ended March 31, 2011 Rupees	Year Ended March 31, 2010 Rupees
Administered by Life Insurance Corporation of India	100%	100%
(iv) Reconciliation of the Present Value of Defined Present Obligations and the Fair value of Assets	Year Ended March 31, 2011 Rupees	Year Ended March 31, 2010 Rupees
Present value of Funded Obligation as at the end of the year	8,055,450	22,005,283
Fair value of Plan Assets as at the end of the year	5,939,688	23,201,639
(Asset)/Liability recognised in the Balance Sheet	2,115,762	(1,196,356)
(v) Amounts recognised in the Balance Sheet	Year Ended March 31, 2011 Rupees	Year Ended March 31, 2010 Rupees
Present value of Obligation as at end of the year	8,055,450	22,005,283
Fair value of Plan Assets as at end of the year	5,939,688	23,201,639
Funded (Asset)/Liability recognised in the Balance Sheet	2,115,762	(1,196,356)
(vi) Expenses recognised in the Profit and Loss Account	2010-2011 Rupees	2009-2010 Rupees
Current Service Cost	1,608,900	1,507,078
Interest Cost	1,194,930	1,674,778
Expected Return on Plan Asset	(1,125,716)	(1,848,237)
Net Actuarial (Gain)/Loss	1,634,004	470,027
Total Expenses recognised in the Profit and Loss Account	3,312,118	1,803,644

Schrader Duncan Limited

Notes forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date

Schedule 15 - Continued

	2010-2011	2009-2010
	Rupees	Rupees
(vii) Expected employers' contribution for the next year	813,494	1,742,626
(viii) Experience adjustments		
On Plan Liabilities Gain/ (Loss)	(1,506,719)	(1,753,839)
On Plan Assets Gain/ (Loss)	(127,285)	84,524
(C) Disclosure as required under para 120(n);		

		Rupees			
Sr. No.	Particulars	2010 - 11	2009 - 10	2008 - 09	2007 - 08
(i)	Present value of defined benefit obligation	8,055,450	22,005,283	21,937,046	21,003,236
(ii)	Fair Value of Plan Assets	5,939,688	23,201,639	21,790,642	18,784,673
(iii)	Surplus/ (Deficit) in the Plan	(2,115,762)	1,196,356	(146,404)	(2,218,563)
(iv)	Experience adjustments on Plan Liabilities Gain/ (Loss)	(1,506,719)	(1,753,839)	(1,046,265)	-
(v)	Experience adjustments on Plan Assets Gain/ (Loss)	(127,285)	84,524	42,881	-

Since the Company has adopted AS – 15 for the first time during the financial year ended March 31, 2008, hence the disclosure for gratuity figures as required by para 120(n) of AS – 15 have not been presented for the financial year prior to 2007-2008.

- (D) The Liability for leave encashment and compensated balances as at year end is Rs. **1,293,885** (Previous Year Rs. 2,902,659).

Notes forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date

Schedule 15 - Continued

20. Segment information for the year ended March 31, 2011

I. Information about primary business segments (in Rupees)

	2010-2011				2009-2010			
	Automotive Products	Pneumatic Products	Unallocated	Total	Automotive Products	Pneumatic Products	Unallocated	Total
Revenue								
External Sales (Net of Discount and Excise Duty)	180,265,469	318,626,220	-	498,891,689	266,414,430	290,210,590	-	556,625,020
Other Income	2,444,692	511,726	23,039,499	25,995,917	3,705,649	784,428	9,296,221	13,786,298
Total Revenue	182,710,161	319,137,946	23,039,499	524,887,606	270,120,079	290,995,018	9,296,221	570,411,318
Result								
Segment Result	(219,737,890)	62,891,595	-	(156,846,295)	(19,904,016)	63,793,287	-	43,889,271
Unallocated expenditure (Net of unallocated income)	-	-	(23,471,943)	(23,471,943)	-	-	(22,159,718)	(22,159,718)
Interest expenses	-	-	(35,946,849)	(35,946,849)	-	-	(13,604,209)	(13,604,209)
Interest Income	-	-	253,820	253,820	-	-	557,711	557,711
Profit before Taxation	(219,737,890)	62,891,595	(59,164,972)	(216,011,267)	(19,904,016)	63,793,287	(35,206,216)	8,683,055
Other Information								
Segment Assets	493,556,828	155,524,620	36,847,224	685,928,672	533,854,027	125,984,705	50,045,491	709,884,223
Segment Liabilities	204,534,979	87,032,381	291,369,729	582,937,089	224,257,647	50,932,803	119,622,517	394,812,967
Capital Expenditure	21,011,156	6,850,295	-	27,861,451	316,066,830	1,889,330	-	317,956,160
Depreciation	22,254,505	2,583,578	171,850	25,009,933	14,277,626	1,454,507	171,850	15,903,983
Non-cash expenses other than depreciation	-	-	-	-	-	-	-	-

II. Information about Secondary Business Segments (in Rupees)

	India	Outside	Total
Revenue by geographical market			
External Sales (Net of Discount and Excise Duty)	487,327,834	11,563,855	498,891,689
Carrying amount of segment assets	681,307,999	4,620,672	685,928,671
Additions to fixed assets	27,861,451	-	27,861,451

	India	Outside	Total
	545,494,204	11,130,816	556,625,020
	709,639,635	244,586	709,884,221
	317,956,160	-	317,956,160

III. Notes:

- a) The company is organised into two main business segments -
 - Automotive products- comprising of tyre tube valves and accessories.
 - Pneumatic products – comprising of pneumatic equipment and hydraulic products.
 Segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure and the internal financial reporting systems.
- 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.

21. The Company has entered into an irrevocable agreement for sale dated March 26, 2011 with Kalpataru Ltd. for sale of its front portion of land at Mulund plant at a consideration of Rs. 438,889,350. As per the agreement, the Company has received an advance of Rs. 160,000,000 which is disclosed under schedule 8 "Current Liabilities and Provisions". The Company is in the process of executing the deed of conveyance, transfer, sale and possession of the aforesaid land will be completed at a future date subject to relevant approval, permissions from the Government and other statutory bodies, as deemed necessary and on receipt of sale consideration.
22. Exceptional Items
 - (i) The Company has entered into agreement dated July 15, 2010, with the unionised category of workmen and staff employed in the plant at Mulund for Voluntary Retirement Compensation. Accordingly, the Company has incurred an expenses of Rs. 145,720,474 for VRS and other related expenses. The operations for Mulund plant have been ceased completely w.e.f July 31, 2010.
 - (ii) Exceptional expenses represents legal and professional fees incurred by the Company of Rs. 9,029,300 for sale of land of its land at Mulund plant.
 - (iii) Exceptional Income of ₹ 20,000,000 represents compensation received by the Company for sale of rear portion of land at Mulund which were on hold in accordance with the agreement for Development dated December 22, 2006.
23. Previous Year's figures have been re-grouped/re-arranged, wherever necessary.

Signature to Schedules 1 to 15 forming part of Balance Sheet and Profit and Loss Account.

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

Uday Shah
Partner
Membership No. F - 46061

Place: Mumbai
Dated: May 18, 2011

Mumbai
Dated: May 18, 2011

For and on behalf of the Board

J. P. Goenka Chairman
Ravi Swaminathan Managing Director
R. C. Khanna }
A. Goenka }
R. A. Shah } Directors
Nitin Kaul }
M. K. Sharma }
Rama Subramanian Company Secretary

Schrader Duncan Limited

Cash Flow Statement for the year ended March 31, 2011

	2010-11		2009-10
	Rupees	Rupees	Rupees
A) Cash flow from Operating Activities:			
Net (Loss) / Profit Before Tax	(216,011,267)		8,683,055
Adjustments for:			
Depreciation	25,009,933		15,903,983
Interest Expense	35,946,849		13,604,209
Unrealised Foreign Exchange loss / (gain)	209,720		(3,835)
Loss on Sale/Discard of Fixed Assets (net)	-		3,078
Bad Debts written off	279,023		1,252,254
Provision for doubtful debts	-		276,993
Liabilities no longer required	(310,480)		(782,969)
Dividend on Current Investments	(18,055)		(804,484)
Sale of Land	(20,000,000)		-
Other Interest Income	(498,619)		(557,711)
Profit on Sale of Fixed Assets	(1,139,251)		-
Provision for doubtful debts written back	(219,073)		-
Rent Income	(2,645,500)		(4,884,000)
Operating (loss) / profit before Working Capital Changes	(179,396,720)		32,690,573
Adjustments for:			
Trade and Other Receivables	15,012,334		(56,247,826)
Inventories	(8,287,541)		(73,306,316)
Trade and Other Payables	16,961,988		15,770,260
Cash (Used in) Operations	(155,709,939)		(81,093,309)
Direct Taxes Paid (net)	(1,459,025)		(4,309,309)
Net cash (Used in) Operating Activities	(157,168,964)		(85,402,618)
B) Cash Flow from Investing Activities:			
Purchase of Fixed Assets	(25,347,690)		(176,632,681)
Sale of Fixed Assets	25,549,777		79,325
Advance received on sale of land	160,000,000		-
Dividend from Investments	18,055		804,484
Purchase of Investments	(17,895)		(7,892)
Sale of Investments	-		70,693,394
Interest Received	257,506		849,206
Rent	2,645,500		4,884,000
Net cash Generated from / (Used in) Investing Activities	163,105,253		(99,330,164)
C) Cash flow from Financing Activities:			
Dividend paid (Including Dividend Distribution Tax)	(4,643,971)		(4,546,844)
Interest Expense	(33,703,847)		(12,311,367)
Foreign Currency Demand Loan obtained	19,185,316		19,156,379
Foreign Currency Demand Loan repaid	(19,156,379)		(20,850,465)
Loan obtained from a relative of director	10,000,000		-
Loan from a relative of director repaid	(10,000,000)		-
Term Loan obtained	20,000,000		140,000,000
Term Loan repaid	(18,000,000)		(10,000,000)
Unsecured Loan obtained	-		35,000,000
Net Cash (Used in) / Generated from Financing Activities	(36,318,881)		146,447,703
D) Net decrease in Cash and Cash Equivalents	(30,382,592)		(38,285,079)
E) Cash and Cash Equivalents as at March 31, 2010 (Opening Balance)	(46,991,118)		(8,706,039)
F) Cash and Cash Equivalents as at March 31, 2011 (Closing Balance)			
Cash and Bank Balance			
(Includes unrealised Loss in Foreign Exchange			
Rs. 14,567 : Previous year unrealised Gain Rs. 127,339)	21,878,564		36,475,560
Book Overdraft	-		(2,478,881)
Cash Credit Utilised	(99,252,274)	(77,373,710)	(80,987,797)
			(46,991,118)

- 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"
 - Cash and Cash equivalents include deposits under lien toward bank guarantee of Rs. 3,782,637 (Previous Year : Rs. 3,782,637)]
 - 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.

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

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

Uday Shah
Partner
Membership No. F-46061

Place: Mumbai
Dated: May 18, 2011

For and on behalf of the Board

J. P. Goenka Chairman
Ravi Swaminathan Managing Director

R. C. Khanna }
A. Goenka }
R. A. Shah } Directors
Nitin Kaul }
M. K. Sharma }

Rama Subramanian Company Secretary
Mumbai,
Dated: May 18, 2011

Annexure A

Information for each class of goods manufactured

Class of Goods Manufactured	Licensed Capacity		Installed Capacity		Production during the year		Opening Stock of Goods Produced			Closing stock of Goods Produced			
	Quantity Nos. '000 2010-11	Quantity Nos. '000 2009-10	Quantity Nos. '000 2010-11	Quantity Nos. '000 2009-10	Quantity Nos. '000 2010-11	Quantity Nos. '000 2009-10	Quantity Nos. '000 2010-11	Quantity Nos. '000 2009-10	Quantity Nos. '000 2010-11	Quantity Nos. '000 2009-10	Quantity Nos. '000 2010-11	Value Rupees 2009-10	Value Rupees 2010-11
Valve Cores	56,200	56,200	56,200	56,200	6	50	12	17	-	7,500	-	12	-
Passenger & Truck Valves	56,001	56,001	56,001	56,001	10,301	17,203	958	265	14,881,175	3,560,916	-	925	14,881,175
Valve Caps	43,700	43,700	43,700	43,700	2,072	2,975	-	-	-	-	-	-	-
Hex & Rim Nuts	3,300	3,300	3,300	3,300	907	1,047	30	138	6,688	30,245	111	30	277,611
Hydraulic & Pneumatic Equipment (Nos./Sets)	42,562	42,562	90,000*	90,000*	179,463	140,785Nos.	2,514	4,169 Nos.	1,951,696	3,213,492	3,934	2,514	2,013,525
Tyre Pressure Gauges	25,600	25,600	20,600	20,600	6,472	4,403Nos.	56	56 Nos.	-	-	-	56	-
Spark Foot Air Chucks	5,125	5,125	4,100	4,100	10	317Nos.	32	32 Nos.	6,000	5,895	-	32	6,000
Ball Foot Air Chucks	18,750	18,750	15,000	15,000	-	- Nos.	-	- Nos.	-	-	-	-	-
Blow guns	12,500	12,500	45,000	45,000	993	1,719Nos.	-	75 Nos.	-	12,732	60	-	1,616
Check Units	12,500	12,500	45,000	45,000	-	- Nos.	-	-	-	-	-	-	-
Tyre Tread Depth Gauges	25,000	25,000	20,000	20,000	-	- Nos.	-	-	-	-	-	-	-
Others					440,901	1,423,058	63,156	30,075	598,049	422,431	32,356	63,156	508,028
									17,443,608	7,253,211			2,800,780

Notes : 1 The Figures of licensed capacities are inclusive of additional 25% permissible under general exemption.

2 The installed capacities are as per Certificates given by the Manufacturing Managers Automotive and Fluid Power Products Divisions respectively on which the Auditors have relied

* The installed capacity is based on improved product mix, additional small scale vendor development and higher productivity as a result of Bombay Productivity study.

For and on the behalf of the Board

J. P. Goenka	Chairman
Ravi Swaminathan	Managing Director
R. C. Khanna	}
A. Goenka	}
Nitin Kaul	} Directors
R. A. Shah	}
M. K. Sharma	}
Rama Subramanian	} Company Secretary

Mumbai
May 18,2011

Schrader Duncan Limited

ANNEXURE B

Balance Sheet Abstract and Company's General Business Profile.

I. Registration Details

Registration No.	:	23673
State Code	:	11
Balance Sheet Date	:	March 31, 2011

II. Capital Raised during the year (Rs. in Thousand)

	2010-2011
Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

III. Position of Mobilisation and Deployment of Funds (Rs in Thousand)

Total Liabilities	391,965
Total Assets	391,965

Sources of Funds

Paid up Capital	36,960
Reserves and Surplus	66,031
Secured Loans	252,079
Unsecured Loans	36,895
Deferred Tax Liability	-

Application of Funds

Net Fixed Assets	328,571
Investments	1,718
Net Current Assets	61,676
Miscellaneous Expenditure	-
Accumulated Losses	-

VI. Performance of Company (Rs. in Thousand)

Turnover	504,945
Total Expenditure	720,956
Profit/(Loss) Before Taxation	(216,011)
Profit/(Loss) after Taxation	(212,080)
Earnings per share (annualised)	(57.38)
Dividend Rate %	0%

V. Generic Names of principal products/services of Company (as per monetary terms)

Item Code No. (ITC Code)	:	8481.80
Product Description	:	A Automotive tyre tube valves and accessories B Hydraulic and Pneumatic Equipment

For and on behalf of the Board

J. P. Goenka	Chairman
Ravi Swaminathan	Managing Director
R. C. Khanna }	
A. Goenka }	
R. A. Shah }	Directors
Nitin Kaul }	
M. K. Sharma }	
Rama Subramanian	Company Secretary

Place: Mumbai

Dated: May 18, 2011

Statement pursuant to Section 212(3) of the Companies Act, 1956

1. Name of the Subsidiary : Associated Polymers Limited

2. Number of Shares held by Schrader Duncan Limited with its nominees as at March 31 ,2011

Number of Shares	:	150,007
Value	:	Rs. 1,500,070

3. Net aggregate amount of the subsidiary's profit upto the period ended March 31,2011 so far as it concerns the members of Schrader Duncan Limited
 - a) The extent of the Company's interest in it's Subsidiary : 100%

 - b) Not dealt with in the accounts of Schrader Duncan Limited
 - i) 2010-2011 : Rs. 10,314
 - ii) in repect of earlier years : Rs. 38,091,587

Total : Rs. 38,101,901

 - c) Dealt with in the accounts of Schrader Duncan Limited
 - i) 2010-2011 : Nil
 - ii) in repect of earlier years : Rs. 16,530,488

For and on behalf of the Board

J. P. Goenka	Chairman
Ravi Swaminathan	Managing Director
R. C. Khanna	}
A. Goenka	}
R. A. Shah	} Directors
Nitin Kaul	}
M. K. Sharma	}
Rama Subramanian	Company Secretary

Mumbai
May 18, 2011

Associated Polymers Limited

Annual Report 2010-2011

BOARD OF DIRECTORS

Mr Ravi Swaminathan Chairman

Mr Arvind Goenka Director

Mr Jean Michel Bolmont Director

Corporate Information

Registered Office

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

Auditors

Price Waterhouse & Co

Plants

E-1 MIDC, Tarapur
Boisar 401 501
Maharashtra

Bankers

State Bank of India

Legal Advisors

Crawford Bayley & Co

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Associated Polymers Limited

Notice

NOTICE is hereby given that the Thirty Fifth Annual General Meeting of the members of **Associated Polymers Limited** will be held at the registered office of the Company at F-33, Ranjangaon MIDC, Karegaon, Tal Shirur, Pune 412 209 on Thursday, January 28, 2011 at 2.00 p.m. for transacting the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr Ravi Swaminathan who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

NOTES:

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

By Order of the Board

Registered Office:
F-33, Ranjangaon MIDC
Karegaon, Tal Shirur
Pune 412 209
May 18, 2011

Ravi Swaminathan
Director

Directors' Report

Your Directors present here below their Thirty Fifth Report to the shareholders together with the accounts for the year ended March 31, 2011. The operating results as disclosed in the accounts are summarised below:

	2010-2011	2009-2010
		₹ in million
Profit before charging depreciation and taxes	0.14	1.71
Depreciation	0.12	0.26
Profit before tax	0.02	1.45
Less : Provision for tax	0.00	(0.01)
Profit after tax	0.02	1.46
Balance carried from previous year	29.27	27.82
Balance carried forward	29.29	29.28

Dividend

The Board of Directors considers it prudent to conserve resources for future and does not recommend any dividend.

Production and Sales

Pursuant to the closure of the Mulund Plant of the holding company, the supply of rubber compound was made only to the Ranjangaon Plant of the holding company which resulted in lower volumes.

During the year ended March 31, 2011 the Company processed 126 M.T. of rubber compound and various polymers against producing 546 M.T. the previous year.

Change of registered office

Pursuant to the special resolution passed by the Shareholders on September 20, 2010 approval has been received from the Regional Director, Western Region, Ministry of Corporate Affairs for changing the Company's registered office from L B S Marg, Mulund West, Mumbai 400 080 to F-33, Ranjangaon MIDC, Karegaon, Tal. Shirur, Pune - 412 209

Public Deposits

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

Conservation of Energy, Technology Absorption, Exports and Foreign Exchange Earnings and Outgo pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:

(i) Conservation of Energy

Installation of compressor and blower have been planned to improve the efficiency of the plant and thereby conserve energy.

Plant maintains good unity power factor.

(ii) Technology Absorption

As the Company is engaged only in conversion, there are no significant efforts towards Research and Development.

(iii) Foreign Exchange Earnings and outgo

During the year, the Company has not earned any foreign exchange. The only foreign exchange spent is on account of payment of director fees for attending meetings of the Board.

Associated Polymers Limited

Industrial Relations

Labour relations have continued to be cordial.

There were no employees employed during the year who were in receipt of or were entitled to receive emoluments including benefits (evaluated under Income Tax Act and Rules thereunder) aggregating to ₹60,00,000 or more per year or ₹5,00,000 or more per month. Therefore, the information required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not applicable to the Company.

Directors

Mr Ravi Swaminathan retires by rotation and being eligible, offers himself for re-appointment.

Directors Responsibility Statement

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

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that the directors had 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;
3. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. that the directors had prepared the annual accounts on a going concern basis.

Report under the Companies (Compliance Certificate) Rules 2001

In accordance with Section 383A of Companies Act, 1956 and Companies (Compliance Certificate) Rules 2001, the Company has obtained a certificate from a Secretary in whole time practice confirming that the Company has complied with all the provisions of the Companies Act, 1956 for the financial year ended March 31, 2011 and a copy of such certificate is annexed (Annexure I)

Auditors

M/s Price Waterhouse & Co., Chartered Accountants, retire at the conclusion of the Annual General Meeting and are eligible for re-appointment. The Company has received a confirmation from them to the effect that their re-appointment, if made, will be within the limits prescribed u/s 224(1B) of the Companies Act, 1956

Acknowledgement

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

On behalf of the Board of Directors

Registered Office:

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

Ravi Swaminathan
Chairman

May 18, 2011

Secretarial Compliance Certificate

To,
The Members
Associated Polymers Limited

We have examined the registers, records, books and papers of **Associated Polymers Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a Public limited Company, comments are not required regarding minimum prescribed paid up capital and maximum number of members as applicable to private limited company.
4. The Board of Directors duly met five times; on 26th May, 2010, 20th July, 2010, 25th August, 2010, 10th November, 2010 and 4th February, 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.
5. The Company was not required to close its Register of Members during the current financial year.
6. The annual general meeting for the financial year ended on 31st March, 2010 was held on 20th July, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. Two Extra ordinary General meeting were held on 20th September, 2010 and 16th March, 2011 for obtaining approval of Shareholders for shifting the registered office of the company and under section 372A for Investment, loan and providing security upto Rs. 5 crore.
8. The Company has not advanced any loans to its Directors or persons or Firms or companies referred in the Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate Share Certificates during the financial year.
13. There was no allotment/ transfer/ transmission of securities during the financial year.
 - (i) The Company has not deposited any amount in Separate Bank Account as no dividend declared during the financial year.

Associated Polymers Limited

- (ii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iii) No amount is lying with the Company in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years which requires to be transferred to Investor Education and Protection Fund.
 - (iv) The Company has duly complied with the requirements of Section 217 of the Act.
- 14.** The Board of Directors of the Company is duly constituted and there was no change in Board of Directors during the Financial Year.
 - 15.** Section 269 of the Act is not applicable and hence the Company is not required to appoint Managing Director / Whole time Director or Manager.
 - 16.** The Company has not appointed any sole-selling agents during the financial year.
 - 17.** The Company had obtained the approval from the Regional Director for shifting of registered office of the company from LBS marg, Mulund (w), Mumbai-400080 to F-33 Ranjangaon, MIDC, Karegaon, Tal Shirur, Pune-412209.
 - 18.** The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 - 19.** The Company has not issued any shares, debentures or other securities during the financial year.
 - 20.** The Company has not bought back any shares during the financial year.
 - 21.** There was no redemption of preference shares or debentures during the financial year.
 - 22.** There was no transaction necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 - 23.** The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Sections 58A of the Act during the financial year.
 - 24.** The Company has not borrowed any amount from directors, members, public, financial institutions, banks and others during the financial year ending 31st March 2011.
 - 25.** The Company has made investments in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
 - 26.** The Company has altered the provisions of the memorandum with respect to situation of the Company's registered office from jurisdiction of ROC Maharashtra, Mumbai to jurisdiction of ROC, Maharashtra, Pune, during the year under scrutiny.
 - 27.** The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
 - 28.** The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.

- 29.** The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
- 30.** The Company has not altered its articles of association during the financial year.
- 31.** There was no prosecution initiated against or show cause notices received by the Company and no fines and penalties or any other punishment imposed on the Company during the financial year, for offences under the Act.
- 32.** The Company has not received any money as security from its employees during the financial year.
- 33.** The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities. Section 418 of the Act is not applicable.

Place : Mumbai
Date : 11th May, 2011

For N. L. Bhatia & Associates
Company Secretaries

Bharat Upadhyay
Partner
CP No. 4457

Annexure 'A'

Registers as maintained by the Company

1. Register of Members u/s 150
2. Minutes book of meeting of Directors u/s 193
3. Minutes book of General Meeting u/s 193
4. Register of Directors u/s 303
5. Register of Directors Shareholding u/s 307
6. Register of Investment u/s 372A
7. Attendance Sheet for Board Meeting

Associated Polymers Limited

Annexure 'B'

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2011.

Sr. No.	Form No./ Return	Filed under Section	For	Date of Filing	Whether Filed within prescribed time yes/no	If delay in filing whether requisite additional fee paid Yes/No
1	Form 23AC & 23ACA	220	Balance Sheet and P&L as on 31 st March, 2010	11 th August, 2010	Yes	N.A.
2	Form - 66	383A	Secretarial Compliance Certificate for the Financial Year ended on 31 st March, 2010	23 rd July, 2010	Yes	N.A.
3	Form 20B Annual Return	159	Annual General Meeting held on 20 th July, 2010	12 th August, 2010	Yes	N.A.
4	Form 32	303 (2)	In respect of Appointment of Mr. Arvind Goenka and Mr. Jean Michel Bolmont w.e.f. 30 th July, 2009.	13 th April, 2010	No	Yes
5	Form 32	303 (2)	In respect of Appointment of Mr. Ravi Swaminathan w.e.f. 21 st July, 2008.	17 th April, 2010	No	Yes
6	Form 23	192	Registration of Resolution with Registrar of Companies for Special Resolution for shifting of registered office.	29 th September, 2010	Yes	N.A.
7.	Form 1AD	17A	Application to RD for confirmation of shifting of registered office	1 st November, 2010	Yes	NA
8.	Form 21	17A	Order of RD confirmation for shifting of registered office	4 th March, 2011	Yes	NA
9	Form 18	146	Change in registered office from LBS marg, Mulund (w), Mumbai-400080 to F-33 Ranjangaon, MIDC, Karegaon, Tal Shirur, Pune-412209	22 nd March, 2011	No	Yes
10	Form 23	372A	Registration of Special Resolution for delegating power to Board for increase in limit for investment, loan and providing security upto Rs. 5 crores	10 th May, 2011	No	Yes

Auditors' Report to the Members of Associated Polymers Limited

1. We have audited the attached Balance Sheet of Associated Polymers Limited (the "Company") as at March 31, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Uday Shah
Partner
Membership Number: F-46061

Place: Mumbai
Date: May 18, 2011

Associated Polymers Limited

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Associated Polymers Limited on the financial statements for the year ended March 31, 2011

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

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

(c) According to the information and explanations given to us, there are no fixed assets disposed of by the Company during the year.
2. There are no stocks of stores and spare parts as all items purchased are charged to consumption and accordingly matters specified in paragraph 4(ii) of the aforesaid Order do not apply to the Company.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.

(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of stores and spares and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. .

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at March 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Associated Polymers Limited on the financial statements for the year ended March 31, 2011

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

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

Uday Shah
Partner
Membership Number: F-46061

Mumbai
May 18, 2011

Associated Polymers Limited

Balance Sheet as at March 31, 2011

Sources of Funds	Schedule	As at March 31, 2011		As at March 31, 2010	
		Rupees	Rupees	Rupees	Rupees
Shareholders' Funds					
Capital	1		1,500,070		1,500,070
Reserves and Surplus	2		38,059,132		38,048,818
Deferred Tax Liability			97,142		90,730
[Refer Notes 1(e) and 3 - Schedule 9]			<u>39,656,344</u>		<u>39,639,618</u>
Application of Funds					
Fixed Assets					
Gross Block	3	6,944,048		6,944,048	
Less : Depreciation		5,720,496		5,594,535	
Net Block			<u>1,223,552</u>		<u>1,349,513</u>
Investments	4		1,127,930		2,075,243
Current Assets, Loans and Advances					
Sundry Debtors	5	532,994		213,248	
Cash and Bank Balances		589,022		1,023,860	
Other Current Assets		1,906,235		18,100	
Loans and Advances		35,951,291		35,627,741	
			<u>38,979,542</u>		<u>36,882,949</u>
Less : Current Liabilities and Provisions					
Liabilities	6	1,602,799		609,376	
Provisions		71,881		58,711	
			<u>1,674,680</u>		<u>668,087</u>
Net Current Assets			<u>37,304,862</u>		<u>36,214,862</u>
Notes to the Accounts	9		<u>39,656,344</u>		<u>39,639,618</u>

Schedules referred to above form an integral part of the Balance Sheet.

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

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

For and on behalf of the Board

Uday Shah
Partner
Membership No. F-46061

Ravi Swaminathan
Chairman

A Goenka
Director

Mumbai,
Date : May 18, 2011

Mumbai,
Date : May 18, 2011

Profit and Loss Account for the year ended March 31, 2011

		2010-11		2009-10	
Income	Schedule	Rupees	Rupees	Rupees	Rupees
Processing Charges			2,327,573		4,496,141
[Tax deducted at source Rs. 46,552 (Previous year : Rs.106,788)]					
Other Income	7		2,277,688		2,955,488
			4,605,261		7,451,629
Expenditure					
Consumption of Stores and Spares (Indigenous)			27,530		81,710
Other Expenses	8		4,436,503		5,663,748
Depreciation			125,961		256,388
			4,589,994		6,001,846
Profit before Taxation			15,267		1,449,783
Less: Provision for Taxation :					
-Current Tax		-		135,000	
-Deferred Tax [Refer Notes 1(e) and 3 - Schedule 9]		6,412		3,520	
Minimum Alternate Tax (MAT) Credit Availed		-		(130,213)	
(Excess)/Short Tax for Earlier Years		(1,459)	4,953	(7,731)	576
Profit After Tax			10,314		1,449,207
Profit and Loss Account Balance Brought Forward			29,269,875		27,820,668
Profit and Loss Account Balance Carried to Balance Sheet			29,280,189		29,269,875
Basic and Diluted Earnings per Share (Rs.)			0.07		9.66
[Refer Note 8 - Schedule 9]					
Notes to the Accounts	9				

Schedules referred to above form an integral part of the Profit & Loss Account

This is the Profit & Loss Account referred to in our report of even date.

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

For and on behalf of the Board

Uday Shah
Partner
Membership No. F-46061

Ravi Swaminathan
Chairman

A Goenka
Director

Mumbai,
Date : May 18, 2011

Mumbai,
Date : May 18, 2011

Associated Polymers Limited

Schedules forming part of the Balance Sheet as at March 31, 2011

Schedule 1

As at
March 31, 2011
Rupees

As at
March 31, 2010
Rupees

Share Capital

Authorised

300,000 Equity shares of Rs. 10 each

3,000,000

3,000,000

Issued, Subscribed and Paid-up

150,007 Equity Shares of Rs. 10 each, fully paid

1,500,070

1,500,070

(All the above Equity Shares are held by Schrader Duncan Limited, the Holding Company and its nominees)

1,500,070

1,500,070

Schedule 2

Reserves and Surplus

General Reserve

As per last Balance Sheet

8,778,943

8,778,943

Profit and Loss Account

29,280,189

29,269,875

38,059,132

38,048,818

Schedule forming part of the Balance Sheet as at March 31, 2011
Schedule 3

Fixed Assets
[Refer Notes 1(b) and 1(c) - Schedule 9]

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Cost as at April 1, 2010	Additions during the year	Deduction during the year	Cost as at March 31, 2011	Accumulated Depreciation as at April 1, 2010	Depreciation for the year	On deduction during the year	Accumulated Depreciation upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Leasehold Land	135,783	-	-	135,783	49,005	1,428	-	50,433	85,350	86,778
Building on Leasehold Land	1,248,268	-	-	1,248,268	1,122,342	10,082	-	1,132,424	115,844	125,926
Plant and Machinery	4,307,577	-	-	4,307,577	3,698,057	76,315	-	3,774,372	533,205	609,520
Laboratory Equipment	279,778	-	-	279,778	204,402	12,793	-	217,195	62,583	75,376
Electrical Installation	870,780	-	-	870,780	455,311	21,895	-	477,206	393,574	415,469
Furniture and Fixtures	43,243	-	-	43,243	31,154	1,394	-	32,548	10,695	12,089
Office Equipment	58,619	-	-	58,619	34,264	2,054	-	36,318	22,301	24,355
Total	6,944,048	-	-	6,944,048	5,594,535	125,961	-	5,720,496	1,223,552	1,349,513

Previous Year	6,910,893	33,155	-	6,944,048	5,338,147	256,388	-	5,594,535	1,349,513
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Associated Polymers Limited

Schedule forming part of the Balance Sheet as at March 31, 2011

Schedule 4

Investments	As at		As at	
	March 31, 2011	March 31, 2011	March 31, 2010	March 31, 2010
Current Investments (Non-trade)	Rupees	Rupees	Rupees	Rupees
Quoted				
Apollo Tyres Limited 1000 equity shares of Rs.1 each fully paid	7,002		7,002	
Ceat Limited 75 equity shares of Rs.10 each fully paid	1,663		1,663	
Summit Securities Limited 4 equity shares of Rs.10 each fully paid	66		66	
Goodyear India Limited 100 equity shares of Rs.10 each fully paid	6,259		6,259	
J. K. Industries Limited 56 equity shares of Rs. 10 each fully paid	1,411		1,411	
J. K. Sugar Limited 15 equity shares of Rs.10 each fully paid	186		186	
J. K. Agri Genetics Limited 10 equity shares of Rs.10 each fully paid	273		273	
TVS Srichakra Tyres Limited 100 equity shares of Rs.10 each fully paid	3,795		3,795	
Falcon Tyres Limited 600 equity shares of Rs.5 each fully paid	1,573		1,573	
MRF Limited 13 equity shares of Rs.10 each fully paid	19,438		19,438	
Triton Valves Limited 50 equity shares of Rs.10 each fully paid	16,252		16,252	
Dunlop India Limited 100 equity shares of Rs.10 each fully paid	1,212		1	
Modi Rubber Limited 100 equity shares of Rs.10 each fully paid	3,042		1	
		62,172		57,920
[Market value of quoted current investments Rs. 332,891 (Previous Year: Rs. 404,231)]				
Unquoted				
1009.30 units (Previous Year:974.04 units) of UTI- Treasury Advantage Fund-Weekly Dividend Plan - Reinvestment of Rs. 1,000 each fully paid [Purchased during the year Nil units Sold during the year Nil units Dividend Reinvested during the year 35.26 units]	1,040,981		1,004,276	
19.50 units (Previous Year: 797.26 units) of UTI-Treasury Advantage Fund-Quarterly Dividend Plan - Re-investment of Rs.1,000 each fully paid [Purchased during the year Nil units Sold during the year 780.85 units Dividend Reinvested during the year 3.09 units]	24,776		1,012,576	
Netflier Finco Limited 18 equity shares of Rs. 10 each fully paid	1		471	
		1,065,758		2,017,323
		1,127,930		2,075,243

Aggregate amount of quoted investment Rs. 62,172 (Previous Year: Rs. 57,920)
 Aggregate amount of unquoted investment Rs. 10,65,758 (Previous Year: Rs. 20,17,323)
 Aggregate amount of market value of quoted investment Rs. 332,891 (Previous Year: Rs. 404,231)

Schedule forming part of the Balance Sheet as at March 31, 2011

Schedule 5

	As at March 31, 2011 Rupees		As at March 31, 2010 Rupees	
Current Assets, Loans and Advances				
Current Assets				
Sundry Debtors (Unsecured, Considered Good)				
Debts over Six Months	-		1,674	
Other Debts	<u>532,994</u>	<u>532,994</u>	<u>211,574</u>	213,248
[Includes Rs. 532,994 (Previous Year : Rs. 213,248) receivable from Schrader Duncan Limited, the holding company]				
Cash and Bank Balances				
Cash on Hand	3,392		17,086	
With Scheduled Banks on Current Account	<u>585,630</u>	<u>589,022</u>	<u>1,006,774</u>	1,023,860
Other Current Assets				
Interest Accrued and due		1,906,235		18,100
[Includes Rs.1,894,883 (Previous Year Rs.4,883) receivable from holding company]				
Loans and Advances (Unsecured, Considered Good)				
Advances Recoverable in Cash or in Kind or for Value to be Received	166,588		111,000	
Inter Corporate Deposit given to holding Company	35,000,000		35,000,000	
Deposits - Others	281,586		281,586	
Advance Tax and Tax Deducted at Source	346,983		79,021	
[Net of Provision for Tax Rs. 13,163,348 (Previous Year Rs. 13,168,135)]				
Minimum Alternate Tax (MAT) Credit Entitlement	<u>156,134</u>	<u>35,951,291</u>	<u>156,134</u>	35,627,741
		<u>38,979,542</u>		<u>36,882,949</u>

Schedule 6

	As at March 31, 2011 Rupees		As at March 31, 2010 Rupees	
Current Liabilities and Provisions				
Current Liabilities				
Sundry Creditors		-		-
- Due to Micro and Small Enterprises				
- Due to Others *		1,479,492		485,107
[Refer Note 9 - Schedule 9]				
Other Liabilities		<u>123,307</u>		<u>124,269</u>
		<u>1,602,799</u>		<u>609,376</u>
Provisions				
Leave Encashment		71,881		58,711
		<u>1,674,680</u>		<u>668,087</u>

* There is no amount due and outstanding to be credited to Investors Education and Protection Fund.

Associated Polymers Limited

Schedule forming part of the Profit and Loss Account for the year ended March 31, 2011

Schedule 7

	<u>2010-11</u> <u>Rupees</u>	<u>2009-10</u> <u>Rupees</u>
Other Income		
Dividend Income from Current Investments:		
- Investments in Mutual Funds	40,653	700,151
- Investments in Equity Shares	3,606	3,359
Interest Income		
- Interest on Inter Corporate Deposit [Tax deducted at Source Rs. 210,000 (Previous Year : Rs. 102,576)]	2,100,000	1,027,562
- Interest-Others [Tax deducted at Source Rs. 3,333 (Previous Year : Rs. 1,468)]	14,685	14,685
- Interest on Income Tax Refund	4,758	-
Profit on Sale of Investments	8,252	684,062
Scrap Sales	-	93,829
Provisions/ Liabilities No Longer Required Written Back	1,755	358,978
Provision for Diminution Written Back	4,252	-
Miscellaneous Income	99,727	72,862
	<u>2,277,688</u>	<u>2,955,488</u>

Schedule forming part of the Profit and Loss Account for the year ended March 31, 2011

Schedule 8	2010-11	2009-10	2010-11	2009-10
	Rupees	Rupees	Rupees	Rupees
Other Expenses				
Employee Costs				
- Salaries, Wages and Bonus	1,515,548		1,675,264	
- Contribution to Provident and Other Funds	91,844		93,993	
- Staff Welfare	25,391		13,899	
- Gratuity [Refer Notes 1(f) and 7 - Schedule 9]	<u>(13,329)</u>	1,619,454	<u>125,264</u>	1,908,420
Insurance		18,462		26,346
Rates and Taxes		48,074		138,281
Conveyance		29,987		29,040
Water Charges		115,248		106,072
Directors' Fees		32,500		27,500
Repairs and Maintenance				
- Building	-		5,980	
- Machinery	63,707		183,889	
- Others	<u>44,548</u>	108,255	<u>64,313</u>	254,182
Power and Fuel		906,769		1,496,855
Legal and Professional Expenses		902,432		1,017,732
Carriage Outward		20,962		41,740
Auditors' Remuneration				
- As Auditors	50,000		50,000	
- Tax Audit	25,000		25,000	
- For Out-of-pocket expenses	<u>4,920</u>	79,920	<u>3,650</u>	78,650
Security Charges		443,597		384,967
Carriage Inward		19,627		42,033
Advances / Bad debts written off		-		330
Diminution in the value of Investment		470		2,239
Miscellaneous		90,746		109,361
		<u>4,436,503</u>		<u>5,663,748</u>

Associated Polymers Limited

Notes forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date

Schedule 9

1. Accounting Policies

(a) Accounting Conventions

These Accounts have been prepared under historical cost convention on accrual basis and comply in material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under Section 211 (3C) of the Companies Act, 1956 ("the Act") and as prescribed by The Companies (Accounting Standards) Rules 2006 (as amended).

(b) Fixed Assets

Fixed assets are stated at cost less depreciation, where applicable.

(c) Depreciation

Depreciation has been calculated on Straight Line Method on the original cost of the assets at the revised rates given in Schedule XIV to the Act.

(d) Investments

Long term Investments are valued at cost less other than temporary diminution in value. Current Investments are stated at lower of cost and market value.

(e) Taxation

(a) Current Tax

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

(b) Deferred Tax

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

(c) Minimum Alternate Tax (MAT) Credit Entitlement

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

(f) Employees benefits

i. Contribution towards the defined contribution plans are recognised in the Profit and Loss Account on accrual basis.

ii. Leave Encashment has been determined and accrued on the basis of actuarial valuation.

(g) Revenue Recognition

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

(h) Interest Income and Dividend

a. Interest Income is accounted on accrual basis

b. Dividend income on investments is accounted for when the right to receive the payment is established.

Notes forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date

Schedule 9 - Continued

(i) Impairment of Assets

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

(j) Provisions and Contingencies

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

(k) 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/ materialised.

2. The relevant information in respect of processing done by the Company are as under:

Particulars	Licensed Capacity	Installed Capacity	Production during the Year	Opening Stock of goods Produced		Closing Stock of goods Produced	
	M.T.	M.T	M.T	Qty M.T	Value Rupees	Qty M.T	Value Rupees
Processing	Not Applicable *	1,800 **	126	--	--	--	--
Previous Year	Not Applicable *	1,800 **	564	--	--	--	--

* Company is advised by Director General of Trade and Development that since the Company's main business is processing various compounds to its customers' specification, it is not required to obtain Industrial license.

** The installed capacity of the Company depends on the specifications of the customers. The figures given are for the Rubber Compound only and is as certified by the Directors on which Auditors have relied.

3. Deferred Tax :

The Deferred Tax balances are set out below :

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
Deferred Tax Liability:		
Depreciation	97,142	90,730
	97,142	90,730

Associated Polymers Limited

Notes forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date

Schedule 9 - Continued

4. Related Party Disclosure (As identified by the Management)

Related party disclosure as required by AS-18, "Related Party Disclosure" are given below:

a) Relationship:

- i) Holding Company : Schrader Duncan Limited
- ii) Key Management Personnel : Mr. Ravi Swaminathan, Chairman

b) The following transactions were carried out with the related parties in the ordinary course of business

(i) Transactions during the year with Holding Company and year-end balances:

Transactions	Rupees	
	2010-2011	2009-2010
Processing charges	2,327,573	3,143,340
Loan taken during the year	150,000	-
Expenses incurred on behalf of Holding Company	20,100,000	-
Inter Corporate Deposit Given	-	35,000,000
Interest on Inter Corporate Deposit	2,100,000	1,027,562
Professional Fees	780,000	900,000
Year-end balances	Rupees	
	As at March 31, 2011	As at March 31, 2010
Sundry Debtors	532,994	213,248
Sundry Creditors	987,977	-
Inter Corporate Deposit	35,000,000	35,000,000
Interest Accrued and due on Inter Corporate Deposit	1,894,883	4,883

(ii) Sitting fees paid to Key Managerial Personnel Rs. 12,500 (Previous Year: Rs. 10,000).

5. Segment Reporting:

In accordance with Accounting Standard-17, "Segment Reporting" as prescribed by The Companies (Accounting Standards) Rules, 2006, the Company's Business Segment is "Processing of Rubber Compound" and it has no other Primary reportable segments. Thus the segment revenue, segment result, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets, total amount of charges for depreciation during the year, is as reflected in the Financial Statement as of and for the year ended March 31, 2011. The Company caters to the needs of the domestic market and hence there are no reportable geographical segments.

6. Details of turnover for the year and quantitative details thereof are as under:

	2010 - 2011		2009 - 2010	
	Qty M.T.	Value Rupees	Qty M.T.	Value Rupees
Processing Charges	126	2,327,573	564	4,496,141

Notes forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date

Schedule 9 - Continued

7. The Company has classified various employee benefits plans as under:

(A) Defined contribution plans

- a. Provident fund
- b. Labour Welfare Fund

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner. 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 Profit and Loss Account for the year:

	Year ended March 31, 2011 Rupees	Year ended March 31, 2010 Rupees
Contribution to Provident Fund	90,656	92,733
Contribution to Labour Welfare Fund	1,188	1,260
Total	<u>91,844</u>	<u>93,993</u>

(B) Defined Benefit Plans

a. Gratuity

Valuation in respect of Gratuity has been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Discount Rate (Per annum)	8.25%	7.00%
Rate of increase in Compensation levels	6.00%	6.00%
Rate of Return on Plan Assets	8.00%	8.00%

	Year ended March 31, 2011 Rupees	Year ended March 31, 2010 Rupees
(i) Changes in present value of obligation		
Present Value of Defined Benefit Obligation at the beginning of the year	734,683	547,529
Interest Cost	61,034	40,099
Current Service Cost	29,450	25,310
Benefit Paid	(48,657)	-
Actuarial (Gains)/Loss	(39,582)	121,745
Present Value of Defined Benefit Obligation as at the end of the year	736,928	734,683
(ii) Changes in Fair value of plan assets		
Fair Value of Plan assets at the beginning of the year	749,545	687,656
Expected return on Plan Assets	58,017	55,012
Actuarial gain/(loss) on Plan Assets	6,215	6,877
Benefit Paid	(48,657)	-
Actual Company Contribution	-	-
Fair value of Plan Assets as at the end of the year	765,120	749,545

Associated Polymers Limited

Notes forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date

Schedule 9 - Continued

	Year ended March 31, 2011 Rupees	Year ended March 31, 2010 Rupees
(iii) Percentage of each category of plan assets to total fair value of plan assets as at March 31, 2011		
Administered by Life Insurance Corporation of India	100%	100%
(iv) Reconciliation of the Present Value of Defined Present Obligations and the Fair value of Assets		
Present value of Funded Obligation as at the end of the year	736,928	734,682
Fair value of Plan Assets as at the end of the year	765,120	749,545
(Asset)/Liability recognised in the Balance Sheet	(28,192)	(14,863)
(v) Amounts recognised in the Balance Sheet		
Present value of Obligation as at the end of the year	736,928	734,682
Fair value of Plan Assets as at the end of the year	765,120	749,545
Funded (Asset)/Liability recognised in the Balance Sheet (included in "Advances recoverable in cash or in kind for value to be received")	(28,192)	(14,863)
(vi) Expenses recognised in the Profit and Loss Account		
Current Service Cost	29,449	25,310
Interest Cost	61,034	40,099
Expected Return on Plan Asset	(58,017)	(55,012)
Net Actuarial (Gain)/Loss	(45,795)	114,868
Total Expenses recognised in the Profit and Loss Account	(13,329)	125,264
(vii) Expected Employer's contribution for the next year	26,579	27,641
(viii) Experience adjustments		
On Plan Liabilities Gain/ (Loss)	62,270	62,081
On Plan Assets Gain/ (Loss)	6,215	6,877

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

		Rupees			
Sr. No.	Particulars	2010-11	2009-10	2008-09	2007-08
(i)	Present value of defined benefit obligation	736,928	734,682	547,529	470,688
(ii)	Fair Value of Plan Assets	765,120	749,545	687,656	625,089
(iii)	Surplus/ (Deficit) in the Plan	28,192	14,863	140,127	154,401
(iv)	Experience adjustments on Plan Liabilities Gain/ (Loss)	62,270	62,081	(37,652)	-
(v)	Experience adjustments on Plan Assets Gain/ (Loss)	6,215	6,877	12,560	-

Since the Company has adopted AS – 15 for the first time during the financial year ended March 31, 2008, hence the disclosure for gratuity figures as required by para 120(n) of AS – 15 have not been presented for the financial year prior to 2007-2008.

(D) The Liability for Leave Encashment and compensated balances as at year end is Rs. 71,881 (Previous Year Rs. 58,711).

Notes forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date

Schedule 9 - Continued

8. Earnings Per Share

Earnings Per Share (EPS)	2010-2011	2009-2010
Profit available for Equity Shareholders (Numerator used for calculation) (Rs.)	10,314	1,449,207
Weighted average number of shares of Rs. 10 each used as denominator for calculating Basic and Diluted EPS. (Nos.)	150,007	150,007
Basic and Diluted Earnings per Share (Rs.)	0.07	9.66

- 9.** Based on the information and records available with the Company, there are no companies which fall under the categories defined under Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by the auditors.
- 10.** Information pursuant to the other paragraphs of Part II of Schedule VI to the Act is either nil or not applicable to the Company for the year ended March 31, 2011.
- 11.** Previous Year's figures have been re-grouped / re-arranged wherever necessary.

Signatures to Schedules 1 to 9 forming part of the financial statements.

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

For and on behalf of the Board

Uday Shah
Partner
Membership No: F-46061

Ravi Swaminathan
Chairman

A. Goenka
Director

Mumbai,
Date : May 18, 2011

Mumbai,
Date : May 18, 2011

Associated Polymers Limited

Cash Flow Statement for the year ended March 31, 2011

	2010-2011		2009-2010	
	Rupees	Rupees	Rupees	Rupees
A) Cash Flow from Operating Activities :				
Net Profit Before Taxation		15,267		1,449,783
Adjustments for:				
Depreciation		125,961		256,388
Diminution in the value of Investments		470		2,239
Interest income		(2,119,443)		(1,042,247)
Dividend Income		(44,259)		(703,510)
Provisions/ Liabilities No Longer Required Written Back		(1,755)		(358,978)
Provision for diminution written back		(4,252)		-
Profit on Sale of Investments (net)		(8,252)		(684,062)
		<u>(2,051,530)</u>		<u>(2,530,170)</u>
Operating Loss before Working Capital Changes		<u>(2,036,263)</u>		<u>(1,080,387)</u>
Adjustments for:				
Trade and Other Receivable		(375,334)		917,498
Trade and Other Payables		856,593		(628,332)
		<u>(518,741)</u>		<u>(160,834)</u>
Cash Generated (used in)/from Operations		<u>(1,555,005)</u>		<u>(791,221)</u>
Direct Taxes paid		(259,990)		(211,762)
Net Cash (used in) Operating Activities		<u>(1,814,995)</u>		<u>(1,002,983)</u>
B) Cash flow from Investing Activities :				
Purchase of Fixed Assets		-		(33,155)
Purchase of Investments		-		(2,000,000)
Sale of Investments		959,347		36,743,103
Inter Corporate Deposit given to holding company		-		(35,000,000)
Interest Received		226,550		1,035,505
Dividend Received		44,259		708,510
Net Cash from Investing Activities		<u>1,230,156</u>		<u>1,453,963</u>
C) Cash flow from Financing Activities :				
Loan from Holding Company		150,000		-
Net Cash from Financing Activities		<u>150,000</u>		<u>-</u>
D) Net (decrease)/increase in Cash and Cash Equivalents (A+B+C)		<u>(434,838)</u>		<u>450,980</u>
E) Cash and Cash Equivalents as at March 31, 2010 (Opening Balance)		1,023,860		572,880
F) Cash and Cash Equivalents as at March 31, 2011 (Closing Balance)				
- Cash on Hand		3,392		17,086
- Balance with Scheduled Banks		<u>585,630</u>	<u>589,022</u>	<u>1,006,774</u>
				1,023,860

Note : The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statements".

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

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

For and on behalf of the Board

Uday Shah
Partner
Membership No. F-46061

Ravi Swaminathan
Chairman

A Goenka
Director

Mumbai,
Date : May 18, 2011

Mumbai,
Date : May 18, 2011

**Additional information pursuant to Part IV of Schedule VI to the Act
Balance Sheet Abstract and Company's General Business Profile.**

I. Registration Details

Registration No. : 18679
 State Code : 11
 Balance Sheet Date : March 31, 2011

II. Capital Raised during the year (Amount in Rs. Thousands)

	2010-2011
Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

**III. Position of Mobilisation and Deployment of Funds
(Amount in Rs. Thousands)**

Total Liabilities	39,656
Total Assets	39,656

Sources of Funds

Paid up Capital	1,500
Reserves and Surplus	38,059
Deferred Tax Liability	97
Secured Loans	Nil
Unsecured Loans	Nil

Application of Funds

Net Fixed Assets	1,223
Investments	1,128
Net Current Assets	37,305
Miscellaneous Expenditure	Nil
Accumulated Losses	Nil

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	4,605
Total Expenditure	4,590
Profit before Taxation	15
Profit after Taxation	10
Earnings per share (annualised)	0.07
Dividend Rate %	Nil

V. Generic Names of principal products/services of Company (as per monetary terms)

Item Code No. (ITC Code) : --
 Product Descriptions : Processing of Rubber Compound

For and on behalf of the Board

Ravi Swaminathan **A. Goenka**
 Chairman Director
 Mumbai,
 May 18,2011

Consolidated

Annual Report 2010-2011

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SCHRADER DUNCAN LIMITED

TO THE BOARD OF DIRECTORS OF SCHRADER DUNCAN LIMITED

1. We have audited the attached Consolidated Balance Sheet of Schrader Duncan Limited (the "Company") and its Subsidiary; hereinafter referred to as the "Group" (refer Note 1 on Schedule 13 to the attached consolidated financial statements) as at March 31, 2011, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21 - Consolidated Financial Statements, notified under Section 211(3C) of the Companies Act, 1956.
4. In our opinion and to the best of our information and according to explanations given to us, the attached consolidated financial statements give, a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
 - b) in the case of the consolidated Profit and Loss Account, of the Loss for the year ended on that date: and
 - c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Uday Shah
Partner
Membership No. F-46061

Place: Mumbai
Date: May 18, 2011

Schrader Duncan Limited

Consolidated Balance Sheet as at March 31, 2011

Sources of Funds	Schedule	As at March 31, 2011		As at March 31, 2010	
		Rupees	Rupees	Rupees	Rupees
Shareholders' Funds					
Capital	1	36,960,000		36,960,000	
Reserves and Surplus	2	<u>104,090,655</u>	<u>141,050,655</u>	<u>316,160,014</u>	353,120,014
Loan Funds					
Secured Loans	3		<u>252,078,549</u>		231,432,134
Deferred Tax Liability (Net)			<u>97,142</u>		4,022,324
[Refer Notes 1(i) and 6 - Schedule 14]					
			<u><u>393,226,346</u></u>		<u><u>588,574,472</u></u>
Application of Funds					
Fixed Assets	4				
Gross Block		402,580,368		398,120,921	
Less : Depreciation		<u>74,084,510</u>		<u>67,940,093</u>	
Net Block		<u>328,495,858</u>		<u>330,180,828</u>	
Capital Work-in-Progress		<u>1,299,031</u>		<u>3,812,792</u>	
			<u>329,794,889</u>		333,993,620
Investments	5		<u>1,345,330</u>		2,274,748
Current Assets, Loans and Advances	6				
Inventories		162,797,640		154,510,099	
Sundry Debtors		<u>104,644,802</u>		<u>122,753,741</u>	
Cash and Bank Balances		<u>22,467,586</u>		<u>37,499,420</u>	
Loans and Advances		<u>66,265,271</u>		<u>62,442,036</u>	
		<u>356,175,299</u>		<u>377,205,296</u>	
Less : Current Liabilities and Provisions	7				
Liabilities		290,635,836		117,613,687	
Provisions		<u>3,453,336</u>		<u>7,285,505</u>	
		<u>294,089,172</u>	<u>62,086,127</u>	<u>124,899,192</u>	252,306,104
			<u><u>393,226,346</u></u>		<u><u>588,574,472</u></u>
Notes to the Accounts	13				

Schedules referred to above form an integral part of the Consolidated Balance Sheet.

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

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

Uday Shah
Partner
Membership No. F-46061

For and on behalf of the Board

J. P. Goenka Chairman
Ravi Swaminathan Managing Director
R. C. Khanna }
A. Goenka }
R. A. Shah }
Nitin Kaul } Directors
M. K. Sharma }
Rama Subramanian Company Secretary

Place: Mumbai
Dated: May 18, 2011

Mumbai,
May 18, 2011

Consolidated Profit and Loss Account for the year ended March 31, 2011

	Schedule	2010-11		2009-10	
		Rupees	Rupees	Rupees	Rupees
Income					
Sales (Net of Sales Tax) (Refer Notes 1(m) and 11 - Schedule 13)		555,942,434		608,281,253	
Less : Discount on Sales		7,033,851		6,429,075	
		<u>548,908,583</u>		<u>601,852,178</u>	
Less: Excise Duty		<u>50,016,894</u>	498,891,689	<u>45,227,158</u>	556,625,020
Processing Charges			-		1,352,801
Services			-		3,086,860
Other Income	8		<u>5,450,566</u>		<u>12,192,605</u>
			<u>504,342,254</u>		<u>573,257,286</u>
Expenditure					
Material Consumed	9		<u>322,878,152</u>		335,354,495
Stores and Spares Consumed			<u>21,456,474</u>		19,974,629
Other Expenses	10		<u>182,271,112</u>		179,058,306
Interest and Finance Expenses	11		<u>33,846,849</u>		12,576,647
Depreciation			<u>25,135,894</u>		16,160,371
			<u>585,588,481</u>		<u>563,124,448</u>
(Loss)/Profit before Taxation & before exceptional items			<u>(81,246,226)</u>		10,132,838
Exceptional items (net)	12		<u>134,749,774</u>		-
(Loss)/Profit before Taxation & after exceptional items			<u>(215,996,000)</u>		10,132,838
(Less) : Provision for Taxation					
- Current				1,735,000	-
- Deferred			<u>(39,25,182)</u>		2,993,623
(Refer Notes 1(i) and 6 - Schedule 13)					
Minimum Alternate Tax (Mat) Credit (Excess) / Short Provision for earlier years		<u>(1,459)</u>	<u>(39,26,641)</u>	(1,668,792) 114,414	<u>3,174,245</u>
(Loss)/Profit after Taxation			<u>(212,069,359)</u>		6,958,593
Profit and Loss Account Balance Brought Forward			<u>235,046,351</u>		<u>232,962,893</u>
			<u>22,976,992</u>		<u>239,921,486</u>
Appropriation :					
Less : Final Dividend		-		3,696,000	
Tax on Dividend		-		628,135	
Transfer to General Reserve		-		<u>551,000</u>	
					4,875,135
			<u>22,976,992</u>		<u>235,046,351</u>
Profit and Loss Account Balance carried to Balance Sheet					
			<u>(57.38)</u>		1.88
Basic and Diluted Earnings per Share (in ₹)					
(Refer Note 10 - Schedule 13)					
Notes to the Accounts	13				

Schedules referred to above form an integral part of the Consolidated Profit and Loss Account.

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

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

Uday Shah
Partner
Membership No. F-46061

Place: Mumbai
Dated: May 18, 2011

For and on behalf of the Board

J. P. Goenka Chairman
Ravi Swaminathan Managing Director

R. C. Khanna }
A. Goenka }
R. A. Shah }
Nitin Kaul } Directors
M. K. Sharma }
Rama Subramanian Company Secretary

Mumbai,
May 18, 2011

Schrader Duncan Limited

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2011

Schedule 1	As at March 31, 2011		As at March 31, 2010	
	Rupees	Rupees	Rupees	Rupees
Share Capital				
Authorised				
5,000,000 Equity Shares of Rs. 10 each		50,000,000		50,000,000
Issued, Subscribed and Paid-up				
3,696,000 Equity Shares of Rs. 10 each, fully paidup		36,960,000		36,960,000
Note:				
Of the above 3,346,000 Equity Shares were allotted as fully paid-up Bonus Shares by way of Capitalisation from General Reserve.				
		36,960,000		36,960,000

Schedule 2

Reserves and Surplus

General Reserve

Balance as per last Balance Sheet	81,113,663	80,562,663
Add : Transfer from Profit and Loss Account	-	551,000
	81,113,663	81,113,663

Profit and Loss Account

22,976,192	235,046,351
104,090,655	316,160,014

Schedule 3

Secured Loans

Cash Credit from Bank (Repayable on demand) (Refer Note 1 below)	99,252,274	80,987,797
Foreign Currency Demand Loan (Refer To Note 1 Below) [Repayable within one year Rs.19,185,314 (Previous Year :Rs.19,156,379)]	19,185,316	19,156,379
Term Loan from Bank (Refer Note 2 below) [Repayable within one year : Rs. 30,000,000 (Previous Year : Rs. 18,000,000)]	132,000,000	130,000,000
Interest Accrued and due		
- On Term Loan	1,522,026	1,167,106
- On Foreign Currency Demand Loan	118,933	120,852
	252,078,549	231,432,134

Notes :

- 1) Cash Credit & foreign currency Demand loan from Bank is secured by First hypothecation charge on the company's entire current assets, present and future first charge on company's movable fixe asset at mahape plant & nasik plant extension first charge on tangible fixed Assets at Ranjangaon, Pune. Furtherby Corporate Guarantees of i) Tomkins Plc., London & ii) Cosmopolitan Investments Ltd.
- 2) Term Loan from Bank is secured by exclusive mortgage/hypothecation charge on the tangible fixed assets at Ranjangaon, Pune First charge on the company's movable fixed asset at mahape plant & nasik plant & second charge on the company's current assets and Corporate Guarantees by i) Tomkins Plc., London & ii) CosmopolitanInvestments Ltd.

Schedule forming part of the Consolidated Balance Sheet as at March 31, 2011
Schedule 4
Fixed Assets

[Refer Notes 1(c) and 1(d) - Schedule 13]

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at April 1, 2010	Addition during the year	Deduction during the year	Cost as at March 31, 2011	Accumulated Depreciation as at April 1, 2010	For the year	On Deductions during the year	Accumulated Depreciation upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Freehold Land (Refer Note 1 below)	320,504	-	-	320,504	-	-	-	-	320,504	320,504
Leasehold Land	20,618,553	-	-	20,618,553	266,178	221,618	-	487,796	20,130,757	20,352,375
Building on Freehold Land (Refer Note 1 Below)	5,845,555	-	-	5,845,455	49,13,928	931,626	-	5,845,554	1	931,627
Building on Leasehold Land (Refer Note 2 & 3 below)	142,235,617	1,947,710	-	144,183,327	33,07,303	3,944,214	-	7,251,517	136,931,810	138,928,314
Machinery, Workshops and Laboratory Equipment (Refer Note 3 below)	158,928,147	16,581,708	13,820,377	161,689,478	41,266,938	13,943,674	12,189,100	43,021,512	118,667,966	117,661,209
Electrical Installations	25,008,611	1,742,003	2,010,533	24,740,081	2,045,644	1,107,819	1,087,207	2,066,256	22,673,825	22,962,967
Air-conditioning Equipment	2,950,792	253,363	21,105	3,183,050	101,407	145,085	7,300	239,192	2,943,858	2,849,365
Furniture, Fixture and Office Equipment	37,836,732	6,787,481	7,358,070	37,266,143	12,793,040	4,375,300	5,633,236	11,535,104	25,731,039	25,043,692
Vehicle	1,366,264	-	-	1,366,264	352,793	191,965	-	544,758	821,506	1,013,471
Leasehold Improvement	3,010,146	549,186	191,919	3,367,413	2,892,862	274,593	74,634	3,092,821	274,592	117,284
Total	398,120,921	27,861,451	23,402,004	402,580,368	67,940,093	25,135,894	18,991,477	74,084,510	328,495,858	330,180,828
Previous Year	80,298,791	317,989,315	167,185	398,120,921	51,864,504	16,160,371	84,782	67,940,093		
Capital Work-in-Progress (Including Capital Advances)									1,299,031	3,812,792
									329,794,889	333,993,620

Note: (1) Represents assets held for sale, valued at lower their a net book value and net realisable value

(2) Advance rent against lease premises is being amortised over a period of 60 year lease.

(3) Amount of borrowing cost aggregating Rs. Nil (Previous Year Rs. 71,70,800) is capitalised during the year.

Schrader Duncan Limited

Schedule forming part of the Consolidated Balance Sheet as at March 31, 2011

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees	As at March 31, 2010 Rupees
Schedule 5			
Investments			
[Refer Note 1(h) - Schedule 13]			
Long Term Investments (Non-trade)			
Unquoted			
360 fully paid Equity Shares of Rs. 100 each in Duncan Services Limited (includes 180 shares received as fully paid Bonus Shares)	18,000		18,000
National Saving Certificate (Lodged as security deposit with Sales Tax Authorities)	10,000		10,000
UTI Balanced Fund (Income-Reinvestment) 12,686.66 Units(Previous Year: 11,930,00) of Rs. 10 each fully paid-up (Dividend units Re-invested during the year 756.66)	187,959		170,064
		215,959	198,064
Quoted			
800 fully paid Equity Shares of Rs. 2 each in Swan Mills Limited	<u>1,441</u>	<u>1,441</u>	1,441
[Market value of quoted long term investments Rs. 78,560 (Previous Year : Rs. 118,320)]			
Current Investments (Non-trade)			
Unquoted			
1009.30 units (Previous Year: 974.04 units) of UTI-Treasury Advantage Fund-Weekly Dividend Plan Re-investment of Rs. 1,000 each fully paid [Purchased during the year Nil units Sold during the year Nil units Dividend Reinvested during the year 35.26 units]	1,040,981		1,004,276
19.50 units (Previous Year:797.26 units) of UTI-Treasury Advantage Fund-Quarterly Dividend Plan - Re-investment of Rs.1,000 each fully paid [Purchased during the year Nil units Sold during the year 780.85 units Dividend Reinvested during the year 3.09 units]	24,776		1,012,576
Netflir Finco Limited (18 equity shares of Rs.10 each fully paid)	1		471
		1,065,758	2,017,323

Schedule forming part of the Consolidated Balance Sheet as at March 31, 2011

Schedule 5 - continued	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
Quoted		
Apollo Tyres Limited 1000 equity shares of Rs.1 each fully paid	7,002	7,002
Ceat Limited 75 equity shares of Rs.10 each fully paid	1,663	1,663
Summit Securities Limited 4 equity shares of Rs.10 each fully paid	66	66
Goodyear India Limited 100 equity shares of Rs.10 each fully paid	6,259	6,259
J. K. Industries Limited 56 equity shares of Rs.10 each fully paid	1,411	1,411
J. K. Sugar Limited 15 equity shares of Rs.10 each fully paid	186	186
J. K. Agri Genetics Limited 10 equity shares of Rs. 10 each fully paid	273	273
TVS Srichakra Tyres Limited 100 equity shares of Rs.10 each fully paid	3,795	3,795
Falcon Tyres Limited 600 equity shares of Rs.5 each fully paid	1,573	1,573
MRF Limited 13 equity shares of Rs.10 each fully paid	19,438	19,438
Triton Valves Limited 50 equity shares of Rs.10 each fully paid	16,252	16,252
Dunlop India Limited 100 equity shares of Rs.10 each fully paid	1,212	1
Modi Rubber Limited 100 equity shares of Rs.10 each fully paid	3,042	1
[Market value of quoted current investments Rs. 332,891 (Previous Year: Rs. 404,231)]	62,172	57,920
	<u>1,345,330</u>	<u>2,274,748</u>

Notes :

- 1) Aggregate amount of quoted investments Rs. 63,613 (Previous Year : Rs. 59,361)
- 2) Aggregate amount of unquoted investments Rs. 1,218,717 (Previous Year : Rs. 2,215,387)
- 3) Aggregate amount of Market Value of quoted investments Rs. 411,451 (Previous Year : Rs. 522,551)

Schrader Duncan Limited

Schedule forming part of the Consolidated Balance Sheet as at March 31, 2011

Schedule 6	As at March 31, 2011		As at March 31, 2010	
	Rupees	Rupees	Rupees	Rupees
Current Assets, Loans and Advances				
Current Assets				
Inventories				
(Refer Notes 1(f) and 1(g) - Schedule 13)				
(As certified by the Management)				
Raw Materials and Traded goods	104,249,023		84,613,931	
Stores and Spares	3,589,166		2,491,933	
Work-in-Progress (including Material in Progress)	41,169,704		41,715,680	
Finished Goods	2,800,780		17,443,608	
Scrap	10,988,967		8,244,947	
		162,797,640		154,510,099
Sundry Debtors				
Unsecured				
Debts Outstanding for a period exceeding six months :				
- Considered Good	4,136,991		4,976,744	
- Considered Doubtful	-	4,136,991	276,993	5,253,737
Other Debts				
- Considered Good	99,704,150		117,413,616	
- Considered Doubtful	-	99,704,150	-	117,413,616
		103,841,141		122,667,353
Secured				
- Outstanding for a period exceeding six months	-		55,000	
- Other debts	803,661	803,661	308,381	363,381
		104,644,802		123,030,734
Less : Provision for Doubtful Debts		-		(276,993)
		104,644,802		122,753,741
Cash and Bank Balances				
Cash on Hand	172,522		173,488	
Cheques on Hand	11,255,426		19,353,953	
With Scheduled Banks :				
-- On Current Account	4,897,297		11,509,803	
-- On Unpaid Dividend Account	2,359,704		2,679,539	
-- On Margin Money Deposit Account	3,782,637		3,782,637	
		22,467,586		37,499,420
[Under lien towards Bank Guarantees Rs. 3,782,637 (Previous Year : Rs. 3,782,637)]				
Loans and Advances				
Unsecured, Considered Good				
Advances Recoverable in Cash or in Kind or for Value to be Received	2,585,315		3,904,807	
Advances to Suppliers	4,756,080		5,550,709	
Balances with Excise, Customs and Sales Tax Authorities	37,190,922		34,896,220	
Advance Tax Less Provision [Net of Provision for Taxation Rs. 92,166,860 (Previous Year : Rs. 92,171,647)]	9,800,732		8,073,745	
Minimum Alternate Tax (MAT) credit entitlement	1,694,713		1,694,713	
Deposits - Others	9,749,431		8,073,011	
Interest Accrued but Not Due	488,078		248,831	
		66,265,271		62,442,036
		356,175,299		377,205,296

Schedule forming part of the Consolidated Balance Sheet as at March 31, 2011

Schedule 7	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors		
- Micro and Small Enterprises (Refer Note 7 - Schedule 13)	11,542,851	3,579,668
- Others	104,218,309	90,138,939
Advance Received from Customers	612,281	1,974,267
Advance for sale of Land (Refer Note 13 Schedule 13)	160,000,000	-
Retention Money Account	876,147	2,935,548
Sundry Deposits	803,661	3,285,661
Bank Overdraft	-	2,478,881
Other Liabilities	10,222,883	10,541,184
Dividend Declared Pending Payment / Encashment *	2,359,704	2,679,539
	290,635,836	117,613,687*
Provisions		
Proposed Dividend	-	3,696,000
Tax on Proposed Dividend	-	628,135
Provision For Gratuity	2,087,570	-
Provision for Leave Encashment	1,365,766	2,961,370
	3,453,336	7,285,505
	294,089,172	124,899,192

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund

Schrader Duncan Limited

Schedule forming part of the Consolidated Profit and Loss Account for the year ended March 31, 2011

Schedule 8

	<u>2010-11</u> Rupees	<u>2009-10</u> Rupees
Other Income		
Dividend on Current Investment		
- Investment in Mutual Funds	58,708	1,504,635
- Investment in Equity Shares	3,606	3,359
Other Interest Received-Gross	513,304	572,396
Interest on Income Tax Refund	4,758	-
Profit on Sale of Fixed Assets (Net)	1,139,251	-
Rent Income	2,645,500	4,884,000
Export Incentive	89,353	322,511
Foreign Exchange Gain (net)	-	520,874
Profit on Sale of Investments	8,252	684,062
Liabilities no Longer Payable written back	312,235	1,141,947
Bad Debts Recovered	75,000	807,784
Provision for Doubtful Debts written back	219,073	-
Provision for Dimunition (Investments) Written Back	4,252	-
Scrap Sales	-	93,829
Miscellaneous Receipts	377,274	1,657,208
	<u>5,450,566</u>	<u>12,192,605</u>

**Schedule forming part of the Consolidated Profit and Loss Account for the year ended
March 31, 2011**

	<u>Rupees</u>	<u>2010-11</u>	<u>Rupees</u>	<u>Rupees</u>	<u>2009-10</u>	<u>Rupees</u>
Schedule 9						
Materials Consumed						
Raw Materials						
Opening Stock	80,702,652			34,559,602		
Add : Purchases	320,091,857			398,636,264		
Total	400,794,509			433,195,866		
Less : Closing Stock	97,437,847			80,702,652		
		303,356,662				352,493,214
Traded goods						
Opening Stock	3,911,279			3,729,587		
Add : Purchases	9,976,603			9,007,001		
Total	13,887,882			12,736,588		
Less : Closing Stock	6,811,176			3,911,279		
		7,076,706				8,825,309
(Increase) / Decrease in Stocks						
Opening Stock						
--Work-in-Progress	35,812,680			27,043,515		
--Material-in-Progress	5,903,000			4,167,500		
--Finished Goods	17,443,608			7,253,211		
--Scrap	8,244,947			2,975,981		
Total	67,404,235			41,440,207		
Less :						
Closing Stock						
--Work-in-Progress	41,169,704			35,812,680		
--Material-in-Progress	-			5,903,000		
--Finished Goods	2,800,780			17,443,608		
--Scrap	10,988,967			8,244,947		
Total	54,959,451			67,404,235		
		12,444,784				(25,964,028)
		322,878,152				335,354,495

Schrader Duncan Limited

Schedule forming part of the Consolidated Profit and Loss Account for the year ended
March 31, 2011

Schedule 10

Other Expenses

	2010-11	2009-10
	Rupees	Rupees
Employee Costs		
-- Salaries, Wages, Bonus and Commission	77,519,041	80,580,058
-- Contribution to Provident and Other Funds	5,815,860	6,685,758
-- Gratuity [Refer Notes 1(e) and 9 - Schedule 13]	3,298,789	1,928,908
-- Staff Welfare	17,442,935	14,922,408
	104,076,625	104,117,132
Insurance	1,281,786	1,187,928
Excise Duty (Refer Note 11 - Schedule 13)	(1,425,571)	976,935
Rent	9,283,453	9,165,706
Rates and Taxes	2,868,850	4,442,345
Repairs and Maintenance		
-- Machinery	4,764,988	2,762,183
-- Building	24,281	92,448
-- Others	2,645,966	1,971,450
	7,435,235	4,826,081
Commission and Discount on Sales	2,570,258	1,899,283
Business Promotion	788,656	899,611
Carriage Outward	4,184,537	4,713,898
Directors' Fees	862,500	627,500
Power and Fuel	13,905,230	16,722,102
Travelling and Conveyance	10,002,304	6,252,819
Bad Debts/Advances written-off	336,943	
Less :- Adjustment against Provision	(57,920)	1,252,584
Provision for Doubtful Debts	-	276,993
Auditors' Remuneration		
-- As Auditors	1,075,000	925,000
-- Tax Audit	125,000	125,000
-- For Out-of Pocket Expenses	48,120	28,590
	1,248,120	1,078,590
Legal and Professional Charges	5,825,614	5,042,515
Foreign Exchange Loss (net)	254,547	-
Loss on Sale/Discard of Fixed Assets	-	3,078
Diminution in the value of Investment	470	2,239
Miscellaneous	18,829,475	15,570,967
	182,271,112	179,058,306

**Schedule forming part of the Consolidated Profit and Loss Account for the year ended
March 31, 2011**

Schedule 11

	Consolidated 2010-2011 Rupees	Consolidated 2009-2010 Rupees
Interest Expenses		
Interest		
- On Term Loans	17,665,500	6,469,007
- On Cash Credit	14,979,538	6,099,006
- On Others	1,201,811	8,634
	33,846,849	12,576,647
	33,846,849	12,576,647

Schedule 12

Exceptional Items (Net)

Exceptional Expenses

- Voluntray Retirement Scheme Compensation
& other related expenses
(Refer Note 14 (i)- Schedule 13)

145,720,474

-

- Expenses related to Sale of Mulund Land
(Refer Note 14 (ii)- Schedule 13)

9,029,300

-

Exceptional Income

- Profit on sale of fixed Assets

(20,000,000)

-

(Refer Note 14 (iii)- Schedule 13)

134,749,774

-

Schrader Duncan Limited

Notes forming part of the Consolidated Balance Sheet as at March 31, 2011 and the Consolidated Profit and Loss Account for the year ended on that date

Schedule 13

1. Accounting policies:

(a) Accounting Conventions :

The Consolidated financial statements of Schrader Duncan Limited ("the Company") and its domestic subsidiary (collectively referred to as "the Group") are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India and the Accounting Standard 21 on Consolidated financial statements, to the extent possible, in the same format as that adopted by the Company for its separate financial statements.

(b) Principles of Consolidation:

The consolidated financial statements relate to Schrader Duncan Limited ("the Company") and its wholly owned Subsidiary Company, Associated Polymers Limited (APL), incorporated in India. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its Subsidiary Company have been combined on a line- by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- The excess of cost to the Company of its investment in the Subsidiary Company is recognised in the financial statements as goodwill, which has been adjusted against General Reserve as on April 1, 2001.

(c) Fixed Assets :

Fixed assets are stated at cost less depreciation, where applicable.

(d) Depreciation :

Depreciation has been calculated on Straight Line Method on the original cost of the assets at the revised rates given in Schedule XIV to the Act except:

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

(e) Employee Benefits :

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

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

(f) Valuation of Inventory :

Inventories are valued at lower of cost and market value.

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

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

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

Notes forming part of the Consolidated Balance Sheet as at March 31, 2011 and the Consolidated Profit and Loss Account for the year ended on that date

Schedule 13 - Continued

- (g) Accounting of CENVAT :
The Company follows on a consistent basis, the "non-inclusive" method of accounting for CENVAT under Central Excise Act, 1944 with regard to its inventories, purchase and consumption.
- (h) Investments :
Long Term Investments are valued at cost. Provision is made to recognise a diminution, other than temporary, in the value of investments. Current Investments are stated at lower of cost and market value.
- (i) Taxation:
(a) Current Tax
Current tax is determined as the amount of tax payable in respect of taxable income for the year under the provisions of the Income Tax Act, 1961 of India.

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

(c) Minimum Alternate Tax (MAT) Credit Entitlement
MAT paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.
- (j) Foreign Currency Transactions :
All foreign currency receivables and payables, except those covered under forward 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 Profit and Loss Account. In case of assets and liabilities covered by forward contracts, the exchange difference is recognised over the life of the contract. Exchange differences arising on concluded transactions during the year are debited/credited in the Profit and Loss Account of the same year.
- (k) Impairment of Assets :
The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generation unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exist, the recoverable amount is reassessed and the assets is reflected at the recoverable amount.
- (l) Provisions and Contingencies :
The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.
- (m) Revenue Recognition :
Sale of goods
Domestic sales are recognised on despatch, and are net of sales tax. Export sales are recognised on shipment, on the basis of the Bills of Lading.

Schrader Duncan Limited

Notes forming part of the Consolidated Balance Sheet as at March 31, 2011 and the Consolidated Profit and Loss Account for the year ended on that date

Schedule 13 - Continued

Sale of services

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

(n) Interest - Income and Dividend :

- a) Interest income is accounted on accrual basis.
- b) Dividend income on investment is accounted for when the right to receive the payment is established.

(o) 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/materialised.

(p) Borrowing Cost :

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

2. Duty Entitlement Pass Book (DEPB) Credit :

During the year the Company has recognised DEPB credit aggregating Rs. 89,353 on post export basis (Previous Year : Rs. 322,511).

3. Outstanding commitments for capital expenditure (net of advance) Rs. 3,038,012 (Previous Year: Rs.3,856,675).

4. The amount of foreign exchange difference in respect of exchange contracts to be recognised in the subsequent Years Rs. 178,986 (Previous Year: Rs.74,671).

5. Contingent Liabilities

a) Claims against the Company with respect to Income Tax Matters not acknowledged as debts is Rs. 13,312,357 (Previous Year : Rs.13,749,472) , Appeals filed by the Company with the relevant authorities of Income Tax Department are pending disposal.

b) Guarantees given by the Bank on behalf of the Company are Rs.3,786,119 (Previous Year: Rs. 2,456,608). These are financial and performance guarantees given to the customers, expiring on various future dates over the next 26 months.

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

d) Claims against the Company with respect to Excise and Service Tax Matters not acknowledged as debts is Rs. 2,590,790 (Previous Year : Rs. 3,080,113). Appeals filed by the Company with Customs, Excise and Service Tax Appellate Tribunal, West Zone Bench, Mumbai, and Commissioner of Central Excise is pending disposal.

6. Taxation :

a) In view of loss for the year no provision for taxation has been made in these financial statements.

Notes forming part of the Consolidated Balance Sheet as at March 31, 2011 and the Consolidated Profit and Loss Account for the year ended on that date

Schedule 13 - Continued

b) Deferred Tax :

The Deferred Tax balances are set out below :

Particulars	As at March 31, 2011 Rupees	As at March 31, 2011 Rupees
(a) Deferred Tax Liabilities		
Depreciation	20,109,204	16,966,772
Provision for leave Encashment	534,395	-
Total (a)	20,643,599	16,966,772
Less (b) Deferred Tax Assets		
Unabsorbed Depreciation*	-	12,657,691
Provision for doubtful debts	-	94,150
Provision for leave Encashment	-	192,607
Voluntarily Retirement Scheme*	20,546,457	-
Total (b)	20,546,457	12,944,448
Net Deferred Tax Liability (a-b)	97,142	4,022,324

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

7. Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

		(Rupees)	
	Particulars	2010-11	2009-10
a)	Principal amount and the interest due on the above at the end of the accounting year		
	- Principal	11,465,775	3564938
	- Interest due thereon	77,076	14,730
b)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year :		
	- Principal	-	-
	- Interest	-	-
c)	The amount of interest due and payable for the period of delay in making Payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d)	The Amount of interest accrued and remaining unpaid at the end of each accounting year :		
	- Total interest Accrued	77,076	14,730
	- Interest remaining unpaid	77,076	14,730
e)	The Amount of further interest remaining due and payable even in the Succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	77,076	14,730

Schrader Duncan Limited

Notes forming part of the Consolidated Balance Sheet as at March 31, 2011 and the Consolidated Profit and Loss Account for the year ended on that date

Schedule 13 - Continued

The above information and that given in Schedule 7 – "Current Liabilities and Provisions" regarding Micro and Small enterprises has been determined on the basis of information available with the Company.

8. Related Party Disclosure (As identified by the Management)

Related party disclosure as required by AS-18, "Related Party Disclosure", are given below:

- (A) Relationships
- (i) Investing Companies
- Schrader Bridgeport International, Inc.
 - Cosmopolitan Investments Limited@
- (ii) Associate Companies/Affiliates
- Tomkins Plc, London@
 - Gates India Pvt. Ltd.
 - Gates Corporation, USA
 - Gates Corporation, Germany.
 - Schrader International – Brazil
 - Schrader S.A.S France
 - Schrader Engineering Product – China
 - Gates Unitta Asia Trading Company Pte Ltd. – Singapore
- (iii) Key Management Personnel:
Mr Ravi Swaminathan - Managing Director

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

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

Nature of Transactions	(Rupees)						
	Gates India Pvt. Ltd.	Gates Corporation - USA	Gates Corporation -Germany	Schrader International- Barzil	Schrader S.A.S France	Schrader Bridgepor USA	Schrader Eng. Product- China
During the year	-						
Engineering Services (Income)	-	-	-	-	-	-	-
	-	<i>30,86,860</i>	-	-	-	-	-
Material Purchased	-	-	-	1,016,211	-	49,718	885,551
	-	-	-	<i>247,408</i>	<i>266,743</i>	-	-
Sales	-	-	-	1,697,182	-	-	-
Travelling Expenses	82,254		-	165,025	489,546	-	16,649
	-	-	-	-	-	-	-
Expenses paid on behalf of the company	-	-	254,198				
Year End Balances	-				-	-	-
Sundry Creditors	-	-	-	-	-	-	370,799
	-	-	-	-	-	-	-
Loans and Advances	-	-	254,198				
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

Figures in italics represent previous period figures.

Notes forming part of the Consolidated Balance Sheet as at March 31, 2011 and the Consolidated Profit and Loss Account for the year ended on that date

Schedule 13 - Continued

	2010-2011	2009-2010
	<u>Rupees</u>	<u>Rupees</u>
Remuneration to Managing Director :		
Salary, Bonus and Other Allowances*	6,700,000	6,200,000
Contribution to Provident and Other Funds	1,620,000	1,485,000
Sitting Fees from Subsidiary Company	12,500	10,000
Other Benefits**	-	-
Total	<u>83,32,500</u>	<u>7,695,000</u>

* Excludes amount paid directly by Schrader Bridgeport International Inc. USA.

** Excludes gratuity benefits, since the valuation is done on a global basis.

9. The Company has classified various employee benefits as under:

(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 Profit and Loss Account for the :

	Year ended	Year ended
	March 31, 2011	March 31, 2010
	<u>Rupees</u>	<u>Rupees</u>
(i) Contribution to Provident Fund	24,61,956	2,679,776
(ii) Contribution to Employee's Pension Scheme	1,417,446	2,076,430
(iii) Contribution to Employee's Superannuation Fund	1,163,855	1,118,907
(iv) Contribution to Employee's State Insurance Scheme	751,639	786,926
(v) Contribution to Labour Welfare Fund	20,964	23,718
	<u>5,815,860</u>	<u>6,685,758</u>

(B) Defined Benefit Plans

a. Gratuity

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

	2010-11		2009-10	
	SDL	APL	SDL	APL
Discount Rate (Per annum)	8.25%	8.25%	8.25%	7.00%
Rate of increase in Compensation levels	6.00%	6.00%	6.00%	6.00%
Rate of Return on Plan Assets	8.00%	8.00%	8.00%	8.00%

Schrader Duncan Limited

Notes forming part of the Consolidated Balance Sheet as at March 31, 2011 and the Consolidated Profit and Loss Account for the year ended on that date

Schedule 13 - Continued

	<u>Year ended March 31, 2011</u>	<u>Year ended March 31, 2010</u>
	Rupees	Rupees
(i) Changes in present value of obligation		
Present value of Obligation as at beginning of the year	22,739,967	22,484,575
Interest Cost	1,255,963	1,714,877
Current Service Cost	1,638,350	1,532,388
Benefits paid	(18,309,039)	(3,668,169)
Actuarial (Gains)/Loss	1,467,137	676,296
Present value of Obligation as at the end of the year	8,792,378	22,739,967
	<u>Year ended March 31, 2011</u>	<u>Year ended March 31, 2010</u>
	Rupees	Rupees
(ii) Changes in Fair value of plan assets		
Present value of plan assets as at beginning of the year.	23,951,183	22,478,297
Expected return on Plan Assets	1,183,733	1,903,249
Actuarial gain/(loss) on Plan Assets	(121,070)	91,401
Actual Company Contribution	-	3,146,405
Benefits paid	(18,309,039)	(3,668,169)
Fair value of Plan Assets as at the end of the year.	6,704,808	2,3951,183
	<u>Year ended March 31, 2011</u>	<u>Year ended March 31, 2010</u>
	Rupees	Rupees
(iii) Percentage of each category of plan assets to total fair value of plan assets		
Administered by Life Insurance Corporation of India	100%	100%
	<u>Year ended March 31, 2011</u>	<u>Year ended March 31, 2010</u>
	Rupees	Rupees
(iv) Reconciliation of the Present Value of Defined Present Obligations and the Fair value of Assets		
Present value of Funded Obligation as at the end of the year	8,792,378	22,739,967
Fair value of Plan Assets as at the end of the year	6,704,808	23,951,183
Liability/(asset) recognised in the Balance Sheet	2,087,570	(1,211,216)
	<u>Year ended March 31, 2011</u>	<u>Year ended March 31, 2010</u>
	Rupees	Rupees
(v) Amounts recognised in the Balance Sheet		
Present value of Obligation as at end of the year	8,792,378	22,739,967
Fair value of Plan Assets as at end of the year	6,704,808	23,951,183
Funded (Asset)/Liability(Net) recognised in the Balance Sheet	2,087,570	(1,211,216)
	<u>Year ended March 31, 2011</u>	<u>Year ended March 31, 2010</u>
	Rupees	Rupees
(vi) Expenses recognised in the Profit and Loss Account		
Current Service Cost	1,638,349	1,532,388
Interest Cost	1,255,964	1,714,877
Expected Return on Plan Asset	(1,183,733)	(1,903,249)
Net Actuarial (Gain)/Loss	1,588,209	584,892
Other Adjustment	-	-
Total Expenses recognised in the Profit and Loss Account	3,298,789	1928,908
	<u>Year ended March 31, 2011</u>	<u>Year ended March 31, 2010</u>
	Rupees	Rupees
(i) Expected employers' contribution for the next year	840,073	1,770,267
(ii) Experiences adjustments		
On Plan Liabilities Gain / (Loss)	(1,444,449)	1,691,758
On Plan Assets Gain / (Loss)	(121,070)	91,401

Notes forming part of the Consolidated Balance Sheet as at March 31, 2011 and the Consolidated Profit and Loss Account for the year ended on that date

Schedule 13 - Continued

SR. NO	Particulars	2010-11	2009-10	2008-09	2007-08
I	Present Value of defined benefit obligation	8,792,378	22,739,965	22,484,575	2,1473,924
II	Fair Value of Plan Assets	6,704,808	23,951,184	21,878,298	19,409,762
III	Surplus/(Deficit) in the Plan	(2,087,570)	121,219	(6,277)	(2,064,162)
IV	Experience adjustments on Plan Liabilities Gain/(Loss)	(1,444,449)	1,691,758	(1,083,917)	-
V	Experience adjustments on Plan Assets Gain/(Loss)	(121,070)	91,401	55,441	-

(C) The Liability for leave encashment and compensated balances as at year end is **Rs. 1,365,767**
(Previous Year Rs. 2,961,370)

10. Earnings Per Share

	2010-2011	2009-2010
(Loss)/Profit available for Equity Shareholders (Numerator used for calculation) (Rupees)	(212,069,359)	6,958,593
Weighted average number of shares of Rs. 10 each used as denominator for calculating Basic and Diluted EPS	3,696,000	3,696,000
Basic and Diluted (Loss)/Earnings per Share (Rupees)	(57.38)	1.88

11. The amount of excise duty disclosed as deduction from turnover is the total excise duty for the year except for the excise duty related to the difference between the closing stock and opening stock and excise duty paid but not recovered, which has been disclosed as excise duty expenses in "Other Expenses" under Schedule 11 forming part of the Profit and Loss Account.

Schrader Duncan Limited

Notes forming part of the Consolidated Balance Sheet as at March 31, 2011 and the Consolidated Profit and Loss Account for the year ended on that date

Schedule 13 - Continued

12. Segment information for the year ended March 31, 2011

I. Information about primary business segments (in Rupees)

	2010-2011					2009-2010				
	Automotive	Pneumatic	Other Business	Unallocated	Total	Automotive	Pneumatic	Other Business	Unallocated	Total
Revenue										
External Sales (Net of Discount and Excise Duty)	180,265,469	318,626,220	-	-	498,891,689	266,414,430	290,210,590	1,352,801	-	557,977,821
Other Income	2,444,692	511,726	1,755	23,039,499	25,997,672	3,705,649	784,428	452,807	9,764,185	14,707,069
Total Revenue	182,710,161	319,137,946	1,755	23,039,499	524,889,361	270,120,079	290,995,018	1,805,608	9,764,185	572,684,890
Result										
Segment Result	(217,410,317)	62,891,595	(4,588,239)	-	(159,106,961)	(16,760,676)	63,793,287	(5,223,800)	-	41,808,811
Unallocated expenditure (Net of unallocated income)	-	-	-	(23,310,695)	(23,310,695)	-	-	-	(19,671,722)	(19,671,722)
Interest expenses	-	-	-	(33,846,849)	(33,846,849)	-	-	-	(12,576,647)	(12,576,647)
Interest Income	-	-	-	268,505	268,505	-	-	-	572,396	572,396
Profit before Taxation	(217,410,317)	62,891,595	(4,588,239)	(56,889,039)	(215,996,000)	(16,760,676)	63,793,287	(5,223,800)	(31,675,973)	10,132,838
Other Information										
Segment Assets	492,782,522	155,524,620	1,812,574	37,195,802	687,315,518	533,854,026	125,984,705	3,014,331	50,620,602	713,473,664
Segment Liabilities	167,640,094	87,032,381	153,710	291,438,678	546,264,863	189,039,516	50,932,803	668,087	119,713,244	360,353,650
Capital Expenditure	21,011,156	6,850,295	-	-	27,861,451	316,066,830	1,889,330	33,155	-	317,989,315
Depreciation	22,254,505	2,583,578	125,961	171,850	25,135,894	14,277,626	1,454,507	256,388	171,850	16,160,371
Non-cash expenses other than depreciation	-	-	-	-	-	-	-	-	-	-

II. Information about Secondary Business Segments (in Rupees)

	India	Outside	Total
Revenue by geographical market			
External Sales (Net of Discount and Excise Duty)	487,327,834	11,563,855	498,891,689
Carrying amount of segment assets	682,694,845	4,620,673	687,315,518
Additions to fixed assets	27,861,451	-	27,861,451

	India	Outside	Total
	546,847,005	11,130,816	557,977,821
	713,229,078	244,586	713,473,664
	317,989,315	-	317,989,315

III. Notes:

a) The company is organized into three business segments, namely :

- Automotive products – comprising of tyre tube valves and accessories.
- Pneumatic products – comprising of pneumatic equipment and hydraulic products.
- Other Businesses – comprising of processing of rubber compound.

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

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

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

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

13. The Company has entered into an irrevocable agreement for sale dated March 26, 2011 with Kalpataru Ltd. for sale of its front portion of land at Mulund plant at a consideration of Rs. 438,889,350. As per the agreement, the Company has received an advance of Rs. 160,000,000 which is disclosed under Schedule 7 "Current Liabilities and Provisions". The Company is in the process of executing the deed of conveyance, transfer, sale and possession of the aforesaid land will be completed at a future date subject to receipt of relevant approval, permissions from the Government and other statutory bodies, as deemed necessary and on receipt of sale consideration.

14. **Exceptional Items**

(i) The Company has entered into agreement dated July 15, 2010, with the unionised category of workmen and staff employed in the plant at Mulund for Voluntary Retirement Compensation (VRS).

Accordingly, the Company has incurred an expenses of Rs. 145,720,474 for VRS and other related expenses. The operations for Mulund plant have been ceased completely w.e.f July 31, 2010.

(ii) Exceptional expenses represents legal and professional fees incurred by the Company of Rs. 9,029,300 for sale of its land at Mulund plant.

(iii) Exceptional Income of Rs. 20,000,000, represents compensation received by the Company for sale of rear portion of land at Mulund which were on hold in accordance with the agreement for Development dated December 22, 2006.

Previous Year's figures have been re-grouped/re-arranged, wherever necessary.

Note: Signature to schedule 1 to 13 forming part of Consolidated Balance Sheet and Consolidated Profit and Loss Account.

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

Uday Shah
Partner
Membership No. F - 46061

Place: Mumbai
Dated: May 18, 2011

For and on behalf of the Board

J. P. Goenka Chairman
Ravi Swaminathan Managing Director
R. C. Khanna }
A. Goenka }
R. A. Shah } Directors
Nitin Kaul }
M. K. Sharma }
Rama Subramanian Company Secretary

Mumbai
Dated: May 18, 2011

Consolidated Cash Flow Statement for the year ended March 31, 2011

	2010-11	2009-10
	<u>Rupees</u>	<u>Rupees</u>
A) Cash flow from Operating Activities:		
Net (Loss)/ Profit before Taxation and after exceptional items	(215,996,000)	10,132,838
Adjustments for:		
Depreciation	25,135,894	16,160,371
Diminution in the value of Investments	470	2,239
Interest Income	(19,443)	-
Interest Expense	33,846,849	12,576,647
Unrealised loss in Foreign Exchange	209,721	(3,835)
Loss on Sale/Discard of Fixed Assets (net)	-	3,078
Bad Debts written off	279,023	1,252,584
Provision for doubtful Debts	-	276,993
Provision for doubtful Debts Written Back	(219,073)	-
Liabilities no Longer Payable Written Back	(312,235)	(1,141,947)
Dividend on Current Investment	(62,314)	(1,507,994)
Provision for diminution written back	(4,252)	-
Sale of Land	(20,000,000)	-
(Profit) on Sale of Investments	(8,252)	(684,062)
Other Interest Income	(498,619)	(572,396)
Profit on Sale of Fixed Assets	(1,139,251)	-
Rent Income	(2,645,500)	(4,884,000)
Operating Profit Before Working Capital Changes	(181,432,982)	31,610,516
Adjustments for:		
Trade and Other Receivable	15,916,530	(55,478,626)
Inventories	(8,287,541)	(73,306,316)
Trade and Other Payables	16,894,291	15,500,907
Cash Generated from Operations	(156,909,702)	(81,673,519)
Direct Taxes paid (net)	(1,719,015)	(4,732,084)
Net Cash Generated From/ (used in) Operating Activities	(158,628,717)	(86,405,603)
B) Cash flow from Investing Activities		
Purchase of Fixed Assets (net)	(25,347,690)	(176,665,835)
Sale of Fixed Assets	25,549,777	79,325
Advance received on sale of Land	160,000,000	-
Dividend from Investment	62,314	1,512,994
Purchase of Investments	(17,895)	(2,007,892)
Sale of Investments	959,347	107,436,497
Interest Received	278,815	862,033
Rent	2,645,500	4,884,000
Net Cash Generated (used in)/ from Investing Activities	164,130,168	(63,898,878)
C) Cash flow from Financing Activities		
Dividend paid (Including Dividend Distribution Tax)	(4,643,971)	(4,546,843)
Interest Paid	(33,703,847)	(11,288,689)
Foreign Currency Demand Loan obtained	19,185,316	19,156,379
Foreign Currency Demand Loan repaid	(19,156,379)	(20,850,465)
Loan obtained from a relative of Director	10,000,000	-
Loan from a relative of Director repaid	(10,000,000)	-
Term Loan obtained	20,000,000	140,000,000
Term Loan repaid	(18,000,000)	(10,000,000)
Net Cash (Used In) / from Financing activities	(36,318,881)	112,470,382
D) Net (decrease) / increase in Cash and Cash Equivalents	(30,817,430)	(37,834,099)
E) Cash and Cash Equivalents as at March 31,2010 (Opening Balance)	(45,967,258)	(8,133,159)

Schrader Duncan Limited

Consolidated Cash Flow Statement for the year ended March 31, 2011

	2010-11		2009-10	
	Rupees	Rupees	Rupees	Rupees
F) Cash and Cash Equivalents as at March 31, 2011 (Closing Balance)				
Cash and Bank Balance				
(Includes unrealised gain in Foreign Exchange Rs. 14,567 Previous year unrealised loss Rs. 127,389)	22,467,586		37,499,420	
Book Overdraft	-		(2,478,881)	
Cash Credit Utilised	(99,252,274)	(76,784,688)	(80,987,797)	(45,967,258)

- Notes : 1. The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on "Cash Flow Statement" .
2. Cash and Cash equivalents include deposits under lien toward bank guarantee of Rs. 3,782,637 (Previous Year : Rs. 3,782,637)] .
3. Purchase of Fixed Assets are shown inclusive of movement in Capital Work in Progress, Capital Advances and Capital Creditors .
4. Previous year's figure have been re-grouped/re-arranged, wherever necessary.

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

For **Price Waterhouse & Co.**

Firm Registration No.:007567S
Chartered Accountants

Uday Shah
Partner
Membership No. F-46061

For and on behalf of the Board

J. P. Goenka Chairman
Ravi Swaminathan Managing Director
R. C. Khanna }
A. Goenka }
R. A. Shah } Directors
Nitin Kaul }
M. K. Sharma }
Rama Subramanian Company Secretary

Place: Mumbai
Dated: May 18, 2011

Place: Mumbai
Dated: May 18, 2011

SCHRADER DUNCAN LIMITED

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

ATTENDANCE SLIP

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

No of ES held : _____

I hereby record my presence at the **FIFTIETH ANNUAL GENERAL MEETING** of the Company on Thursday, July 28, 2011 at 2.30 p.m. at F-33, Ranjangaon MIDC, Karegaon, Shirur, Pune 412 209

Name of the Shareholder : _____

Signature of the Shareholder / Proxy present : _____

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

SCHRADER DUNCAN LIMITED

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

PROXY FORM

I/We _____ of _____
in the district of _____ being member / members of Schrader Duncan Limited hereby appoint
_____ of _____ in the district of
_____ or failing him _____ of

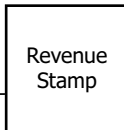
_____ in the district of _____ as my / our proxy to attend and vote for me / us and on my / our behalf at the **Fiftieth Annual General Meeting** of the Company to be held on Thursday, July 28, 2011 at 2.30 p.m. at F-33, Ranjangaon MIDC, Karegaon, Shirur, Pune 412 209 and at any adjournment thereof.

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

No of ES held : _____

As witness my / our hand (s) this _____ day of _____ 2011

Signature : _____



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

Our Products



Registered Office :

Schrader Duncan Limited

*F-33, Ranjangaon MIDC,
Karegaon, Tal Shirur, Pune - 412 209.
Maharashtra, INDIA.*