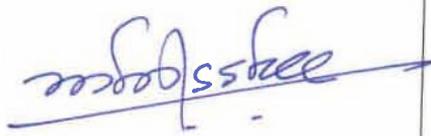


## SCHRADER DUNCAN LIMITED

### FORM A

(SEBI Circular No. CIR/CFD/DIL/7/2012 Dated August 13, 2014)

|    |  |   |
|----|--|---|
| 1. | Name of the Company  | Schrader Duncan Limited   |
| 2. | Annual Financial Statements for the year ended   | 31 <sup>st</sup> March, 2015  |
| 3. | Type of Audit Observation  | Un-qualified  |
| 4. | Frequency of Observation   | Not Applicable  |
| 5. | To be signed by  |   |
|    | Mr. Shantanu Parvati, Whole Time Director  |    |
|    | Mr. V S Patil, Chief Financial Officer   |    |
|    | Mr. Nikhil Singhi<br>Partner<br>M No. 061567<br>Singhi & Co.<br>Chartered Accountants<br>Firm Reg. No. 302049E<br>Auditor of the Company |  |
|    | Mr. OM Prakash Dubey,<br>Audit Committee Chairman  |  |

**Schrader Duncan Limited**

Registered Office

F-33, Ranjangaon MIDC,

Karegaon, Tal. Shirur.

Dist. Pune - 412 209

India

Board +91 2138 660-066

Fax +91 2138 660-067

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

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

CIN NO L28991PN1961PLC139151



# Schrader Duncan Limited

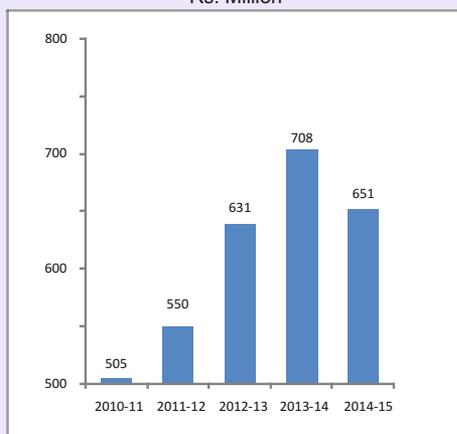
[www.schraderduncan.com](http://www.schraderduncan.com)

**54<sup>th</sup> ANNUAL REPORT  
2014 -2015**

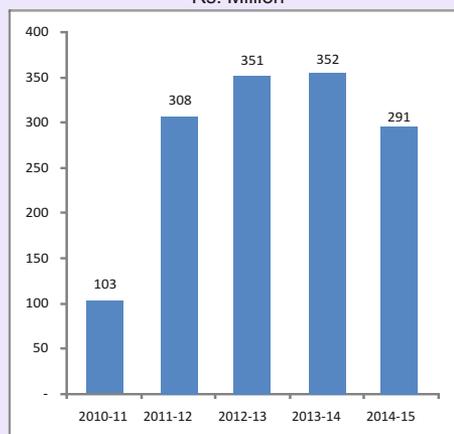
# Schrader Duncan Limited

## Key Financial Indicators Five Years

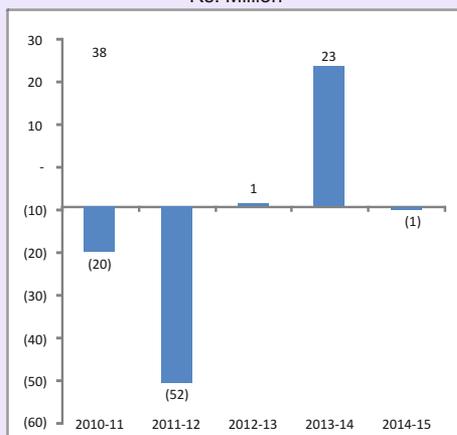
**Total Revenue**  
Rs. Million



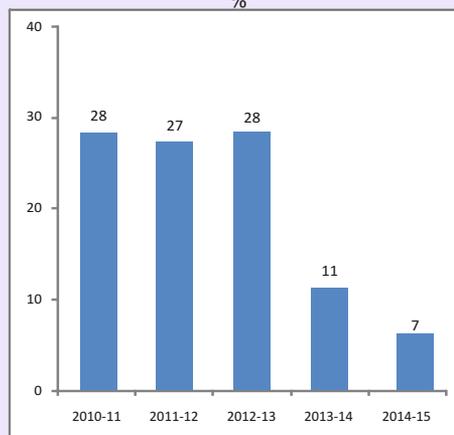
**Net Worth**  
Rs. Million



**EBITDA**  
Rs. Million



**Working Capital**  
%



## Ten Year Review

Rs. Million

| Accounting Year                    | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11  | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|------------------------------------|---------|---------|---------|---------|---------|----------|---------|---------|---------|---------|
| Total Revenue                      | 413.27  | 820.47  | 569.50  | 534.39  | 570.97  | 504.94   | 549.78  | 630.95  | 707.99  | 650.88  |
| Profit before taxes                | 20.55   | 272.62  | 35.69   | 18.37   | 8.68    | (216.01) | 302.94  | (22.06) | 0.10    | (78.79) |
| Profit after taxes                 | 13.07   | 242.47  | 23.87   | 10.89   | 5.51    | (212.08) | 204.63  | 5.09    | 0.97    | (60.48) |
| EBITDA<br>(excl. exceptional item) | 26.42   | 281.77  | 45.08   | 28.61   | 38.19   | (20.30)  | (51.62) | 0.69    | 23.45   | (0.56)  |
| Working Capital %                  | 21.06   | 19.82   | 25.10   | 26.73   | 32.11   | 28.49    | 27.40   | 28.27   | 11.49   | 6.72    |
| Net Worth                          | 153.64  | 302.90  | 307.32  | 313.89  | 315.07  | 102.99   | 307.62  | 350.92  | 351.89  | 291.41  |
| Earning per share* Rs.             | 3.54    | 65.60   | 6.46    | 2.95    | 1.49    | (57.38)  | 55.37   | 1.38    | 0.26    | (16.36) |
| Return on Investment %             | 8.35    | 106.22  | 7.82    | 3.51    | 1.75    | (101.46) | 99.67   | 1.54    | 0.28    | (18.80) |

FY 2006-07 & 2011-12 Profit figure includes profit on sale of surplus land

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

## **BOARD OF DIRECTORS**

Mr. J P Goenka  
Mr. Shantanu Parvati  
Mr. A Goenka  
Mr. B B Tandon  
Mr. Nitin Kaul  
Mr. O P Dubey  
Mrs. Arti Kant

Chairman  
Whole Time Director  
Director  
Director  
Director  
Director  
Additional Director

## **CORPORATE INFORMATION**

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

## **AUDITORS**

M/s. Singhi & Co., Mumbai

## **CHIEF FINANCIAL OFFICER**

V. S. Patil

## **COMPANY SECRETARY**

Nirnoy Sur

## **PLANT**

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

## **BANKERS**

State Bank of India

## **LEGAL ADVISORS**

Crawford Bayley & Co, Mumbai

## **BRANCH OFFICES**

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

## **REGISTRAR & SHARE TRANSFER AGENT**

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

## **LISTED AT**

**Bombay Stock Exchange**

# SCHRADER DUNCAN LIMITED

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

CIN No. L28991PN1961PLC139151

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

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

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

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## NOTICE

**NOTICE** is hereby given that the Fifty Four Annual General Meeting of the Shareholders of Schrader Duncan Limited will be held on 6<sup>th</sup> August 2015 at 2.30 PM at the registered office at F-33, Ranjangaon MIDC, Karegaon, Tal Shirur, Pune 412 209 for transacting the following business:

### Ordinary Business:

1. To receive, consider and adopt the Financial Statement of the Company for the year ended 31<sup>st</sup> March, 2015 comprising audited Balance Sheet as at 31<sup>st</sup> March, 2015 and Statement of Profit and Loss for the year ended on that date, together with Notes forming part thereof and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. J P Goenka (holding DIN 135653), liable to retire by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution: "RESOLVED that in terms of the provisions of Sections 139-142 and other applicable provisions, if any, of the Companies Act, 2013 read with the underlying rules viz. Companies (Audit and Auditors) Rules, 2014 as may be applicable and pursuant to the resolution of the Members at the Fifty Three Annual General Meeting held on August 04, 2014, the appointment of M/s Singhi & Co., (Firm Registration No. 302049E) Chartered Accountants, as statutory auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the Annual General Meeting (AGM) in the Calender Year 2017 of the Company, be ratified by the Members on a remuneration inclusive of service tax and such other tax(es) (as may be applicable) and reimbursement of all out-of pocket expenses in connection with the audit of the accounts of the Company (including terms of payment) to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee."

### Special Business:

4. To consider and, if thought fit to pass, with or without modification(s), the following as a Special Resolution:  
"RESOLVED THAT in supersession of all earlier resolutions passed by the Company in this regard and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 or any amendment or substitution thereof and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which expression shall also include a committee thereof) of the Company to borrow such sum or sums of monies in any manner from time to time with or without security and upon such terms and conditions as they may think fit, notwithstanding that monies to be borrowed together with monies already borrowed by the Company (apart from temporary loan obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the company and its free reserves, provided that the total amount so borrowed by the Board and outstanding at any time, shall not exceed the sum of Rs. 100 crores (Rupees one hundred crores) or the aggregate of the paid-up share capital and free reserves of the Company, at the relevant time, whichever is higher.  
  
RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of the Company be and is hereby authorised to do all such acts, deeds, matters and things and give such directions as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and also to delegate to the extent permitted by law, all or any of the powers herein conferred to any committee of directors or the Managing Director or any director(s) or any other Key Managerial Personnel or any other officer(s) of the Company."
5. To consider and, if thought fit to pass, with or without modifications, the following a Special Resolution:  
"RESOLVED THAT in supersession of all earlier resolutions passed by the Company in this regard and pursuant to the provision of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force,

consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which expression shall also include a committee thereof) to create charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on all the immovable and movable properties of the Company, wherever situated, both present and future with or without conferring power to enter upon and to take possession of such properties and the whole of the undertaking together with power takeover the substantial assets of the Company in certain events in favour of any lender or holder of security or their agent and trustee including financial institutions and commercial banks to secure the borrowings in the form of the rupee term loan, foreign currency loan, non- convertible debentures and/ or working capital limits and any other form of loan or whatever nature either at a time or from time to time for securing borrowing or securities or liabilities not exceeding Rs. 100 crores (Rupees one hundred crores) or the aggregate of the paid-up share capital and free reserves of the Company at the relevant time, whichever is higher, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment or on redemption, costs, charges, expenses and other monies and remuneration of Trustees, if any, payable by the Company in terms of the loan agreement/Trust Deed/other documents to be finalized and executed between the Company and the Agents and Trustees/Lenders as above and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors and the Lenders/Agents and Trustees.

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise documents for creation of charge, mortgage and hypothecation and to do all such acts, deeds, matters and things and to execute all such documents or writings as may be required for giving effect to this resolution."

6. To consider and, if thought fit to pass, with or without modification(s), the following as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the Articles of Association of the Company be and are hereby altered by replacing all the existing regulations 1 to 180 with the new regulations 1 to 312 ,be and is hereby adopted as new regulations of the Articles of Association of the Company."

"FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, Mr. Shantanu Parvati (DIN: 03575619), Director of the Company and the Key Managerial Personnel of the Company be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid Resolution along with filing of necessary E-forms with the Registrar of Companies, Pune."

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

"RESOLVED THAT Mrs. Arti Kant, an additional director of the Company, who was appointed under section 161 of the Companies Act, 2013, to hold office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in terms of provisions of section 160 and other applicable provisions of the Companies Act, 2013 if any read with Listing Agreement, be and is hereby elected and appointed as a Director of the Company"

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013, Mrs. Arti Kant (holding DIN 03218058), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the conclusion of this Annual General Meeting till the Conclusion of 6<sup>th</sup> Annual General Meeting of the Company in the calendar year 2020".

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

"RESOLVED THAT pursuant to the provisions of Sections 196,197 other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said Act, subject to requisite permission from the Central Government, if applicable, approval be and is hereby granted to the revision in remuneration of Mr Shantanu Parvati, Whole Time Director of the Company with effect from April 1, 2015.

RESOLVED FURTHER THAT subject to the limits contained in Sections 197 and read with schedule V of the Companies Act, 2013, Mr Shantanu Parvati be paid effective April 1, 2015 such remuneration comprising of salary, performance linked bonus and perquisites as the Board may consider appropriate from time to time within the maximum limits specified below for a period of one years subject to review by Board at regular intervals within the prescribe limits of the Companies Act, 2013:

1. **Salary (Basic) –**

₹ 2,142,000 per annum with discretionary powers to the Board to revise the amount from time to time.

2. **Special Allowance**

₹ 1,178,730 per annum

3. **Variable Pay** (is payable at the end of the year based on the Annual Appraisal)

₹ 1,260,000 per annum

4. **Annual Perquisites**

House Rent Allowance - ₹ 1,285,200 per annum

Medical reimbursement - ₹ 18,000 per annum

Leave Travel Allowance - ₹ 56,000 per annum

5. **Other Perquisites**

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

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

RESOLVED FURTHER THAT Mr. Shantanu Parvati, as recommended by Remuneration Committee will be paid performance Bonus of ₹ 6 lacks only on meeting 90% of EBITDA as per the Budget presented to the Board for the Financial Year 2015-16.

RESOLVED FURTHER THAT where in any financial year during the currency of tenure of Whole Time Director, the Company has no profits or its profits are inadequate, the Company will pay the remuneration as set forth in this resolution, as minimum remuneration in accordance with the provisions of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised from time to time to amend, alter or otherwise vary the terms and conditions of the appointment of Mr Shantanu Parvati, including remuneration, provided such remuneration shall not exceed the maximum limits for payment of managerial remuneration as may be admissible within the overall limits of Schedule V to the Companies Act, 2013.

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

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**NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 30<sup>th</sup> July, 2015 to 6<sup>th</sup> August, 2015 (both days inclusive) in terms section 91 of the Companies Act, 2013 and of Clause 16 of the Listing Agreement with the Stock Exchange.
3. In terms of the provisions of Section 124 of the Companies Act, 2013 (corresponding to section 205A of the Companies Act, 1956), the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government. Accordingly, the unclaimed dividend in respect of financial year 2007-08 is due for transfer to the said Fund in August 2015. In terms of provision of Section 124 of the Companies Act, 2013 (Corresponding to section 205C of the Companies Act, 1956), no claim shall lie against the Company or the said Fund after the said Transfer. Members who have neither received nor encashed their dividend warrant(s) for the financial year 2007-08 upto Financial Year 2009-10, are requested to write to the Company, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate / revalidated dividend warrant(s)
4. Details of the Directors being appointed / reappointed are furnished in point no. 2(d) of the Corporate Governance Report.
5. An Explanatory Statement in respect of item nos.4 to 9 pursuant to Section 102 of the Companies Act, 2013 is annexed to this notice.
6. Members are requested to intimate their queries, if any, relating to the accounts or any other matter at least seven days in advance so that the explanation can be made available and furnished readily at the meeting.
7. The Company registered office is in F-33, Tal- Shirur, Pune- 412209. Shareholders are requested to address all

correspondence to the Company Secretary at the Registered Office.

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

**Link Intime India Pvt Ltd, Block No 202, 2<sup>nd</sup> Floor, Akshay Complex, Near Ganesh Temple, Off-Dhole Patil Road, Pune - 411001**

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

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

10. Voting through electronic means:

I. In Compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the fifty four Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

II. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut off date of July 30, 2015 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.

III. The Instructions of for e-voting are as under:

A. In case a Member receives an email from NSDL/Link Intime India Pvt Ltd. [for members whose email IDs are registered with the Company/Depository Participants(s)]:

(i) Open email and open PDF file viz; "Schrader Duncan e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

(iii) Click on Shareholder – Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.

(vii) Select "EVEN" (Remote E Voting Event Number) of Schrader Duncan Limited.

(viii) Now you are ready for e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote

(xii) Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [sdl.scrutineer@gmail.com](mailto:sdl.scrutineer@gmail.com) or [e-voting@schraderduncan.com](mailto:e-voting@schraderduncan.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical Physical copy]:

I. (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

**EVEN (E Voting Event Number) USER ID PASSWORD/PIN**

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Or call on toll free no. 1800-222-990.

III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - V. The e-voting period commences on August 3, 2015,( 9 a.m.) and ends on August 05, 2015 (5 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 30, 2015 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  - VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of July 30, 2015.
  - VII. Ms. Shaswati Vaishnav , Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.schraderduncan.com](http://www.schraderduncan.com) and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
  - X. Login to the remote e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'forgot password option available on the site to reset the password.
  - XI. The chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow e-voting with the assistance of scrutinizer for all those members who are present at the AGM but have not cast their votes by availing the remove e-voting facility.
11. The Securities and Exchange Board Of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market, Members holding shares in electronic form are, therefore, requested to submit the PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
  12. Members may also note that the Notice of the 54<sup>th</sup> Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's Website [www.schraderduncan.com](http://www.schraderduncan.com) for their download. The Physical copies of the aforesaid will also be available at the company's Registered Office in Pune for inspection during normal business hours on working days.
  13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.a.m. to 6 p.m.) on all working days except Saturdays and Sundays up to and including the date of the Annual General Meeting of the Company.  
 Clause 32 of the Listing Agreement executed with the stock exchanges permits sending of soft copies of annual reports to all those Members who have registered their email addresses for the purpose.  
 The Companies Act, 2013 has also recognised serving of documents to any Member through electronic mode. In terms of the Circular No. NSDL/CIR/II/10/2012 dated March 9, 2012 issued by National Securities Depository Limited, email addresses made available by the Depository for your respective Depository Participant accounts as part of the beneficiary position downloaded from the Depositories from time to time will be deemed to be your registered email address for serving notices/documents including those covered under Sections 101 and 136 of the Companies Act, 2013 read with Section 20 of the Companies Act, 2013 and the underlying rules relating to transmission of documents in electronic mode. In light of the requirements prescribed by the aforesaid circulars, for those Members whose Depository Participant accounts do not contain the details of their email address, printed copies of the Notice of Annual General Meeting and Annual Report for the year ended March 31, 2015 would be dispatched.

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

By Order of the Board

May 11, 2015

**Nirnoy Sur**  
 Company Secretary

## EXPLANATORY STATEMENT

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

#### Item No. 4 & 5

Under Section 180(1)(c) of the Companies Act, 2013 ("Act"), the Board of Directors of a company cannot, except with the consent of the members by a special resolution, borrow monies, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up share capital and free reserves of the company. Further, as per provisions of Section 180(1)(a) of the Act, the mortgage or hypothecation or charge on all or any part of the movable and/or immovable properties of the Company, may be deemed as the disposal of the whole or substantially whole of the undertaking of the Company and requires approval of the members of the Company by way of special resolution. However, the provisions of Sections 180(1)(a) and 180(1)(c) the Companies Act, 2013, the corresponding provisions of Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956, require passing of special resolution by the members of the Company to authorize the Board of Directors of the Company to exercise such powers.

Further, Ministry of Corporate Affairs vide General Circular No. 4/2014 dated 25.03.2014 clarified that the resolutions passed under Section 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings and / or creation of security on the assets of the Company will be regarded as sufficient compliance of requirements of Section 180 of the Companies Act, 2013 for a period of one year from the date of notification of Section 180 of the Companies Act, 2013. Section 180 of the Companies Act, 2013 was notified on 12.09.2013. In view of the above, it is necessary to pass resolution(s) pursuant to the provisions of Section 180(1)(a) and 180(1)(c) the Companies Act, 2013 to enable the Board of Director to exercise powers in relation to borrowings and / or creation of security over and above the limit referred in Section 180 of the Companies Act, 2013. The above proposals are in the interest of the Company and the Directors recommend the Resolutions in Item Nos. 4 and 5 of the Notice for approval by the Members by way of special resolution. None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions at Item Nos. 4 and 5 of the accompanying Notice.

#### Item No. 6

The Existing regulations 1 to 180 of the Articles of Association are replaced by the new set of regulations 1 to 312 and adopted as new set of Articles of Association. The modification in the Articles of Association is carried out to give effect to the provisions of the Companies Act, 2013. Consent of the shareholders by passing a Special Resolution is required in this regard. Copies of memorandum and articles of association of the Company shall be furnished to every shareholder of the Company at his request on payment of an amount as may be fixed by the Board to recover reasonable cost and expenses, not exceeding such amount as fixed under applicable Law.

#### Item No. 7 & 8

Mrs. Arti Kant, (aged 65 years) was appointed by the Board of Director of the Company as additional director at its meeting held on 2<sup>nd</sup> February, 2015 with effect from 2<sup>nd</sup> February, 2015. In terms of section 161 of the Act and Article 93(1) of the Company's Articles of Association, Mrs. Arti Kant is eligible to hold the office of Director only till the date of the 54<sup>th</sup> Annual General Meeting, but is eligible for re- appointment. Notice has been received by the Company as required by section 160 of the Act along with a deposit of Rs. 100,000/- (Rs. 1 lacs only) from a member of the Company, signifying the intention to propose candidature of Mrs. Arti Kant for the office of Director.

Mrs. Arti Kant (holding DIN 03218058), is a post graduate in English literature from Allahabd University, had wide and varied experience and successfully faced many challenging assignments during her tenure with the Government of India. As of September 2009, she had retired from government service at one of the senior most posts at the level of Additional Secretary in the Central Government.

She is a Director of Antar India Pvt. Limited

Mrs. Arti Kant does not hold any share in the Company.

Mrs. Arti Kant is not related to any Director of the Company.

In the opinion of the Board, Mrs. Arti Kant fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is Independent Management.

Copy of Draft letter of appointment of Mrs. Arti Kant as Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays and Sundays.

The Board Considers that her continued association would be of immense benefit to the Company and is desirable to avail service of Mrs. Arti Kant as an Independent Director. Concerned Director and her relatives are interested in their

respective resolutions being related to their own appointments. Other than the aforesaid, none of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions as set out in item nos.7 & 8 of the accompanying Notice. The Board recommends the resolutions set forth in item nos. 7 & 8 for the approval of members.

#### Item No. 9

#### The Board in its meeting held on May 11, 2015 revised the remuneration of Mr Shantanu Parvati with effect from April 1, 2015, as recommended by Remuneration Committee.

The requisite information stipulated under Schedule V is furnished hereunder :

| I   | GENERAL INFORMATION   |   |
|-----|---|---|
| (1) | Nature of industry  | Automotive Components   |
| (2) | Date or expected date of commencement of commercial production  | Not applicable as Company existing since 1961   |
| (3) | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus                     | Not Applicable  |
| (4) | Financial performance based on given indicators   | Net Sales (INR) - 642.80 million<br>Profit/(loss) before Tax - (78.79) million  |
| (5) | Foreign investments or collaborations, if any   | Not Applicable  |
| II  | INFORMATION ABOUT THE APPOINTEE   |   |
| (1) | Background details  | Mr Shantanu Parvati, aged 41 years, holds a Bachelor of Engineering degree from Pune University and MBA from Symbiosis Institute of Business Management, Pune. Prior to joining Schrader Duncan Mr. Parvati has worked at prestigious OEM in India, where he has handled corporate and business responsibilities like Projects, M&A, Strategy and operations. He has 20 Years of rich experience in industry and advisory services. |
| (2) | Past remuneration   | 2012-2013 46,00,000<br>2013-2014 52,90,000<br>2014-2015 60,00,000   |
| (3) | Recognition or awards   | Nil   |
| (4) | Job profile and his suitability   | He has strong academic background and rich experience Automobile industry.<br><br>He had worked with leading OEM in India in responsible positions.   |
| (5) | Remuneration Proposed<br>(Subject to review by Board at regular intervals within the prescribe limits of the Companies Act, 2013.<br>(April 1, 2015 to March, 31, 2016) | Salary 2,142,000<br>Allowances 2,463,930<br>Variable Pay 1,260,000<br>Perquisites <u>434,070</u><br>63,00,000<br><br>Performance Bonus of Rupees Six Lacs on meeting 90% of EBITDA target.  |
| (6) | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person  | The Board believes that this proposed remuneration is commensurate with his role and responsibility as Whole Time Director of the Company.  |
| (7) | Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any  | None  |

|            |   |   |
|------------|---|---|
| <b>III</b> | <b>OTHER INFORMATION.</b>   |   |
| (1)        | Reasons of loss or inadequate profits                             | <ul style="list-style-type: none"> <li>● Volume and order book assumptions not materialising due to slowdown in overall Automotive and Industrial / Capital Goods Sector.</li> <li>● Restructuring initiatives undertaken in the business.</li> </ul>             |
| (2)        | Steps taken or proposed to be taken for improvement               | <ul style="list-style-type: none"> <li>● Implementation of Lean Management</li> <li>● Increased capacity utilization, driven by volume ramp up.</li> <li>● New products has been launched</li> <li>● Cost optimisation and re-engineering initiatives.</li> </ul> |
| (3)        | Expected increase in productivity and profits in measurable terms | >80% overall plant utilisation and 12-15% operating margin in next 2 Years.   |
| <b>IV</b>  | <b>DISCLOSURES</b>  | All details are covered in the Corporate Governance Report which forms part of the annual report for the year 2015  |

The Board recommends the resolution for approval by the Members.

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

The above may be treated as sufficient disclosure under Section 190 with respect to the revision in remuneration w.e.f. April 1, 2015.

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

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

By Order of the Board

May 11, 2015

**Nirnoy Sur**  
Company Secretary

## DIRECTOR'S REPORT

1. Your Directors have the pleasure of presenting the Fifty Fourth Annual Report to the shareholders together with the audited statement accounts for the year ended March 31, 2015. The operating results as disclosed in the audited accounts are summarised below:

(₹ in Lacs)

|  | 2014-15   | 2013-14   |
|--|-----------|-----------|
| Total Revenue                                  | 6508.82   | 7079.99   |
| Total Expenses                                 | (7296.77) | (7348.94) |
| Profit/(loss) before exceptional items and Tax | (787.95)  | (268.95)  |
| Exceptional Items                              |           | (269.91)  |
| Profit/(Loss) before Taxation (PBT)            | (787.95)  | 0.96      |
| Tax Expenses (Current Tax)                     | (183.10)  | (8.78)    |
| Profit/(loss) for the year                     | (604.85)  | 9.74      |

### 2. Dividend

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

### 3. Performance

Your company has registered total revenue of 650.88 million with a loss for the year 60.48 million.

The overall market continued to be subdued, and various restructuring and cost reduction initiatives have been undertaken at both business units. With majority of the restructuring initiatives completed, your company is now on a stronger platform to leverage market opportunities for stable growth and performance in the coming years.

### 4. Operations

The turnover of Automotive Business Unit in the current years is 351.48 million.

The turnover of Fluid Power and Automation Business unit in the current year saw a minor increase to 291.32 million compared to previous year. This was achieved in a very difficult market and slowing demand in the industrial and capital goods sector.

### 5. Change in the Nature of Business

There was no change in the nature of the Business of the Company during the year. There were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future. There were no material changes and commitments affecting the financial position of the company occurring between March 31, 2015 and the date of this report.

### 6. Research & Development

Research & Development is fundamental to the Company's efforts to maintain the technical and quality edge for the product New Grades are also being developed to meet customers varied requirements. Research in the areas of reducing utilities cost and process parameters improvement is also being done.

### 7. Pollution Control

Your Company's Plant has all the requisite Pollution Control Equipments and meets all the desired and statutory norms in this regard.

### 8. Statement in respect of adequacy of internal financial controls with reference to the Financial Statements:

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The Scope and authority of the Internal Audit (IA) is as per the works assigned to them by the management. To maintain its objectivity and independence, Internal Audit function reports to the chairman of the Audit Committee of the Board. M/s Pipalia Singhal & Associates is the Internal Auditor of the Company.

The Internal Audit monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures, procurement, sales, Stores and Statutory Compliances. Based on the report of Internal audit function, process owners undertake corrective action in their

respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

**9. Particulars of loans/advances/investments outstanding during the financial year.**

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the investments made and loan taken by company is given in the notes to the financial statements.

**10. Public Deposits:** The company has not accepted any fixed deposits from the public or shareholders falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014

**11. Statutory Auditors**

At the AGM held on August 04, 2014 the Members approved the appointment of M/s Singhi & Co. Chartered Accountants as a statutory auditor for a period of three consecutive years for a term upto the conclusion of Annual General Meeting in the calendar year 2017 subject to the ratification by the members every year. As recommended by the audit committee, your Directors propose to ratify the appointment of M/s Singhi & Co, Chartered Accountants, Mumbai as Statutory Auditors of the Company as per the terms and conditions of the Companies Act, 2013. The appointment is accordingly proposed in the Notice of the Current AGM vide item No. 3 for ratification by Members.

**12. Secretarial Audit:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messers Shaswati Vaishnav & Associates, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "Annexure A". There are no qualifications, reservation or adverse remark or disclaimer made by the auditor in the report save and except disclaimer made by them in discharge for their professional obligation.

**13. Auditor's Report**

The Observation made in the Auditors Report, read together with the relevant notes thereon, are self explanatory and hence does not call for any comments under.

**14. Extract of the annual Return:**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure B"

**15. Particular of Employees and Key Managerial Personnel (KMP)**

The following three persons were formally appointed as Key Managerial Personnel of the Company as per the provisions of Sec 203 of the Companies Act, 2013.

- a) Mr. Shantanu Parvati, Managing Director
- b) Mr. V S Patil, Chief Financial Officer
- c) Mr. Nirnoy Sur, Company Secretary

The information required pursuant to Section 134(3)(q) and 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Remuneration and other details of Key Managerial Personnel and other Employees for the year ended March 2015 are annexed to this report.

**16. Directors**

The Board of Director has on the recommendation of the Nomination & Remuneration Committee appointed Mrs. Arti Kant, as an Additional Director of the Company with effect from 2<sup>nd</sup> February, 2015 till the conclusion of ensuing Annual General Meeting.

The Board of Director of the Company at their meeting held on 5<sup>th</sup> August, 2014 has appointed Mr. V S Patil as Chief Financial Officer of the Company.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

Mr. R A Shah, Alternate Director of the Company had resigned from the Board on 30<sup>th</sup> September, 2014. The Board has placed on record its appreciation for the outstanding contributions made by Mr. R A Shah during their respective tenure of office.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr J P Goenka is liable to retire by rotation and are being eligible for re-appointment. Your Directors propose his re-appointment as set out in the notice.

**i) Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the other Committees. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

**ii) Remuneration Policy**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The approved remuneration policy of the Company is also available on the website of the Company which is [www.schraderduncan.com](http://www.schraderduncan.com).

**iii) Meetings**

The Company has hold Meeting as per the listing Agreement signed with the Stock Exchange and as per the Companies Act. During the year four Board meetings and four Audit Committee meetings were convened and held. The details of which are given in the Corporate Governance Report, the intervention gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**17. Corporate Governance:**

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

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

**18. 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 134(3) (m) read with Companies Companies (Accounts) Rules, 2014.

**19. Risk Management Policy:**

The Board of the Company look into the element of risk associated with the Company. At present the company has not identified any element of risk which may threaten the existence of the company.

**20. Related Party Transactions**

All related party transactions that were entered into during the financial year were on arms' length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of Company at large. All related party transactions are placed before the Audit Committee. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of foreseen and repetitive nature. None of the Directors has any pecuniary relationship or transactions vis-a-vis the Company. The approved policy on related party transactions is also available on the website of the company [www.schraderduncan.com](http://www.schraderduncan.com) under investors dropdown.

**21. Subsidiaries**

Your Company does not have any subsidiary / subsidiaries within the meaning of the Companies Act, 2013.

**22. Vigil Mechanism/Whistle Blower Policy**

The Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

**23. Directors Responsibility Statement**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of section 134 (3)(c) of the Companies act, 2013:

- i) that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- ii) 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 the profit and loss of the Company for that period.
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing the detecting fraud and other irregularities;
- iv) that the annual financial statements have been prepared on a going concern basis;
- v) that proper financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**24. Disclosures:**

a) **Materially Significant Related Party Transactions :** All related party transactions form part to the notes to the Balance Sheet. Saving those, there were no materially significant related party transactions with Company's promoters, directors or its management their relatives, etc. that had a potential conflict with the interest of the Company.

b) **Accounting Treatment**

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

c) **Statutory Compliance, Strictures and Penalties:**

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

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

25. **Audit Committee:** The Audit Committee comprises Non-executive Director and Independent Directors namely, Mr. Arvind Goenka, Mr. B B Tandon, Mr. O P Dubey. All the recommendation made by the Audit Committee accepted by the Board. Chief Financial Officer and Auditors are permanent invitees to the committee meetings. The detail of terms of reference of Audit Committee, number and dates of meetings held, attendance of the directors and remunerations paid to them are given separately in the attached Corporate Governance Report.

26. **The Stake Holder's Relationship Committee:**

The Company has a stake Holder's Relationship Committee for reviewing shareholder/investors complaints. The present members of this committee are Mr. J P Goenka (Chairman), Mr. O O Dubey (Member), Mr. Shantanu Parvati (Member). The details reference of the committee has been given in the corporate governance report.

27. **Nomination And Remuneration Committee**

The Nomination and Remuneration committee has Mr. Arvind Goenka as Chairman, Mr. B B Tandon, Mr. O P Dubey and Mr. Nitin Kaul as Members. The details terms of reference of this committee has been given in the Corporate Governance Report.

28. **Acknowledgements**

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

**On behalf of the Board of Directors**

Mumbai, May 11, 2015

**Shantanu Parvati**  
Whole Time Director

**O P Dubey**  
Director

## ANNEXURE I TO THE DIRECTORS' REPORT FOR THE YEAR 2014-2015

### A Conservation of Energy

- i) Steps taken on conservation of energy and utilising alternate source of energy
  - Balanced load distribution for electric power thereby improving power factor and reducing power consumption.
  - Energy consumption optimization in vulcanization cells.
  - Reduced consumption of treated water through process improvements.
  - Your company is in the monitoring stage in utilising alternate source of energy.
- ii) Your company is finding better scope for the capital investment on energy conservation equipments.

### B Technology Absorption

Research and Development (R & D)

- i) Specific areas in which R & D was carried out by the Company and the efforts made thereon.
  - Improvement in mould cavity design.
  - Value engineering of Products - Conversion from extrusion to GDC, conversion from Gravity Die Casting (GDC) to Pressure Die Casting (PDC).
  - Development effort on Pneumatic Panels.
- ii) Benefits derived as a result of above R & D
  - Improved product aesthetics, reliability and productivity.
  - Stabilization and ramp up of pneumatic penal and systems.
  - Reduction in in-house rejection.
- iii) Future Plan of Action
  - New product development to expand product offering
  - Continue Value Engineering efforts, on all important products, to reduce costs, improve performance, aesthetics & through-put time.
- iv) Expenditure of R & D
  - a) Capital Nil
  - b) Recurring 2.14 million
  - c) Total 2.14 million

### C Foreign Exchange Earnings and outgo

During the year, the Company has spent foreign exchange of INR 143.82 Million and earned foreign exchange of INR 12.53 Million through exports and services rendered.

#### Disclosures required with respect to Section 197(12) of the Companies Act, 2013:

The ratio of the remuneration of each Director to the median employee's remuneration and such other details in terms of Section 197(12) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:**

Mr. Shantanu Parvati (Whole-time Director) 35.05:1

**(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

The percentage of increase in remuneration of each Wholetime Director, Chief financial Officer and Company secretary ranges from 5% to 10%.

**(iii) The percentage increase in the median remuneration of employees in the financial year:**

The percentage increase in the median remuneration of employees in the financial year is around 36%

**(iv) The number of permanent employees on the rolls of company**

The total number of permanent employees in the Company is 208

**(v) The explanation on the relationship between average increase in remuneration and company Performance**

The average increase in the remuneration is in line with market norms.

**(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company**

For FY2015, the Company did not earn Profit, so this provision is not Applicable.

**(vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies**

| Particulars   | 31-Mar-15   | 31-Mar-14   |
|---|-------------|-------------|
| Market capitalisation (in Rs.)  | 246,892,800 | 194,409,600 |
| Price Earning Ration  | (4.08)      | 202.31      |
| Increase in the market quotations of the equity shares in comparison to the rate at which the last public offer made in | NA          | NA          |

**(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average percentage increase made in the salaries of total employees other than the Key Managerial Personnel for FY2015 is around 5%, while the average increase in the remuneration of the Key Managerial Personnel is in the range of 5%-10%

**(ix) Comparison of remuneration of each of the Key Managerial Personnel against the performance of the company:**

Since the company did not earn PAT in the last 1 year this clause does not apply

| Particulars             | % Remuneration to PAT |
|-------------------------|-----------------------|
| MD & CEO                | NA                    |
| Chief Financial Officer | NA                    |
| Company Secretary       | NA                    |

**(x) The key parameters for any variable component of remuneration availed by the directors:** The remuneration paid to whole time Director is recommended by the Remuneration committee and approved by the Board. The Board and Committee of the Company looks into various parameter of Business and personal performance of Director before recommending the remuneration of director to the shareholder of the company for final approval as per schedule V of the Companies Act 2013.

**(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year**

Not Applicable

**(xii) Affirmation that the remuneration is as per the remuneration policy of the company: YES**

On behalf of the Board of Directors

Mumbai, May 11, 2015

Shantanu Parvati  
Whole Time Director

O P Dubey  
Director

# Management Discussion and Analysis

## 1. Industry Structure and Development

The Indian auto industry has been going through a challenging period for the past three years. A subdued economy, weak consumer demand and high interest rates resulted in sluggish sales in the sector.

The overall auto industry registered a growth of 8% during the period April 2014 to March 2015 vis-a-vis previous year all segment except commercial vehicle ended the year with positive growth.

The Indian Tyre Industry struggled to continue its growth momentum in 2014-15, due to the continued slowdown in the vehicle industry, particularly the commercial vehicle segment. The long term growth fundamentals of the tyre industry remain strong and the industry is well placed to leverage the opportunities in future. Investment in infrastructure continues to support demand for commercial vehicles and other factors such as favourable demographics, rising disposable income, under penetration of vehicles, strong demand from rural market and availability of financing at competitive rates drive long term demand for passenger vehicles and two wheelers. Indian and global tyre manufacturers are committed to India including increased radialisation. This is bound to have a positive impact on the demand for tube and tubeless tyre valves.

The Indian Fluid Power Industry faced one of its most challenging periods in the years 2012-2014, due to a significant slowdown in industrial demand and dearth of new projects and investments in sectors like Steel, Power and Infrastructure. The industry sustained itself by diversifying in to new areas and applications, where automation needs are increasing. Sectors like power, cement, ferrous and non ferrous, mining and heavy engineering will continue to drive demand for Industrial Fluid Power and Automation.

## 2. Opportunities and Threats

The growing demand for tube and tubeless tyres in the automotive segments, presents an opportunity for volume and market share growth. New product range for TTVs (Tubeless tyre valves) has been established and discussions with automotive OEMs for product and plant approvals are underway. With this the product offering will expand and drive volume growth further. With this product range, the company is going to explore the opportunities in the replacement market and export market.

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

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

## 3. Segment wise / Product wise Performance

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

|                             | (INR Million) |               |
|-----------------------------|---------------|---------------|
| NET SALES                   | 2014-15       | 2013-14       |
| Automotive tyre tube valves | 351.48        | 400.36        |
| Fluid Power & Automation    | 291.32        | 290.88        |
| <b>TOTAL</b>                | <b>642.80</b> | <b>691.24</b> |

## 4. Outlook

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

## 5. Risks and Concerns

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

In Fluid Power & Automation segment, where the company operates in Industrial and Infrastructure Sectors,

which are technology intensive it needs continuous focus on product and technology development, which is imperative to sustain in a highly competitive environment.

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

#### **6. Internal control systems and their adequacy**

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

#### **7. Discussion on financial performance with respect to operational performance**

The details of the financial performance of the Company appear in the Balance Sheet, Statement of Profit and Loss and other financial statements. Highlights for the year 2014-2015 are as under:

|   | (INR Million)    |
|---|------------------|
|   | <b>2014-2015</b> |
| Net Sales   | 642.79           |
| Other Income  | 8.083            |
| Profit / (Loss) before tax (including exceptional income) | (78.794)         |

#### **8. Human Resources**

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

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

#### **9. Cautionary Statement**

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

Mumbai, May 11, 2015

**Shantanu Parvati**  
Whole Time Director

## CEO/CFO Certificate

We certify that for the financial year ended 31st March, 2015 we have reviewed the annual accounts, financial statement and the cash flow statement and state that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading.
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are no transactions entered into by the company during the year which are fraudulent, illegal or violate the company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and have taken adequate steps to rectify these deficiencies.
5. We further certify that:
  - (a) there have been no significant changes in internal control over financial reporting during the year;
  - (b) there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Pune  
May 11, 2015

**V S Patil**  
Chief Financial Officer

**Shantanu Parvati**  
Whole Time Director

**“Annexure A to Board Report”**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED March 31, 2015.

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

To,  
The Members,  
Schrader Duncan Limited.

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Schrader Duncan Limited(hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of Schrader Duncan Limited (name of the company's) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by Schrader Duncan Limited (“the Company”) for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other applicable acts :
  - (a) Factories Ac, 1948
  - (b) Payment of Wages Act, 1936 and rules made thereunder;

- (c) The Minimum Wages Act, 1948;
- (d) Employees State Insurance Act, 1948
- (e) The Employees Provident Fund Act and Miscellaneous Provisions Act, 1952
- (f) The Payment of Bonus Act, 1956
- (g) Payment of Gratuity Act, 1972
- (h) The Water (Prevention & Control of Pollution) Act, 1974;
- (i) The Air (Prevention & Control of Pollution) Act, 1981;
- (j) The Environment (Protection) Act, 1986 (Read with the Environment (Protection Rules) 1986
- (k) The Hazardous Wastes (Management, Handling And Transboundary Movement) Rules, 2008

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (the standards were not yet notified at the time of audit. However the Company has maintained best practices in matters relating to the SS)
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange, Mumbai .

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

**I/we further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I/we further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Pune

Signature: Sd/-  
Shaswati Vaishnav

Date : 11<sup>th</sup>May, 2015

Name of Company Secretary in practice / Firm:  
ACS/FCS No.8675  
C P No.: 11392

## “Annexure B to Board Report”

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- i) CIN:-L28991PN1961PLC139151
- ii) Registration Date 29<sup>th</sup> March, 1961
- iii) Name of the Company: SCHRADER DUNCAN LIMITED
- iv) Category / Sub-Category of the Company: Company Limited by Shares.
- v) Address of the Registered: F 33, RANJANGAON, INDUSTRIAL AREA, MIDC, KOREGAON , SHIRUR, PUNE-412209
- vi) Whether listed company: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: LINK INTIME INDIA PRIVATE LIMITED BLOCK NO.202, AKSHAY COMPLEX, OFF DHOLE PATIL ROAD, NEAR GANESH TEMPLE, PUNE 411001 TEL: 020 26161629/26160084

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of main products / services | NIC / Tariff Code of the Product/ service | % to total turnover of the company |
|---------|--|---|------------------------------------|
| 1       | Automotive tyre tube valve                       | 84818049                                  | 54.68                              |
| 2       | Fluid power & automation                         | 88412000                                  | 45.32                              |

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – Not applicable

| Sr. No. | Name and Address of The Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable section |
|---------|---------------------------------|---------|--------------------------------|------------------|--------------------|
| 1       | N.A.                            | N.A.    | N.A.                           | N.A.             | N.A.               |

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) as on March 31, 2015.

##### i) Category-wise Share Holding

| Category Code | Category of shareholder                | Number of shareholders | Total number of shares | Number of shares held in dematerialized | Total shareholding as a percentage of total number of shares |                                  | Shares pledged or otherwise encumbered |  |
|---------------|--|------------------------|------------------------|---|--|----------------------------------|--|--|
|               |  |                        |                        |   | As a percentage of (A+B) (VI)                                | As a percentage of (A+B+C) (VII) | Number of shares (VIII)                | As a percentage (IX) = (VIII)/(IV)*100 |
| (I)           | (II)                                   | (III)                  | (IV)                   | (V)                                     | (VI)   | (VII)                            | (VIII)                                 | (IX)                                   |
| <b>(A)</b>    | <b>Promoter and Promoter Group</b>     |                        |                        |   |  |                                  |  |  |
| <b>1</b>      | <b>Indian</b>                          |                        |                        |   |  |                                  |  |  |
| (a)           | Individuals/Hindu Undivided Family     | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | 0                                      | 0.0000                                 |
| (b)           | Central Government/State Government(s) | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | 0                                      | 0.0000                                 |
| (c)           | Bodies Corporate                       | 2                      | 2753836                | 2753836                                 | 74.5085  | 74.5085                          | 0                                      | 0.0000                                 |

| Category Code | Category of shareholder   | Number of shareholders | Total number of shares | Number of shares held in dematerialized | Total shareholding as a percentage of total number of shares |                                  | Shares pledged or otherwise encumbered |  |
|---------------|---|------------------------|------------------------|---|--|----------------------------------|--|--|
|               |   |                        |                        |   | As a percentage of (A+B) (VI)                                | As a percentage of (A+B+C) (VII) | Number of shares (VIII)                | As a percentage (IX) = (VIII)/(IV)*100 |
| (I)           | (II)  | (III)                  | (IV)                   | (V)                                     |  |                                  |  |  |
| (d)           | Financial Institutions / Banks  | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | 0                                      | 0.0000                                 |
| (e)           | Any Other (specify)   | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | 0                                      | 0.0000                                 |
|               | <b>Sub Total (A)(1)</b>   | <b>2</b>               | <b>2753836</b>         | <b>2753836</b>                          | <b>74.5085</b>   | <b>74.5085</b>                   | <b>0</b>                               | <b>0.0000</b>                          |
| <b>2</b>      | <b>Foreign</b>  |                        |                        |   |  |                                  |  |  |
| (a)           | Individuals (Non-Resident Individuals/Foreign Individuals)                    | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | 0                                      | 0.0000                                 |
| (b)           | Bodies Corporate  | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | 0                                      | 0.0000                                 |
| (c)           | Institutions  | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | 0                                      | 0.0000                                 |
| (d)           | Qualified Foreign Investors   | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | 0                                      | 0.0000                                 |
| (e)           | Any Other (specify)   | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | 0                                      | 0.0000                                 |
|               | <b>Sub Total (A)(2)</b>   | <b>0</b>               | <b>0</b>               | <b>0</b>                                | <b>0.0000</b>  | <b>0.0000</b>                    | <b>0</b>                               | <b>0.0000</b>                          |
|               | <b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>    | <b>2</b>               | <b>2753836</b>         | <b>2753836</b>                          | <b>74.5085</b>   | <b>74.5085</b>                   | <b>0</b>                               | <b>0.0000</b>                          |
| <b>(B)</b>    | <b>Public shareholding</b>  |                        |                        |   |  |                                  |  |  |
| <b>1</b>      | <b>Institutions</b>   |                        |                        |   |  |                                  |  |  |
| (a)           | Mutual Funds/UTI  | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | -                                      | -                                      |
| (b)           | Financial Institutions / Banks  | 11                     | 2255                   | 1202                                    | 0.0610   | 0.0610                           | -                                      | -                                      |
| (c)           | Central Government/State Government(s)  | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | -                                      | -                                      |
| (d)           | Venture Capital Funds   | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | -                                      | -                                      |
| (e)           | Insurance Companies   | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | -                                      | -                                      |
| (f)           | Foreign Institutional Investors   | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | -                                      | -                                      |
| (g)           | Foreign Venture Capital Investors   | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | -                                      | -                                      |
| (h)           | Qualified Foreign Investors   | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | -                                      | -                                      |
| (I)           | Any Other (specify)   | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | -                                      | -                                      |
|               | <b>Sub Total (B) (1)</b>  | <b>11</b>              | <b>2255</b>            | <b>1202</b>                             | <b>0.0610</b>  | <b>0.0610</b>                    |  |  |
| <b>2</b>      | <b>Non-institutions</b>   |                        |                        |   |  |                                  |  |  |
| (a)           | Bodies Corporate  | 75                     | 42813                  | 41861                                   | 1.1584   | 1.1584                           | -                                      | -                                      |
| (b) (i)       | Individuals - shareholders holding nominal share capital up to Rs 1 Lakh      | 3487                   | 717273                 | 578867                                  | 19.4067  | 19.4067                          | -                                      | -                                      |
| (ii)          | Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh | 7                      | 164866                 | 164866                                  | 4.4607   | 4.4607                           | -                                      | -                                      |
| (c)           | Qualified Foreign Investors   | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | -                                      | -                                      |
| (d)           | <b>Any Other</b>  |                        |                        |   |  |                                  |  |  |
| i             | Non Resident Indians (Repat)  | 16                     | 4643                   | 2735                                    | 0.1256   | 0.1256                           | -                                      | -                                      |
| ii            | Non Resident Indians (Non Repat)  | 22                     | 8051                   | 7602                                    | 0.2178   | 0.2178                           | -                                      | -                                      |
| iii           | Foreign Companies   |                        |                        |   |  |                                  | -                                      | -                                      |
| iv            | market maker  | 9                      | 2263                   | 2263                                    | 0.0612   | 0.0612                           | -                                      | -                                      |

| Category Code | Category of shareholder   | Number of shareholders | Total number of shares | Number of shares held in dematerialized | Total shareholding as a percentage of total number of shares |                                  | Shares pledged or otherwise encumbered |  |
|---------------|---|------------------------|------------------------|---|--|----------------------------------|--|--|
|               |   |                        |                        |   | As a percentage of (A+B) (VI)                                | As a percentage of (A+B+C) (VII) | Number of shares (VIII)                | As a percentage (IX) = (VIII)/(IV)*100 |
| (I)           | (II)  | (III)                  | (IV)                   | (V)                                     | (VI)   | (VII)                            | (VIII)                                 | (IX)                                   |
| v             | Directors / Relatives   |                        |                        |   |  |                                  | -                                      | -                                      |
| vi            | Trusts  |                        |                        |   |  |                                  | -                                      | -                                      |
|               | <b>Sub Total (B)(2)</b>   | <b>3616</b>            | <b>939909</b>          | <b>798194</b>                           | <b>25.4304</b>   | <b>25.4304</b>                   | -                                      | -                                      |
|               | <b>Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)</b>                         | <b>3627</b>            | <b>942164</b>          | <b>799396</b>                           | <b>25.4914</b>   | <b>25.4914</b>                   | -                                      | -                                      |
|               | <b>Total (A)+(B)</b>  | <b>3629</b>            | <b>3696000</b>         | <b>3553232</b>                          | <b>100.0000</b>  | <b>100.0000</b>                  |  |  |
| (C)           | <b>Shares held by custodians and against which Depository Receipts have been issued</b> |                        |                        |   |  |                                  |  |  |
| i             | Promoter and Promoter group   | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | 0                                      | 0.0000                                 |
| ii            | Public  | 0                      | 0                      | 0                                       | 0.0000   | 0.0000                           | 0                                      | 0.0000                                 |
|               | <b>Grand TotalL(A+B+C)</b>  | <b>3629</b>            | <b>3696000</b>         | <b>3553232</b>                          | <b>100.0000</b>  | <b>100.0000</b>                  |  |  |

ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name                | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % Change In share holding During the year |
|---------|-----------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
|         |                                   | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / Encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / Encumbered to total shares |   |
| 1       | COSMOPOLITAN INVESTMENTS LTD      | 905336                                    | 24.4950                          | 0  | 905336                              | 24.4950                          | 0  | 0   |
| 2       | ORIENTAL CARBON AND CHEMICALS LTD | 1848500                                   | 50.0135                          | 0  | 1848500                             | 50.0135                          | 0  | 0   |
|         | Total                             | <b>2753836</b>                            | <b>74.5085</b>                   |  | <b>2753836</b>                      | <b>74.5085</b>                   |  |   |

iii) Change in Promoters' Shareholding (please specify, if there is no change): There is NO CHANGE in the promoters share holding

| Sr. No. |   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|---|----------------------------------|---|----------------------------------|
|         |   | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
|         | At the beginning of the year  | N.A.                                      | N.A.                             | N.A.                                    | N.A.                             |
|         | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | N.A.                                      | N.A.                             | N.A.                                    | N.A.                             |
|         | At the end of the year  | N.A.                                      | N.A.                             | N.A.                                    | N.A.                             |

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

| Sr. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|-------------------------------------|---|----------------------------------|---|----------------------------------|
|         |                                     | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1       | Oriental Carbon & Chemicals Limited | 1848500                                   | 50.0135%                         |   |                                  |
| 2       | Cosmopolitan Investments Limited    | 905336                                    | 24.50%                           |   |                                  |
| 3       | Jashwanti Maganlal Desai            | 49822                                     | 1.35                             |   |                                  |
| 4       | Nila Anil kumar Desai               | 36000                                     | 0.97                             |   |                                  |
| 5       | Biren Dolatrai Naik                 | 26005                                     | 0.70                             |   |                                  |
| 6       | Javahir Jaysukhlal Jagirdar         | 14137                                     | 0.38                             |   |                                  |
| 7       | Anil Kumar Maganlal Desai           | 14000                                     | 0.37                             |   |                                  |
| 8       | Vina Anil Desai                     | 13100                                     | 0.35                             |   |                                  |
| 9       | Javahir Jaysukh                     | 11802                                     | 0.32                             |   |                                  |
| 10      | Angel Global                        | 10401                                     | 0.28                             |   |                                  |

v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | For Each of the Directors and KMP   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|---|----------------------------------|---|----------------------------------|
|         |   | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
|         | Mr. V S PATIL Chief Financial Officer<br>At the beginning of year   | 5   | 0.0001                           |   |                                  |
|         | Date wise ncrease / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment transfer / bonus/ sweat equity etc): |   |                                  |   |                                  |
|         | At the End of the year  | 5   | 0.0001                           |   |                                  |

V. Indebtedness of the Company including interest outstanding/accrued but not due for payment

|  | Secured Loans Excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> | 4,68,09,125                      | -               | -        | 4,68,09,125        |
| i) Principal Amount  | 4,62,96,000                      | -               | -        | 4,62,96,000        |
| ii) Interest due but not paid                              | 5,13,125                         | -               | -        | 5,13,125           |
| iii) Interest accrued but not due                          | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | 4,68,09,125                      | -               | -        | 4,68,09,125        |

|   | Secured Loans<br>Excluding<br>deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|---|--|--------------------|----------|-----------------------|
| <b>Change in Indebtedness during the financial year</b> |  |                    |          |                       |
| Addition  | 2,57,475                               | 2,04,14,247        | -        | 2,06,71,722           |
| Reduction   | 2,36,49,125                            | -                  | -        | 2,36,49,125           |
| <b>Net Change</b>                                       | 2,33,91,650                            | 2,04,14,247        | -        | 29,77,403             |
| <b>Indebtedness at the end of the financial year</b>    | 2,34,17,475                            | 2,04,14,247        | -        | 4,38,31,722           |
| i) Principal Amount                                     | 2,31,60,000                            | 2,00,00,000        | -        | 4,31,60,000           |
| ii) Interest due but not paid                           | 2,57,475                               | 4,14,247           | -        | 6,71,722              |
| iii) Interest accrued but not due                       | -                                      | -                  | -        | -                     |
| <b>Total (i+ii+iii)</b>                                 | 2,34,17,475                            | 2,04,14,247        | -        | 4,38,31,722           |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sr. No. | Particulars of Remuneration   | Name of MD/WTD/Manager | Total amount |
|---------|---|------------------------|--------------|
|         |   | Mr. Shantanu Parvati   |              |
| 1.      | Gross salary  |                        |              |
| (a)     | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 20.40                  |              |
| (b)     | Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 4.17                   |              |
| (c)     | Profits in lieu of salary under section 17(3) Income- tax Act, 1961             |                        |              |
| 2.      | Stock Option  | Nil                    |              |
| 3.      | Sweat Equity  | Nil                    |              |
| 4.      | Commission- as % of profit- others, specify...                                  | Nil                    |              |
| 5.      | Others, please specify  |                        |              |
|         | Allowances  | 23.43                  |              |
|         | Performance Bonus   | 12.00                  |              |
|         | Total (A)   | 60.00                  | 60.00        |
|         | Ceiling as per the Act (Special Resolution)                                     |                        | 84.00        |

B. Remuneration to other directors:

| Sr. No. | Particulars of Remuneration   | Name of Directors |          |            |         |           |          |           | Total Amount |
|---------|---|-------------------|----------|------------|---------|-----------|----------|-----------|--------------|
|         |   | J P Goenka        | A Goenka | B B Tandon | N Kaul  | O P Dubey | R A Shah | Arti Kant |              |
| 1.      | Independent Directors Fee for attending Board/ Committee Meeting        | -                 | -        | 190,000    | 110,000 | 190,000   | 40,000   | 40,000    | 570,000      |
|         | Commission  | NIL               | NIL      | NIL        | NIL     | NIL       | NIL      | NIL       | NIL          |
|         | Others, please specify  | NIL               | NIL      | NIL        | NIL     | NIL       | NIL      | NIL       | NIL          |
|         | Total (1)   |                   |          | 190,000    | 110,000 | 190,000   | 40,000   | 40,000    | 570,000      |
| 2.      | Other Non Executive Director Fee for attending board committee meetings | 60,000            | 170,000  | -          | -       | -         | -        | -         | 230,000      |
|         | Commission  | NIL               | NIL      | NIL        | NIL     | NIL       | NIL      | NIL       | NIL          |
|         | Others, please specify  | NIL               | NIL      | NIL        | NIL     | NIL       | NIL      | NIL       | NIL          |
|         | Total (2)   | 60,000            | 170,000  | -          | -       | -         | -        | -         | 230,000      |
|         | Total (B)=(1+2)   | 60,000            | 170,000  | 190,000    | 110,000 | 190,000   | 40,000   | 40,000    | 800,000      |
|         | Total Managerial Remuneration   |                   |          |            |         |           |          |           | 800,000      |
|         | Overall Ceiling as per the Act (sitting fee)                            |                   |          |            |         |           |          |           | 42,00,000    |

C. Remuneration To Key Managerial Personnel Other Than Md/Manager/Wtd (Rs. In Lakhs)

| Sr. No. | Particulars of Remuneration   | Key Managerial Personnel |       |                   | Total |
|---------|---|--------------------------|-------|-------------------|-------|
|         |   | CEO                      | CFO   | Company Secretary |       |
| 1.      | Gross salary  |                          |       |                   |       |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -                        | 12.76 | 8.00              | 20.76 |
|         | (b) Value of perquisites/s17(2) Income tax Act, 1961                                | NIL                      | NIL   | NIL               | NIL   |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | NIL                      | NIL   | NIL               | NIL   |
| 2.      | Stock Option  | NIL                      | NIL   | NIL               | NIL   |
| 3.      | Sweat Equity  | NIL                      | NIL   | NIL               | NIL   |
| 4.      | Commission - as % of profit - others, specify...                                    | NIL                      | NIL   | NIL               | NIL   |
| 5.      | Others, please specify  | NIL                      | NIL   | NIL               | NIL   |
|         | Total   |                          | 12.76 | 8.00              | 20.76 |

VII. PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES: NOT APPLICABLE

| Type                               | Section of The Companies Act | Brief Description | Details of Penalty | Authority | Appeal made, if any |
|------------------------------------|------------------------------|-------------------|--------------------|-----------|---------------------|
| Penalty                            | NA                           | NA                | NA                 | NA        | NA                  |
| Punishment                         | NA                           | NA                | NA                 | NA        | NA                  |
| Compounding                        | NA                           | NA                | NA                 | NA        | NA                  |
| Other Officers/Director in Default |                              |                   |                    |           |                     |
| NA                                 | NA                           | NA                | NA                 | NA        | NA                  |
| NA                                 | NA                           | NA                | NA                 | NA        | NA                  |
| NA                                 | NA                           | NA                | NA                 | NA        | NA                  |

# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

### REPORT ON CORPORATE GOVERNANCE:

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

#### 2. BOARD OF DIRECTORS

##### A. COMPOSITION AND CATEGORY

The Company's policy is to maintain an optimum combination of Executive and Non- Executive Directors. The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry. As on March 31, 2015 Board of Schrader Duncan comprises of Seven Directors comprising; a Whole Time Director; four Non Executive Independent Directors (NE – ID) and two Promoter Directors including the Chairman.

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

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

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

Compositions of the Board of Directors as on 31<sup>st</sup> March, 2015:

| Category                           | No. Of Directors |
|------------------------------------|------------------|
| Promoter - Non Executive Director  | 2                |
| Executive Director                 | 1                |
| Non-Executive Independent Director | 4                |
| <b>Total</b>                       | <b>7</b>         |

As required under Section 149 (3) of the Companies Act, 2013, Mrs. Arti Kant, a woman Director, has been appointed as an Additional Director on the Board.

##### B. AGM, Board Meeting and held during the Year 2014-15.

| NAME OF THE MEETING                 | DATES ON WHICH MEETINGS WERE HELD   |
|-------------------------------------|---|
| <b>Annual General Meeting (AGM)</b> | 4 <sup>th</sup> August, 2014  |
| <b>Board Meeting</b>                | 22 <sup>nd</sup> May 2014, 05 <sup>th</sup> August 2014, 13 <sup>th</sup> November 2014, 2 <sup>nd</sup> February 2015. |

##### C. Attendance details at the meeting during April 2014 to March 2015 and at the last Annual General Meeting as also the number of the other directorships and committee memberships are given below

| Name of the Director   | Category                         | No. of Board Meeting Attended | Attendance at Last AGM | No. of Directorships in other Public Ltd., Companies | Committee positions held in other Public Limited Companies |          |
|--|----------------------------------|-------------------------------|------------------------|--|--|----------|
|  |                                  |                               |                        |  | Member   | Chairman |
| <b>Mr. J P Goenka</b>  | Promoter, Non Executive Director | 3                             | -                      | 2  | 1  | 2        |
| <b>Mr. A. Goenka</b>   | Promoter, Non Executive Director | 4                             | Yes                    | 2  | 1  | -        |
| <b>Mr. Shantanu Parvati</b>  | Whole Time Director              | 4                             | Yes                    | -  | -  | -        |
| <b>Mr. O P Dubey</b>   | Non Executive Independent        | 4                             | Yes                    | 1  | 1  | 1        |
| <b>Mr. Nitin Kaul</b>  | Non Executive Independent        | 4                             | -                      | -  | -  | -        |
| <b>Mr. B. B. Tandon</b>  | Non Executive Independent        | 4                             | -                      | 8  | 5  | 2        |
| <b>Mr. R A Shah* (Resigned on 30<sup>th</sup> September, 2014)</b> | Alternate to Mr. Nitin Kaul      | 2                             | -                      | -  | -  | -        |
| <b>Mrs. Arti Kant**</b>  | Additional Director              | 1                             | -                      | -  | -  | -        |

- Directorships in foreign companies, private companies, companies governed by section 8 of Companies Act, 2013 and alternates excluded.
- Memberships of Audit Committee and Stakeholders Relationship Committee only are considered.

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

- \* Mr. R A Shah Alternate Director to Mr. Nitin Kaul, had resigned from the Board on 30<sup>th</sup> September, 2014
- \*\* Mrs. Arti Kant ,has been appointed as an additional director on the Board Meeting dated 2<sup>nd</sup> February, 2015.

**D. Brief Profile of the Directors being reappointed /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 Badridas Goenka of the Industrial Group popularly know as House of Duncan.

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

Mr. Goenka is the Chairman of the Company and does not hold any share in the Company. He is a member of stakeholder relationship committee of the Company.

His Directorship and Membership in other Board/Committees are as follows:

Chairman and Managing Director of Duncan International and Chairman of Oriental Carbon & Chemicals Ltd.

Chairman of Stakeholder Relationship Committee of Oriental Carbon & Chemicals Ltd.

Mr. J P Goenka is the father of Mr. Arvind Goenka, a Non Executive Director of the Company.

**Mrs. Arti Kant :** Mrs. Arti Kant, (aged 65 years) was appointed by the Board of Director of the Company as additional director at its meeting held on 2nd February, 2015 with effect from 2nd February, 2015. In terms of section 161 of the Act and Article 93(1) of the Company's Articles of Association, Mrs. Arti Kant is eligible to hold the office of Director only till the date of the 54th Annual General Meeting, but is eligible for re-appointment. Notice has been received by the Company as required by section 160 of the Act along with a deposit of Rs. 100,000/- (Rs. 1 lacs only) from a member of the Company, signifying the intention to propose candidature of Mrs. Arti Kant for the office of Director.

Mrs. Arti Kant (holding DIN 03218058), is a post graduate in English literature from Allahabad University, had wide and varied experience and successfully faced many challenging assignments during her tenure with the Government of India. As of September 2009, she had retired from government service at one of the senior most posts at the level of Additional Secretary in the Central Government.

She is a Director of Antar India Pvt. Limited

Mrs. Arti Kant does not hold any share in the Company.

Mrs. Arti Kant is not related to any Director of the Company.

- E. **Performance evaluation of the Board, Committees and Directors:** Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement and as per the recommendation of Nomination and Remuneration Committee, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committee. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance.

A Separate exercise was carried out to evaluate the performance of individuals Directors including the chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

- F. **Familiarization Programme for Independent Directors:** Independent Directors are familiarised with their roles, rights and responsibilities of the Company through induction programme in the Board meeting. The member of the Board make them aware various roles and responsibilities of the company. The details of the familiarization programmes have been hosted on the website of the Company and can be accessed on the link: [www.schraderduncan.com](http://www.schraderduncan.com) under investor dropdown.

#### **CEO/CFO Certification**

In terms of Clause 49 of the Listing Agreement, the certification by the Managing Director & CEO and Chief Financial Officer on the financial statements and internal controls relating to financial reporting has been obtained.

### **3. AUDIT COMMITTEE**

#### **Terms of Reference:**

The Audit Committee reviews with Management, the statutory Auditors and the Internal Auditors all aspects of the financial results, effectiveness of internal audit processes, taxation matters and the Company's risk management strategy.

#### **Compositions**

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

### Audit Committee Meetings and attendance of Directors

A total of four Audit Committee Meetings were held during the year on 22<sup>nd</sup> May 2014, 05<sup>th</sup> August 2014, 13<sup>th</sup> November 2014, 2<sup>nd</sup> February 2015.

| Name of the Director | Number of Meeting held during the year | Number of meetings Attended |
|----------------------|--|-----------------------------|
| O P Dubey            | 4                                      | 4                           |
| Arvind Goenka        | 4                                      | 4                           |
| B B Tandon           | 4                                      | 4                           |

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

In Compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Remuneration Committee" as the "Nomination and Remuneration Committee:

##### A. Terms of Reference

The primary purpose of the Committee, among other things, is to determine and propose the following for Board approval:-

- i) Identify persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- ii) carry out evaluation of every Director's performance along with the Board;
- iii) formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors;
- iv) formulate the criteria for performance evaluation of Independent Directors and the Board;
- v) devise a policy on Board diversity;
- vi) the Members and Chairperson of Board Committees;
- vii) evaluate the level and compositions of remuneration to be reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company Successfully.
- viii) Ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

##### B. Compositions

The Committee comprises four Directors - Arvind Goenka as Chairman, O P Dubey, B B Tandon and Nitin Kaul as Non – Executive Independent Directors.

**Nomination and Remuneration Committee Meetings and Attendance of Directors** - During the year, two Meetings of the Nomination and Remuneration Committee held on 22<sup>nd</sup> May 2014, 2<sup>nd</sup> February, 2015 . The attendance of Members at these Meetings is given below:

| Name of the Director | Number of Meeting held during the year | Number of meetings Attended |
|----------------------|--|-----------------------------|
| Arvind Goenka        | 2                                      | 2                           |
| O O Dubey            | 2                                      | 2                           |
| B B Tandon           | 2                                      | 2                           |
| Nitin Kaul           | 2                                      | 2                           |

##### C Remuneration Policy

###### Whole Time Director and Management Team

The remuneration paid / payable to the managing Directors is in accordance with the limits fixed by the Remuneration Committee and Board and approved by the Shareholders. The total remuneration comprises fixed component consisting of salary and perquisites in accordance with the Company Policy and a performance Bonus linked to Company performance. Increase in fixed remuneration are dependent upon individual and Company performance and are assessed annually. The performance bonus is based on a

set of stretch targets that reflect the overall financial performance of the Company each year.

**Details of remuneration of Mr Shantanu Parvati, Whole Time Director for the year 2014-2015:**

The agreed CTC per annum is as follows:

(INR)

| SALARY    | PERQUISITES & ALLOWANCE | PERFORMANCE BONUS* | TOTAL     |
|-----------|-------------------------|--------------------|-----------|
| 2,040,000 | 2,760,000               | 1,092,000          | 5,892,000 |

\*Actual Performance Pay

**Non Executive Directors**

Non Executive Director are paid sitting fees for attending the Board and Committee meetings, plus the reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them.

The sitting fees paid to the Non Executive Directors for the year 2014-2015 is as follows:

|                   |   |                |
|-------------------|---|----------------|
| Mr. J P Goenka    | - | INR. 60,000/-  |
| Mr. Arvind Goenka | - | INR. 170,000/- |
| Mr. R A Shah*     | - | INR. 40,000/-  |
| Mr. Nitin Kaul    | - | INR. 110,000/- |
| Mr. O P Dubey     | - | INR. 190,000/- |
| Mr. B B Tandon    | - | INR. 190,000/- |
| Mrs. Arti Kant    | - | INR 40, 000/-  |

\*Discontinued as director from 30<sup>th</sup> September, 2014

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

None of the Non Executive Directors of the Company entered into any transaction of pecuniary nature with the Company during the year 2014-2015.

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

**Service Contract with the Whole time Director.**

July 29, 2011 to June 28, 2016

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

**5. STAKEHOLDERS RELATIIONSHIP COMMITTEE:**

**Terms of Reference**

During the year under review, the nomenclature of this Committee was changed from shareholders/investors grievance committee to the Stakeholders' Relationship Committee.

The Committee focuses primarily on monitoring and ensuring that shareholder and investor services operate in an efficient manner and that shareholder and investor grievances/complaints including that of all other shareholder are addressed promptly with the result that all issues are resolved rapidly and efficiently.

**Composition**

As on 31<sup>st</sup> March, 2015, the Committee comprises three members: Mr. J P Goenka, a Non-Executive Director as chairman, Mr. Shantanu Parvati, Mr. O P Dubey as its members. Mr. Nirnoy Sur, Company Secretary acts as Secretary to the Committee.

The total number of grievances received during the year under review was 3 and they were replied to the satisfaction of the shareholders within 7 Days of receipt.

No request for transfers/transmission/Issue of Duplicate share certificates was pending as on March 31, 2015.

### Stakeholders' Relationship Committee Meetings and Attendance of Directors:

A total of four Committee meetings were held during the year 2014-15 on the following dates: 22<sup>nd</sup> May 2014, 05<sup>th</sup> August 2014, 13<sup>th</sup> November 2014, 2<sup>nd</sup> February 2015.

| Name of the Directors | Number of Meetings held during the year | Number of meeting attended |
|-----------------------|---|----------------------------|
| J P Goenka            | 4                                       | 3                          |
| Shantanu Parvati      | 4                                       | 3                          |
| O P Dubey             | 4                                       | 4                          |

### Compliance Officer

Mr. Nirnoy Sur, Company Secretary is the Compliance Officer as per the Listing Agreement.

### 6. DETAILS OF ANNUAL GENERAL MEETING

| AGM for the Year | Date            | Time      | Venue   |
|------------------|-----------------|-----------|---|
| 2011- 2012       | August 13, 2012 | 2.30p.m   | F 33, Ranjangaon MIDC, Karegaon, Tal. Shirur, Pune 412209 |
| 2012- 2013       | July 23, 2013   | 2.30p.m   | F 33, Ranjangaon MIDC, Karegaon, Tal. Shirur, Pune 412209 |
| 2013-14          | August 04, 2014 | 2.30 p.m. | F 33, Ranjangaon MIDC, Karegaon, Tal. Shirur, Pune 412209 |

Special Resolutions Passed In the Previous Three AGMS'

### AGM YEAR MATTER APPROVED BY SPECIAL RESOLUTION

- |             |  |
|-------------|--|
| 2010 – 2011 | • Nil  |
| 2011 – 2012 | • Remuneration to Whole Time Director Mr. Shantanu Parvati.<br>• Revision in Remuneration paid to Whole Time Director Mr. Shantanu Parvati |
| 2012- 2013  | • Remuneration to Whole Time Director Mr. Shantanu Parvati.<br>• Revision in Remuneration paid to Whole Time Director Mr. Shantanu Parvati |
| 2013-14     | • Remuneration to Whole Time Director Mr. Shantanu Parvati.<br>• Revision in Remuneration paid to Whole Time Director Mr. Shantanu Parvati |

### 7. DISCLOSURES:

#### Related Party Transactions:

All related party transactions that were entered into during the financial year were on arms' length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of Company at large. All related party transactions are placed before the Audit Committee. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of foreseen and repetitive nature. None of the Directors has any pecuniary relationship or transactions vis-a-vis the Company.

#### Disclosure of Accounting Treatment

The Company has followed the treatment laid down in the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in the preparation of financial statements. There are no audit qualifications in the Company's financial statements for the year under review.

#### Compliance with regulations

The Company has complied with the requirements of the Regulatory Authorities on Capital Markets. Neither has there been any instances of non-compliance by the Company on any matters related to the capital markets, nor has any penalty or stricture been imposed on the Company by the stock exchanges, SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

## Whistle Blower Policy

In line with the best Corporate Governance practices, Schrader Duncan Limited, has put in place a system through which the Directors, employees and business associates may report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Company has put in place process by which employees and business associates have direct access to the Audit Committee Chairman, Managing Director, Chairman of the Board. The whistle blower policy is placed on the website of the Company.

## CEO/CFO Certificate

The Whole-time Director (CEO) and the CFO have furnished the requisite certificate to the Board of Directors under clause 49 (IX) of the revised Listing Agreement.

## Details of Compliance with Mandatory Requirements and Adoption of Non – Mandatory Requirements

The Company has complied with the applicable mandatory requirements of clause 49 of the Listing Agreement. The Company has adopted following non-mandatory requirements of clause 49 of the Listing Agreement.

### Adoption of Non- mandatory requirements:

Shareholders Rights: Quarterly financial results are forwarded to the Stock Exchanges and uploaded on the website of the Company.

Audit Qualifications: During the year under review, there was no audit qualification in the Auditors' report on the Company's financial statements

Separate post of Chairman and CEO: The Chairman of the Company and the Managing Director/CEO are different persons.

Reporting of Internal Auditor: The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members.

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

## 9. GENERAL SHAREHOLDERS INFORMATION

### a) Annual General Meeting

Date and Time : 6<sup>th</sup> August, 2015 at 2.30 P.M.

Venue : Registered Office

### b) Financial Calendar

First Quarter Results : July 2015

Second Quarter Results : October 2015

Third Quarter Results : January 2016

**Financial Results for the Year ending March 31, 2016** : May 2016

c) **Date of Book Closure** : 31st July, 2015 to 6th August, 2015 (both days inclusive)

d) **Dividend Payment Date** : Nil.

e) **Registered Office** : F-33 Ranjangaon Industrial Area, MIDC, Karegoan, Shirur Pune. 412 209

- f) **Listing on Stock Exchanges at** : Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001
- g) **Listing Fees** : Listing fees is paid for period 01st April 2015 to  
31<sup>st</sup> March, 2016 to foresaid Exchange
- h) **Code** : 504908
- i) **No. Share : physical form** : 142768  
**demat form** : 3553232
- j) **Demat ISIN in NDSL & CDSL for Company's Equity Shares** : INE340F01011
- k) **Market Price Data:** The following is the high/low price of the Company's shares as quoted in the Bombay Stock Exchange Limited during each of the months of the financial year: 2014 – 2015

| Month          | Open Price (Rs) | High (Rs) | Low (Rs) | Close Price (Rs) | No. of shares traded |
|----------------|-----------------|-----------|----------|------------------|----------------------|
| April 2014     | 50              | 71.40     | 50.00    | 65               | 10250                |
| May 2014       | 64              | 77.85     | 55.00    | 68.40            | 8193                 |
| June 2014      | 71.45           | 84.95     | 68.10    | 78.50            | 49940                |
| July 2014      | 76.05           | 93.00     | 69.30    | 71               | 33151                |
| August 2014    | 71              | 85.75     | 62.05    | 73               | 28969                |
| September 2014 | 76.95           | 115.50    | 67.15    | 82.80            | 144223               |
| October 2014   | 86.40           | 93.30     | 72.20    | 81.85            | 16222                |
| November 2014  | 79.50           | 104.35    | 78.10    | 81.75            | 31626                |
| December 2014  | 74.05           | 88.60     | 74.05    | 79.90            | 6876                 |
| January 2015   | 75.10           | 101.50    | 72.10    | 90.25            | 14992                |
| February 2015  | 89.95           | 95.50     | 70.25    | 79.15            | 12448                |
| March 2015     | 84.70           | 91.95     | 71.50    | 72.10            | 23052                |

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

|   |         |
|---|---------|
| No of shares traded                     | 379,942 |
| Highest Share Price (Rs)                | 115.50  |
| Lowest Share Price (Rs)                 | 50.00   |
| Closing price as on March 31, 2015 (Rs) | 66.80   |

m) **Registrar & Transfer Agents**

The Company's Registrar & Transfer Agents are:

Link Intime India Pvt Ltd  
Block No 202, 02<sup>nd</sup> Floor,  
Akshay Complex,  
Near Ganesh Temple,  
Off-Dhole Patil Road,  
Pune - 411001  
Tel : 020-26161629\26160084  
Fax : 020-26163503

n) **Share Transfer System**

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

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

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

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

**o) Distribution of Shareholding as on March 31, 2015**

| No. of Shares |           | No. of Holders | %          | Shares Amount   | %          |
|---------------|-----------|----------------|------------|-----------------|------------|
| From          | to        |                |            | Rs.             |            |
| 1             | 5000      | 3316           | 91.3750    | 3227290         | 8.7320     |
| 5001          | 10000     | 159            | 4.3810     | 1155680         | 3.1270     |
| 10001         | 20000     | 93             | 2.5630     | 1288980         | 3.4880     |
| 20001         | 30000     | 21             | 0.5790     | 506770          | 1.3710     |
| 30001         | 40000     | 9              | 0.2480     | 314730          | 0.8520     |
| 40001         | 50000     | 12             | 0.3310     | 562340          | 1.5210     |
| 50001         | 100000    | 9              | 0.2480     | 613180          | 1.6590     |
| 100001        | 999999999 | 10             | 0.2760     | 29291030        | 79.2510    |
|               |           | <b>3629</b>    | <b>100</b> | <b>36960000</b> | <b>100</b> |

**p) Shareholding Pattern as on March 31, 2015**

| Category                     | No. Of Share Holders | No. of Shares Held | % of Share Capital | No. of Shares Pledge | % of Share Capital |
|------------------------------|----------------------|--------------------|--------------------|----------------------|--------------------|
| A) Promoters                 |                      |                    |                    |                      |                    |
| Indian Promoters             | 2                    | 2,753,836          | 74.5085            | -                    | -                  |
| Foreign Promoters            | -                    | -                  | -                  | -                    | -                  |
| <b>TOTAL- Promoter</b>       | <b>2</b>             | <b>2,753,836</b>   | <b>74.5085</b>     | <b>-</b>             | <b>-</b>           |
| B) Non Promoters             |                      |                    |                    |                      |                    |
| Financial Institution & Bank | 11                   | 2,255              | 0.0610             | -                    | -                  |
| Corporate Bodies             | 75                   | 42,813             | 1.1584             | -                    | -                  |
| Indian Public                | 3,494                | 882,139            | 23.8674            | -                    | -                  |
| Foreign Nations/ NRIs        | 38                   | 12,694             | 0.3434             | -                    | -                  |
| Other (Clearing Members)     | 09                   | 2,263              | 0.0612             | -                    | -                  |
| <b>Total Non Promoter</b>    | <b>3,627</b>         | <b>942,164</b>     | <b>25.4915</b>     | <b>-</b>             | <b>-</b>           |
| <b>TOTAL (A+B)</b>           | <b>3,629</b>         | <b>3,696,000</b>   | <b>100.0000</b>    | <b>-</b>             | <b>-</b>           |

**q) Dematerialisation of Shares and Liquidity**

The Company has entered into agreement with National Securities Depository Ltd (NSDL) as well as the Central Depository Services Ltd (CDSL) for demat facility. 96.14% of the Company's shares is dematerialized as on March 31, 2015.

**Nomination**

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

**r) Plant Location**

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

**s) Address for correspondence**

**Investor Correspondence**

**Link Intime India Pvt Ltd**

Block No 202, 02nd Floor, Akshay Complex, Near Ganesh Temple, Off-Dhole Patil Road, Pune – 411001 Tel : 020-26161629\26160084  
Fax : 020-26163503 Email: pune@linkintime.co.in

**For Query on Annual Report**

**Mr. Nirnoy Sur**

Company Secretary & Compliance Officer

**Schrader Duncan Limited**

F-33 Ranjangaon Industrial Area, MIDC, Karegoan, Tal, Shirur, Dist- Pune 412 209  
Tel : (021) 38660066 Fax: (021) 38660067, Email: [complianceofficer@schraderduncan.com](mailto:complianceofficer@schraderduncan.com)  
Website: [www.schraderindia.com](http://www.schraderindia.com)

**t) Prohibition of Insider Trading**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, the Board of Directors of the Company approved and adopted a Code of conduct for prevention of insider trading in the shares and securities of the Company by its directors and designated employees.

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

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

**u) Share Reconciliation Audit Report**

Pursuant to SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated 31st December 2002 on Secretarial Audit, a Practising Company Secretary carried out the audit for the quarters ended June 30, 2014, September 30, 2014, December 31, 2014 and March 31, 2015. The Audit Report confirms that there is no discrepancy whatsoever in the issued listed and admitted capital of the Company.

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

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

**DECLARATION**

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

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

**On behalf of the Board of Directors**

**Shantanu Parvati**  
Whole Time Director

Mumbai, May 11, 2015

## **CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of  
Schrader Duncan Limited.**

We have examined the compliance of conditions of Corporate Governance by Schrader Duncan Limited for the year ended 31<sup>st</sup> March, 2015 as stipulated in revised clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.

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

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

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

**For Vaishnav Associates**

Pune  
May 11, 2015

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

# Independent Auditor's Report

To the Members of  
Schrader Duncan Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of Schrader Duncan Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting fraud and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2015, and its profit/loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 27 of the Financial Statements;
    - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

Place: Mumbai  
Date: May 11, 2015

## ANNEXURE TO THE AUDITOR'S REPORT

1.
  - a) According to the information and explanations given to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, physical verification of fixed assets is being conducted by the management in phased manner, to be covered in a period of three years. No material discrepancies were noticed on such verification. In our opinion the frequency of verification is reasonable.
2.
  - a) According to the information and explanations given to us, physical verification has been conducted by the management at reasonable intervals during the year in respect of inventory of raw materials, stores and spare parts, work-in-process and finished goods in the Company's possession. The existence of stocks lying with third parties as at 31 March 2015 has been evidenced based on confirmations or statements of account received in most cases. In our opinion, the frequency of physical verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
3. As informed to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act.
4. In our opinion and according to the information and explanation given to us, the internal control procedures are adequate and commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods and rendering of services. During the course of our audit we have not observe any continuing failure to correct major weakness in the internal controls.
5. According to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the rules framed thereunder.
6. We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under Sub section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us and records of the Company examined by us in respect of statutory dues:
  - a) The company is generally regular in depositing the dues in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues.

According to the information and explanations given to us no undisputed amount payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues is outstanding as at 31<sup>st</sup> March 2015, for a period of more than six months from the date they became payable.
  - b) There are no dues of Income tax, sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

| Name of the statute         | Nature of dues             | Amount (Rs.)          | Period to which the amount relates | Forum where dispute is pending                            |
|-----------------------------|----------------------------|-----------------------|------------------------------------|---|
| Central Excise Act, 1944    | Excise Duty                | 7,13,907              | 2005-2006                          | High Court, Mumbai  |
| Central Excise Act, 1944    | Excise Duty<br>Service Tax | 27,39,813<br>5,13,837 | 2009-2010                          | The Additional Commissioner of Central Excise, Mumbai III |
| Central Sales Tax Act, 1956 | Sales Tax and Penalty      | 16,03,537             | 2005-2006                          | Deputy Commissioner of Sales Tax                          |
| Central Sales Tax Act, 1956 | Sales Tax and Penalty      | 50,76,342             | 2010-2011                          | Deputy Commissioner of Sales Tax                          |

- c) The company has transferred to investor education and protection fund in accordance to the relevant provision of the companies Act, 1956 (1 of 1956) and rules made thereunder within time.
8. In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth as at March 31, 2015 and however the company has incurred cash losses during the financial year but has not incurred in immediately proceeding year.
  9. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers during the year.
  10. 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.
  11. In our opinion as per the explanations and information provided by the management, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
  12. According to the information and explanations given to us and based on examination of books of accounts of the company, no fraud on or by the company has been noticed or reported during the course of audit.

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

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

Place: Mumbai  
Date: May 11, 2015

**Schrader Duncan Limited**  
**Balance Sheet as at 31<sup>st</sup> March 2015**

|  | Note<br>No. | As at<br>31 <sup>st</sup> March, 2015<br>₹ | As at<br>31 <sup>st</sup> March, 2014<br>₹ |
|--|-------------|--|--|
| <b>I EQUITY AND LIABILITIES</b>            |             |  |  |
| <b>(1) Shareholders' funds :</b>           |             |  |  |
| (a) Share capital                          | 3           | 36,960,000                                 | 36,960,000                                 |
| (b) Reserves and surplus                   | 4           | 254,445,060                                | 314,929,748                                |
|  |             | <u>291,405,060</u>                         | <u>351,889,748</u>                         |
| <b>(2) Non-current liabilities:</b>        |             |  |  |
| (a) Long-term borrowings                   | 5           | -  | 23,160,000                                 |
| (b) Long-term liabilities                  | 6           | 1,228,661                                  | 1,028,661                                  |
| (c) Long-term provisions                   | 7           | 3,030,074                                  | 1,798,539                                  |
|  |             | <u>4,258,735</u>                           | <u>25,987,200</u>                          |
| <b>(3) Current liabilities :</b>           |             |  |  |
| (a) Short-term borrowings                  | 8           | 160,610,663                                | 116,443,403                                |
| (b) Trade payables                         | 9           | 143,733,797                                | 96,313,154                                 |
| (c) Short-term liabilities                 | 6           | 45,391,097                                 | 39,812,673                                 |
| (d) Short-term provisions                  | 7           | 2,811,108                                  | 3,654,367                                  |
|  |             | <u>352,546,665</u>                         | <u>256,223,597</u>                         |
| <b>TOTAL</b>                               |             | <u><u>648,210,460</u></u>                  | <u><u>634,100,545</u></u>                  |
| <b>II ASSETS</b>                           |             |  |  |
| <b>(1) Non-current assets</b>              |             |  |  |
| <b>(a) Fixed assets:</b>                   |             |  |  |
| (i) Tangible assets                        | 10          | 268,460,865                                | 284,062,228                                |
| (ii) Intangible assets                     | 10          | 3,000,842                                  | 2,330,420                                  |
| (iii) Capital work-in-progress             |             | 2,241,050                                  | 235,000                                    |
|  |             | <u>273,702,757</u>                         | <u>286,627,648</u>                         |
| (b) Non-current investments                | 11          | 80,402                                     | 1,455,831                                  |
| (c) Long-term loans and advances           | 12          | 11,287,325                                 | 12,952,354                                 |
|  |             | <u>11,367,727</u>                          | <u>14,408,185</u>                          |
| <b>(2) Current assets</b>                  |             |  |  |
| (a) Inventories                            | 13          | 157,670,407                                | 117,839,046                                |
| (b) Trade receivables                      | 14          | 160,952,074                                | 175,247,373                                |
| (c) Cash and cash equivalents              | 15          | 5,286,621                                  | 21,440,227                                 |
| (d) Short-term loans and advances          | 12          | 38,176,714                                 | 18,146,057                                 |
| (e) Other current assets                   | 16          | 1,054,160                                  | 392,009                                    |
|  |             | <u>363,139,976</u>                         | <u>333,064,712</u>                         |
| <b>TOTAL</b>                               |             | <u><u>648,210,460</u></u>                  | <u><u>634,100,545</u></u>                  |
| Summary of significant accounting policies | 2           |  |  |
| Contingent liabilities and commitments     | 27          |  |  |
| Other notes to accounts                    | 28          |  |  |

The notes are an integral part of these financial statements.

In terms of our Report of even date attached.

For and on behalf of the Board

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

**Shantanu Parvati**  
Whole Time Director

**A Goenka**  
Director

**Nikhil Singhi**  
Partner  
Membership No. 061567

**Nirnoy Sur**  
Company Secretary

**V S Patil**  
CFO

Place : Mumbai  
Date: 11<sup>th</sup> May, 2015

Place : Mumbai  
Date: 11<sup>th</sup> May, 2015

**Schrader Duncan Limited**  
**Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2015**

|   | Note<br>No. | For the<br>Year ended<br>31 <sup>st</sup> March, 2015<br>₹ | For the<br>Year ended<br>31 <sup>st</sup> March, 2014<br>₹ |
|---|-------------|--|--|
| <b>I REVENUE:</b>   |             |  |  |
| Revenue from operations(net)  | 17          | 642,799,727  | 691,239,552  |
| <b>II Other income</b>  | 18          | 8,082,718  | 16,759,438   |
| <b>III Total Revenue (I + II)</b>   |             | <b>650,882,445</b>   | <b>707,998,990</b>   |
| <b>IV EXPENSES:</b>   |             |  |  |
| Cost of raw materials consumed  | 19          | 460,544,073  | 468,079,668  |
| Purchase of stock-in-trade  |             | 4,657,208  | 6,444,006  |
| Changes in inventories of finished goods,<br>work-in-progress and stock-in-trade  | 20          | (15,164,116)   | 9,602,695  |
| Employee benefits expense   | 21          | 114,578,290  | 105,167,497  |
| Finance costs   | 22          | 22,926,948   | 25,125,644   |
| Depreciation and amortisation expense   | 23          | 32,999,307   | 25,080,381   |
| Other expenses  | 24          | 109,135,517  | 95,393,809   |
| <b>V Total</b>  |             | <b>729,677,227</b>   | <b>734,893,700</b>   |
| <b>VI Profit before Exceptional and<br/>extraordinary Items and Tax (III - V)</b> |             | <b>(78,794,782)</b>  | <b>(26,894,710)</b>  |
| <b>VII Exceptional items</b>  | 25          | -  | (26,990,582)   |
| <b>VIII Profit before Tax (VI - VII)</b>  |             | <b>(78,794,782)</b>  | <b>95,872</b>  |
| <b>Tax expense</b>  |             |  |  |
| Current tax   | 26          | (18,310,094)   | (877,704)  |
| <b>Profit for the year</b>  |             | <b>(60,484,688)</b>  | <b>973,576</b>   |
| Basic & Diluted Earnings Per Equity Share   |             |  |  |
| (Face value '10/- each)   | 28.14       | (16.36)  | 0.26   |
| Summary of significant accounting policies  | 2           |  |  |
| Other notes to accounts   | 28          |  |  |

The notes are an integral part of these financial statements.

In terms of our Report of even date attached.

For and on behalf of the Board

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

**Shantanu Parvati**  
Whole Time Director

**A Goenka**  
Director

**Nikhil Singhi**  
Partner  
Membership No. 061567

**Nirnoy Sur**  
Company Secretary

**V S Patil**  
CFO

Place : Mumbai  
Date: 11<sup>th</sup> May, 2015

Place : Mumbai  
Date: 11<sup>th</sup> May, 2015

**Schrader Duncan Limited**  
**Cash Flow Statement for the year ended 31<sup>st</sup> March 2015**

|  | Year ended<br>31 <sup>st</sup> March, 2015<br>₹ | Year ended<br>31 <sup>st</sup> March, 2014<br>₹ |
|--|---|---|
| <b>A. Cash flow from Operating Activities</b>  |   |   |
| Profit / (Loss) before taxation and exception item, extraordinary item               | (78,794,782)                                    | 95,872  |
| Adjustments for:   |   |   |
| Depreciation and amortisation expense  | 32,999,307                                      | 25,080,381                                      |
| Finance costs  | 22,926,948                                      | 25,125,644                                      |
| Unrealised Foreign Exchange loss/(gain) (net)  | (1,322,475)                                     | 36,439  |
| (Profit) / Loss on Sale / discard of Fixed Assets                                    | (6,156)   | 1,485,217                                       |
| Bad Debts / advances written off   | 1,806,518                                       | 1,165,688                                       |
| Provision for Doubtful Debts   | 7,934,503                                       | 630,127   |
| Liabilities no longer required   | (273,276)                                       | (8,677,587)                                     |
| Dividend on Non-Current Investments  | (55,050)  | (79,244)  |
| Profit on Sale of Leasehold Building / Land  | -   | (26,990,582)                                    |
| Profit on Sale of Investment (Mutual Fund)   | (307,039)                                       | -   |
| Interest income  | (410,116)                                       | (558,851)                                       |
| <b>Operating profit / (loss) before working capital changes</b>                      | <b>(15,501,618)</b>                             | <b>17,313,104</b>                               |
| Increase/ (Decrease) in Current and Non Current Liabilities                          | 55,696,219                                      | (24,308,102)                                    |
| (Increase) / Decrease in Inventories   | (39,831,361)                                    | 19,762,050                                      |
| (Increase) / Decrease in Trade receivables   | 4,554,278                                       | (6,617,610)                                     |
| (Increase) / Decrease in Loans and Advances and Other Current and Non Current Assets | (18,939,712)                                    | 3,372,405                                       |
| Direct Tax Excess Provision written back   | 18,310,094                                      | -   |
| Cash generated from operations   | 19,789,518                                      | (7,791,257)                                     |
| <b>Net cash generated from Operating Activities</b>                                  | <b>4,287,900</b>                                | <b>9,521,847</b>                                |
| <b>B. Cash flow from Investing Activities</b>  |   |   |
| Purchase of Tangible / Intangible assets   | (20,074,416)                                    | (14,497,532)                                    |
| Proceeds from Sale of Tangible / Intangible assets (net)                             | 57,005  | 56,542,497                                      |
| Proceeds from sale of Investments  | 1,682,468                                       | -   |
| Interest received  | 271,200   | 540,376   |
| Dividend received  | 55,050  | -   |
| <b>Net cash used in investing activities</b>   | <b>(18,008,693)</b>                             | <b>42,585,341</b>                               |
| <b>C. Cash flow from Financing Activities</b>  |   |   |
| Repayment of long-term borrowings  | (23,160,000)                                    | (23,136,000)                                    |
| Receipt of loan from holding company   | 20,000,000                                      | (20,000,000)                                    |
| Increase/ (Decrease) in Cash Credit Utilisation                                      | 24,167,260                                      | 27,929,342                                      |
| Interest & finance cost paid   | (23,440,073)                                    | (25,441,933)                                    |
| <b>Net cash used in Financing Activities</b>   | <b>(2,432,813)</b>                              | <b>(40,648,591)</b>                             |
| <b>Net increase / (Decrease) in cash and cash equivalents (A+B+C)</b>                | <b>(16,153,606)</b>                             | <b>11,458,597</b>                               |
| Cash and cash equivalents at the beginning of the year                               | 21,440,227                                      | 9,981,630                                       |
| Cash and Cash Equivalents taken over due to Merger                                   | -   | -   |
| <b>Cash and cash equivalents at the end of the year</b>                              | <b>5,286,621</b>                                | <b>21,440,227</b>                               |
| Cash and cash equivalents comprise of:   |   |   |
| (a) Cash on hand   | 59,463  | 78,516  |
| (b) Bank balances:   |   |   |
| In current accounts  | 496,095   | 17,195,417                                      |
| In EEFC accounts   | 57,071  | 54,800  |
| (c) Other bank balances:   |   |   |
| Unpaid Dividends accounts *  | 392,409   | 617,194   |
| Balances held as margin money *  | 4,281,583                                       | 3,494,300                                       |
| <b>Total</b>   | <b>5,286,621</b>                                | <b>21,440,227</b>                               |

\* Amounts are not available for use by the Company

**Notes :**

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

In terms of our Report of even date attached.

For and on behalf of the Board

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

**Shantanu Parvati**  
Whole Time Director

**A Goenka**  
Director

**Nikhil Singhi**  
Partner  
Membership No. 061567

**Nirnoy Sur**  
Company Secretary

**V S Patil**  
CFO

Place : Mumbai  
Date: 11<sup>th</sup> May, 2015

Place : Mumbai  
Date: 11<sup>th</sup> May, 2015

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

|  | As at<br>31 <sup>st</sup> March, 2015<br>₹ | As at<br>31 <sup>st</sup> March, 2014<br>₹ |
|--|--|--|
| <b>3 Share capital</b>   |  |  |
| <b>Authorised</b>  |  |  |
| 5,000,000 (Previous year 5,000,000) Equity shares of Rs 10 each    | <u>50,000,000</u>                          | <u>50,000,000</u>                          |
|  | <b>50,000,000</b>                          | <b>50,000,000</b>                          |
| <b>Issued, subscribed and paid-up :</b>                            |  |  |
| 3,696,000 (Previous year 3,696,000) Equity shares of Rs. 10/- each | <u>36,960,000</u>                          | <u>36,960,000</u>                          |
|  | <b>36,960,000</b>                          | <b>36,960,000</b>                          |

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

| S. No. | Equity shares:   | As at<br>31 <sup>st</sup> March, 2015<br>No. of shares | As at<br>31 <sup>st</sup> March, 2015<br>₹ | As at<br>31 <sup>st</sup> March, 2014<br>No. of shares | As at<br>31 <sup>st</sup> March, 2014<br>₹ |
|--------|--|--|--|--|--|
| 1      | Number of Equity shares outstanding at the beginning of the year | 3,696,000  | 36,960,000                                 | 3,696,000  | 36,960,000                                 |
| 2      | Add: Additional Equity shares issued during the year             | -  | -  | -  | -  |
| 3      | Less: Shares forfeited/ bought back during the year              | -  | -  | -  | -  |
| 4      | Number of Equity shares outstanding at the end of the year       | <u>3,696,000</u>                                       | <u>36,960,000</u>                          | <u>3,696,000</u>                                       | <u>36,960,000</u>                          |

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

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

**(c) Shares held by holding company and subsidiary of holding company**

| S. No. | Name of shareholder                            | Balance Sheet as at 31 <sup>st</sup> March, 2015 |                       | As at 31 <sup>st</sup> March, 2014 |                       |
|--------|--|--|-----------------------|------------------------------------|-----------------------|
|        |  | Number of shares held                            | Percentage of holding | Number of Shares held              | Percentage of holding |
| 1      | Oriental Carbon and Chemicals Limited (OCCL) * | 1,848,500  | 50.01%                | 1,848,500                          | 50.01%                |

\* Holding Company

**(d) Details of share held by shareholders holding more than 5% of the aggregate shares in the company**

| S. No. | Name of shareholder                          | As at 31 <sup>st</sup> March, 2015 |                       | As at 31 <sup>st</sup> March, 2014 |                       |
|--------|--|------------------------------------|-----------------------|------------------------------------|-----------------------|
|        |  | Number of shares held              | Percentage of holding | Number of Shares held              | Percentage of holding |
| 1      | Oriental Carbon and Chemicals Limited (OCCL) | 1,848,500                          | 50.01%                | 1,848,500                          | 50.01%                |
| 2      | Cosmopolitan Investment Limited (CIL).       | 905,336                            | 24.50%                | 905,336                            | 24.50%                |

|  | As at<br>31 <sup>st</sup> March, 2015<br>₹ | As at<br>31 <sup>st</sup> March, 2014<br>₹ |
|--|--|--|
| <b>4 Reserves and surplus</b>                          |  |  |
| (i) <b>Capital reserve</b>                             |  |  |
| Balance as per last financial statement                | <u>38,206,216</u>                          | <u>38,206,216</u>                          |
|  | <b>38,206,216</b>                          | <b>38,206,216</b>                          |
| (ii) <b>General reserve</b>                            |  |  |
| Balance as per last financial statement                | <u>66,031,583</u>                          | <u>66,031,583</u>                          |
| Less :Deduction during the year                        | <u>-</u>                                   | <u>-</u>                                   |
|  | <b>66,031,583</b>                          | <b>66,031,583</b>                          |
| (iii) <b>Surplus in statement of profit &amp; loss</b> |  |  |
| Balance as per last financial statement                | <u>210,691,949</u>                         | <u>209,718,373</u>                         |
| Add: Profit for the year                               | <u>(60,484,688)</u>                        | <u>973,576</u>                             |
|  | <b>150,207,261</b>                         | <b>210,691,949</b>                         |
| <b>Total Reserves and surplus (i to iii)</b>           | <u><b>254,445,060</b></u>                  | <u><b>314,929,748</b></u>                  |

|  | Non-current portion                        |  | Current maturities                         |  |
|--|--|--|--|--|
|  | As at<br>31 <sup>st</sup> March, 2015<br>₹ | As at<br>31 <sup>st</sup> March, 2014<br>₹ | As at<br>31 <sup>st</sup> March, 2015<br>₹ | As at<br>31 <sup>st</sup> March, 2014<br>₹ |
|  | <b>5 Long-term borrowings</b>              |  |  |  |
| (i) <b>Secured :</b>   |  |  |  |  |
| Term loan from a Bank  | -  | 23,160,000                                 | <u>23,160,000</u>                          | <u>23,136,000</u>                          |
|  | -  | 23,160,000                                 | <u>23,160,000</u>                          | <u>23,136,000</u>                          |
| (ii) Amount disclosed under the head "Other current liabilities" (Note No.9) | -  | -  | <u>(23,160,000)</u>                        | <u>(23,136,000)</u>                        |
| <b>Total (i) + (ii)</b>  | -  | <u>23,160,000</u>                          | <u>-</u>                                   | <u>-</u>                                   |

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

**Nature of Security**

Term loan from State Bank of India is secured by primary 1st exclusive mortgage/ hypothecation charge on the tangible movable/ immovable fixed assets created at Ranjangaon, Pune and collateral charge on the Company's current assets, further by Corporate Guarantees of (i) Oriental Carbon & Chemicals Ltd, and (ii) Cosmopolitan Investments Ltd. The aggregate amount of such loan is amounting to ₹ 23,417,475 ( Previous year : ₹ 46,809,125) Includes Interest amounting to ₹ 257,475 (Previous year : ₹ 513,125) disclosed under other current liabilities

**Terms of Repayment**

Repayable in equal monthly installment of ₹ 19,28,000/- from the rescheduled date (i.e. Oct '2012) upto March 2016 along with interest rate of 13.05% p.a. (which is linked to base rate + 3.05%)

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

**6 Other liabilities**

|   | Long- term                   |                              | Short - term                 |                              |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
|   | As at                        | As at                        | As at                        | As at                        |
|   | 31 <sup>st</sup> March, 2015 | 31 <sup>st</sup> March, 2014 | 31 <sup>st</sup> March, 2015 | 31 <sup>st</sup> March, 2014 |
|   | ₹                            | ₹                            | ₹                            | ₹                            |
| Current maturities of Long-Term Debts                 | -                            | -                            | 23,160,000                   | 23,136,000                   |
| Interest accrued and due on borrowings                | -                            | -                            | 363,115                      | 513,125                      |
| Advance received from and Credit balance of Customers | -                            | -                            | 341,861                      | 976,594                      |
| Unpaid dividend (Refer Note (a) below)                | -                            | -                            | 392,409                      | 617,194                      |
| Statutory dues payable                                | -                            | -                            | 6,450,326                    | 2,924,140                    |
| Employees benefits payable                            | -                            | -                            | 4,248,334                    | 3,953,068                    |
| Other Contractual liabilities                         | -                            | -                            | 6,444,105                    | 6,539,278                    |
| Other payables:                                       |                              |                              |                              |                              |
| Liabilities towards purchase of fixed assets          | -                            | -                            | 1,057,078                    | 689,400                      |
| Trade deposits  | 1,228,661                    | 1,028,661                    | -                            | -                            |
| Gratuity  | -                            | -                            | 2,469,637                    | 310,078                      |
| Retention Money Account                               | -                            | -                            | 46,800                       | -                            |
| Others  | -                            | -                            | 417,432                      | 153,796                      |
|   | <b>1,228,661</b>             | <b>1,028,661</b>             | <b>45,391,097</b>            | <b>39,812,673</b>            |

**7 Provisions**

|   | Long- term                   |                              | Short - term                 |                              |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
|   | As at                        | As at                        | As at                        | As at                        |
|   | 31 <sup>st</sup> March, 2015 | 31 <sup>st</sup> March, 2014 | 31 <sup>st</sup> March, 2015 | 31 <sup>st</sup> March, 2014 |
|   | ₹                            | ₹                            | ₹                            | ₹                            |
| <b>Provision for employee benefits</b>                    |                              |                              |                              |                              |
| Leave Encashment  | 3,030,074                    | 1,798,539                    | 330,235                      | 239,220                      |
| Provision for Sales Tax liability against Pending C Forms | -                            | -                            | 2,480,873                    | 3,415,147                    |
|   | <b>3,030,074</b>             | <b>1,798,539</b>             | <b>2,811,108</b>             | <b>3,654,367</b>             |

**8 Short-term borrowings**

**(i) Secured :**

**Working capital loans repayable on demand**

Cash Credit from Banks

|                        | As at                        | As at                        |
|------------------------|------------------------------|------------------------------|
|                        | 31 <sup>st</sup> March, 2015 | 31 <sup>st</sup> March, 2014 |
|                        | ₹                            | ₹                            |
| Cash Credit from Banks | 140,610,663                  | 116,443,403                  |
|                        | <b>140,610,663</b>           | <b>116,443,403</b>           |

**(ii) Unsecured:**

From other parties - Holding Company

|                                      |                   |          |
|--------------------------------------|-------------------|----------|
| From other parties - Holding Company | 20,000,000        | -        |
|                                      | <b>20,000,000</b> | <b>-</b> |

**(iii) Total (i + ii)**

|                       |                    |                    |
|-----------------------|--------------------|--------------------|
| <b>Total (i + ii)</b> | <b>160,610,663</b> | <b>116,443,403</b> |
|-----------------------|--------------------|--------------------|

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

Cash credit is secured by primary first exclusive mortgage/ hypothecation charge on the tangible movable/ immovable fixed assets created at Ranjangaon, Pune and collateral charge on the Company's current assets, further by Corporate Guarantees of (i) Oriental Carbon & Chemicals Ltd, and (ii) Cosmopolitan Investments Ltd.

**9 Trade payables**

Micro, Small and Medium Enterprises

Others

|                                     |                    |                   |
|-------------------------------------|--------------------|-------------------|
| Micro, Small and Medium Enterprises | 19,089,102         | 18,384,948        |
| Others                              | 124,644,695        | 77,928,206        |
|                                     | <b>143,733,797</b> | <b>96,313,154</b> |

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

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

10 : FIXED ASSETS

| Description                  | GROSS BLOCK COST/BOOK VALUE |                              |                 | DEPRECIATION AND AMORTISATION |                          |                   |                 |   | NET BLOCK                 |                           |
|------------------------------|-----------------------------|------------------------------|-----------------|-------------------------------|--------------------------|-------------------|-----------------|---|---------------------------|---------------------------|
|                              | As At April 1, 2014<br>₹    | Additions / Adjustments<br>₹ | Deductions<br>₹ | As At March 31, 2015<br>₹     | As At April 1, 2014<br>₹ | For the Year<br>₹ | Deductions<br>₹ | Additional Depreciation on Opening Balance<br>₹ | As at March 31, 2015<br>₹ | As at March 31, 2014<br>₹ |
| <b>(A) Tangible assets</b>   |                             |                              |                 |                               |                          |                   |                 |   |                           |                           |
| Leasehold land               | 20,482,770                  | -                            | -               | 20,482,770                    | 1,098,536                | 219,865           | -               | -   | 1,318,401                 | 19,164,369                |
| Leasehold building           | 143,157,864                 | 93,464                       | -               | 143,251,328                   | 17,699,098               | 3,863,533         | -               | -   | 21,562,631                | 121,688,697               |
| Plant and equipment          | 175,051,785                 | 12,923,929                   | -               | 187,975,714                   | 75,204,702               | 18,738,828        | -               | 238,562   | 94,182,092                | 93,793,622                |
| Electrical installation      | 23,887,587                  | 77,344                       | -               | 23,964,931                    | 5,004,919                | 3,161,900         | -               | -   | 8,166,819                 | 15,798,112                |
| Furniture and fixtures       | 18,595,858                  | 664,464                      | -               | 19,260,322                    | 5,930,791                | 2,154,178         | -               | 2,067   | 8,087,036                 | 12,665,067                |
| Vehicles                     | 2,174,621                   | 2,238,470                    | -               | 4,413,091                     | 570,025                  | 904,792           | -               | -   | 1,474,817                 | 1,604,596                 |
| Air conditioners & coolers   | 2,667,227                   | -                            | -               | 2,667,227                     | 567,424                  | 356,110           | -               | -   | 923,534                   | 2,099,803                 |
| Office equipment             | 10,553,507                  | 782,421                      | -               | 11,335,928                    | 6,433,496                | 2,386,730         | -               | 354,890   | 9,175,116                 | 4,120,011                 |
| <b>Sub total</b>             | 396,571,219                 | 16,780,092                   | -               | 413,351,311                   | 112,508,991              | 31,785,936        | -               | 595,519   | 144,890,446               | 268,460,865               |
| <b>(B) Intangible assets</b> |                             |                              |                 |                               |                          |                   |                 |   |                           |                           |
| Computer software            | 6,814,168                   | 1,288,274                    | -               | 8,102,442                     | 4,483,748                | 617,849           | -               | 3   | 5,101,600                 | 2,330,420                 |
| <b>Sub total</b>             | 6,814,168                   | 1,288,274                    | -               | 8,102,442                     | 4,483,748                | 617,849           | -               | 3   | 5,101,600                 | 2,330,420                 |
| <b>TOTAL (A+B)</b>           | <b>403,385,387</b>          | <b>18,068,366</b>            | -               | <b>421,453,753</b>            | <b>116,992,739</b>       | <b>32,403,785</b> | -               | <b>595,522</b>                                  | <b>149,992,046</b>        | <b>271,461,707</b>        |
| Previous year                | 400,316,502                 | 15,583,248                   | 12,514,363      | 403,385,387                   | 99,923,413               | 25,080,381        | 8,011,055       | -   | 116,992,739               | 286,392,648               |

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

|   | Face Value<br>per Unit | As at<br>31 <sup>st</sup> March,2015<br>(Nos.) | As at<br>31 <sup>st</sup> March,2014<br>(Nos.) | As at<br>31 <sup>st</sup> March,2015<br>₹ | As at<br>31 <sup>st</sup> March,2014<br>₹ |
|---|------------------------|--|--|---|---|
| <b>11 Non-current investments</b>   |                        |  |  |   |   |
| <b>Long term investments (Non trade)</b>  |                        |  |  |   |   |
| <b>I) Investments in equity shares - quoted (At cost)</b>   |                        |  |  |   |   |
| Swan Energy Limited formerly known as Swan Mills Limited 1600 fully paid Equity Shares of Rs. 1 each (2013: 800 fully paid Equity Shares of Rs. 2 each) | 1                      | 1600   | 1600   | 1,441                                     | 1,441                                     |
| Apollo Tyres Limited  | 1                      | 1000   | 1000   | 7,002                                     | 7,002                                     |
| Ceat Limited  | 10                     | 75   | 75   | 1,663                                     | 1,663                                     |
| Summit Securities Limited   | 10                     | 4  | 4  | 66  | 66  |
| Goodyear India Limited  | 10                     | 100  | 100  | 6,259                                     | 6,259                                     |
| J. K. Tyre & Industries Limited   | 2                      | 280  | 56   | 1,411                                     | 1,411                                     |
| Dhampur Sugar Limited<br>(Previously known as J. K. Sugar Limited)  | 10                     | 4  | 4  | 186                                       | 186                                       |
| TVS Srichakra Tyres Limited   | 10                     | 100  | 100  | 3,795                                     | 3,795                                     |
| Falcon Tyres Limited  | 5                      | 600  | 600  | 1,573                                     | 1,573                                     |
| MRF Limited   | 10                     | 13   | 13   | 19,438                                    | 19,438                                    |
| Triton Valves Limited   | 10                     | 100  | 50   | 16,252                                    | 16,252                                    |
| Modi Rubber Limited   | 10                     | 100  | 100  | 3,042                                     | 3,042                                     |
| J. K. Agri Genetics Limited   | 10                     | 6  | 10   | 164                                       | 273                                       |
| Florence Investech Ltd.<br>(Demerged from J. K. Agri Genetics Limited)  | 10                     | 4  | 0  | 109                                       | -   |
| Bangal & Asam Company Ltd.<br>(Netfiler Finco Ltd. merged in Bengal & Asam Company Ltd.)  | 10                     | 4  | 18   | 1   | 1   |
| <b>II) Investments in equity shares - unquoted (At cost)</b>  |                        |  |  |   |   |
| Duncan Services Limited   | 100                    | 360  | 360  | 18,000                                    | 18,000                                    |
| Dunlop India Limited  | 10                     | -  | 100  | -   | 1,212                                     |
| <b>III) Investments in mutual funds - unquoted (At cost)</b>  |                        |  |  |   |   |
| UTI Balanced Fund (Income-Reinvestment)<br>(Dividend units Re-invested during the year:)  | 10                     |  |  | -   | 213,991                                   |
| UTI Treasury Advantage Fund-Weekly Dividend Plan -<br>Re-investment   | 1000                   |  |  | -   | 1,133,761                                 |
| UTI-Treasury Advantage Fund-Quarterly Dividend Plan -<br>Re-investment  | 1000                   |  |  | -   | 26,465                                    |
|   |                        |  |  | <b>80,402</b>                             | <b>1,455,831</b>                          |
| Aggregate amount of Quoted Investments  |                        |  |  | <b>62,402</b>                             | 62,402                                    |
| Aggregate amount of Unquoted Investments  |                        |  |  | <b>18,000</b>                             | 1,393,429                                 |
| Aggregate amount of market value of quoted investment   |                        |  |  | <b>1,106,083</b>                          | 705,766                                   |

|  | Long-term                                 |   | Short-term                                |   |
|--|---|---|---|---|
|  | As at<br>31 <sup>st</sup> March,2015<br>₹ | As at<br>31 <sup>st</sup> March,2014<br>₹ | As at<br>31 <sup>st</sup> March,2015<br>₹ | As at<br>31 <sup>st</sup> March,2014<br>₹ |
| <b>12 Loans and advances</b>                               |   |   |   |   |
| <b>Unsecured (Considered good unless stated otherwise)</b> |   |   |   |   |
| Capital Advances   | -   | 200,925                                   | -   | -   |
| Security Deposits  | 2,154,560                                 | 3,570,000                                 | 2,196,570                                 | 103,397                                   |
| Advances to Suppliers                                      | -   | -   | 3,907,305                                 | 1,968,300                                 |
| Loans and Advances to Employees                            | -   | 24,993                                    | 459,293                                   | 672,092                                   |
| Advance Income Tax and Tax Deducted at source              | -   | -   | 21,410,761                                | 733,445                                   |
| Balances with Government Authorities                       | -   | -   | 7,360,637                                 | 10,996,637                                |
| Other Advances   | -   | -   | -   | -   |
| Prepaid Expenses   | 582,491                                   | 606,162                                   | 2,842,148                                 | 3,672,186                                 |
| MAT credit entitlement                                     | 8,550,274                                 | 8,550,274                                 | -   | -   |
|  | <b>11,287,325</b>                         | <b>12,952,354</b>                         | <b>38,176,714</b>                         | <b>18,146,057</b>                         |

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

|   | As at<br>31 <sup>st</sup> March, 2015 | As at<br>31 <sup>st</sup> March, 2014 |
|---|---------------------------------------|---------------------------------------|
|   | ₹                                     | ₹                                     |
| <b>13 Inventories</b>   |                                       |                                       |
| (Valued at lower of cost or net realisable value)                 |                                       |                                       |
| Raw Materials   | 84,515,989                            | 64,594,374                            |
| Work-in-Progress  | 25,502,810                            | 28,583,604                            |
| Finished Goods  | 39,785,395                            | 17,153,323                            |
| Scrap   | 2,720,833                             | 3,305,511                             |
| Traded Goods  | 1,080,767                             | 2,006,995                             |
| Stores and Spares   | 3,619,122                             | 1,734,566                             |
| Packing Material  | 445,491                               | 460,673                               |
|   | <u>157,670,407</u>                    | <u>117,839,046</u>                    |
| Goods in transit included in above inventories are as under :     |                                       |                                       |
| Raw Materials   | -                                     | 139,617                               |
| <b>14 Trade receivables</b>                                       |                                       |                                       |
| (Secured, Considered Good)  |                                       |                                       |
| Outstanding for a period exceeding six months (from the due date) | -                                     | 1,036                                 |
| Outstanding for a period less than six months (from due date)     | 777,508                               | 555,946                               |
| (Unsecured, Considered Good)                                      |                                       |                                       |
| Outstanding for a period exceeding six months (from the due date) | 4,138,832                             | 16,895,137                            |
| Outstanding for a period less than six months (from due date)     | 156,035,734                           | 157,795,254                           |
| Unsecured, considered doubtful                                    |                                       |                                       |
| Outstanding for a period exceeding six months (from the due date) | 8,253,415                             | 630,127                               |
| Outstanding for a period less than six months (from due date)     | -                                     | -                                     |
| Less: Provision for doubtful debts                                | (8,253,415)                           | (630,127)                             |
|   | <u>160,952,074</u>                    | <u>175,247,373</u>                    |
| <b>15 Cash and Bank balances :</b>                                |                                       |                                       |
| <b>(a) Cash and cash equivalents:</b>                             |                                       |                                       |
| Cash on hand  | 59,463                                | 78,516                                |
| Balance with Banks:   |                                       |                                       |
| In current accounts   | 496,095                               | 17,195,417                            |
| In exchange earnest foreign currency accounts                     | 57,071                                | 54,800                                |
|   | <u>612,629</u>                        | <u>17,328,733</u>                     |
| <b>(b) Other bank balances</b>                                    |                                       |                                       |
| <b>Earmarked balances with banks:</b>                             |                                       |                                       |
| Unpaid dividend account   | 392,409                               | 617,194                               |
| Margin money  | 4,281,583                             | 3,494,300                             |
|   | <u>4,673,992</u>                      | <u>4,111,494</u>                      |
|   | <u>5,286,621</u>                      | <u>21,440,227</u>                     |
| <b>16 Other current assets</b>                                    |                                       |                                       |
| Unsecured, considered good:                                       |                                       |                                       |
| Interest accrued on deposits                                      | 159,343                               | 298,259                               |
| Assets held for sale  | -                                     | 50,849                                |
| Other   | 894,817                               | 42,901                                |
|   | <u>1,054,160</u>                      | <u>392,009</u>                        |

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

|  | For the<br>Year ended<br>31 <sup>st</sup> March, 2015<br>₹ | For the<br>Year ended<br>31 <sup>st</sup> March, 2014<br>₹ |
|--|--|--|
| <b>17 Revenue from operations :</b>                        |  |  |
| Sale of products:  | 668,455,341  | 718,522,246  |
| Less : Discount on sales                                   | <u>(2,648,881)</u>   | <u>(1,747,347)</u>   |
|  | <b>665,806,460</b>   | <b>716,774,899</b>   |
| <b>Other operating revenues</b>                            |  |  |
| Sale of scrap  | <u>42,225,606</u>  | <u>50,553,090</u>  |
| Gross revenue from operations                              | <b>708,032,066</b>   | <b>767,327,989</b>   |
| Less: Excise duty  | <u>(65,232,339)</u>  | <u>(76,088,437)</u>  |
| Net revenue from operations                                | <b>642,799,727</b>   | <b>691,239,552</b>   |
| <b>(i) Details of sales (Finished goods)</b>               |  |  |
| Passenger and Truck Valves                                 | <b>308,233,530</b>   | 363,411,418  |
| Hydraulic and Pneumatic Equipment                          | <b>325,525,846</b>   | 324,739,390  |
| Others   | <u>28,883,603</u>  | <u>23,983,724</u>  |
|  | <b>662,642,979</b>   | <b>712,134,532</b>   |
| <b>(ii) Details of sales (Traded goods)</b>                |  |  |
| Valve Cores  | <b>5,797,876</b>   | 6,221,086  |
| High Pressure Valves                                       | -  | 166,628  |
| Tubeless Valve   | <u>14,486</u>  | -  |
|  | <b>5,812,362</b>   | <b>6,387,714</b>   |
| <b>18 Other income</b>                                     |  |  |
| Dividend on investments                                    | <b>55,050</b>  | 79,244   |
| Interest income  |  |  |
| - On Deposits  | <b>410,116</b>   | 558,851  |
| - On Income tax refund                                     | <b>2,420,000</b>   | 10,819   |
| Profit on sale of fixed assets (Net)                       | <b>6,156</b>   | 1,124,140  |
| Rent Income  | <b>600,000</b>   | 1,440,000  |
| Profit on sale of Investment                               | <b>307,039</b>   | -  |
| Support Services   | <b>1,150,000</b>   | 2,760,000  |
| Provision no Longer Required Written Back                  | <b>273,276</b>   | 8,677,587  |
| Bad Debts Recovered  | -  | 157,348  |
| Provision for Doubtful Debts Written Back                  | <b>311,215</b>   | -  |
| Net gain on Foreign currency translations and transactions | <b>1,322,475</b>   | -  |
| Subsidy received - IPS 2007 Scheme                         | <b>1,045,000</b>   | -  |
| Miscellaneous Income                                       | <u>182,391</u>   | <u>1,951,449</u>   |
|  | <b>8,082,718</b>   | <b>16,759,438</b>  |
| <b>19 Cost of raw materials consumed</b>                   |  |  |
| Raw material consumed                                      |  |  |
| Brass  | <b>127,236,106</b>   | 148,443,548  |
| Rubber   | <b>30,595,833</b>  | 41,403,340   |
| Other  | <u>297,739,441</u>   | <u>272,941,951</u>   |
|  | <b>455,571,380</b>   | <b>462,788,839</b>   |
| Packing material consumed                                  | <u>4,972,693</u>   | <u>5,290,829</u>   |
|  | <b>460,544,073</b>   | <b>468,079,668</b>   |

**Schrader Duncan Limited**

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

|   | For the<br>Year ended<br>31 <sup>st</sup> March, 2015<br>₹ | For the<br>Year ended<br>31 <sup>st</sup> March, 2014<br>₹ |
|---|--|--|
| <b>20 Changes in inventories of finished goods, work-in-progress and traded goods</b> |  |  |
| <b>I Inventories as at the beginning of the year</b>                                  |  |  |
| Finished Goods  | 17,153,324   | 15,592,148   |
| Work-in-Progress  | 28,583,603   | 32,431,649   |
| Traded Goods  | 2,006,995  | 887,200  |
| Scrap   | 3,305,511  | 12,350,706   |
|   | <u>51,049,433</u>  | <u>61,261,703</u>  |
| <b>I Inventories as at end of the year</b>  |  |  |
| Finished Goods  | 39,785,395   | 17,153,323   |
| Work-in-Progress  | 25,502,810   | 28,583,604   |
| Traded Goods  | 1,080,767  | 2,006,995  |
| Scrap   | 2,720,833  | 3,305,511  |
|   | <u>69,089,805</u>  | <u>51,049,433</u>  |
| <b>III Movement in excise duty on finished products</b>                               | <u>2,876,256</u>   | <u>(609,575)</u>   |
| <b>IV Change in inventories (I - II + III)</b>  | <u>(15,164,116)</u>  | <u>9,602,695</u>   |
| <b>21 Employee benefit expenses</b>   |  |  |
| Salaries, Wages and Bonus   | 85,594,078   | 80,953,170   |
| Contribution to Provident and Other Funds   | 4,087,782  | 3,774,811  |
| Gratuity  | 2,469,637  | 352,526  |
| Employee Welfare Expenses   | 22,426,793   | 20,086,990   |
|   | <u>114,578,290</u>   | <u>105,167,497</u>   |
| <b>22 Finance costs</b>   |  |  |
| Interest  | 20,570,139   | 22,841,841   |
| Other borrowing cost  | 2,356,809  | 2,283,803  |
|   | <u>22,926,948</u>  | <u>25,125,644</u>  |
| <b>23 Depreciation and Amortisation</b>   |  |  |
| Depreciation on tangible assets   | 32,381,455   | 24,155,790   |
| Amortisation of Intangible assets   | 617,852  | 924,591  |
|   | <u>32,999,307</u>  | <u>25,080,381</u>  |

**Schrader Duncan Limited**

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

|  | For the<br>Year ended<br>31 <sup>st</sup> March, 2015<br>₹ | For the<br>Year ended<br>31 <sup>st</sup> March, 2014<br>₹ |
|--|--|--|
| <b>24 Other expenses</b>                           |  |  |
| General stores and spares consumed                 | 16,827,392   | 18,149,378   |
| Power and fuel                                     | 16,250,287   | 16,354,577   |
| Water charges                                      | 1,631,205  | 1,196,538  |
| Rent   | 6,211,122  | 6,681,164  |
| Rates and taxes                                    | 7,308,448  | 2,970,156  |
| Repairs to machinery                               | 6,877,211  | 5,717,616  |
| Repairs to buildings                               | 269,674  | 871,949  |
| Repairs to others                                  | 2,563,981  | 2,816,586  |
| Insurance  | 729,672  | 866,439  |
| Commission and discount on sales                   | 3,086,023  | 3,709,496  |
| Business promotion                                 | 3,065,557  | 1,398,215  |
| Freight & forwarding expenses                      | 5,291,725  | 5,130,166  |
| Travelling and conveyance                          | 7,859,072  | 7,599,084  |
| Bad Debts /Advances written-off                    | 1,806,518  | 1,165,688  |
| Provision for doubtful debts                       | 7,934,503  | 630,127  |
| Directors' fees                                    | 840,000  | 657,500  |
| Auditors' Remuneration                             |  |  |
| As Auditors  | 655,000  | 655,000  |
| For Tax audit                                      | 150,000  | 150,000  |
| For Out-of-pocket expenses                         | 53,843   | 86,248   |
| Legal & professional expenses                      | 8,593,760  | 5,965,102  |
| Foreign exchange loss (net)                        | -  | 347,956  |
| Loss on sale/discard of fixed assets (net)         | -  | 2,609,357  |
| Loss on sale of Raw Material (net)                 | -  | -  |
| Prior period expenses                              | -  | -  |
| Miscellaneous                                      | 11,130,524   | 9,665,467  |
|  | <b>109,135,517</b>   | <b>95,393,809</b>  |
| <b>25 Exceptional items</b>                        |  |  |
| Profit on Sale of Fixed Assets                     | -  | (26,990,582)   |
| Settlement Compensation Paid to Employees          | -  | -  |
|  | -  | <b>(26,990,582)</b>  |
| <b>26 Current tax</b>                              |  |  |
| Current tax for the year                           | -  | 18,487   |
| Less: MAT credit entitlement                       | -  | (18,487)   |
| Less: Taxation adjustments for earlier years (net) | <b>(18,310,094)</b>  | <b>(877,704)</b>   |
|  | <b>(18,310,094)</b>  | <b>(877,704)</b>   |

## Schrader Duncan Limited

### Notes to the Financial Statements for the year ended 31st March, 2015

#### Significant Accounting policies and Notes to Accounts

#### Note 1

##### Corporate Information

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

#### Note 2

##### Significant Accounting Policies

##### 2.1 Basis of preparation :

The financial statements have been prepared under historical cost convention, on accrual basis of accounting and in accordance with the generally accepted accounting principles in India and the provision of the Companies Act, 2013. The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

##### 2.2 Use of estimates :

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

##### 2.3 Classification of Assets and Liabilities as Current and Non Current

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule II to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current/ non-current classification of assets and liabilities.

##### 2.4 Revenue Recognition :

Sale of goods :

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

Sale of services :

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

##### 2.5 Fixed Assets :

(a) Tangible Assets :

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

(b) Intangible Assets :

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

##### 2.6 Depreciation & Amortization :

Depreciation on additions/ deletions to fixed assets i.e. Tangible & Intangible is calculated pro-rata from/ upto the date of such additions/ deletions. Depreciation on fixed assets is provided on useful life basis at the rates and the manner provided in Schedule II of Companies Act, 2013 except:

| Sr. No. | Asset Classification                 | Usefullife As per Schedule II | Useful Life considered by Company |
|---------|--------------------------------------|-------------------------------|-----------------------------------|
| 1       | Vehicles                             | 10                            | 5                                 |
| 2       | Intangible Asset (Computer Software) | Not specified                 | 5                                 |

Leasehold Improvements are amortized equally over the period of the respective leases.

Asset purchased for value not exceeding Rs. 5000/- is fully depreciated in the year of purchase.

**2.7 Impairment of Assets :**

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

**2.8 Foreign Currency Transactions :**

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

**2.9 Investments :**

Long Term Investments are valued at cost. The company provides for diminution other than temporary, in the value of Long Term investments. Current Investments are stated at lower of cost and fair value.

**2.10 Valuation of Inventory :**

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

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

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

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

**2.11 Segment Reporting**

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

**2.12 Employee Benefits :**

**I. Short Term Employee Benefits**

All employee benefits payable within 12 months of rendering of services are classified as short term employee benefits. All Short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

**II. Long Term Employee Benefits**

All employee benefits other than short term employee benefits are classified as long term employee benefits. The Company has both defined contribution and defined benefits plan.

**a) Defined Contribution Plan**

**Provident fund**

Each eligible employee and the Company make an equal contribution at a percentage of the basic salary specified under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. The Company has no further obligations under the plan beyond its periodic contributions. The Company contribution towards this fund is charged to the Statement of Profit and Loss.

**Superannuation**

The Superannuation Contribution is based on a percentage of basic salary payable to eligible employees for the period of service. The Company contribution is made to the trust which is manage by Holding Company, which is charged to the Statement of Profit and Loss.

**b) Defined Benefit Plan**

Gratuity, which is a defined benefit scheme is funded with LIC on projected credit unit method on the basis of an actuarial valuation done at the year end and is charged to the Statement of Profit & Loss.

**III. Other Long Term Employee Benefits**

Accrued leave is a long term employee benefit. Compensated absences are provided based on actuarial valuation as at Balance Sheet date and is recognized in the Statement of Profit & Loss.

**2.13 Taxation:**

**(a) Current Tax :**

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

**(b) Deferred Tax :**

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

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

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

**2.14 Borrowing Cost :**

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

**2.15 Operating Leases**

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

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

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

**Schrader Duncan Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015**  
**Significant Accounting policies and Notes to Accounts**

|  | As at<br>31 <sup>st</sup> March, 2015<br>₹ | As at<br>31 <sup>st</sup> March, 2014<br>₹ |
|--|--|--|
| <b>Note 27</b>   |  |  |
| <b>Contingent Liabilities:</b>   |  |  |
| (a) Guarantees given by the Bank on behalf of the Company. These are financial and performance guarantees given to the customers, expiring on various future dates.  | 3,853,483                                  | 4,754,898                                  |
| (b) Claims against the Company with respect to Sales Tax Matters not acknowledged as debts.  | 6,679,879                                  | 7,418,032                                  |
| (c) Claims against the Company with respect to Excise and Service Tax Matters not acknowledged as debts. Appeals filed by the Company with CESTAT, West Zone Bench, and Additional Commissioner of Central Excise Mumbai, is pending disposal. | 3,967,557                                  | 3,967,557                                  |
|  | <b>14,500,919</b>                          | <b>16,140,487</b>                          |

There are no litigation against the company which can lead to possible potential liabilities.

**Note 27.1**

**Capital and other commitments:**

|   |           |           |
|---|-----------|-----------|
| Estimated amount of Contracts remaining to be executed on capital account (net of advances) and not provided for. | 4,169,527 | 1,599,008 |
|---|-----------|-----------|

**Note 28 Other Notes on Accounts**

**Note 28.1**

**Tax Provision :**

Based on evaluation of its tax provisions and considering the development and order received during the year, the company has reversed excess provision for tax relating to earlier years amounting to Rs.1,83,10,094 for AY 2007-08 and has accounted potential interest income on Income Tax Refund for the A.Y. 2004-05 & AY 2012-13 of Rs. 18,50,000/- & Rs. 5,70,000/- respectively, based on opinion received from Company's Tax Advisor.

**Note 28.2**

**Sales Tax liability**

During the year based on evaluation of the sales tax proceedings the company has written off Rs. 52,02,339/- for FY 2009-10 & Rs. 12,87,342/- for FY 2010-11 and the same has been charged under the head "Rates & Taxes", and accordingly figures for the current year are not comparable to the previous year to this extent.

**Note 28.3**

**Provision for Doubtful debts**

During the year, company has made provision for Doubtful debts of Rs. 79,34,503/- (which includes of single debtors amounting to Rs. 72,57,721/-) and accordingly figures for the current year are not comparable to the previous year to this extent.

**Note 28.4**

**Depreciation**

Effective April 1, 2014, pursuant to and in line with the requirements of Part C of Schedule II of the Companies Act, 2013 during the year ended March 31, 2015; the Company has reviewed its policy of providing for depreciation on its Tangible & Intangible fixed assets and also reassessed their useful lives. As a result the following changes with respect to provision for depreciation have been effected;

- In respect of assets where remaining useful life as on April 1, 2014 is 'Nil', their carrying amounts after retaining the residual value, if any, aggregating to Rs 5,95,022/-, has been adjusted in the current year depreciation & amortisation and is charged to the Statement of Profit & Loss.
- In respect of other assets, depreciation is provided under the Straight Line Method (SLM). Based on the revised useful life as per Schedule II of the Companies Act, 2013 / estimated useful life determined by the Management. Their carrying amount as at April 1, 2014 is depreciated over their useful lives. Pursuant to this, the depreciation for the year ended March 31, 2015 is higher by Rs 72,78,811/-.

**Note 28.5****Dues to Micro and Small enterprises**

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

| Particulars   | 2014-2015         | 2013-2014  |
|---|-------------------|------------|
|   | ₹                 | ₹          |
| a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end   | <b>19,089,102</b> | 18,384,948 |
| b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end   | <b>161,322</b>    | 74,577     |
| c) Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year                                    | -                 | -          |
| d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | -                 | -          |
| e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year            | -                 | -          |
| f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made   | -                 | -          |
| g) Further interest remaining due and payable for earlier years   | <b>161,322</b>    | 74,577     |

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

**Note 28.6****Disclosures under Accounting Standards 15****(A) Defined Contribution Plans**

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

|   | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
|---|------------------------------|------------------------------|
| Contribution to Provident Fund                    | 1,867,905                    | 1,960,012                    |
| Contribution to Employee's Pension Scheme         | 1,976,497                    | 1,584,559                    |
| Contribution to Employee's Superannuation Fund    | 195,930                      | 184,320                      |
| Contribution to Employee's State Insurance Scheme | 22,762                       | 17,488                       |
| Contribution to Labour Welfare Fund               | 14,688                       | 18,432                       |
|   | <b>4,077,782</b>             | <b>3,764,811</b>             |

**(B) Defined Benefit Plans****(a) Gratuity**

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

|  |       |       |
|--|-------|-------|
| Discount Rate (Per annum)  | 8.08% | 9.31% |
| Rate of increase in Compensation levels                                  | 6.00% | 6.00% |
| Rate of Return on Plan Assets  | 8.08% | 8.70% |
| Expected Average remaining working lives of employees in number of Years | 21    | 21    |

**(i) Changes in present value of obligation**

|   |                  |                  |
|---|------------------|------------------|
| Present value of Obligation as at beginning of the year | 4,945,836        | 5,102,491        |
| Interest Cost   | 460,457          | 408,199          |
| Current Service Cost                                    | 623,488          | 767,846          |
| Benefits paid   | (511,327)        | (752,164)        |
| Actuarial (Gains)/Loss                                  | 1,771,754        | (580,536)        |
| Present value of Obligation as at the end of the year   | <b>7,290,208</b> | <b>4,945,836</b> |

|   | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
|---|------------------------------|------------------------------|
| <b>(ii) Changes in Fair value of plan assets</b>  |                              |                              |
| Present value of plan assets as at beginning of the year  | 4,635,758                    | 2,919,057                    |
| Expected return on Plan Assets  | 403,311                      | 253,958                      |
| Actuarial gain/(loss) on Plan Assets  | (17,249)                     | (10,975)                     |
| Actual Company Contribution   | 310,078                      | 2,225,882                    |
| Benefits paid   | (511,327)                    | (752,164)                    |
| Fair value of Plan Assets as at the end of the year   | <u>4,820,571</u>             | <u>4,635,758</u>             |
| <b>(iii) Percentage of each category of plan assets to total fair value of plan assets</b>                  |                              |                              |
| Administered by Life Insurance Corporation of India   | 100%                         | 100%                         |
| <b>(iv) Reconciliation of the Present Value of Defined Present Obligations and the Fair value of Assets</b> |                              |                              |
| Present value of Funded Obligation as at the end of the year  | 7,290,208                    | 4,945,836                    |
| Fair value of Plan Assets as at the end of the year   | 4,820,571                    | 4,635,758                    |
| (Asset)/ Liability recognised in the Balance Sheet  | <u>2,469,637</u>             | <u>310,078</u>               |
| <b>(v) Amounts recognised in the Balance Sheet</b>  |                              |                              |
| Present value of Obligation as at end of the year   | 7,290,208                    | 4,945,836                    |
| Fair value of Plan Assets as at end of the year   | 4,820,571                    | 4,635,758                    |
| Funded (Asset)/ Liability recognised in the Balance Sheet   | <u>2,469,637</u>             | <u>310,078</u>               |
| <b>(vi) Expenses recognised in the Statement of Profit and Loss</b>   |                              |                              |
| Current Service Cost  | 623,488                      | 767,846                      |
| Interest Cost   | 460,457                      | 408,199                      |
| Expected Return on Plan Asset   | (403,311)                    | (253,958)                    |
| Net Actuarial (Gain)/ Loss  | 1,789,003                    | (569,561)                    |
| Total Expenses recognised in the Statement of Profit and Loss   | <u>2,469,637</u>             | <u>352,526</u>               |
| <b>(vii) Expected employers' contribution for the next year</b>   | 2,858,865                    | 933,566                      |
| <b>(viii) Experience adjustments</b>  |                              |                              |
| On Plan Liabilities Gain/ (Loss)  | (974,015)                    | (10,417)                     |
| On Plan Assets Gain/ (Loss)   | (17,249)                     | (10,975)                     |

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

Amounts recognised in current year and previous four years

|   | Year Ended<br>March 31, 2015 | Year Ended<br>March 31, 2014 | Year Ended<br>March 31, 2013 | Year Ended<br>March 31, 2012 | Year Ended<br>March 31, 2011 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Present value of defined benefit obligation             | 7,290,208                    | 4,945,836                    | 5,102,491                    | 8,817,503                    | 8,792,378                    |
| Fair Value of Plan Assets                               | 4,820,571                    | 4,635,758                    | 2,919,057                    | 8,329,679                    | 6,704,808                    |
| Surplus/ (Deficit) in the Plan                          | 2,469,637                    | 310,078                      | 2,183,434                    | (487,824)                    | (2,087,570)                  |
| Experience adjustments on Plan Liabilities Gain/ (Loss) | (974,015)                    | (10,417)                     | (1,006,704)                  | 295,691                      | (1,444,449)                  |
| Experience adjustments on Plan Assets Gain/ (Loss)      | (17,249)                     | (10,975)                     | (56,123)                     | 5,549                        | (121,070)                    |

**(D)** The Liability for leave encashment and compensated balances as at year end is Rs.33,60,309/- (Previous Year Rs. 20,37,759).

**Schrader Duncan Limited**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015**

|                              | Year Ended<br>March 31, 2015<br>₹ | Year Ended<br>March 31, 2014<br>₹ |
|------------------------------|-----------------------------------|-----------------------------------|
| <b>Note 28.7</b>             |                                   |                                   |
| <b>CIF Value of Imports:</b> |                                   |                                   |
| Raw materials                | 133,941,709                       | 116,048,996                       |
| Traded Goods                 | 3,655,333                         | 6,979,054                         |
| Stores and Spares            | 5,661,236                         | 4,927,093                         |
|                              | <u>143,258,278</u>                | <u>127,955,143</u>                |

**Note 28.8**

**Expenditure in foreign currency:**

|                     |                |                  |
|---------------------|----------------|------------------|
| Travelling Expenses | 127,410        | 307,633          |
| Capital Goods       | 437,854        | 2,556,588        |
|                     | <u>565,264</u> | <u>2,864,221</u> |

**Note 28.9**

**Earnings in Foreign Currency:**

|                      |                   |                   |
|----------------------|-------------------|-------------------|
| FOB value of exports | 12,528,275        | 13,385,992        |
|                      | <u>12,528,275</u> | <u>13,385,992</u> |

**Note 28.10**

**Details of Consumption and Purchases**

(a) Details of Raw Material Consumed \*

|        |                    |                    |
|--------|--------------------|--------------------|
| Brass  | 127,236,106        | 148,443,548        |
| Rubber | 30,595,833         | 41,403,340         |
| Others | 302,712,134        | 278,232,780        |
|        | <u>460,544,073</u> | <u>468,079,668</u> |

(b) Details of consumption of imported and indigenous items:

Raw Materials, Packing Material and outside Contracts consumed during the year:

|                             | Year ended March 31, 2015 |                | Year ended March 31, 2014 |                |
|-----------------------------|---------------------------|----------------|---------------------------|----------------|
|                             | Value Rs.                 | %              | Value Rs.                 | %              |
| Raw Material Consumed:      |                           |                |                           |                |
| Imported                    | 137,952,661               | 29.95%         | 119,875,865               | 26.18%         |
| Indigenous                  | 322,591,412               | 70.05%         | 348,203,803               | 73.82%         |
|                             | <u>460,544,073</u>        | <u>100.00%</u> | <u>468,079,668</u>        | <u>100.00%</u> |
| Stores and Spares Consumed: |                           |                |                           |                |
| Imported                    | 4,883,135                 | 29.02%         | 7,076,009                 | 24.97%         |
| Indigenous                  | 11,944,257                | 70.98%         | 21,262,034                | 75.03%         |
|                             | <u>16,827,392</u>         | <u>100%</u>    | <u>28,338,043</u>         | <u>100%</u>    |

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

(c) Information for each class of goods manufactured

|                                       | Year ended March 31, 2015          |                                    | Year ended March 31, 2014          |                                    |
|---------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|                                       | Opening Stock of<br>Goods Produced | Closing stock of<br>Goods Produced | Opening Stock of<br>Goods Produced | Closing stock of<br>Goods Produced |
| Automotive Tyres Valves & Accessories | 12,811,931                         | 20,611,174                         | 11,088,488                         | 12,811,931                         |
| Fluid Power & Automation              | 3,516,168                          | 18,494,759                         | 4,213,557                          | 3,516,168                          |
| Others                                | 825,224                            | 679,462                            | 290,103                            | 825,224                            |
|                                       | <u>17,153,323</u>                  | <u>39,785,395</u>                  | <u>15,592,148</u>                  | <u>17,153,323</u>                  |

**Schrader Duncan Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2015**

**28.11 Segment Reporting**

The following tables present the revenue, profit, assets and liabilities information relating to the Business/Geographical segment for the year ended 31.03.2015  
**Information about Business Segment - Primary**

| Reportable Segments                                   | Tyres Valves & Accessories          |                                     | Automotive                          |                                     | Fluid Power & Automation            |                                     | Elimination                         |                                     | Total                               |                                     |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|   | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
| <b>Revenue</b>  |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |
| External Sales (Net of Discount and Excise Duty)      | 351,480,811                         | 400,364,668                         | 291,318,916                         | 290,874,884                         | -                                   | -                                   | 642,799,727                         | -                                   | 642,799,727                         | 691,239,552                         |
| Unallocated Revenue                                   | -                                   | -                                   | -                                   | 164,820                             | -                                   | -                                   | -                                   | (164,820)                           | -                                   | -                                   |
| Inter Segment Revenue                                 | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   | -                                   |
| Total Revenue from operations                         | 351,480,811                         | 400,364,668                         | 291,318,916                         | 291,039,704                         | -                                   | -                                   | 642,799,727                         | (164,820)                           | 642,799,727                         | 691,239,552                         |
| <b>Result</b>   |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |
| Segment Result  | (40,311,941)                        | (16,438,407)                        | 36,333,261                          | 52,471,780                          | -                                   | -                                   | (3,978,680)                         | -                                   | (3,978,680)                         | 36,033,373                          |
| Unallocated Corporate Income ( Net )                  |                                     |                                     |                                     |                                     |                                     |                                     | (51,889,154)                        |                                     | (51,889,154)                        | (37,802,439)                        |
| Finance costs   |                                     |                                     |                                     |                                     |                                     |                                     | (22,926,948)                        |                                     | (22,926,948)                        | (25,125,644)                        |
| <b>Profit before Exceptional Item and Tax</b>         |                                     |                                     |                                     |                                     |                                     |                                     | (78,794,782)                        |                                     | (78,794,782)                        | (26,894,710)                        |
| Exceptional items                                     |                                     |                                     |                                     |                                     |                                     |                                     | -                                   |                                     | -                                   | 26,990,582                          |
| <b>Profit before Tax</b>                              |                                     |                                     |                                     |                                     |                                     |                                     | (78,794,782)                        |                                     | (78,794,782)                        | 95,872                              |
| Less: Provision for Taxation (Including Deferred Tax) |                                     |                                     |                                     |                                     |                                     |                                     | (18,310,094)                        |                                     | (18,310,094)                        | (877,704)                           |
| <b>Profit after Tax</b>                               |                                     |                                     |                                     |                                     |                                     |                                     | (60,484,688)                        |                                     | (60,484,688)                        | 973,576                             |
| <b>Other Information</b>                              |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |
| Segment Assets  | 329,593,408                         | 373,411,520                         | 249,274,994                         | 193,301,838                         | -                                   | -                                   | 578,868,402                         | -                                   | 578,868,402                         | 566,713,358                         |
| Unallocated Corporate Assets                          |                                     |                                     |                                     |                                     |                                     |                                     | 78,068,713                          |                                     | 78,068,713                          | 73,988,129                          |
| <b>Total Assets</b>                                   |                                     |                                     |                                     |                                     |                                     |                                     | 656,937,115                         |                                     | 656,937,115                         | 640,701,487                         |
| Segment Liabilities                                   | 73,632,761                          | 62,722,161                          | 88,858,956                          | 45,420,840                          | -                                   | -                                   | 162,491,717                         | -                                   | 162,491,717                         | 108,143,001                         |
| Unallocated Corporate Liabilities                     |                                     |                                     |                                     |                                     |                                     |                                     | 203,040,340                         |                                     | 203,040,340                         | 180,668,738                         |
| <b>Total Liabilities</b>                              |                                     |                                     |                                     |                                     |                                     |                                     | 365,532,057                         |                                     | 365,532,057                         | 288,811,739                         |
| Capital Expenditure                                   | 11,946,326                          | 10,543,222                          | 1,921,647                           | 2,114,952                           | -                                   | -                                   | 13,867,973                          | -                                   | 13,867,973                          | 12,658,174                          |
| Unallocated Capital Expenditure                       |                                     |                                     |                                     |                                     |                                     |                                     | 4,040,393                           |                                     | 4,040,393                           | 2,925,074                           |
| <b>Total Capital Expenditure</b>                      |                                     |                                     |                                     |                                     |                                     |                                     | 17,908,366                          |                                     | 17,908,366                          | 15,583,248                          |
| Depreciation  | 24,892,938                          | 18,890,898                          | 5,101,128                           | 3,917,464                           | -                                   | -                                   | 29,994,066                          | -                                   | 29,994,066                          | 22,808,362                          |
| Unallocated Depreciation                              |                                     |                                     |                                     |                                     |                                     |                                     | 3,005,241                           |                                     | 3,005,241                           | 2,272,019                           |
| <b>Total Depreciation</b>                             |                                     |                                     |                                     |                                     |                                     |                                     | 32,999,307                          |                                     | 32,999,307                          | 25,080,381                          |

**Schrader Duncan Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2015**

**Information about Secondary Business Segments**

| Reportable Segments                              | India                               |                                     | Outside                             |                                     | Total                               |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
| External Sales (Net of Discount and Excise Duty) | 630,271,452                         | 677,853,560                         | 12,528,275                          | 13,385,992                          | 642,799,727                         | 691,239,552                         |
| Carrying amount of segment assets                | 655,636,377                         | 632,235,403                         | 1,300,738                           | 8,466,084                           | 656,937,115                         | 640,701,487                         |
| Additions to fixed assets                        | 17,908,366                          | 15,583,248                          | -                                   | -                                   | 17,908,366                          | 15,583,248                          |

**Notes:**

- a) The company is organized into two main business segments -
- Automotive Tyres Valves & Accessories- comprising of tyre tube valves and accessories.
  - Fluid Power & Automation- comprising of pneumatic equipment and hydraulic products.
- Segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organization structure and the internal financial reporting systems.
- b) The segment revenue in the geographical segments considered for disclosure are as follows:
- Revenue within India includes sales to customers located within India and earnings in India.
  - Revenue outside India includes sales to customers located outside India and earnings outside India.
- c) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

**Schrader Duncan Limited**

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015**

**Note 28.12**

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

**A) Relationships :**

- (i) Holding Company  
Oriental Carbon and Chemicals Limited \*
- (ii) Key Management Personnel:

Mr. Shantanu Parvati - Managing Director

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

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

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

(Rupees)

| Nature of transactions During the year     | Holding Company                        |           | Key Management personnel                  |           |
|--|--|-----------|---|-----------|
|  | Oriental Carbon & Chemicals Ltd, Delhi |           | Mr. Shantanu Parvati<br>Managing Director |           |
|  | 2014-15                                | 2013-14   | 2014-15                                   | 2013-14   |
| Sales of Goods                             | 509,369                                | -         | -   | -         |
| Remuneration                               |  |           | 6,000,000                                 | 5,290,000 |
| Loan taken during the year                 | 20,000,000                             | -         |   |           |
| Rent Paid                                  | 2,317,764                              | 2,317,764 |   |           |
| Expenses incurred on behalf of the company | 990,875                                | 653,883   |   |           |
| Interest on inter Corporate Deposit        | 414,247                                | 263,562   |   |           |
| <b>Year End Balances</b>                   |  |           |   |           |
| Sundry Creditors                           | 684,300                                | 484,346   |   |           |
| Unsecured Loans                            | 20,000,000                             | -         |   |           |

**Note 28.13**

**Prior Period Expenses**

During the year Company has debited Prior period expenses to the statement of Profit & Loss, details of which are as under :-

| Paritulars                       | Amounts        |
|----------------------------------|----------------|
| Miscellaneous Expense            |                |
| i. Excise Duty Expense           | 60,708         |
| ii. AGM & Board Meeting Expenses | 55,000         |
|                                  | <b>115,708</b> |

**Note 28.14**

**Deferred Tax:**

The Deferred Tax balances are set out as below

| Particulars  | As at<br>March 31, 2015<br>₹ | As at<br>March 31, 2014<br>₹ |
|--|------------------------------|------------------------------|
| <b>Deferred Tax Liabilities</b>  |                              |                              |
| Depreciation   | 32,246,640                   | 34,701,720                   |
| <b>Total (a)</b>   | <b>32,246,640</b>            | <b>34,701,720</b>            |
| <b>Less :Deferred Tax Assets</b>   |                              |                              |
| Voluntary Retirement Scheme  | 11,359,727                   | 11,927,714                   |
| Disallowance u/s 43B of the Income Tax Act, 1961   | 5,720,092                    | 3,023,109                    |
| Unabsorbed depreciation / loss carried forward as per provisions of the Income Tax Act, 1961 | 15,166,821                   | 19,750,897                   |
| <b>Total (b)</b>   | <b>32,246,640</b>            | <b>34,701,720</b>            |
| <b>Net Deferred Tax Liability (a-b)</b>  | <b>-</b>                     | <b>-</b>                     |

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

**Note 28.15**

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

| Currency | Cross Currency | Payables<br>As on<br>31 <sup>st</sup> March, 2015 |            |
|----------|----------------|---|------------|
|          |                | Foreign<br>Currency                               | INR        |
| USD      | INR            | 312,791   | 19,562,583 |
| EURO     | INR            | 71,934  | 5,210,000  |

| Currency | Cross Currency | Receivable<br>As on<br>31 <sup>st</sup> March, 2015 |           |
|----------|----------------|---|-----------|
|          |                | Foreign<br>Currency                                 | ₹         |
| USD      | INR            | 20,994  | 1,300,738 |

**Note 28.16****Basic and Diluted Earnings per share :**

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

|  | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|--|-------------------------|-------------------------|
| Profit / (Loss) for the year             | (60,484,688)            | 973,576                 |
| Weighted Average Number of Equity Shares | 3,696,000               | 3,696,000               |
| Earnings per Equity Share - Basic        | (16.36)                 | 0.26                    |
| Earnings per Equity Share - Diluted      | (16.36)                 | 0.26                    |
| Nominal value of an Equity Share         | 10                      | 10                      |

**Note 28.17**

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

**Note 28.18**

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

For and on behalf of the Board

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

**Shantanu Parvati**  
Whole Time Director

**A Goenka**  
Director

**Nikhil Singhi**  
Partner  
Membership No. 061567

**Nirnoy Sur**  
Company Secretary

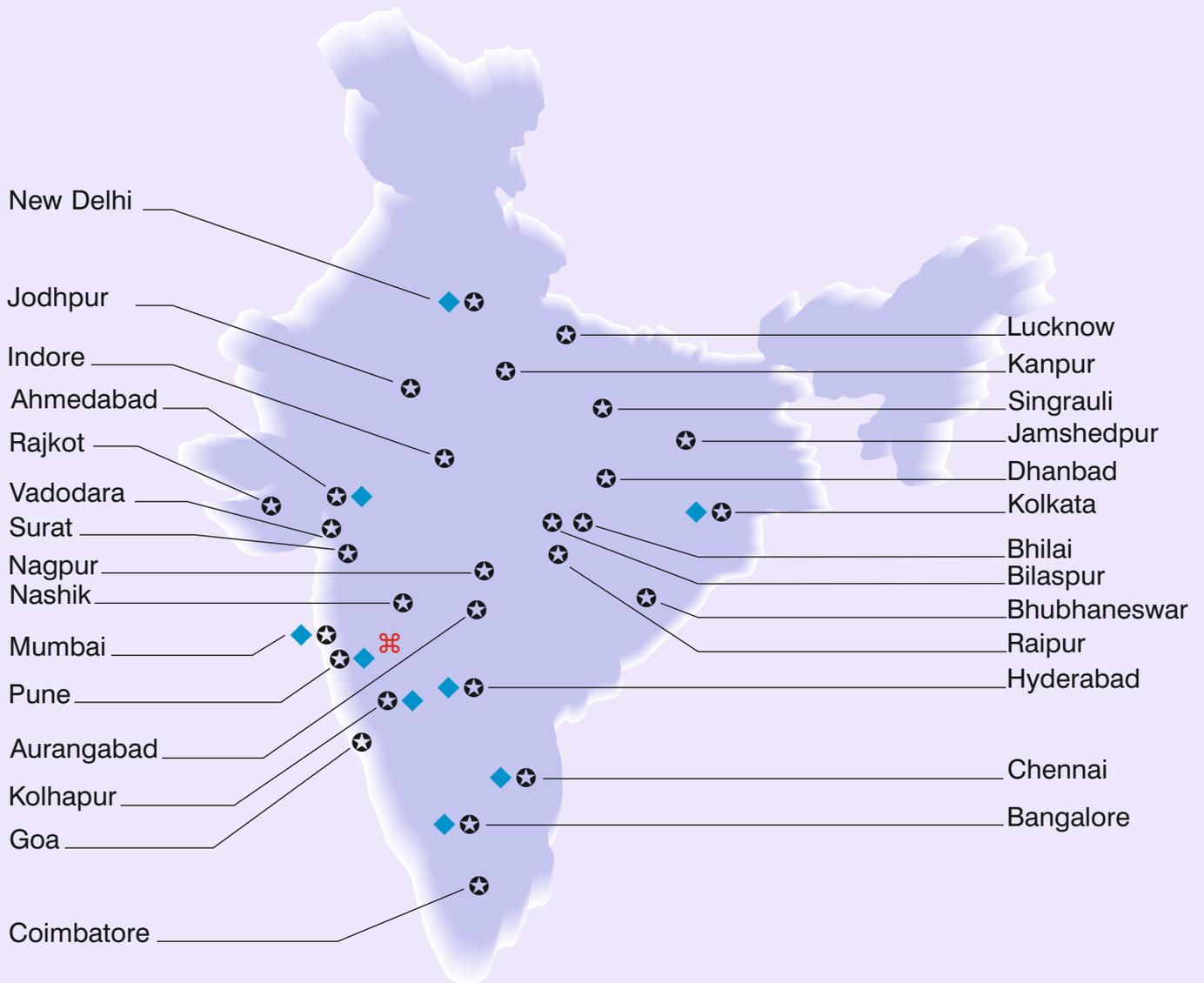
**V S Patil**  
CFO

Place : Mumbai  
Date : 11<sup>th</sup> May, 2015

Place : Mumbai  
Date : 11<sup>th</sup> May, 2015



## National Distribution Network



⌘ Manufacturing   ◆ Sales Rep.   ★ Dealer/Agent

If Undelivered, Please return to,

## **Schrader Duncan Limited**

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