

Maxflow

SCHRADER
DUNCAN LIMITED



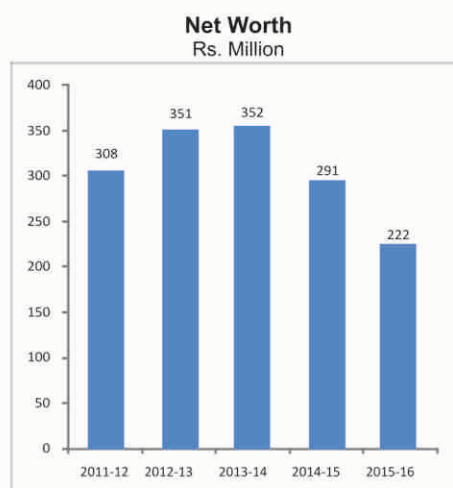
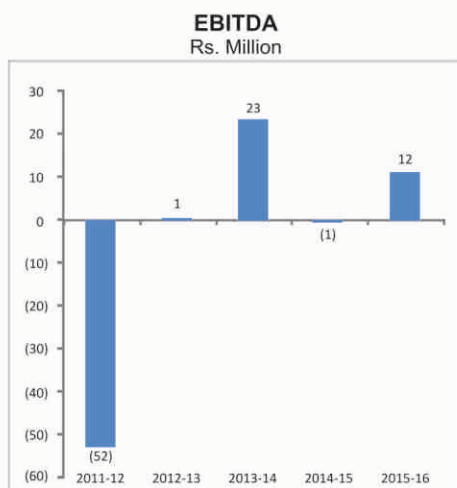
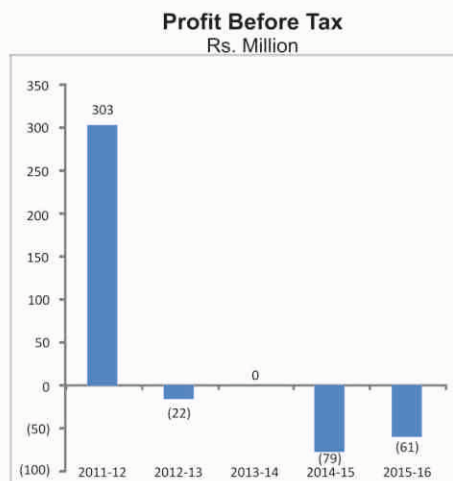
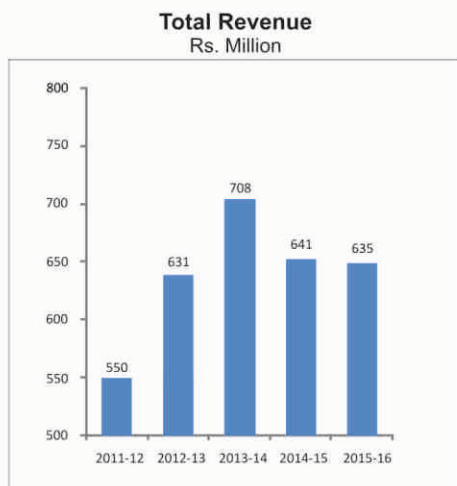
Schrader Duncan Limited

www.schraderduncan.com

**55th ANNUAL REPORT
2015 -2016**

Schrader Duncan Limited

Key Financial Indicators Five Years



Ten Year Review

Rs. Million

Accounting Year	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Total Revenue	820.47	569.50	534.39	570.97	504.94	549.78	630.95	707.99	641.44	635.13
Profit before taxes	272.62	35.69	18.37	8.68	(216.01)	302.94	(22.06)	0.10	(78.79)	(60.74)
	****				*****	****				
Profit after taxes	242.47	23.87	10.89	5.51	(212.08)	204.63	5.09	0.97	(60.48)	(69.29)

EBITDA (excl. exceptional item)	281.77	45.08	28.61	38.19	(20.30)	(51.62)	0.69	23.45	(0.56)	11.99
Net Worth	302.90	307.32	313.89	315.07	102.99	307.62	350.92	351.89	291.41	222.11
Earning per share* Rs.	65.60	6.46	2.95	1.49	(57.38)	55.37	1.38	0.26	(16.36)	(18.75)
Return on Investment %	106.22	7.82	3.51	1.75	(101.46)	99.67	1.54	0.28	(18.80)	(26.99)

*** Includes interim dividend of 175%

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

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

FY 2012-13 Figures reported after taking effect of 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
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

Rajib Kumar Gope

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, Panchkuain Road,
New Delhi – 110055

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt Ltd
Block No 202, 02nd 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

Website: www.schraderduncan.com

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

NOTICE

NOTICE is hereby given that the Fifty Fifth Annual General Meeting of the Shareholders of Schrader Duncan Limited will be held on 28th July 2016 at 2:30 P.M at the Registered Office at F-33, Ranjangaon MIDC, Karegaon, Tal Shirur, Pune 412 209 for transacting the following business:

Ordinary Business:

1. To receive, consider and adopt the Financial Statement of the Company for the year ended 31st March, 2016 comprising audited Balance Sheet as at 31st March, 2016 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. Arvind Goenka (holding DIN 00135653), liable to retire by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To consider and, 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 third 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 Calendar 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 modifications, the following as a Special Resolution:

Re-appointment of Shantanu Parvati as Whole-time Director

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the re-appointment of Mr. Shantanu Parvati (holding DIN 03575619) as Whole-time Director of the Company, for a period of 5 (Five) years with effect from July 29, 2016, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Part II of Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

“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, 2016.

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, 2016 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 year subject to review by Board at regular intervals within the prescribe limits of the Companies Act, 2013:

1. **Salary (Basic)** – Rs. 2,567,000 per annum with discretionary powers to the Board to revise the amount from time to time.
2. **Special Allowance**
Rs. 736,462 per annum
3. **Variable Pay** (is payable at the end of the year based on the Annual Appraisal)
Rs. 2,200,825 per annum
4. **Annual Perquisites**
House Rent Allowance - Rs. 1,540,200 per annum
Medical reimbursement - Rs. 18,000 per annum
Leave Travel Allowance - Rs. 56,000 per annum
5. **Other Perquisites**
Club fees and company car with driver for official duties and telephone at residence including payment for local calls and long distance official calls and benefit of mediclaim.

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

RESOLVED FURTHER THAT Mr. Shantanu Parvati, as recommended by Nomination & Remuneration Committee, will be paid a performance incentive of 4% of the incremental EBITDA (actual - target) if target achieved for EBITDA are greater than 105%.

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.”

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 20th July, 2016 to 28th July, 2016 (both days inclusive) in terms section 91 of the Companies Act, 2013 and of Regulation 42 of SEBI (Listing Obligations Disclosure Requirements) Regulations 2015 (Clause 16 of the Listing Agreement).
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 2008-09 is due for transfer to the said Fund in August 2016. 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 2008-09 and 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 Director being appointed / reappointed are furnished in point no. 16 of the Board's Report.
5. A Statement in respect of item no.4 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's Registered Office is at F-33, Ranjangaon MIDC, Karegaon, 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, 2nd 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 fifth 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 20th July 2016 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 or e-voting@schraderduncan.com with a copy marked to 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. 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 25th July 2016, (10 a.m.) and ends on 27th July 2016 (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 20th July 2016 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 20th July 2016.
 - 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 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 55th Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's Website 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.

Regulation 36 of SEBI (LODR) Regulations, 2015 (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, 2016 would be dispatched.

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

By Order of the Board

Rajib Kumar Gope
Company Secretary

May 25, 2016

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013

Item No. 4

The Board in its meeting held on 25th May 2016 revised the remuneration of Mr Shantanu Parvati with effect from April 1, 2016 as recommended by Nomination & Remuneration Committee.

The requisite information stipulated under Schedule V is furnished hereunder :

I	GENERAL INFORMATION	
(1)	Nature of industry	Industrial Fluid Power Products and Tyre Valves & Accessories
(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 as Company existing since 1961
(4)	Financial performance based on given indicators	Net Sales - Rs. 6,351.33 Lacs Profit/(loss) before Tax - Rs. (607.42) Lacs
(5)	Foreign investments or collaborations, if any	Not Applicable
II	INFORMATION ABOUT THE APPOINTEE	
(1)	Background details	Mr Shantanu Parvati, aged 42 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 21 Years of rich experience in industry and advisory services.
(2)	Past remuneration	2013-2014 Rs. 5,290,000 2014-2015 Rs. 6,000,000 2015-2016 Rs. 6,900,000
(3)	Recognition or awards	Nil
(4)	Job profile and his suitability	He has strong academic background and rich experience in industry. He had worked with leading OEM in India in responsible positions.
(5)	Remuneration Proposed (Subject to review by Board at regular intervals within the prescribe limits of the Companies Act, 2013. (April 1, 2016 to March, 31, 2017)	Salary Rs. 2,567,000 Allowances Rs. 2,276,662 Variable Pay Rs. 2,200,825 Perquisites Rs. 505,513 <u>Rs. 7,550,000</u> Performance Incentive as per criteria fixed in Resolution no. 4 (refer page no. 3)
(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

III	OTHER INFORMATION	
(1)	Reasons of loss or inadequate profits	<ul style="list-style-type: none"> • Volume and order book assumptions not materialising due to slowdown in overall Automotive and Industrial / Capital Goods Sector. • Restructuring initiatives undertaken in the business.
(2)	Steps taken or proposed to be taken for improvement	<ul style="list-style-type: none"> • New product development & introduction • Cost optimisation and re-engineering initiatives.
(3)	Expected increase in productivity and profits in measurable terms	10% increase in productivity. 12-15% operating margin in next 2 Years.
IV	DISCLOSURES	All details are covered in the Corporate Governance Report which forms part of the Annual Report for the year 2016

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, 2016.

This explanatory statement may also be regarded as a disclosure under Regulation 17 to 27 of SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015 (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 25, 2016

Rajib Kumar Gope
Company Secretary

DIRECTOR'S REPORT

1. Your Directors have the pleasure of presenting the Fifty Fifth Annual Report to the shareholders together with the audited statement of accounts for the year ended March 31, 2016. The operating results as disclosed in the audited accounts are summarised below:

(₹ in Lacs)

Particulars	2015-16	2014-15
Total Revenue	6,400.39	6,495.20
Total Expenses	(7,007.81)	(7,283.15)
Profit/(loss) before exceptional items and Tax	(607.42)	(787.95)
Exceptional Items	0	0
Profit/(Loss) before Taxation(PBT)	(607.42)	(787.95)
Tax Expenses (Current Tax)	85.50	(183.10)
Profit/(loss) for the year	(692.92)	(604.85)

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 Rs. 6,400.39 Lac with a loss for the year Rs. 692.92 Lacs.

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 Fluid Power and Automation business unit in the current year saw an increase by Rs. 403.43 Lacs (14%) compared to previous year. This was achieved in a very difficult market and slowing demand in the industrial and capital goods sector.

The turnover of Automotive Business Unit in the current years is Rs. 3,045.55 Lacs. Taking into account the increased operating cost, stagnant demand and uncertain future, your directors at their meeting dated April 16, 2016 decided to close down the Tube Valve Product line in April 2016. The Company will continue to focus on the Tubeless Tyre Valves and Off Highway tyre products going forward.

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 is impairment of assets with the closure of the tube valve product line. The estimated loss in the books on written down the value of asset in books.

6. Research and Development

Research & Development is fundamental to the Company's efforts to maintain the technical and quality edge. New products 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 4th, 2014, the Members approved the appointment of M/s Singhi & Co. Chartered Accountants, Mumbai as a statutory auditor for a period of three consecutive years for a term up to 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, 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 M/s Vaishnav Associates, Company Secretaries to undertake the Secretarial Audit of the Company. 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 Section 203 of the Companies Act, 2013.

- a) Mr. Shantanu Parvati, Whole-time Director
- b) Mr. V S Patil, Chief Financial Officer
- c) Mr. Rajib Kumar Gope, 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 given in extract of the Annual Return.

16. Directors

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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr Arvind Goenka (holding DIN 00135653) 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) Annual Performance Evaluation

As per Section 134(3)(p) of the Companies Act, 2013 read with sub-rule (4) of Rule 8 of the Companies (Accounts) Rules 2014 and SEBI(LODR) Regulation 2015 (w.e.f.1st December 2015) 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. Board focused on criteria like strategy effectiveness, Board Structure and Committees, Board Meetings and Procedures while evaluating its own performance and that its committees. The manner in which the evaluation has been carried out is explained in the "Policy on Performance Evaluation" which is available on the website of the Company.

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.

iii) **Meetings**

The Company has hold Meetings as per the Listing Agreement signed with the Stock Exchange and as per the Companies Act, 2013. 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 intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015.

17. **Corporate Governance**

As per Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (clause 49 of the Listing Agreement), 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 (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 under investor 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 Company's website.

23. **Director's 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, 2016, 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 Stock Exchange or SEBI or any statutory authority during the last three years.

d) **Disclosure with respect to Demat/Unclaimed Suspense Account:**

There were no shares lying in the Demat Suspense account.

25. **Audit Committee**

The Audit Committee comprises Non-executive Director and Independent Directors namely, Mr. O P Dubey (Chairman), Mr. Arvind Goenka (Member) and Mr. B B Tandon (Member). 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 Stakeholder's Relationship Committee**

The Company has a stakeholder's Relationship Committee for reviewing shareholder/investors complaints. The present members of this committee are Mr. J P Goenka (Chairman), Mr. O P Dubey (Member), and 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. O P Dubey as Chairman, Mr. B B Tandon, Mr. Arvind Goenka 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 Exchange, 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 25, 2016

Shantanu Parvati
Whole Time Director

O P Dubey
Director

ANNEXURE I TO THE DIRECTORS' REPORT FOR THE YEAR 2015-2016

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 in R & D
 - a) Capital Rs. 107.84 Lacs
 - b) Recurring Rs. 24.73 Lacs
 - c) Total Rs. 132.57 Lacs

C Foreign Exchange Earnings and outgo

During the year, the Company has spent foreign exchange of INR. 1,446.54 Lacs and earned foreign exchange of INR 62.07 Lacs 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) 34.83:1
- (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 Whole-time 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 17.84%
- (iv) **The number of permanent employees on the rolls of company**
There are total 239 permanent employees in the Company.
- (v) **The explanation on the relationship between average increase in remuneration and company Performance**
Though the company couldn't earn profit in the year 2015-16 the average increase in the remuneration is to compensate the employees for addressing the inflation in the economy.

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

For FY 2015-16, 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-16	31-Mar-15
Market capitalization (in Rs.)	258,904,800	246,892,800
Price Earnings Ratio (Market Value per Share / Earnings per Share)	(3.74)	(4.08)
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 FY 2015-16 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 year this clause does not apply.

Particulars	% Remuneration to PAT
WTD	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 Nomination & 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 25, 2016

Shantanu Parvati
Whole Time Director

O P Dubey
Director

Management Discussion and Analysis

1. Industry Structure and Development

The Indian Auto Industry comprises of Automotive Manufacturers and Auto Component manufacturers. The auto component industry which is directly dependent on the Auto industry is segmented on the basis of the production of different components. The overall auto industry registered a growth of 2.58% (in terms of units production) during the period April 2015 to March 2016 vis-a-vis previous year in all segments. Tyre and Tyre related components are considered as part of the automotive supply chain. 2015-16 has been a mixed year for tyre industry. On the one hand, while the demand for tyres grew marginally coupled with lower raw material costs, on the other hand, Chinese imports into India have become an area of concern for Indian tyre industry.

The Fluid Power Industry has evolved comprehensively over the last century and has generated intensive research, efficient production systems and integrated applications. The fluid power industry has three large segments: mobile hydraulics, industrial hydraulics and industrial pneumatics. Historically, the mobile hydraulic segment has been the largest, accounting for about 50% of total fluid power sales. The industrial hydraulic and pneumatic segments are nearly the same size, each with about 25% of total fluid power sales.

The Indian Fluid Power Industry faced one of its most challenging periods in last three years, 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.

The automotive, steel, cement, construction & mining equipments, machine tools, textile machinery accounts for the bulk of the market share for industrial pneumatic products. The demand for industrial pneumatic products also comes from OEMs and aftermarket sales. Industry and process automation too contributes significantly to market revenues.

2. Opportunities and Threats

The Government of India's thrust on infrastructure growth coupled with the opening up of the Rail and Defence sectors, are new avenues of growth. Since experts in the field of infrastructure predict an accelerated growth in the Asian market, Indian fluid power industry is predicted to have a huge growth potential in this region. Global multinationals in the fluid power industry are not only consolidating but started setting up joint ventures and subsidiaries in India to tap the rich Indian talent pool of skills in manufacturing and design.

The Government recently launched "Make in India" campaign to make India a manufacturing hub. As the "Make in India" story unfolds, the road ahead for the automotive industry is fraught with both excitement and challenge. India is all set to become a global outsourcing hub with several foreign players are planning to invest in the country. This will significantly help the auto industry sector to grow.

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. Keeping in view the major constituents of the raw material cost (i.e. Copper and Butyl rubber) and exchange rate volatility in the international market, margins will continue to be under pressure.

Major technological changes have taken place in tyre design from the conventional bias or diagonal ply of the past to the current steel-belted radial tyres, tubeless tyres, puncture resistant tyres etc. These technological changes have a direct impact on the tube valve consumption by the tyre industry.

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 Valves & Accessories and Fluid Power & Automation products. The sales performance, during the year on these segments compared to the previous year is as follows:

		(INR Lacs)
NET SALES	2015-16	2014-15
Automotive tyre valves & Accessories	3045.55	3512.02
Fluid Power & Automation(FPA)	3305.78	2902.35
TOTAL	6351.33	6414.37

4. Outlook

Amidst a relatively subdued market, our FPA sales have increased by 14% on year to year basis. We successfully executed some marquee projects, particularly in the Power Sector and diversified our presence across industry segments. After a year in development and validation our new Rotary Actuator range is ready for the market.

The rapid industrialization, wide number of applications employing the use of actuators and the advancement in technologies are the major drivers for the global actuators market. Ample opportunities are expected for actuators market as large number of associated industries is coming up in the future. However, as the market is crowded and very competitive, it will be challenging to the Company to gain share in such a market.

Tubeless tyres are gaining ground in Indian market as almost all the automobile manufacturers are launching their vehicles with tubeless tyres. This shows that tubeless tyre market will exhibit tremendous growth in the coming years. The demand for tube valve is still there in the aftermarket segment but the transition is happening very fast there as well. Considering the prevailing market conditions, the Tube Valve Product line business of the Company was under review due to lack of viability. Taking into account the increased operating cost, stagnant demand and uncertain future, the Management decided to close the said Product line in April 2016. The company will continue to focus on the Tubeless Tyre Valves and Off Highway tyre products going forward. New product range for TTVs (Tubeless tyre valves) has been established and discussions with automotive OEMs for product and plant approvals are underway.

Future growth of the company is linked to the Industrial segment. Growth prospects look bright with continuing investments in this sector and large infrastructure spending. 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.

A thorough test of different processes of Internal Financial Controls were carried out by the Statutory Auditors to ensure orderly efficient conduct of business including adherence of company's policies, the safeguarding of its assets, the prevention and detention of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information. This is a mandatory requirement under section 134(3) of the Companies Act, 2013.

An Audit Committee headed by a Non-Executive Independent Director is in place to review various areas of the control systems and their adequacy.

7. Discussion on financial performance with respect to operational performance

The details of the financial performance of the Company appear in the Balance Sheet, Profit and Loss Account and other Financial Statements. Highlights for the year 2015-16 are as under:

	(INR Lacs)
	2015-16
Net Sales	6,351.33
Other Income	49.06
Loss before tax (including exceptional income)	607.42

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.

Pune, May 25, 2016

Shantanu Parvati
Whole-time Director

CEO/CFO Certificate for the financial year ended 31st March, 2016

[Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015]

We certify that:

- A.** We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of their knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B.** There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C.** We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity 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 they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D.** We have indicated to the auditors and the Audit Committee:
1. significant changes in internal control over financial reporting during the year;
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Pune
May 25, 2016

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, 2016.

[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) 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, 2016 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, 2016 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Listing Agreements entered with the BSE Limited;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (d) Secretarial Standards on the Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India.
 - (e) 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;

(vi) Other applicable acts :

- (a) Factories Act , 1948
- (b) Payment of Wages Act, 1936 and rules made there under;
- (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 Trans boundary Movement) Rules, 2008

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.

It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient compliances.

There exist adequate systems and processes in the Company that are commensurate with the size of operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Pune
Date : May 25, 2016

Shaswati Vaishnav
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, 2016

[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 th 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 Office: | F 33, Ranjangaon MIDC,
Karegaon, Tal. 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	47.65
2	Fluid power & automation	88412000	52.35

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Oriental Carbon & Chemicals Limited	L24297WB1978PLC031539	Holding	50.0135%	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) as on March 31, 2016.

i) Category-wise Share Holding

Category Code	Category of shareholder	Number of share-holders	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)				
(A)	Promoter and Promoter Group							
1	Indian							
(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	3	2755855	2755855	74.5632	74.5632	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
	Sub Total (A)(1)	3	2755855	2755855	74.5632	74.5632	0	0.0000
2	Foreign							
(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
	Sub Total (A)(2)	0	0	0	0.0000	0.0000	0	0.0000
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	3	2755855	2755855	74.5632	74.5632	0	0.0000
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/UTI	0	0	0	0.0000	0.0000	-	-
(b)	Financial Institutions / Banks	10	2075	1022	0.0561	0.0561	-	-
(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	-	-
	Sub Total (B) (1)	10	2075	1022	0.0561	0.0561		
2	Non-institutions							
(a)	Bodies Corporate	62	41323	40435	1.1180	1.1180	-	-
(b) (i)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	3278	672512	536482	18.1957	18.1957	-	-
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	7	182089	182089	4.9267	4.9267	-	-
(c)	Qualified Foreign Investors	0	0	0	0.0000	0.0000	-	-
(d)	Any Other							
i	Non Resident Indians (Repat)	14	5690	3782	0.1540	0.1540	-	-
ii	Non Resident Indians (Non Repat)	21	8069	7620	0.2183	0.2183	-	-
iii	Foreign Companies						-	-
iv	Clearing Member	15	4458	4458	0.1206	0.1206	-	-
v	Directors / Relatives						-	-

Category Code	Category of shareholder	Number of share-holders	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	Hindu Undivided Family	77	23929	23929	0.6474	0.6474		
Vii	Trusts						-	-
	Sub Total (B)(2)	3474	938070	798795	25.3807	25.3807	-	-
	Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	3484	940145	799817	25.4368	25.4368	-	
	Total (A)+(B)	3487	3696000	3555672	100.0000	100.0000		
(C)	Shares held by custodians and against which Depository Receipts have been issued							
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
	Grand TotalL(A+B+C)	3487	3696000	3555672	100.0000	100.0000		

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
3	Duncan International (India) Ltd.	0	0	0	2019	0.0546	0	0.0546
	Total	2753836	74.5085	0	2755855	74.5632	0	0.0546

iii) **Change in Promoters' Shareholding (please specify, if there is no change):**

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.
	Market purchase on 9.10.2015	2019	0.0546	2019	0.0546
	At the end of the year			2019	0.0546

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	Jashwanti Maganlal Desai	49822	1.3480	54000	1.4610
2	Nila Anil Kumar Desai	36000	0.9740	40000	1.0823
3	Biren Dolatrai Nayak	26005	0.7036	30000	0.8117
4	Javahir Jaysukhlal Jagirdar	14137	0.3825	17187	0.4650
5	Anil Kumar Maganlal Desai	14000	0.3825	16000	0.4329
6	Vina Anil Desai	13100	0.3544	13100	0.3544
7	Javahir Jaysukhlal Jagirdar	11802	0.3193	11802	0.3193
8	Angel Global Capital Private Limited	10401	0.2814	10401	0.2814
9	Sanjiv Dolatrai Nayak	7500	0.2029	10000	0.2706
10	Rajasthan Global Securities Pvt. Ltd.	-	-	10401	0.2694

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				
	At the beginning of year	5	0.0001	5	0.0001
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment transfer / bonus/ sweat equity etc):	0	0	0	0
	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
Indebtedness at the beginning of the financial year				
i) Principal Amount	23,160,000	20,000,000		43,160,000
ii) Interest due but not paid	257,475	414,247		671,722
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	23,417,475	20,414,247		43,831,722

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
Addition	-	33,760,655		33,760,655
Reduction	23,417,475	414,247		23,831,722
Net Change	-	53,760,655		57,592,377
Indebtedness at the end of the financial year				
i) Principal Amount	-	52,500,000		52,500,000
ii) Interest due but not paid	-	1,260,655		1,260,655
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	-	53,760,655		53,760,655

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/MTD/Manager Rs.	Total amount Rs.
		Mr. Shantanu Parvati	
1.	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,142,000	
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	416,070	
(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	2,463,930	
	Variable Pay	1,260,000	
	Performance Bonus	600,000	
	Total (A)	6,900,000	6,900,000
	Ceiling as per the Act (Special Resolution)	8,400,000	8,400,000

B. Remuneration to other directors:

Amount in Rupees

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		J P Goenka	A Goenka	B B Tandon	O P Dubey	N Kaul	Arti Kant	
1.	Independent Directors							
	Fee for attending board & committee meetings	-	-	190,000	190,000	90,000	100,000	570,000
	Commission	-	-	Nil	Nil	Nil	Nil	Nil
	Others, please specify	-	-	Nil	Nil	Nil	Nil	Nil
	Total (1)	-	-	190,000	190,000	90,000	100,000	570,000
2.	Other Non-Executive Directors							
	Fee for attending board & committee meetings	60,000	170,000	-	-	-	-	230,000
	Commission	Nil	Nil	-	-	-	-	Nil
	Others, please specify	Nil	Nil	-	-	-	-	Nil
	Total (2)	60,000	170,000					230,000
	Total (B)=(1+2)							800,000
	Total Managerial Remuneration							800,000
	Overall Ceiling as per the Act							4,200,000

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in Rupees)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	850,000	1,340,000	2,190,000
(b)	Value of perquisites u/s17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
(c)	Profits in lieu of salary under section17(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		850,000	1,340,000	2,190,000

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

Type	Section of The Companies Act, 2013	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 always acts as a good corporate citizen and recognizes that Corporate Governance is inherent to 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.

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, 2016, Board of Schrader Duncan comprises of seven Directors; 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 31st March, 2016:

Category	No. Of Directors
Promoter - Non Executive Director	2
Executive Director	1
Non-Executive Independent Director	4
Total	7

As required under Regulation 17 (1) of SEBI (LODR) Regulations, 2015, a woman Director is also part of the Board.

- B. Attendance of each director at the meeting of the Board of Directors and the last Annual General Meeting and C. Number of other Board of Directors or committees in which director has become member or chairperson.

Name of the Director	Category	No. of Board Meeting Attended	Attendance at Last AGM dt. 6.8.2015	No. of Directorships in listed entities including this listed entity	No. of memberships in Audit / Stakeholder Committee(s) including this listed entity	No. of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity
Mr. J P Goenka	Promoter, Non Executive Director	3	-	2	-	2
Mr. Arvind Goenka	Promoter, Non Executive Director	4	Yes	3	2	-
Mr. Shantanu Parvati	Whole Time Director	4	Yes	1	1	-
Mr. O P Dubey	Non Executive Independent	4	Yes	2	1	2
Mr. Nitin Kaul	Non Executive Independent	3	-	1	-	-
Mr. B. B. Tandon	Non Executive Independent	4	-	7	6	2
Mrs. Arti Kant	Non Executive Independent	4	-	1	1	-

- Directorships in foreign companies, private companies, companies governed by section 8 of Companies Act, 2013 and alternate directorship excluded.
- Memberships of Audit Committee and Shareholders /Investors Grievance Committee only are considered.

The Board meets at least once every quarter to review the quarterly performance and the financial results. The Board Meetings are generally scheduled in advance and the notice of each Board Meeting is given in writing/mailed 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 Part A of Schedule II of SEBI (LODR) Regulations 2015 (annexure X of clause 49 of Listing Agreement) from time to time.

D. Number of meetings of Board held and the dates on which held.

There were four Board Meetings held during the year 2015-16.

Name of the meeting	Dates on which meetings were held
Board Meeting	11 th May, 2015, 7 th August 2015, 6 th November, 2015 and 5 th February, 2016

E. Disclosure of relationship of directors inter se.

Mr. J P Goenka, Chairman of the Company is the father of Mr. Arvind Goenka, Promoter Non-executive Director of the Company. None of the other Directors have any relationship inter se.

F. No. of shares and convertible instruments held by non executive directors

The Non-executive Directors do not hold any shares or convertible instruments in the Company.

G. Web link where details of familiarisation programmes imparted to independent directors is disclosed.

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 under investor dropdown.

3. AUDIT COMMITTEE

A. 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.

B. 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.

C. Meetings and attendance during the year

A total of four Audit Committee Meetings were held during the year on 11th May, 2015, 7th August 2015, 6th November, 2015 and 5th February, 2016.

Name of the member	Number of Meeting held during the year	Number of meetings Attended
Mr. O P Dubey	4	4
Mr. Arvind Goenka	4	4
Mr. B B Tandon	4	4

4. NOMINATION AND REMUNERATION COMMITTEE:

The Committee has been constituted in Compliance with Section 178 of the Companies Act, 2013, and Rules made there under as well as SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

A. Terms of Reference

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

- 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;
- carry out evaluation of every Director's performance along with the Board;
- 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;
- formulate the criteria for performance evaluation of Independent Directors and the Board;
- devise a policy on Board diversity;
- the Members and Chairperson of Board Committees;
- 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.
- Ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

B. Composition

The Audit Committee comprises of four Directors with majority being Non-Executive Independent Directors and is chaired by Mr. O P Dubey. Arvind Goenka, B B Tandon and Nitin Kaul are the members of the Committee.

C. Meetings and Attendance of Directors -

During the year, two Meetings of the Nomination and Remuneration Committee held on 11th May 2015. The attendance of Members at the meeting is given below:

Name of the Director	Number of Meeting held during the year	Number of meetings Attended
Mr. Arvind Goenka	1	1
Mr. O P Dubey	1	1
Mr. B B Tandon	1	1
Mr. Nitin Kaul	1	1

D. Performance evaluation criteria for Independent Directors

The Committee meets on an annual basis and evaluate inter alia the performance of Independent Directors on the basis of their advice/ recommendation/suggestion to management on the various important matters.

5. REMUNERATION OF DIRECTORS

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. The increase in fixed remuneration is dependent upon individual and Company performance and is 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 2015-2016

The agreed CTC per annum is as follows:

(Amount in Rs.)

SALARY	PERQUISITES & ALLOWANCE	VARIABLE PAY*	PERFORMANCE BONUS	TOTAL
2,142,000	2,898,000	1,260,000	600,000	6,900,000

*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 2015-2016 is as follows:

Mr. J P Goenka	-	Rs. 60,000/-
Mr. Arvind Goenka	-	Rs. 170,000/-
Mr. Nitin Kaul	-	Rs. 90,000/-
Mr. O P Dubey	-	Rs. 190,000/-
Mr. B B Tandon	-	Rs. 190,000/-
Mrs. Arti Kant	-	Rs. 100,000/-

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

None of the Non Executive Directors of the Company entered into any transaction of pecuniary nature with the Company during the year 2015-2016.

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

Service Contract with the Whole-time Director

July 29, 2011 to July 28, 2016

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

6. STAKEHOLDER'S RELATIONSHIP COMMITTEE

Terms of Reference

The Committee has been constituted in Compliance with Section 178 of the Companies Act, 2013, and Rules made there under as well as SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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 31st March, 2016, 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. Company Secretary acts as Secretary to the Committee. The Committee met four times during the year i.e. May 11, 2015, Aug. 7, 2015, Nov. 5, 2015 and Feb. 5, 2016.

Name of the Director	Number of Meeting held during the year	Number of meetings Attended
Mr. J P Goenka	4	2
Mr. O P Dubey	4	4
Mr. Shantanu Parvati	4	4

Mr. Nirnoy Sur was Compliance Officer till 18th August 2015. Thereafter, Mr. Rajib Kumar Gope was appointed as the Company Secretary cum Compliance Officer.

There were total three (3) of grievances received during the year under review and they were replied to the satisfaction of the shareholders.

No request for transfers/transmission/Issue of Duplicate share certificates was pending as on March 31, 2016.

7. GENERAL BODY MEETINGS

a. Location and time where last three Annual General Meetings(AGM) held

AGM for the Year	Date	Time	Venue
2012- 2013	July 23, 2013	2:30 p.m.	F 33, Ranjangaon MIDC, Karegaon, Tal. Shirur, Pune 412 209
2013-2014	August 04, 2014	2:30 p.m.	F 33, Ranjangaon MIDC, Karegaon, Tal. Shirur, Pune 412 209
2014- 2015	August 06, 2015	2.30 p.m.	F 33, Ranjangaon MIDC, Karegaon, Tal. Shirur, Pune 412 209

b. Special resolutions passed in the previous three AGMs

AGM YEAR	MATTER APPROVED BY SPECIAL RESOLUTION
2011 - 2012	<ul style="list-style-type: none"> ● Remuneration to Whole-time Director, Mr. Shantanu Parvati. ● Revision in Remuneration paid to Whole-time Director, Mr. Shantanu Parvati
2012 - 2013	<ul style="list-style-type: none"> ● Remuneration to Whole-time Director, Mr. Shantanu Parvati. ● Revision in Remuneration paid to Whole-time Director, Mr. Shantanu Parvati
2014 - 2015	<ul style="list-style-type: none"> ● Loans and borrowings under section 180(1)(c) ● Creation of Charge, mortgage, hypothecation under section 180 (1) (a) ● Adoption of new Memorandum & Articles of Association of the Company ● Revision in Remuneration paid to Whole-time Director, Mr. Shantanu Parvati

c. No special resolution passed last year i.e. 2015-16 through postal ballots

d. Person who conducted the Postal Ballot- not applicable

e. No Special Resolution proposed to be passed through postal ballot

f. Procedure for postal ballot- Not applicable

8. MEANS OF COMMUNICATION

a. 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 Regulation 33 of SEBI(LODR) Regulations 2015 (Clause 41 of the Listing Agreement) within the prescribed period.

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

- c. The results and other relevant information are displayed on the Company's Website www.schraderduncan.com
- d. 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 : Thursday, 28th July, 2016 at 2:30 P.M.
 Venue : Registered Office

b) Financial Calendar

First Quarter Results : July 2016
 Second Quarter Results : October 2016
 Third Quarter Results : January 2017
 Financial Results for the Year ending March 31, 2017 : May 2017

c) Dividend Payment Date : Nil.

d) Listing on Stock Exchanges at : Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001, listing fees for 2016-17 paid

e) Stock Code : 504908

f) 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 2015 – 2016

Month	Open Price (Rs)	High (Rs)	Low (Rs)	Close Price (Rs)	No. of shares traded
April 2015	69.50	105.4	62.00	83.10	46077
May 2015	85.00	95.00	74.25	75.00	12128
June 2015	74.15	81.00	57.55	79.90	20489
July 2015	75.00	89.00	70.10	83.80	9865
August 2015	89.75	102.00	69.05	85.00	33721
September 2015	78.75	88.45	70.50	80.05	6140
October 2015	86.00	90.00	76.00	80.95	21561
November 2015	75.70	80.50	67.00	74.30	12882
December 2015	73.55	118.80	73.00	118.80	82349
January 2016	130.70	143.70	85.50	97.10	40565
February 2016	89.55	98.85	65.00	72.50	18865
March 2016	67.10	83.00	65.10	70.05	20990

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

No of shares traded : 325,632
 Highest Share Price (Rs) : 143.70
 Lowest Share Price (Rs) : 62.00
 Closing price as on March 31, 2016 (Rs) : 70.05

h) No securities of the Company were suspended from trading during the year 2015-16.

i) Registrar & Transfer Agents

The Company's Registrar & Transfer Agents are:
 Link Intime India Pvt Ltd
 Block No 202, 02nd Floor, Akshay Complex,
 Near Ganesh Temple, Off-Dhole Patil Road, Pune - 411001
 Tel : 020-26161629/26160084, Fax : 020-26163503

j) **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 Regulation 40(9) of SEBI (LODR) Regulations 2015 (Clause 47(c) of the Listing Agreement) on a half yearly basis and files a copy of the certificate with the Stock Exchange.

k. **Distribution of Shareholding as on March 31, 2016**

No. of Shares		No. of Holders	% of Total	Shares Amount Rs.	% of total
From	to				
1	500	3188	91.4253	301061	8.1456
501	1000	146	4.1870	105862	2.8642
1001	2000	85	2.4376	116471	3.1513
2001	3000	26	0.7456	61756	1.6709
3001	4000	15	0.4302	53271	1.4413
4001	5000	6	0.1721	29240	0.7911
5001	10000	11	0.3155	82013	2.2190
10001	*****	10	0.2868	2946326	79.7166
	Total	3487	100.0000	3696000	100.0000

Shareholding Pattern as on March 31, 2016

Category	No. of Share Holders	No. of Shares Held	% of Share Capital	No. of Shares Pledge	% of Share Capital
A) Promoters:					
Indian Promoters	3	2755855	74.5632	-	-
Foreign Promoters	-	-	-	-	-
TOTAL Promoters	3	2755855	74.5632	-	-
B) Non Promoters:					
Financial Institution & Bank	10	2075	0.0561	-	-
Bodies Corporate	62	41323	1.1180	-	-
Indian Public	3362	878530	23.8598	-	-
Foreign Nations/ NRIs	35	13759	0.2823	-	-
Other (Clearing Members)	15	4458	0.1206	-	-
Total Non Promoter	3484	9,40,145	25.4368	-	-
TOTAL (A+B)	3487	36,96,000	100.0000	-	-

I. Dematerialisation of Shares and Liquidity

No. of Shares: Physical form : 140328
Demat form : 3555672

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

The Company has entered into agreement with National Securities Depository Ltd (NSDL) as well as the Central Depository Services Ltd (CDSL) for demat facility. 96.21% of the Company's shares are dematerialized as on March 31, 2016.

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.

m. Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

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

n. Commodity price risk or foreign exchange risk and hedging activities: There is a Foreign Exchange loss of Rs. 12.39 Lac which is 0.30% of material consumed. There are no hedging activities during the year.

o. Plant Location

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

p. 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. Rajib Kumar Gope

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

10. OTHER DISCLOSURES

a. Disclosure on materially significant Related Party Transactions that may have potential conflict with the interest of the listed entity at large.

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.

- b. **Details of non-compliance by the listed entity, penalties and strictures imposed on the listed entity by stock exchange or the Board (SEBI) or any statutory authority on any manner related to capital markets during the last three years.**

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.

- c. **Details of establishment of vigil mechanism, Whistle blower policy and affirmation that no personnel have been denied access to the Audit Committee**

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.

- d. **Details of compliance with mandatory requirements and adoption of non-mandatory requirements**

The Company has complied with the applicable mandatory requirements of SEBI (LODR) Regulations, 2015. The Company has adopted non-mandatory requirements to the extent specified in para 12 below.

- e. **Web link where policy for determining 'material' subsidiaries is disclosed**

The Company has no subsidiary as on date.

- f. **Web link where policy on dealing with related party transactions**

The policy on dealing with related party transactions have been hosted on the website of the Company and can be accessed on the link: www.schraderduncan.com under investor dropdown.

- g. **Disclosure of commodity price risks and commodity hedging activities**

No such activity during the year.

11. **All the requirements of Corporate Governance Report of Sub-para (2) to (10) above have been complied with.**

12. **EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN COMPLIED.**

Shareholder Rights:

Quarterly financial results are forwarded to the Stock Exchange 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.

13. The Company has complied with corporate governance requirements as specified in regulation 17 to 27 (Clause 49 of Listing Agreement). The Company has a functional website and it disseminate information as specified in clauses (b) to (i) of the sub-regulation (2) of the regulation 46.

DECLARATION

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Regulation 17 to 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

On behalf of the Board of Directors

Shantanu Parvati
Whole-time Director

Pune, May 25, 2016

CERTIFICATE ON CORPORATE GOVERNANCE

Certificate on compliance with the conditions of Corporate governance under Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

**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 March 31, 2016 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015("Regulations").

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 above mentioned regulations.

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

Shaswati Vaishnav
Partner

Practicing Company Secretaries
ACS: 11392 CP No: 8675

Pune
May 25 , 2016

Independent Auditor's Report

To the Members of
Schrader Duncan Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Schrader Duncan Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2016, 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

2. 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 provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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

3. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. 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

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March 2016 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.

8. 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 purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as 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 the written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
- g) 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 stated in Note 27 to the financial statements;
 - ii. The Company did 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, 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 25, 2016

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 7 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We report that:

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, fixed assets have been physically verified during the year by the management in phased manner, to be covered in a period of three years and no material discrepancies have been noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained 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 2016 has been evidenced based on confirmations or statements of account received in most cases. 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.
- iii. 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.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. 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.
- vi. We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to 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.
- vii. According to the information and explanations given to us and the records of the Company examined by us:
 - a) The Company is generally regular in depositing amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Income tax, Sales tax, Service Tax, duty of customs, duty of excise, cess and other statutory dues, as applicable, to the appropriate authorities.

According to the records and 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 31st March 2016, for a period of more than six months from the date they became payable *except unpaid bonus including interest of Rs 138,334/- has not been transferred to Maharashtra Labour Welfare Fund(MLWF.*
 - 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	713,907	2005-06	High Court, Mumbai
Central Excise Act, 1944	Excise Duty	2,739,813	2009-10	The Additional Commissioner of Central Excise, Mumbai III
Central Sales Tax Act, 1956	Sales Tax and Penalty	5,076,342	2010-11	Deputy Commissioner of Sales Tax

- viii. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Nikhil Singhi
Partner
(Membership No. 061567)

Place: Mumbai
Date: May 25, 2016

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 8 (f) with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. We have audited the internal financial controls over financial reporting of Schrader Duncan Limited ('the Company') as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Nikhil Singhi
Partner
(Membership No. 061567)

Place: Mumbai
Date: May 25, 2016

Schrader Duncan Limited
Balance Sheet as at 31st March 2016

	Note No.	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
I EQUITY AND LIABILITIES			
(1) Shareholders' funds:			
(a) Share capital	3	36,960,000	36,960,000
(b) Reserves and surplus	4	185,153,136	254,445,060
		222,113,136	291,405,060
(2) Non-current liabilities:			
(a) Long-term borrowings	5	-	-
(b) Other Long-term liabilities	6	1,328,661	1,228,661
(c) Long-term provisions	7	4,115,568	3,030,074
		5,444,229	4,258,735
(3) Current liabilities:			
(a) Short-term borrowings	8	185,881,363	160,610,663
(b) Trade payables	9		
i) Total outstanding dues of micro enterprises and small enterprises		19,200,188	19,089,102
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		79,001,183	124,644,695
(c) Other current liabilities	6	27,030,106	45,391,097
(d) Short-term provisions	7	2,077,436	2,811,108
		313,190,276	352,546,665
Total		540,747,641	648,210,460
II ASSETS			
(1) Non-current assets:			
(a) Fixed assets:			
(i) Tangible assets	10	236,643,334	268,460,865
(ii) Intangible assets	10	2,567,295	3,000,842
(iii) Capital work-in-progress		581,980	2,241,050
		239,792,609	273,702,757
(b) Non-current investments	11	80,402	80,402
(c) Long-term loans and advances	12	3,716,797	11,287,325
(d) Other non-current assets	13	1,854,075	162,600
		5,651,274	11,530,327
(2) Current assets:			
(a) Inventories	14	121,462,409	157,670,407
(b) Trade receivables	15	129,015,686	160,952,074
(c) Cash and cash equivalents	16	7,919,599	5,124,021
(d) Short-term loans and advances	12	36,342,448	38,176,714
(e) Other current assets	17	563,616	1,054,160
		295,303,758	362,977,376
Total		540,747,641	648,210,460
Summary of significant accounting policies	2		
Contingent liabilities and commitments	26		
Other notes to accounts	27		

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

In terms of our Report of even date attached.

For and on behalf of the Board

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

Shantanu Parvati
Whole-time Director

A Goenka
Director

Nikhil Singhi
Partner
Membership No. 061567

Rajib Kumar Gope
Company Secretary

Vinayak Patil
CFO

Place : Mumbai
Date: 25th May, 2016

Place : Mumbai
Date: 25th May, 2016

Schrader Duncan Limited
Statement of Profit & Loss for the year ended 31st March 2016

	Note No.	For the Year ended 31st March, 2016 ₹	For the Year ended 31st March, 2015 ₹
I REVENUE :			
Revenue from operations (net)	18	635,133,505	641,437,072
II Other income	19	4,905,803	8,082,718
III Total Revenue (I + II)		640,039,308	649,519,790
IV EXPENSES :			
Cost of raw materials consumed	20	407,834,708	461,234,963
Purchase of stock-in-trade		4,318,180	4,657,208
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	28,991,140	(15,164,116)
Employee benefits expense	22	107,715,548	114,578,290
Finance costs	23	24,397,960	22,926,948
Depreciation & amortisation expenses including impairment loss	10	46,928,283	32,999,307
Other expenses	24	80,595,139	107,081,972
V Total		700,780,958	728,314,572
VI Profit before Tax (III - V)		(60,741,650)	(78,794,782)
VII Tax expense	25	-	(18,310,094)
Minimum Alternate Tax (MAT) credit reversal		8,550,274	-
VIII Profit for the year (VI-VII)		(69,291,924)	(60,484,688)
Basic & Diluted Earnings Per Equity Share (Face value '10/- each)	27.14	(18.75)	(16.36)
Summary of significant accounting policies	2		
Other notes to accounts	27		

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

In terms of our Report of even date attached.

For and on behalf of the Board

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

Shantanu Parvati
Whole-time Director

A Goenka
Director

Nikhil Singhi
Partner
Membership No. 061567

Rajib Kumar Gope
Company Secretary

Vinayak Patil
CFO

Place : Mumbai
Date: 25th May, 2016

Place : Mumbai
Date: 25th May, 2016

Schrader Duncan Limited
Cash Flow Statement for the year ended 31st March 2016

	Year ended 31 st March, 2016 ₹	Year ended 31 st March, 2015 ₹
A. Cash flow from Operating Activities		
Profit / (Loss) before taxation and exception item, extraordinary item	(60,741,650)	(78,794,782)
Adjustments for:		
Depreciation and amortisation expense	46,928,283	32,999,307
Finance costs	24,397,960	22,926,948
Unrealised Foreign Exchange loss / (gain) (net)	1,239,357	(1,322,475)
(Profit) / Loss on Sale / discard of Fixed Assets	(3,092)	(6,156)
Bad Debts / advances written off	692,925	1,806,518
Provision for Doubtful Debts	5,614,270	7,934,503
Liabilities no longer required	(1,336,708)	(273,276)
Dividend on Non-Current Investments	(63,752)	(55,050)
Profit on Sale of Investment (Mutual Fund)	-	(307,039)
Interest income	(603,116)	(410,116)
Operating profit / (loss) before working capital changes	16,124,477	(15,501,618)
Increase / (Decrease) in Current and Non Current Liabilities	(62,981,129)	55,696,219
(Increase) / Decrease in Inventories	36,207,998	(39,831,361)
(Increase) / Decrease in Trade receivables	25,629,193	4,554,278
(Increase) / Decrease in Loans and Advances and Other Current and Non Current Assets	9,680,864	(18,939,712)
Direct Tax Excess Provision written back	(8,550,274)	18,310,094
Cash generated from operations	(13,348)	19,789,518
Net cash generated from Operating Activities	16,111,129	4,287,900
B. Cash flow from Investing Activities		
Purchase of Tangible / Intangible assets	(13,034,087)	(20,074,416)
Proceeds from Sale of Tangible / Intangible assets (net)	19,044	57,005
Proceeds from sale of Investments	-	1,682,468
Interest received	817,590	271,200
Dividend received	63,752	55,050
*Unclaimed Dividend transferred to Investor Education Protection Fund (refer note 4 below)	253,699	224,785
*Movement in Fixed Deposits with Banks (Margin Money) (refer note 4 below)	(3,214,539)	(787,283)
Net cash used in investing activities	(15,094,541)	(18,571,191)
C. Cash flow from Financing Activities		
Repayment of long-term borrowings	-	(23,160,000)
Receipt of loan from holding company	32,500,000	20,000,000
Increase / (Decrease) in Cash Credit Utilisation	(7,229,300)	24,167,260
Interest & finance cost paid	(24,761,075)	(23,440,073)
Net cash used in Financing Activities	509,625	(2,432,813)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	1,526,213	(16,716,104)
Cash and cash equivalents at the beginning of the year	612,629	17,328,733
Cash and cash equivalents at the end of the year	2,138,842	612,629

Schrader Duncan Limited
Cash Flow Statement for the year ended 31st March 2016

	Year ended 31 st March, 2016 ₹	Year ended 31 st March, 2015 ₹
Cash and cash equivalents comprise of:		
(a) Cash on hand	15,260	59,463
(b) Cheques on hand	325,139	-
(c) Bank balances:		
In current accounts	1,737,966	496,095
In EEFC accounts	60,477	57,071
Total	2,138,842	612,629

* 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.

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

Cash and cash equivalents excludes Rs.138,710 (Previous Year Rs.392,409) lying in designated account with Scheduled Bank on account of unclaimed dividend and Rs.7,496,122 out of which Long Term Rs.1,854,075 and Short Term Rs.5,642,047 (Previous Year Rs.4,281,583 out of which Long Term Rs.162,600 and Short Term 4,118,983) in Fixed Deposits with Banks (Margin Money) are shown under investing activities. In terms of our Report of even date attached.

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

In terms of our Report of even date attached.

For and on behalf of the Board

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

Shantanu Parvati
Whole-time Director

A Goenka
Director

Nikhil Singhi
Partner
Membership No. 061567

Rajib Kumar Gope
Company Secretary

Vinayak Patil
CFO

Place : Mumbai
Date: 25th May, 2016

Place : Mumbai
Date: 25th May, 2016

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

		As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
3	Share capital		
	Authorised		
	5,000,000 (Previous year 5,000,000) Equity shares of Rs. 10/- each	50,000,000	50,000,000
		50,000,000	50,000,000
	Issued, subscribed and paid-up :		
	3,696,000 (Previous year 3,696,000) Equity shares of Rs. 10/- each	36,960,000	36,960,000
		36,960,000	36,960,000

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

S. No.	Equity shares:	As at 31 st March, 2016 No. of shares	As at 31 st March, 2016 ₹	As at 31 st March, 2015 No. of shares	As at 31 st March, 2015 ₹
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	3,696,000	36,960,000	3,696,000	36,960,000

(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 st March, 2016		As at 31 st March, 2015	
		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%

(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 st March, 2016		As at 31 st March, 2015	
		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 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
4	Reserves and surplus		
	(i) Capital reserve		
	Balance as per last financial statement	38,206,216	38,206,216
		38,206,216	38,206,216
	(ii) General reserve		
	Balance as per last financial statement	66,031,583	66,031,583
		66,031,583	66,031,583
	(iii) Surplus in statement of profit & loss		
	Balance as per last financial statement	150,207,261	210,691,949
	Less: Net Loss for the year	(69,291,924)	(60,484,688)
		80,915,337	150,207,261
	Total Reserves and surplus (i to iii)	185,153,136	254,445,060

		Non-current portion		Current maturities	
		As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
5	Long-term borrowings				
	(i) Secured :				
	Term loan from a Bank	-	-	-	23,160,000
		-	-	-	23,160,000
	(ii) Amount disclosed under the head				
	"Other current liabilities" (Note No.9)	-	-	-	(23,160,000)
	Total (i) + (ii)	-	-	-	-

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

Nature of Security

Term loan from State Bank of India were 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 ₹ Nil (Previous year : ₹ 23,417,475) Includes Interest amounting to ₹ Nil (Previous year : ₹ 257,475) disclosed under other current liabilities. The Company is in the process of releasing the relevant charges with the bank.

Terms of Repayment

The loans has been repaid as per the terms of the agreement and final installment and interest was repaid on 05th March, 2016.

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

6 Other liabilities

	Long- term		Short - term	
	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Current maturities of Long-Term Debts	-	-	-	23,160,000
Interest accrued and due on borrowings	-	-	77,148	363,115
Advance received from and Credit balance of Customers	-	-	-	341,861
Unpaid dividend (Refer Note (a) below)	-	-	138,710	392,409
Statutory dues payable	-	-	5,266,808	6,450,326
Employees benefits payable	-	-	7,686,153	4,248,334
Other Contractual liabilities	-	-	12,163,106	6,444,105
Other payables:				
Liabilities towards purchase of fixed assets	-	-	-	1,057,078
Trade deposits	1,328,661	1,228,661	-	-
Gratuity	-	-	933,999	2,469,637
Retention Money Account	-	-	-	46,800
Others	-	-	764,182	417,432
	1,328,661	1,228,661	27,030,106	45,391,097

(a) There are no amounts due and outstanding to be transferred to Investor Education and Protection Fund under section 124 of the Companies Act, 2013 as at the year end.

7 Provisions

	Long- term		Short - term	
	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Provision for employee benefits				
Leave Encashment	4,115,568	3,030,074	342,275	330,235
Others				
Provision for Sales Tax liability against appeal filed	-	-	1,735,161	2,480,873
	4,115,568	3,030,074	2,077,436	2,811,108

8 Short-term borrowings

(i) **Secured :**

Working capital loans repayable on demand

Cash Credit from Banks	119,128,558	123,398,171
Bill Discounting	14,252,805	17,212,492
	133,381,363	140,610,663

(ii) **Unsecured:**

From other parties - Holding Company	52,500,000	20,000,000
	52,500,000	20,000,000
Total (i + ii)	185,881,363	160,610,663

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

i) Total outstanding dues of micro enterprises and small enterprises	19,200,188	19,089,102
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	79,001,183	124,644,695
	98,201,371	143,733,797

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

10 : Fixed Assets

Description	Gross Block Cost/Book Value			Depreciation and Amortisation / Impairment Loss					Net Block	
	As At April 1, 2015 ₹	Additions / Adjustments ₹	Deductions ₹	As At March 31, 2016 ₹	As At April 1, 2015 ₹	For the Year ₹	Impairment Loss ₹	Deductions ₹	As at March 31, 2016 ₹	As at March 31, 2015 ₹
(A) Tangible assets										
Leasehold land	20,482,770	-	-	20,482,770	1,318,401	220,467		-	18,943,902	19,164,369
Leasehold building	143,251,328	190,000	-	143,441,328	21,562,631	3,854,148		-	118,024,549	121,688,697
Plant and equipment	187,975,714	13,305,409	-	201,281,123	94,182,092	9,214,966	25,000,000	-	72,884,065	93,793,622
Electrical installation	23,964,931	-	-	23,964,931	8,166,819	3,176,196		-	12,621,916	15,798,112
Furniture and fixtures	19,260,322	228,929	-	19,489,251	8,087,036	2,202,830		-	9,199,385	11,173,286
Vehicles	4,413,091	-	-	4,413,091	1,474,817	977,471		-	1,960,803	2,938,274
Air conditioners & coolers	2,667,227	-	-	2,667,227	923,534	357,086		-	1,386,607	1,743,693
Office equipment	11,335,928	622,439	54,761	11,903,606	9,175,116	1,145,192		38,809	1,622,107	2,160,812
Sub total	413,351,311	14,346,777	54,761	427,643,327	144,890,446	21,148,356	25,000,000	38,809	236,643,334	268,460,865
(B) Intangible assets										
Computer software	8,102,442	346,380	-	8,448,822	5,101,600	779,927		-	2,567,295	3,000,842
Sub total	8,102,442	346,380	-	8,448,822	5,101,600	779,927		-	2,567,295	3,000,842
Total (A+B)	421,453,753	14,693,157	54,761	436,092,149	149,992,046	21,928,283	25,000,000	38,809	239,210,629	271,461,707
Previous year	403,385,387	18,068,366	-	421,453,753	116,992,739	32,999,307		-	271,461,707	

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

	Face Value per Unit	As at 31 st March, 2016 (Nos.)	As at 31 st March, 2015 (Nos.)	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
11 Non-current investments					
Long term investments (Non trade)					
i) Investments in equity shares - quoted (At cost)					
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 (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	164
Florence Investech Limited (Demerged from J. K. Agri Genetics Limited)	10	4	0	109	109
Bengal & Assam Company Limited (Netfiler Finco Ltd. merged in Bengal & Assam Company Ltd.)	10	4	18	1	1
ii) Investments in equity shares - unquoted (At cost)					
Duncan Services Limited	100	360	360	18,000	18,000
				80,402	80,402
Aggregate amount of Quoted Investments				62,402	62,402
Aggregate amount of Unquoted Investments				18,000	18,000
Aggregate amount of market value of quoted investment				1,256,622	1,106,083

	Long-term		Short-term	
	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
12 Loans and advances				
Unsecured (Considered good unless stated otherwise)				
Capital Advances	1,136,809	-	-	-
Security Deposits	2,142,260	2,154,560	41,570	2,196,570
Advances to Suppliers	-	-	3,316,773	3,907,305
Loans and Advances to Employees	-	-	581,532	459,293
Advance Income Tax and Tax Deducted at source	-	-	22,128,401	21,410,761
Balances with Government Authorities	-	-	6,621,403	7,360,637
Prepaid Expenses	437,728	582,491	3,652,769	2,842,148
MAT credit entitlement	-	8,550,274	-	-
	3,716,797	11,287,325	36,342,448	38,176,714

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

	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
13 Other non-current assets		
Margin Money - fixed deposit with bank	1,854,075	162,600
	<u>1,854,075</u>	<u>162,600</u>
14 Inventories (Valued at lower of cost or net realisable value)		
a) Raw Materials	79,557,713	84,200,890
b) Work-in-Progress	14,045,218	25,502,810
c) Finished Goods	22,261,256	39,785,395
d) Scrap	1,553,738	2,720,833
e) Traded Goods	841,745	1,080,767
f) Stores and Spares	2,404,810	3,619,122
g) Packing Material	797,929	760,590
	<u>121,462,409</u>	<u>157,670,407</u>
Goods in transit included in above inventories are as under :		
Raw Materials	843,125	-
15 Trade receivables		
a) (Secured, Considered Good)		
Outstanding for a period exceeding six months	38,957	-
Outstanding for a period less than six months	570,197	777,508
b) (Unsecured, Considered Good)		
Outstanding for a period exceeding six months	7,433,505	4,138,832
Outstanding for a period less than six months	120,973,027	156,035,734
c) Unsecured, considered doubtful		
Outstanding for a period exceeding six months	13,867,685	8,253,415
Less: Provision for doubtful debts	<u>(13,867,685)</u>	<u>(8,253,415)</u>
	<u>129,015,686</u>	<u>160,952,074</u>
16 Cash and Bank balances :		
(a) Cash and cash equivalents:		
Balance with Banks:		
In current accounts	1,737,966	496,095
In exchange earnest foreign currency accounts	60,477	57,071
Cheques on hand	325,139	-
Cash on hand	15,260	59,463
	<u>2,138,842</u>	<u>612,629</u>
(b) Earmarked balances with banks:		
Unpaid dividend account	138,710	392,409
	<u>138,710</u>	<u>392,409</u>
(c) Margin money	5,642,047	4,118,983
	<u>7,919,599</u>	<u>5,124,021</u>
17 Other current assets		
Unsecured, considered good:		
Interest accrued on deposits	373,817	159,343
Other	189,799	894,817
	<u>563,616</u>	<u>1,054,160</u>

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

	For the Year ended 31 st March, 2016 ₹	For the Year ended 31 st March, 2015 ₹
18 Revenue from operations :		
Sale of products:	687,328,456	668,455,341
Less : Discount on sales	(7,225,175)	(4,011,536)
	<u>680,103,281</u>	<u>664,443,805</u>
Other operating revenues		
Sale of scrap	34,796,494	42,225,606
Gross revenue from operations	714,899,775	706,669,411
Less: Excise duty	(79,766,270)	(65,232,339)
Net revenue from operations	<u>635,133,505</u>	<u>641,437,072</u>
(i) Details of sales (Finished goods)		
Passenger and Truck Valves	276,230,498	308,233,530
Hydraulic and Pneumatic Equipment	379,015,552	325,525,846
Others	27,183,517	28,883,603
	<u>682,429,567</u>	<u>662,642,979</u>
(ii) Details of sales (Traded goods)		
Valve Cores	3,923,965	5,797,876
High Pressure Valves	974,924	-
Tubeless Valve	-	14,486
	<u>4,898,889</u>	<u>5,812,362</u>
19 Other income		
Dividend on investments	63,752	55,050
Interest income		
- On Deposits	603,116	410,116
- On Income tax refund	703,000	2,420,000
Profit on sale of fixed assets (Net)	3,092	6,156
Insurance claimed received	378,003	-
Rent Income	-	600,000
Profit on sale of Investment	-	307,039
Support Services	-	1,150,000
Provision no Longer Required Written Back	1,336,708	273,276
Advance Received Written Back	1,033,145	-
Provision for Doubtful Debts Written Back	-	311,215
Net gain on Foreign currency translations and transactions	-	1,322,475
Subsidy received - IPS 2007 Scheme	-	1,045,000
Miscellaneous Income	784,987	182,391
	<u>4,905,803</u>	<u>8,082,718</u>
20 Cost of raw materials consumed		
Raw material consumed		
Brass	102,179,871	127,236,107
Rubber	18,849,937	30,595,833
Other	283,207,614	298,745,429
	<u>404,237,422</u>	<u>456,577,369</u>
Packing material consumed	3,597,286	4,657,594
	<u>407,834,708</u>	<u>461,234,963</u>

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

	For the Year ended 31 st March, 2016 ₹	For the Year ended 31 st March, 2015 ₹
21 Changes in inventories of finished goods, work-in-progress and traded goods		
I Inventories as at the beginning of the year		
Finished Goods	39,785,395	17,153,324
Work-in-Progress	25,502,810	28,583,603
Traded Goods	1,080,767	2,006,995
Scrap	2,720,833	3,305,511
	69,089,805	51,049,433
I Inventories as at end of the year		
Finished Goods	22,261,256	39,785,395
Work-in-Progress	14,045,218	25,502,810
Traded Goods	841,745	1,080,767
Scrap	1,553,738	2,720,833
	38,701,957	69,089,805
III Movement in excise duty on finished products	(1,396,708)	2,876,256
IV Change in inventories (I - II + III)	28,991,140	(15,164,116)
Work-in-Progress includes		
Passenger and Truck Valves	10,256,421	409,231
Hydraulic and Pneumatic Equipment	1,105,425	2,916,011
Others	95,746	(244,449)
	11,457,592	3,080,793
22 Employee benefit expenses		
Salaries, Wages and Bonus	85,624,014	90,150,687
Contribution to Provident and Other Funds	4,702,378	4,555,113
Gratuity	1,473,711	2,469,637
Employee Welfare Expenses	15,915,445	17,402,853
	107,715,548	114,578,290
23 Finance costs		
Interest	22,210,472	20,570,139
Other borrowing cost	2,187,488	2,356,809
	24,397,960	22,926,948

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

	For the Year ended 31 st March, 2016 ₹	For the Year ended 31 st March, 2015 ₹
24 Other expenses		
General stores and spares consumed	14,209,617	16,827,392
Power and fuel	14,824,544	16,250,287
Water charges	1,131,756	1,631,205
Rent	3,158,800	6,211,122
Rates and taxes	1,111,780	6,617,558
Repairs to machinery	3,801,615	6,877,211
Repairs to buildings	256,240	269,674
Repairs to others	1,934,571	2,563,981
Insurance	694,069	729,672
Commission and discount on sales	3,504,128	1,723,368
Business promotion	1,419,904	3,065,557
Freight & forwarding expenses	4,796,881	5,291,725
Travelling and conveyance	6,281,939	7,859,072
Bad Debts / Advances written-off	692,925	1,806,518
Provision for doubtful debts	5,614,270	7,934,503
Directors' fees	800,000	840,000
Auditors' Remuneration		
As Auditors	728,500	655,000
For Tax audit	150,000	150,000
For Out-of-pocket expenses	45,096	53,843
Legal & professional expenses	4,127,673	8,593,760
Foreign exchange loss (net)	1,239,357	-
Donation	10,000	-
Miscellaneous	10,061,474	11,130,524
	<u>80,595,139</u>	<u>107,081,972</u>
25 Tax expenses		
Current tax for the year	-	-
Less: Taxation adjustments for earlier years (net)	-	(18,310,094)
	<u>-</u>	<u>(18,310,094)</u>

Schrader Duncan Limited

Notes to the Financial Statements for the year ended 31st March, 2016

Significant Accounting policies and Notes to Accounts

Note 1

Corporate Information

Schrader Duncan Limited is a manufacturer & trader of tyre tube valves and accessories, 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 of financial statement

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 III 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 of the goods, and are net of Sales Tax/ MVAT. 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.

Dividend income is recognized when the right to receive payment is established.

2.5 Fixed Assets

(a) Tangible Assets

Tangible fixed assets are stated at cost less accumulated depreciation/ amortization and impairment, if any. Direct costs including the purchase price and any attributable costs 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.

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	8	5
2	Intangible Asset (Computer Software)	Not specified	5

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

Assets 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

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Monetary items related to foreign currency transactions are restated at year end exchange rates. Exchange differences arising on concluded transactions during the year are debited/credited in the Statement of Profit and Loss.

2.9 Investments

Non-Current Investments are stated at cost. The provision for diminution in the value of non-current investment is made only if such decline is other than temporary. 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's contribution towards this fund is charged to the Statement of Profit and Loss.

Superannuation

Superannuation Contribution is based on a percentage of basic salary payable to eligible employees for the period of service. The Company's contribution is made to a trust which is managed by Holding Company, and 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 assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future however, where there is unabsorbed depreciation and carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty backed by the convincing evidence of realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and are appropriately adjusted to reflect the amount that is reasonably or virtually certain to be realized.

(c) Minimum Alternate Tax (MAT) Credit Entitlement

Minimum Alternate Tax (MAT) Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

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 31st March, 2016

	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Note 26		
Contingent Liabilities:		
(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.	5,494,440	3,853,483
(b) Claims against the Company with respect to Sales Tax Matters not acknowledged as debts.	5,076,342	6,679,879
(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.	3,453,720	3,967,557
(d) Statutory bonus liabilities pursuant to the retrospective amendment in the Bonus Act, 1965 for financial year 2014-15 has not been provided considering stay orders of Hon'ble Kerala High Court & Karnataka High Court.	3,035,734	-
	14,024,502	14,500,919

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

Note 26.1

Capital and other commitments:

Estimated amount of Contracts remaining to be executed on capital account (net of advances) and not provided for.	2,721,213	4,169,527
---	-----------	-----------

Note 27 Other Notes on Accounts

Note 27.1

The Company in its Board Meeting held post the Balance Sheet date has decided to discontinue its Tube Valve product line of ABU Division as the same is not viable, which is a Discontinuing Operation post the Balance Sheet date. The other products of the Company shall continue to be in operation. As a result, the company has identified the assets pertaining to the Tube Valve product and provided an estimated impairment loss of Rs.25,000,000 against these assets under Depreciation and Amortization (including Impairment Loss) and additional loss if any, will be provided as and when incurred as per accepted accounting convention.

Note 27.2

During the year as per Guidance Note on Minimum Alternative Tax (MAT) credit issued by the Institute of Chartered Accountants of India (ICAI) and based on review of its financial and tax position, the Company has written down MAT credit available of Rs. 85.50 lacs.

Note 27.3**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	2015-2016 ₹	2014-2015 ₹
a) Principal amount and the interest due remaining unpaid at the end of the accounting year		
- Principal	19,200,188	19,089,102
- Interest due there on	164,607	161,322
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	325,929	161,322
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	164,607	161,322

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

Year ended
March 31, 2016
₹

Year ended
March 31, 2015
₹

Note 27.4**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 :

Contribution to Provident Fund	4,042,593	3,844,402
Contribution to Employee's Superannuation Fund	211,590	195,930
Contribution to Employee's State Insurance Scheme	-	22,762
Contribution to Labour Welfare Fund	14,185	14,688
	4,268,368	4,077,782

(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)	8.00%	8.08%
Rate of increase in Compensation levels	6.00%	6.00%
Rate of Return on Plan Assets	8.50%	8.08%
Expected Average remaining working lives of employees in number of years	20	21

(i) Changes in present value of obligation

Present value of Obligation as at beginning of the year	7,290,208	4,945,836
Interest Cost	526,808	460,457
Current Service Cost	1,096,983	623,488
Benefits paid	(1,540,615)	(511,327)
Actuarial (gains)/loss	122,899	1,771,754
Present value of Obligation as at the end of the year	7,496,283	7,290,208

	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
(ii) Changes in Fair value of plan assets		
Present value of plan assets as at beginning of the year	4,820,571	4,635,758
Expected return on Plan Assets	472,170	403,311
Actuarial gain/(loss) on Plan Assets	(199,191)	(17,249)
Actual Company Contribution	2,469,637	310,078
Benefits paid	(1,000,903)	(511,327)
Fair value of Plan Assets as at the end of the year	6,562,284	4,820,571
(iii) Percentage of each category of plan assets to total fair value of plan assets		
Administered by Life Insurance Corporation of India	100%	100%
(iv) Reconciliation of the Present Value of Defined Present Obligations and the Fair value of Assets		
Present value of Funded Obligation as at the end of the year	7,496,283	7,290,208
Fair value of Plan Assets as at the end of the year	6,562,284	4,820,571
(Asset) / Liability recognised in the Balance Sheet	933,999	2,469,637
(v) Amounts recognised in the Balance Sheet		
Present value of Obligation as at end of the year	7,496,283	7,290,208
Fair value of Plan Assets as at end of the year	6,562,284	4,820,571
Funded (Asset) / Liability recognised in the Balance Sheet	933,999	2,469,637
(vi) Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	1,096,983	623,488
Interest Cost	526,808	460,457
Expected Return on Plan Asset	(472,170)	(403,311)
Net Actuarial (gain) / loss	322,090	1,789,003
Total Expenses recognised in the Statement of Profit and Loss	1,473,711	2,469,637
(vii) Experience adjustments		
On Plan Liabilities gain/ (loss)	122,899	(974,015)
On Plan Assets gain/ (loss)	222,522	(17,249)

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

Amounts recognised in current year and previous four years

	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Present value of defined benefit obligation	7,496,283	7,290,208	4,945,836	5,102,491	8,817,503
Fair Value of Plan Assets	6,562,284	4,820,571	4,635,758	2,919,057	8,329,679
Surplus / (Deficit) in the Plan	933,999	2,469,637	310,078	2,183,434	(487,824)
Experience adjustments on Plan Liabilities gain / (loss)	122,899	(974,015)	(10,417)	(1,006,704)	295,691
Experience adjustments on Plan Assets gain / (loss)	222,522	(17,249)	(10,975)	(56,123)	5,549

- (D)** The Liability for leave encashment and compensated balances as at year end is Rs.4,457,843 (Previous Year Rs. 3,360,309/-).

Schrader Duncan Limited
Notes to the Financial Statements for the year ended 31st March, 2016

	Year Ended March 31, 2016 ₹	Year Ended March 31, 2015 ₹
Note 27.5		
CIF Value of Imports:		
Raw materials	141,209,090	133,941,709
Traded Goods	3,041,511	3,655,333
Stores and Spares	154,679	5,661,236
Capital Goods	176,089	437,854
	<u>144,581,369</u>	<u>143,696,132</u>

Note 27.6

Expenditure in foreign currency:

Travelling Expenses	72,157	127,410
	<u>72,157</u>	<u>127,410</u>

Note 27.7

Earnings in Foreign Currency:

FOB value of exports	6,207,364	12,528,275
	<u>6,207,364</u>	<u>12,528,275</u>

Note 27.8

Details of Consumption and Purchases

(a) Details of Raw Material Consumed *		
Brass	102,179,871	127,236,107
Rubber	18,849,937	30,595,833
Others	283,207,614	298,745,429
	<u>404,237,422</u>	<u>456,577,369</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, 2016		Year ended March 31, 2015	
	₹	%	₹	%
Raw Material Consumed:				
Imported	176,558,206	43.68%	137,952,661	29.95%
Indigenous	227,679,216	56.32%	318,624,708	70.05%
	<u>404,237,422</u>	<u>100.00%</u>	<u>456,577,369</u>	<u>100.00%</u>
Stores and Spares Consumed:				
Imported	328,800	2.31%	4,883,135	29.02%
Indigenous	13,880,817	97.69%	11,944,257	70.98%
	<u>14,209,617</u>	<u>100.00%</u>	<u>16,827,392</u>	<u>100.00%</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.

27.9 Segment Reporting

The following tables present the revenue, profit, assets and liabilities information relating to the Business/Geographical segment for the year ended 31st March, 2016

Information about Business Segment - Primary

Reportable Segments	Automotive Tyres Valves & Accessories		Fluid Power & Automation		Elimination		Total	
	For the Year ended 31st March, 2016 ₹	For the Year ended 31st March, 2015 ₹	For the Year ended 31st March, 2016 ₹	For the Year ended 31st March, 2015 ₹	For the Year ended 31st March, 2016 ₹	For the Year ended 31st March, 2015 ₹	For the Year ended 31st March, 2016 ₹	For the Year ended 31st March, 2015 ₹
Revenue								
External Sales (Net of Discount and Excise Duty)	304,555,028	351,201,786	330,578,477	290,235,286	-	-	635,133,505	641,437,072
Unallocated Revenue Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Revenue from operations	304,555,028	351,201,786	330,578,477	290,235,286	-	-	635,133,505	641,437,072
Result								
Segment Result	(32,375,302)	(40,311,941)	37,314,447	36,333,261	-	-	4,939,145	(3,978,680)
Unallocated Corporate Income (Net)							(41,282,835)	(51,889,154)
Finance costs							(24,397,960)	(22,926,948)
Profit before Exceptional Item and Tax							(60,741,650)	(78,794,782)
Exceptional Items							-	-
Profit before Tax							(60,741,650)	(78,794,782)
Less: Provision for Taxation (Including Deferred Tax)							8,550,274	(18,310,094)
Profit after Tax							(69,291,924)	(60,484,688)
Other Information								
Segment Assets	237,728,541	329,593,408	240,460,304	249,274,994	-	-	478,188,845	578,868,402
Unallocated Corporate Assets							62,558,796	69,342,058
Total Assets							540,747,641	648,210,460
Segment Liabilities	32,848,054	73,632,761	90,725,248	88,858,956	-	-	123,573,302	162,491,717
Unallocated Corporate Liabilities							195,061,203	194,313,683
Total Liabilities							318,634,505	356,805,400
Capital Expenditure	2,790,380	11,946,326	11,852,778	1,921,647	-	-	14,643,158	13,867,973
Unallocated Capital Expenditure							49,999	4,200,393
Total Capital Expenditure							14,693,157	18,068,366
Depreciation	37,802,181	24,892,938	6,124,935	5,101,128	-	-	43,927,116	29,994,066
Unallocated Depreciation							3,001,167	3,005,241
Total Depreciation							46,928,283	32,999,307

Schrader Duncan Limited

Notes to the Financial Statements for the year ended 31st March, 2016

Information about Secondary Business Segments

Reportable Segments	India		Outside		Total	
	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
External Sales (Net of Discount and Excise Duty)	628,926,141	628,908,797	6,207,364	12,528,275	635,133,505	641,437,072
Carrying amount of segment assets	540,737,641	646,909,722	10,000	1,300,738	540,747,641	648,210,460
Additions to fixed assets	14,693,157	18,068,366	-	-	14,693,157	18,068,366

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.

Note 27.10**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 Managing Director	
	2015-16	2014-15	2015-16	2014-15
Sales of Goods	1,036,214	509,369		
Remuneration			6,900,000	6,000,000
Loan taken during the year	32,500,000	20,000,000		
Expenses incurred on behalf of the company	1,967,431	3,308,639		
Interest on inter Corporate Deposit	3,744,492	414,247		
Year End Balances				
Payable	54,417,787	20,684,300		

Note 27.11**Prior Period Expenses**

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

	Particulars	Amounts	For the Year ended March 31, 2016 ₹	For the Year ended March 31, 2015 ₹
1.	Commission & Discount on Sale		43,735	
2.	Employee Welfare Expenses		1,209	
3.	Miscellaneous Expense			
	a) Carriage Outward/Inward	24,181		
	b) Inspection & Quality Control	25,623		
	c) Postage Expenses	3,900	53,704	
4.	Excise Duty Expense			60,708
5.	AGM & Board Meeting Expenses			55,000
	Total		98,648	115,708

Note 27.12

Deferred Tax:

The Deferred Tax balances are set out as below

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Deferred Tax Liabilities		
Depreciation & amortisation expenses including impairment loss	25,381,729	32,246,640
Total (a)	25,381,729	32,246,640
Less : Deferred Tax Assets		
Voluntary Retirement Scheme	839,665	11,359,727
Disallowance u/s 43B of the Income Tax Act, 1961	4,748,329	5,720,092
Unabsorbed depreciation / loss carried forward as per provisions of the Income Tax Act, 1961	19,793,735	15,166,821
Total (b)	25,381,729	32,246,640
Net Deferred Tax Liability (a-b)	-	-

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

Note 27.13

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

Currency	Cross Currency	Payables As at 31st March, 2016		Payables As at 31st March, 2015	
		Foreign Currency	₹	Foreign Currency	₹
USD	INR	149,768	10,116,714	312,791	19,562,583
EURO	INR	22,842	1,686,440	71,934	5,210,000
Currency	Cross Currency	Receivable As at 31st March, 2016		Receivable As at 31st March, 2015	
		Foreign Currency	₹	Foreign Currency	₹
USD	INR	147	10,000	20,994	1,300,738

Schrader Duncan Limited**Notes to the Financial Statements for the year ended 31st March, 2016****Note 27.14****Basic and Diluted Earnings per share :**

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

	As at March 31, 2016	As at March 31, 2015
Profit / (Loss) for the year	(69,291,924)	(60,484,688)
Weighted Average Number of Equity Shares	3,696,000	3,696,000
Earnings per Equity Share - Basic	(18.75)	(16.36)
Earnings per Equity Share - Diluted	(18.75)	(16.36)
Nominal value of an Equity Share	10.00	10.00

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.

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

Rajib Kumar Gope

Company Secretary

Vinayak Patil

CFO

Place : Mumbai
Date: 25th May, 2016

Place : Mumbai
Date: 25th May, 2016

This page is kept blank intentionally

Schrader Duncan Limited

Ranjangaon Plant



New Products Launched



New FRL series



Rotary Actuator

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