

Schrader Duncan Limited



41st Annual Report 2001-2002

Schrader Duncan Limited

Ten Year Review

Rs. Million

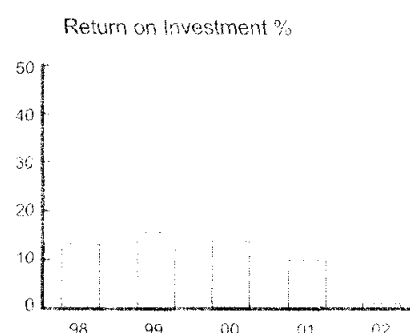
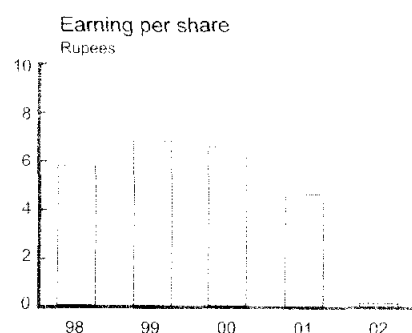
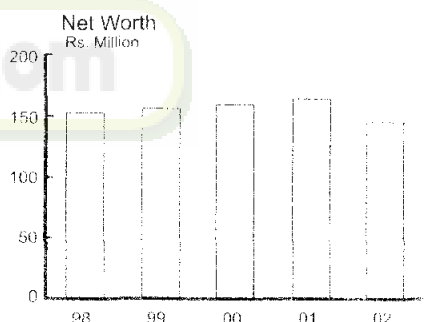
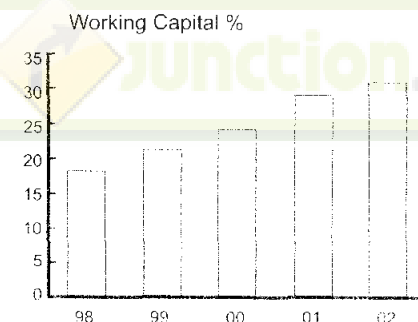
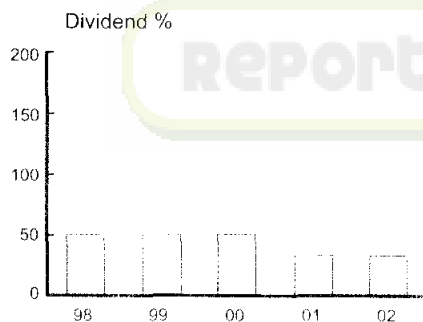
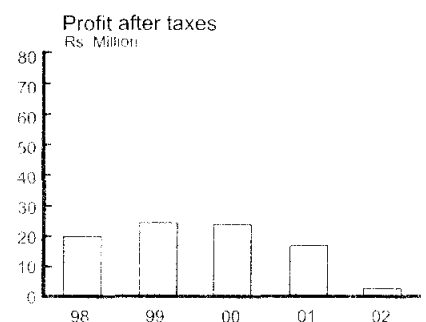
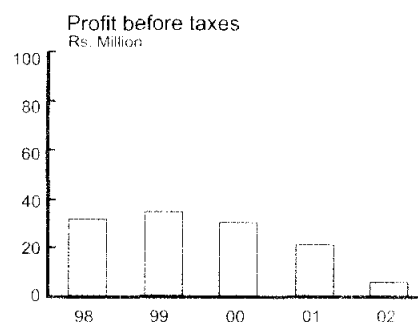
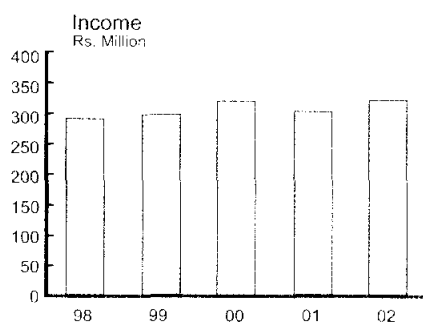
Accounting Year	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Income	181.97	205.84	249.13	280.27	366.69	288.49	293.59	319.71	306.48	321.28
Profit before taxes	35.26	34.09	32.41	37.12	95.99	32.35	35.60	29.48	20.18	4.60
Profit after taxes	21.11	20.05	18.86	23.12	73.38	20.30	23.76	23.29	16.25	2.41
Dividend %	81.00	40.00	50.00	50.00	165.00	50.00	50.00	50.00	35.00	35.00
Working Capital %	22.35	20.14	16.08	15.12	15.67	18.85	21.35	24.34	29.53	30.66
Net Worth	114.47	127.12	136.74	141.38	151.93	151.90	155.15	157.92	159.92	147.91
Earning per share ** Rs.	22.84	12.40	10.21	10.01	19.85	5.49	6.43	6.30	4.40	0.65
Return on Investment %	19.60	16.60	14.30	16.62	49.94	13.33	15.48	14.88	10.23	1.56

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

*** Computed on Weighted Average Capital.

**** One time profit on sale of a Fixed Asset.

***** Includes one time provision for diminution in value of units US-64 scheme.



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Board of Directors

Mr. J. P. Goenka
Chairman

Mr. A. L. Narasimhan
Managing Director

Mr. A. Goenka

Mr. Lou Braga

Mr. Brian Harris

Mr. R. C. Khanna
Alternate to Mr. Brian Harris

Mr. V. N. Nadkarni

Mr. S. Srinivas
Company Secretary

Auditors
Price Waterhouse & Co

Registered Office
L B S Marg, Mulund
Mumbai 400 080

Bankers
State Bank of India
Citibank

Plants
Mumbai (Maharashtra)
Nashik (Maharashtra)

Legal Advisor
Crawford Bayley & Co

Branch Offices
31, Netaji Subhash Road
Kolkata 700 001

Share Transfer Agent
IIT Corporate Services Ltd
Protoprima Chambers, 2nd Floor,
Suren Road, Andheri (E), Chakala,
Mumbai - 400 093.

Hindustan Times House
Kasturba Gandhi Marg
New Delhi 110 001

Listed at
Mumbai, Delhi & Kolkata

Notice

NOTICE is hereby given that the Forty First Annual General Meeting of the Shareholders of SCHRADER DUNCAN LIMITED will be held at Kamalnayan Bajaj Hall, Bajaj Bhavan, 226 Nariman Point, Mumbai 400 021 on Monday, July 29, 2002 at 3.00 p.m for transacting the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2002 and Profit and Loss Account for the year ended, on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend, if any.
3. To appoint a Director in place of Mr. Brian Harris who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Special Business:

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

RESOLVED THAT Mr. Lou Braga be and is hereby appointed as a Director of the Company, liable to retire by rotation.

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

RESOLVED THAT pursuant to the provisions of section 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the limits laid down in sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII, as amended by Notification GSR 36(E) dated January 16, 2002 consent of the company be and is hereby accorded to the Board of Directors of the Company [including remuneration committee thereof] for re-appointment of and payment of remuneration to Mr. A. L. Narasimhan as Managing Director of the company for a further period of 3 (three) years with effect from April 4, 2002 as may be admissible within the overall limits prescribed under the aforesaid Guidelines as the Board may consider appropriate from time to time, as set out in the Letter of Appointment/Agreement issued/executed by the company and the salient terms whereof are set out in the Explanatory Statement hereto.

RESOLVED FURTHER THAT pursuant to the provisions of section 309(3) read with section 198(4) and other applicable provisions of the Companies Act, 1956, remuneration as may be admissible within the overall limits prescribed under the aforesaid Guidelines, be paid and provided to Mr. A. L. Narasimhan as minimum remuneration, notwithstanding absence or inadequacy of profits of the company in any financial year during the term of office of Mr. A. L. Narasimhan as Managing Director of the company.

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. A. L. Narasimhan, including remuneration, provided such remuneration shall not exceed the maximum limits for payment of managerial remuneration as may be admissible within the overall limits of Schedule XIII to the Companies Act, 1956, and prescribed under the said Guidelines, as existing or as amended, modified or re-enacted from time to time by the Government of India, as the Board may deem fit.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to do 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.

- 7 To consider and, if thought fit to pass, with or without modification(s) the following resolution as a special resolution.

"Resolved that pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956, and the provisions of other statutes, as may be applicable and subject to such provision, consents, permissions and sanction as may be necessary from the appropriate authorities or bodies, the Articles of Association is hereby altered as follows.

1. Amendment of Article 1 by addition of following sub-clauses at appropriate places.

Beneficial owner : Means beneficial owner as defined under clause (a) of sub-section (1) of section 2 of the Depositories Act 1996.

"Depositories Act, 1996" shall include any statutory modification or re-enactment.

"Depository" means a depository as defined under clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996.

"Member" means the duly registered holder from time to time of the Shares of the Company and includes the subscribers to the Memorandum of Association of the company and the beneficial owner (s) as defined in clause (a) of Sub-section (1) of section 2 of the Depositories Act, 1996.

"Bye -Laws" mean bye-laws made by a depository under section 26 of the Depositories Act, 1996.

"Record" includes the records maintained in the form of books or stored in computer or in such other form as may be determined by regulations made by the SEBI in relation to the Depositories Act, 1996.

"Regulations" mean the regulations made by the SEBI,

"Security" means such security as may be specified by the SEBI and

"SEBI" means Securities and Exchange Board of India.

2. Substitution of existing Article 171 (2) & (3) by the following
Article 171 (2) Register of members

"The company shall cause to be kept a register and Index of members in accordance with all applicable provisions of the Act and the Depositories Act, with details of shares held in material and dematerialised form in any media as may be permitted by law, including in any form of Electronic media. The company shall be entitled to keep in any state or country outside India a branch register of members resident in that state or country".

- 3 Article 171 (3) Register of Debenture holders

The Company shall cause to be kept a register and Index of Debenture holders in accordance with all applicable provision of the Act and the Depositories Act, with details of Debentures held in material and dematerialized forms in any media as may be permitted by law, including in any form of electronic media. The company shall be entitled to keep in any state or country outside India a branch register of members resident in that state or country.

Insertion of following new Articles 47A, 47B, 47C, 47D, 47E and 47 F after article 47.

47 A Dematerialisation of Shares

Notwithstanding anything contained in these articles, the company shall in accordance with the provisions of the Depositories Act, 1996 be entitled to dematerialize any or all its shares held with the depositories and/or issue the shares for subscription in a dematerialized form pursuant to the Depositories Act, 1996.

47 B Register and Index of Members

The company shall be required to maintain a Register and Index of Members in accordance with section 150 and 151 of the Act and the Depositories Act, with details of Shares held in material and dematerialised forms in any Media (Including Electronic Media) as may be permitted by law. The register and Index of beneficial owners maintained by Depositories under section 11 of the Depositories Act shall be deemed to be the Register and Index of Member holding shares in a dematerialized form for the purpose of the Act.

47C Recognition of the rights of Beneficial owners

Save as here in otherwise Provided, the company shall be entitled to treat the person whose name appears as the beneficial owner of the Shares in the records of the Depository as absolute owners thereof and accordingly the company shall not (except by any court of competent jurisdiction or as required by law) be bound to recognise any benami trust or equitable or contingent or other interest in such shares on the part of any other person whether or not it shall have express or implied notice thereof provided further that the Depository as the registered owners shall not have any voting rights or any other right in respect of the shares held by the depository and the beneficial owner shall be entitled to all such voting rights and other rights and benefits in respect of its shares held with a depository.

47 D Applicability of Depository Act

Notwithstanding anything provided here in above in the case of transfer of shares, where the company has not issued any certificates and where Shares are being held in an electronic and fungible form the provisions of the Depositories Act shall apply and accordingly the Depositories shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Shares on behalf of the beneficial owner Further more, nothing contained in section 108 of the Act or in these Articles shall apply to a transferor or transferee, both of whom are entered as Beneficial owners in the records of a Depository.

47 E Non applicability of certain provisions of the Act

In respect of shares, held by the depository on behalf of beneficial owner, the provision of sections 153, 153A, 153 B, 187B, 187C and 372 A of the act shall not apply.

47 F Distinctive Numbers of Shares held with a Depository.

Nothing contained in the Act or in these articles regarding the necessity of having distinctive numbers for shares issued by the company shall apply to shares held with a Depository

4 Insertion of new Article 3A by the following after Article 3

Subject to all applicable provision the Companies Act, 1956. (Including any Statutory modification(s) or re-enactment thereof) and subject to such other approvals, permissions and sanction, as may be necessary

and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permission, and sanctions, which may be agreed to by the Board of Directors of the company, the company may buy-back, from the existing holders of shares and / or other securities, giving right to subscribe for shares of the company on a proportionate basis and / or from the open market and / or from the lots smaller than market of the securities (odd lots) and / or by purchasing the securities issued to the employees pursuant to scheme of stock option, the shares or such other securities of the company, from out of its free reserves or out of the security premium Account of the company, or out of the proceeds of an issue made by the company specifically for the purpose, or from such other sources as may be permitted by law on such terms, condition and in such manner as may be prescribed from time to time provided that the aggregate of the securities so bought back shall not exceed 5% of the respective securities of the company.

5 Insertion of following New Articles 72 A, after Article 72.

" Passing of Resolution by Postal Ballot."

Notwithstanding anything contained in this Articles of Association of the Company, the company do adopt the mode of passing a resolution by the members of the company by mean of a postal ballot and / or other manner as may be prescribed by the Central Government in this behalf in respect of the following matters instead of transacting such business in General Meeting of the Company.

- 1) Any business that can be transacted by the company in general meeting and,
- 2) Particularly, resolution relating to such business as the Central Government, may by notification, declare to be conducted only by postal ballot by complying the procedure prescribed by the Central Government in this regard.

6) Substitution of existing article 146 by the following

Any dividend remaining unclaimed after having been declared will remain in Unpaid Dividend Account and after the expiry of the 7 years such dividend will be transferred to the Investor Education & Protection Fund as per the requirements of Companies Act, 1956 & no claim will be entertained by the company.

7. Insertion of the New Article 8A by the following after Article 8

The share Capital of a company shall be of two kinds only namely

- a) Equity Share capital
 - i) With voting rights or
 - ii) With differential rights as to dividend, voting or otherwise in accordance with such rules and subject to such conditions as may be prescribed
- b) Preference Share Capital

NOTES:

1. The Register of Members and Share Transfer Books of the Company will remain closed from July 11, 2002 to July 25, 2002 both days inclusive in terms of the provisions of Section 154 of the Companies Act, 1956.
2. **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.**

3. Those members who have so far not encashed their dividend warrants for the below mentioned financial years may claim or approach the Company for payment as the same will be transferred to the "Investor Education and Protection Fund" of the Central Government pursuant to the introduction of Section 205C by the Companies (Amendment) Act, 1999 on the dates mentioned hereunder.

1995-1996	September 25, 2003	
1996-1997	November 8, 2003	(Extra Ordinary Dividend)
1996-1997	October 8, 2004	
1997-1998	January 19, 2005	(Interim Dividend)
1997-1998	October 30, 2005.	
1998-1999	September 9, 2006.	
1999-2000	June 1, 2007	(Interim Dividend)
2000-2001	September 1, 2008	

4. An Explanatory Statement in respect of items no. 5, 6 & 7 pursuant to Section 173 is annexed to this notice.

Registered Office:

L B S Marg, Mulund, Mulund 400 080

By Order of the Board

A . L . Narasimhan
Managing Director

May 28, 2002



Annexure to Notice

Explanatory Statement under Section 173 of the Companies Act 1956.

Item No 5.

Mr Lou Braga was appointed as an additional Director from May 28, 2002. As such, pursuant to Section 260, of the Companies Act, 1956, Mr Lou Braga holds office of a Director upto the date of this Annual General Meeting. It is proposed to appoint Mr Lou Braga as a Director liable to retire by rotation. A notice in writing, pursuant to Section 257 of the Companies Act, 1956, has been received from a member proposing Mr Lou Braga as a candidate for the office of Director, at the Annual General Meeting, alongwith the required deposit as required under that section. Mr Lou Braga, the Group President of the Automotive Fluid Systems Group of the Gates Rubber Company, is an accomplished executive who has spent much of his career in the automotive supplier business. Your directors feel that the association of Mr. Lou Braga with your Company will be advantageous.

Except Mr. Lou Braga, none of the Directors of the company is concerned or interested in the resolution.

Item No 6.

The Government by Notification GSR 36(E) dated January 16, 2002 revised Schedule XIII to the Act, enhancing the limits upto which remuneration and perquisites can be paid or granted to the Managing Director.

The Board of Directors at their meeting held on March 11, 2002 resolved to re-appoint Mr. A. L. Narasimhan on the revised terms and conditions, including remuneration with effect from April 4, 2002 for a period of 3 (three) years. The remuneration committee approved the remuneration payable to Mr. A. L. Narasimhan as per the requirements of schedule XIII of the Companies Act, 1956 as amended from time to time.

An abstract of the terms and conditions of the remuneration and perquisites payable to Mr. A. L. Narasimhan with effect from April 4, 2002 is given hereinbelow:

1. SALARY

Rs 50,000 per month

2. PERFORMANCE BONUS

Upto Rs. 6,00,000 not exceeding an amount equal to the Annual Salary, as may be determined by the Board of Directors of the Company in exercise of its discretion at the end of each financial year, subject to the overall ceiling stipulated in sections 198 and 309 of the Companies Act, 1956. The Board may while exercising its discretion take the following norms into consideration:

Achieving financial, tactical and strategic objectives as per the Schrader-Bridgeport International Inc., U.S.A performance measurement parameters as below:

	Maxium Payment Rs.
Financial OCF	300,000 per annum
Tactical Action	150,000 per annum
Strategic achievements	150,000 per annum

3. PERQUISITES

Mr. A. L. Narasimhan shall be entitled to the following perquisites in addition to salary and Performance Bonus, provided however that the total value of perquisites listed in category 'A' and 'B' (except as stated otherwise) shall be restricted to an amount equal to his annual salary or Rs 600,000 per annum, whichever is less.