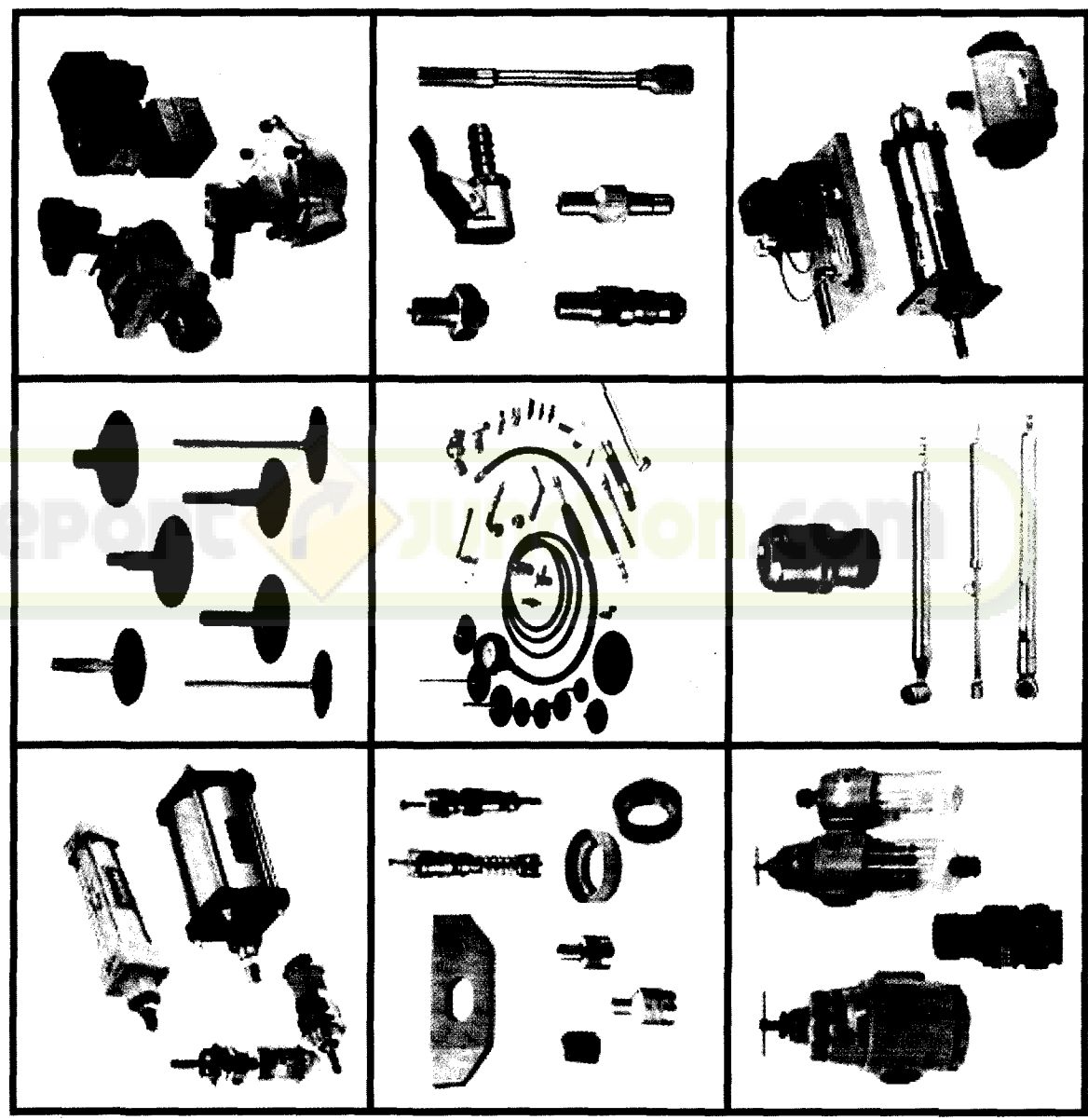


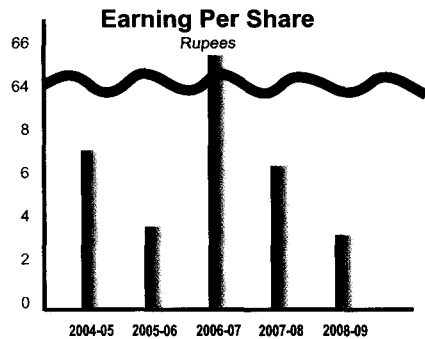


# Schrader Duncan Limited

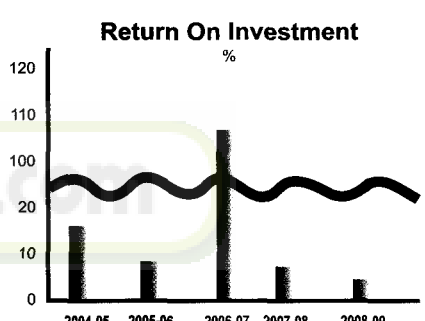
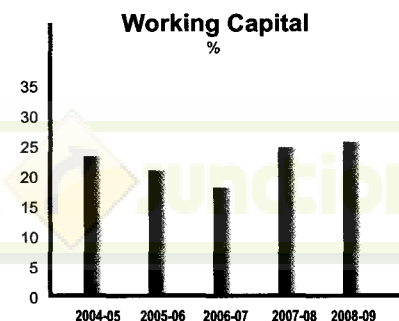
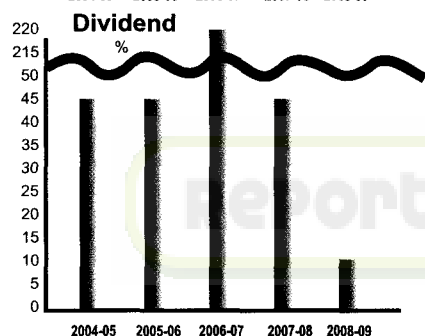
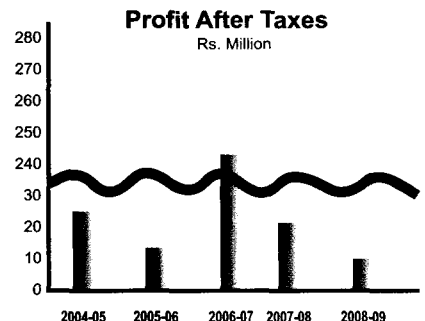
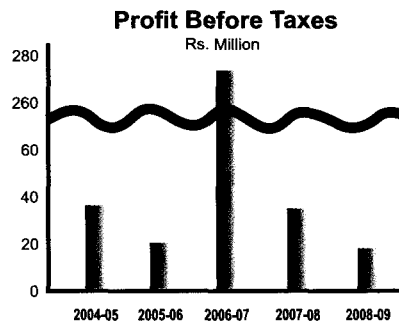
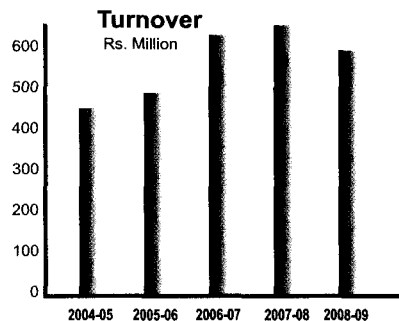
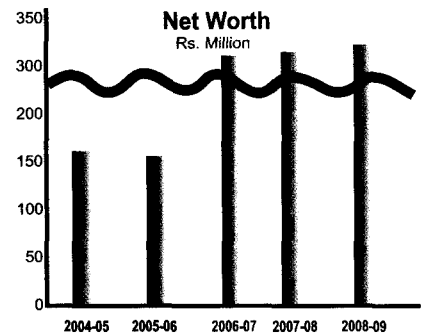


Annual Report 2008-2009

## Schrader Duncan Limited



### Key Financial Indicators Five Years



### Ten Year Review

Accounting Year	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Turnover	319.71	306.48	321.28 **	364.77	411.72	447.36	481.03	618.03 ****	646.24	587.81
Profit before taxes	29.48	20.18	4.60 **	24.76	36.34	37.09	20.55	272.62 ****	35.69	18.37
Profit after taxes	23.29	16.25	2.41	16.30	22.95	25.01	13.07	242.47 ***	23.87	10.89
Dividend %	50.00	35.00	35.00	35.00	45.00	45.00	45.00	220.00	45.00	10.00
Working Capital %	24.36	29.55	30.69	29.27	26.47	23.49	21.06	19.82	25.10	26.73
Net Worth	157.92	159.92	147.91 **	149.61	153.80	159.54	153.64	302.90	307.32	313.89
Earning per share* Rs.	6.30	4.40	0.65 **	4.41	6.21	6.77	3.54	65.60	6.46	2.95
Return on Investment %	14.88	10.23	1.56	10.96	15.13	15.96	8.35	106.22	7.82	3.51

\* 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.

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

\*\*\* Includes interim dividend of 175%

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

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## BOARD OF DIRECTORS

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

## Corporate Information

**Registered Office**  
L. B. S. Marg, Mulund  
Mumbai 400 080

**Auditors**  
Price Waterhouse & Co.

**Plants**  
Mumbai (Maharashtra)  
Ranjangaon (Maharashtra)  
Mahape (Maharashtra)  
Nasik (Maharashtra)

**Bankers**  
State Bank of India  
**Legal Advisors**  
Crawford Bayley & Co.

**Share Transfer Agent**  
Link Intime India Pvt Ltd  
C-13 Pannal Silk Mills Compound  
L B S Marg, Bhandup  
Mumbai 400 078

**Listed at**  
Mumbai (BSE)

**Branch Offices**  
31, Netaji Subhash Road  
Kolkata 700 001

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

**NOTICE :**

NOTICE is hereby given that the Forty Eighth Annual General Meeting of the Shareholders of Schrader Duncan Limited will be held on Thursday, July 30, 2009 at 3.15 p.m. at Kamalnayan Bajaj Hall, Nariman Point, Mumbai 400 021 for transacting the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2009 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.
3. To appoint a Director in place of Mr. Steven Lutz who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. R. C. Khanna who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and to fix their remuneration.

**Special Business:**

6. To consider and, if thought fit to pass, with or without modifications, the following as an Ordinary Resolution:  
  
**"Resolved that** Mr. M. K. Sharma who was appointed as Additional Director of the Company on October 16, 2008 and who holds office upto the forty eighth annual general meeting of the Company be and is hereby appointed as Director of the Company, liable to retire by rotation."
7. To consider and, if thought fit to pass, with or without modifications, the following as an Ordinary Resolution:  
  
**"Resolved that** Mr. Jean Michel Bolmont who was appointed as Additional Director of the Company on May 27, 2009 and who holds office upto the forty eighth annual general meeting of the Company be and is hereby appointed as Director of the Company, liable to retire by rotation."
8. To consider and, if thought fit to pass, with or without modifications, the following as a Special Resolution:  
  
**"RESOLVED THAT** subject to the provisions of Sections 198, 309 and other applicable provisions of the Companies Act, 1956, if any, and requisite permission of the Central Government, approval be and is hereby granted for the cost to company in respect of remuneration payable to Mr. Ravi Swaminathan, Managing Director be Rs 63.50 lacs per annum which includes contribution to the provident fund and superannuation fund as against Rs 60 lacs per annum as approved by the members of the Company in the annual general meeting held on July 25, 2008.  
  
**RESOLVED FURTHER THAT** all other terms and conditions of appointment of Mr. Ravi Swaminathan, Managing Director as approved by the members of the Company in the annual general meeting held on July 25, 2008 shall remain unaltered.  
  
**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."
9. To consider and, if thought fit to pass, with or without modifications, the following as a Special Resolution :  
  
**"RESOLVED THAT** pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act; subject to requisite permission from the Central Government, approval be and is hereby granted for a revision in remuneration of Mr. Ravi Swaminathan, Managing Director of the Company with effect from April 1, 2009 for a period of three years as follows :

**Annual Report 2008-2009**

**Salary** - Rs 5,500,000/- per annum with effect from April 1, 2009; the Board may revise the amount from time to time.

**House Rent Allowance** – Rs 500,000/- per annum

**Medical Assistance** – Rs 200,000/-

**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.

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

Benefit of tax equalization.

**RESOLVED FURTHER THAT** performance bonus not exceeding Rs 2,400,000/- as recommended by the Board of Directors in exercise of its discretion at the end of each financial year based on achieving financial, tactical and strategic objectives shall be disbursed to the Managing Director directly by the Company's foreign promoters, Schrader Bridgeport International Inc, U. S. A.

**RESOLVED FURTHER THAT** the tax equalization shall be paid to the Managing Director directly by the Company's foreign promoters, Schrader Bridgeport International Inc, U. S. A.

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, where, in any financial year, during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay the salary, allowances and perquisites and recommend disbursement of performance bonus to the foreign promoters as set forth in this resolution and as approved by the shareholders, Central Government and any other authority as may be applicable.

**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. Ravi Swaminathan, Managing Director including remuneration.

**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**

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 18, 2009 to Friday, July 24, 2009 (both days inclusive) in terms of the provisions of Section 154 of the Companies Act, 1956.
- Members who have so far not encashed their dividend warrants for the below mentioned financial years may approach the Company for payment as the same will be transferred to the "Investor Education and Protection Fund" of the Central Government pursuant to Sections 205A and 205C of the Companies Act, 1956 on the dates mentioned hereunder. Dividends not encashed upto the year 2000-2001 have been transferred to the Investor Education and Protection Fund.

2001-2002	August 28, 2009	2005-2006	August 26, 2013
2002-2003	August 17, 2010	2006-2007 (Interim)	March 12, 2014
2003-2004	August 26, 2011	2006-2007 (Final)	August 30, 2014
2004-2005	August 26, 2012	2007-2008	August 30, 2015

- An Explanatory Statement in respect of item nos. 6 to 9 pursuant to Section 173(2) of the Companies Act, 1956 is annexed to this notice.

Details of the Directors being appointed and reappointed are furnished in point no 9 of the Corporate Governance Report.

## Schrader Duncan Limited

5. Members are requested to intimate their queries, if any, relating to the accounts or any other matter at least seven days in advance so that the explanation can be made available readily at the meeting.
6. The Company's Registrar and Share Transfer Agents, Link Intime India Pvt Ltd undertake the transfer of shares, both in physical and electronic form. Their address is as follows:

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

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.

7. The dividend as recommended by the Board, if declared at the meeting, will be paid after July 30, 2009 to those members whose names appear on the Company's Register of Members as on July 17, 2009. In respect of the shares in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.

The company also pays dividend through ECS. Members are requested to kindly furnish ECS details to facilitate payment of dividend electronically thereby avoiding inconvenience caused due to non receipt of dividend warrants or non encashment of dividend warrants within the stipulated time.

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

Registered Office:

L B S Marg, Mulund  
Mumbai - 400 080

May 27, 2009

By Order of the Board

Rama Subramanian  
Company Secretary



**Annual Report 2008-2009****EXPLANATORY STATEMENT**

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

**Item No 6**

The Board in its meeting held on October 16, 2008 appointed Mr. M. K. Sharma as an Additional Director. As such, pursuant to Section 260 of the Companies Act, 1956, Mr. Sharma holds office of Director upto the date of this Annual General Meeting. It is proposed to appoint Mr. Sharma 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 entitled to propose Mr. Sharma as a candidate for the office of Director at the Annual General Meeting along with the requisite deposit as required under that section.

The Board recommends the resolution for approval by the Members.

None of the Directors of the Company is concerned or interested in the resolution other than Mr. Sharma himself.

**Item No 7**

The Board in its meeting held on May 27, 2009 appointed Mr. Jean Michel Bolmont as an Additional Director. As such, pursuant to Section 260 of the Companies Act, 1956, Mr. Bolmont holds office of Director upto the date of this Annual General Meeting. It is proposed to appoint Mr. Bolmont 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 entitled to propose Mr. Bolmont as a candidate for the office of Director at the Annual General Meeting along with the requisite deposit as required under that section.

The Board recommends the resolution for approval by the Members.

None of the Directors of the Company is concerned or interested in the resolution other than Mr. Bolmont himself.

**Item No 8**

The Members of the Company while approving the appointment and remuneration of Mr. Ravi Swaminathan as Managing Director of the Company had fixed the cost to company as Rs 60.00 lacs per annum out of the total remuneration payable to Mr. Ravi Swaminathan and the balance was to be borne by the Company's foreign promoters. The Board of Directors of the Company at its meeting held on October 16, 2008 had apportioned the remuneration between the Company and its foreign promoters in the following manner :

Remuneration per annum (Rupees)	Payable by Company	Payable by foreign promoter
Salary	5,000,000	-
HRA	-	500,000
Medical	-	200,000
Provident Fund contribution	600,000	-
Superannuation contribution	750,000	-
Performance Bonus	-	2,400,000
Total	6,350,000	3,100,000



Tax equalization would be borne by SBII.
Gratuity would be paid by SBII when due.
Gratuity not shown in above calculation as it would be paid at the end of tenure subject to completion of minimum 5 years of service, calculated on the last drawn basic and subject to a maximum of Rs 3,50,000/-.

As the contribution to provident fund and superannuation fund have been made as per the rules of the Company, the cost to company works out to Rs 63.50 lacs which is in excess of the cost to company of Rs 60.00 lacs fixed by the members.

The Company has made an application to the Central Government for the increase in the cost to company by Rs 3.50 lacs.

The increase is only in the cost to company whereas there is no increase in the overall limits of remuneration approved by the members and the Central Government.

The Board recommends the resolution for approval by the Members.

None of the Directors of the Company is concerned or interested in the resolution other than Mr. Ravi Swaminathan himself.

#### Item No 9

The Board of Directors in its meeting held on January 22, 2009 revised the remuneration payable to Mr. Ravi Swaminathan, Managing Director of the Company with effect from April 1, 2009.

The requisite information stipulated under Schedule XIII is furnished hereunder :

I	GENERAL INFORMATION								
(1)	Nature of industry	Automotive Components							
(2)	Date or expected date of commencement of commercial production	Not applicable as existing Company since 1961							
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable							
(4)	Financial performance based on given indicators	Turnover - Rs 578.88 million Profit before Tax - Rs 18.36 million Profit after Tax - Rs 10.89 million							
(5)	Export performance and net foreign exchange collaborations	During the year ended March 2009 the Company earned foreign exchange of Rs 6.43 million through exports							
II	INFORMATION ABOUT THE APPOINTEE								
(1)	Background details	Mr. Ravi Swaminathan, a Singapore National, has a Bachelor of Engineering from Bharathiar University in India and an MBA from the University of Louisville in the US. Mr. Ravi Swaminathan held positions with Emdi in Luxembourg and with Elgitread in India and then moved to Gates Corporation, Singapore.							
(2)	Past remuneration	<table><tr><td>2008</td><td>Rs 7,309,048</td></tr><tr><td>2007</td><td>Rs 5,000,075</td></tr><tr><td>2006</td><td>Rs 6,321,550</td></tr></table>		2008	Rs 7,309,048	2007	Rs 5,000,075	2006	Rs 6,321,550
2008	Rs 7,309,048								
2007	Rs 5,000,075								
2006	Rs 6,321,550								
(3)	Recognition or awards	Participant in the Management Round Table and the prestigious leadership showcase event in Gates Corporation.							

**Annual Report 2008-2009**

(4)	Job profile and his suitability	Mr. Ravi Swaminathan joined Gates Corporation Singapore, one of the group companies of Schrader Duncan's foreign promoters, in 1996 with an assignment to develop the Gates business in India and played a key role in establishing Gates Unitta India in 2002 and subsequently managed the business until 2005. Since that time he has focused on business development in the Asian region for Gates Unitta Asia.						
(5)	Remuneration proposed	<table><tr><td>Salary (Rs)</td><td>5,500,000</td></tr><tr><td>Perquisites (Rs)</td><td><u>700,000</u></td></tr><tr><td>Total (Rs)</td><td><u>6,200,000</u></td></tr></table> <p>The Board may revise the salary from time to time.</p> <p>Provident Fund, Superannuation Fund and Gratuity benefits as per rules of the Company.</p> <p>Performance Bonus upto a maximum limit of Rs 2,400,000 and tax equalisation to be paid directly by the foreign promoters.</p>	Salary (Rs)	5,500,000	Perquisites (Rs)	<u>700,000</u>	Total (Rs)	<u>6,200,000</u>
Salary (Rs)	5,500,000							
Perquisites (Rs)	<u>700,000</u>							
Total (Rs)	<u>6,200,000</u>							
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The proposed revision in remuneration of Mr. Ravi Swaminathan is designed to hedge the devaluation of Indian Rupee considering the fact that he is an expatriate. The Board believes that the proposed revision in remuneration is commensurate with his role and responsibility as Managing 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	General recessionary trend in the auto industry						
(2)	Steps taken or proposed to be taken for improvement	Cost reduction initiatives, competitive supplier development, increased market penetration						
(3)	Expected increase in productivity and profits in measurable terms	Improved initiatives is expected to result in cost reduction by 2-3%						
IV	DISCLOSURES							
	All details are covered in the Corporate Governance Report which forms part of the annual report for the year 2009							

The Company has made an application to the Central Government for approval of revision in remuneration of Mr. Ravi Swaminathan and the Board recommends the resolution for approval by the Members.

None of the Directors of the Company is concerned or interested in the resolution other than Mr. Ravi Swaminathan himself.

The above may be treated as sufficient disclosure under Section 302 of the Companies Act, 1956.

Registered Office:

By Order of the Board

L B S Marg, Mulund  
Mumbai - 400 080

May 27, 2009

Rama Subramanian  
Company Secretary