



Schrader Duncan Limited
Annual Report 1998-99

Schrader Duncan Limited

Ten Year Review

Rs. Million

Accounting year	1989	1990	* 1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
Income	159.81	223.00	214.48	181.97	205.84	249.13	280.27	366.69	288.49	293.59
Profit before taxes	17.44	29.91	39.71	35.26	34.09	32.41	37.12	**** 95.99	32.35	35.60
Profit after taxes	11.94	20.76	23.61	21.11	20.05	18.86	23.12	**** 73.38	20.30	23.76
Dividend %	22.00	22.00	50.00	81.00	40.00	50.00	50.00	165.00	50.00	50.00
Working capital %	11.98	12.62	16.57	22.35	20.14	16.08	15.12	15.67	18.85	21.35
Net worth	63.12	81.85	100.85	114.47	127.12	136.74	141.38	151.93	151.90	155.15
Earning per share **Rs.	12.92	22.47	25.56	22.84	*** 12.40	10.21	10.01	**** 19.85	5.49	6.43
Return on Investment %	20.53	28.64	25.85	19.60	16.60	14.30	16.62	**** 49.94	13.33	15.48

* Figures for 1991-92 are for a Period of fifteen months.

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

*** Computed on Weighted Average Capital

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

Schrader Duncan Limited

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Board of Directors

Mr. J. P. Goenka
Chairman

Mr. A. L. Narasimhan
Managing Director

Mr. A. Goenka

Mr. James D. Wiggins

Mr. V. N. Nadkarni
Alternate to Mr. James D. Wiggins

Mr. Brian Harris

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

Mr. Steven H. Lutz

Mr. R. A. Shah
Alternate to Mr. Steven H. Lutz

Mr. H. R. Prasad

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Auditors
Price Waterhouse & Co.

Branch Offices
31, Netaji Subhash Road,
Calcutta 700 001

Bankers
Bank of India
Grindlays Bank plc

Hindustan Times House,
Kasturba Gandhi Marg,
New Delhi 110 001

Solicitors
Crawford Bayley & Co.

Plants
Mumbai (Maharashtra)
Nasik (Maharashtra)

Registered Office
Agra Road, Mulund (West),
Mumbai 400 080

Share Transfer Agent
IIT Corporate Services Ltd.
IIT House, Off. M. Vasanji Road,
Opp. Vazir Glass, Near J. B. Nagar,
Andheri (East), Mumbai - 400 059

Schrader Duncan Limited

Notice

NOTICE is hereby given that the Thirty-eighth 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 Thursday, July 29, 1999 at 12 Noon for transacting the following business :

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 1999 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 a dividend.
3. To appoint a Director in place of Mr. Steven H. Lutz who was appointed Director of the Company pursuant to Article 109 of the Articles of Association of the Company to fill the casual vacancy on the Board caused by the resignation of Mr. Martin F. Giudice, and who vacates his office at this Annual General Meeting under section 262 of the Companies Act, 1956 but is eligible for appointment and in respect of whom the Company has received notice in writing alongwith a deposit of Rs. 500 from a member expressing his intention to propose him as a candidate for the office of Director.
4. To appoint a Director in place of Mr. Brian Harris who was appointed Director of the Company pursuant of Article 109 of the Articles of Association of the Company to fill the casual vacancy on the Board caused by the resignation of Mr. Jack L. Stewart and who vacates his office at this Annual General Meeting under Section 262 of the Companies Act, 1956 but is eligible for appointment and in respect of whom the Company has received notice in writing alongwith a deposit of Rs. 500 from a member expressing his intention to propose him as a candidate for the office of Director.
5. To appoint Auditors and to fix their remuneration.

Notes :

1. The Register of Members and Share Transfer Books of the Company will remain closed from July 15, 1999 to July 29, 1999 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 in his stead and a proxy need not be a Member of the Company.
3. Dividend recommended by the Directors, if sanctioned at the Annual General Meeting will be paid on or after August 12, 1999 to those shareholders whose names stand on the Register of Members as on July 29, 1999.
4. Those members who have so far not encashed their dividend warrant for the below mentioned financial years may claim or approach the Company for the 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.

1995-96	September 25, 2003
1996-97 Extra-Ordinary Dividend	November 8, 2003
1996-97 Final Dividend	October 8, 2004
1997-98 Interim Dividend	January 19, 2005
1997-98 Final Dividend	October 30, 2005

5. An Explanatory Statement in respect of item no. 3 & 4 pursuant to Section 173 is annexed to this notice.

Registered Office :

Agra Road,
Mulund (West),
Mumbai 400 080
May 27, 1999

By Order of the Board

A. L. Narasimhan
Managing Director

Annexure to Notice**Explanatory Statement under Section 173 of the Companies Act, 1956.****Item No. 3**

Mr. Steven H. Lutz was appointed as a Director by the Board of Directors of the Company with effect from October 28, 1998 under Article 109 of the Company's Articles of Association to fill the casual vacancy on the board caused by the resignation of Mr. Martin F. Giudice, under Section 262 of the Companies Act, 1956, Mr. Steven H. Lutz, holds office upto the date of this Annual General Meeting, being the date upto which Mr. Martin F. Giudice would have held office if he had not resigned. Pursuant to Section 257 of the Companies Act, 1956, the Company has received notice from a shareholder of the Company signifying his intention to propose Mr. Steven H. Lutz as a candidate for the office of the Director of the Company. Your Directors feel that the continued association of Mr. Steven H. Lutz with your Company will be advantageous to the Company. Your Directors therefore recommend the passing of the resolution at item no. 3 of the notice.

Except Mr. Steven H. Lutz, none of the Directors of the Company is concerned or interested in the resolution.

"RESOLVED THAT Mr. Steven H. Lutz be and is hereby appointed as a Director of the Company".

Item No. 4

Mr. Brian Harris was appointed as a Director by the Board of Directors of the Company with effect from May 27, 1999 under Article 109 of the Company's Articles of Association to fill the casual vacancy on the board caused by the resignation of Mr. Jack L. Stewart, under Section 262 of the Companies Act, 1956. Mr. Brian Harris, holds office upto the date of this Annual General Meeting, being the date upto which Mr. Jack L. Stewart would have held office if he had not resigned. Pursuant to Section 257 of the Companies Act, 1956, the Company has received notice from a shareholder of the Company signifying his intention to propose Mr. Brian Harris as a candidate for the office of the Director of the Company. Your Directors feel that the continued association of Mr. Brian Harris with your Company will be advantageous to the Company. Your Directors therefore recommend the passing of the resolution at item no. 4 of the notice.

Except Mr. Brian Harris, none of the Directors of the Company is concerned or interested in the resolution.

"RESOLVED THAT Mr. Brian Harris be and is hereby appointed as a Director of the Company."

Registered Office :

Agra Road,
Mulund (West),
Mumbai 400 080
May 27, 1999

By Order of the Board

A. L. Narasimhan
Managing Director

Schrader Duncan Limited

Directors' Report

The Directors of SCHRADER DUNCAN LIMITED have pleasure in presenting their Thirty-eighth Report to the shareholders together with the Accounts for the year ended March 31, 1999. The operating results as disclosed in the Accounts are summarised below :

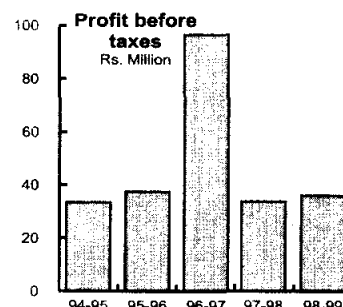
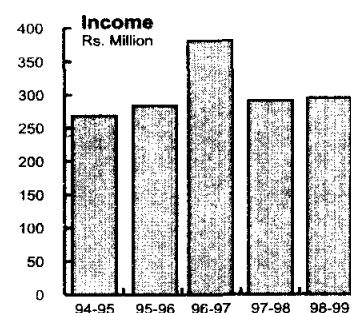
	1998-99		1997-98	
	Rupees	Rupees	Rupees	Rupees
Profit before charging depreciation and taxes		36,363,207		35,590,926
Less : Depreciation	1,968,638		1,891,017	
Provision for taxes	12,505,000		12,055,000	
(Excess)/Short Provision for taxes	(665,882)		—	
		13,807,756		13,946,017
Profit after charging depreciation and taxes		22,555,451		21,644,909
Add : Items in respect of previous year	2,053,217		344,360	
: Amount provided in respect of doubtful debts, no longer required, written back	25,171		91,247	
Less : Prior year expenses	(872,421)		(1,781,170)	
Balance carried from previous year	83,446,291		85,526,945	
		84,652,258		84,181,382
		107,207,709		105,826,291
Less : Interim dividend paid	—		7,392,000	
Tax on Interim Dividend	—		739,200	
Proposed Final Dividend	18,480,000		11,088,000	
Tax on proposed Final Dividend	2,032,800		1,108,800	
		20,512,800		20,328,000
Transfer to General Reserve		2,405,000		2,052,000
Balance carried forward		84,289,909		83,446,291

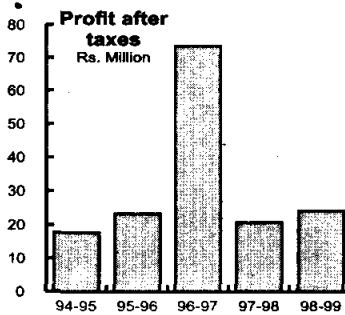
Dividend

In view of the results, the Directors are pleased to recommend for consideration of the shareholders a dividend of 50% for the year on the existing Share Capital of Rs. 36,960,000 amounting to Rs. 18,480,000 and tax on Proposed Dividend of Rs. 2,032,800 for which a provision has been made in the accounts.

Production and Sales

The slowdown in industrial growth that started in 1997-98 continued through the financial year ending March, 1999. Vigorous sales efforts helped check the decline in the sales over the previous year to a marginal 1%.





The sales of Company's Automotive Products Division during the year ended March 31, 1999 were Rs. 159.13 million compared to Rs. 158.23 million for the previous year.

The sales of Company's Pneumatics Products Division for the year ended March 31, 1999 were Rs. 109.89 million against Rs. 133.54 million for the previous year.

Raw Materials

The availability of raw materials did not pose any significant problems during the year.

Finance

The overall financial position of the Company remained satisfactory though the cash flow is under considerable strain owing to an increase in the age of receivables. Working Capital limits are being increased to relieve the strain.

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 in accordance with Companies (Disclosure of Particulars in the Report of Directors) Rules, 1998 is annexed.

Information Technology Year 2000 Compliance

Action has been initiated to get information systems installed in the Company Y2K compliant. Compliance exercise will be completed by September 30, 1999.

Industrial Relations

Industrial Relations were smooth during the year with all sections of employees.

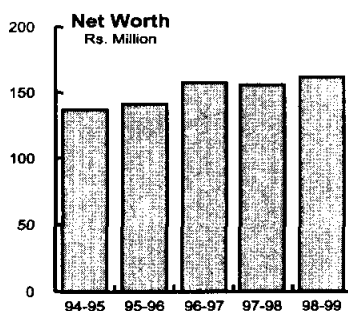
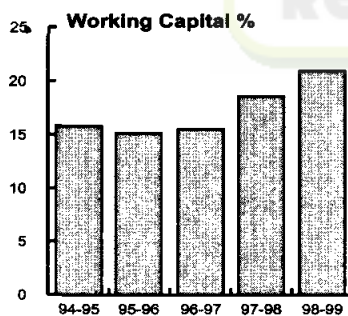
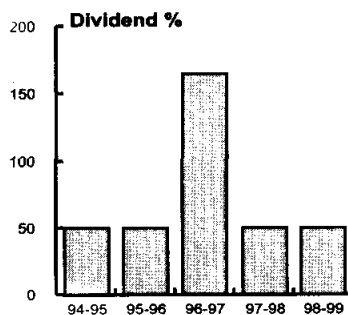
Details pursuant to the requirements of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975 are given in an annexure.

Expansion and Diversification

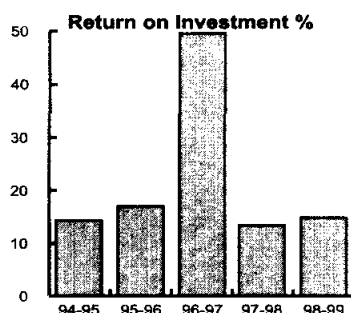
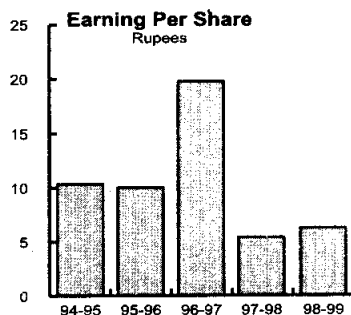
The Company's additional facility at Nasik, Maharashtra, for manufacturing Schrader Bellows Pneumatic Products which started in October 1995, continues with its smooth operations. The Pneumatics division plans to cash on its penetrating market network to offer products such as fittings, pneumatic nailers etc. The Schrader Automotive Division has plans to diversify into specified products for application outside the tyre industry.

Associated Polymers Limited

Apart from mixing rubber for its parent Company Schrader Duncan Limited., Associated Polymers Ltd has its capacity dedicated to a customer whose orders suffered from interruption in the earlier part of the year. Again, between January and March 1999, the mixing machine had to be taken up for major reconditioning.



Schrader Duncan Limited



During the year ended March 31, 1999 therefore the Company processed 437 M. T. of rubber compound and various polymers against producing 1,120 M.T. the previous year.

Directors

In terms of Article 109 of the Company's Articles of Association, Mr. Steven H. Lutz is appointed a Director of Company with effect from October 28, 1998 in the casual vacancy caused by the resignation of Mr. Martin F. Giudice. Mr. Steven H. Lutz holds office upto the date of the Annual General Meeting. As required under Section 257 of the Companies Act, 1956, the Company has received a notice from a shareholder proposing his appointment as a Director.

In terms of Article 109 of the Company's Articles of Association, Mr. Brian Harris is appointed a Director of Company with effect from May 27, 1999 in the casual vacancy caused by the resignation of Mr, Jack L. Stewart. Mr. Brian Harris holds office upto the date of the Annual General Meeting. As required under Section 257 of the Companies Act, 1956, the Company has received a notice from a shareholder proposing his appointment as a Director.

Auditors

M/s. Price Waterhouse & Co. Chartered Accountants, retire at the Annual General Meeting and are eligible for re-appointment. A certificate under Section 224(1) of the Companies Act has been received from them.

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On behalf of the Board of Directors

J. P. Goenka
Chairman

Mumbai, May 27, 1999

Schrader Duncan Limited*38th Annual Report 1998-99***Annexure to Directors' Report****Particulars of Employees pursuant to requirements of Section 217(2) (A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975**

Name	Designation and nature of duties	Remuneration received/receivable Rupees	Qualification	Experience	Age	Date of Commencement of Employment	Last employment held before joining the Company		
				Years	Years		Company	Designation	Period Years

Employed Throughout The Year

Mr. A. L. Narasimhan	Managing Director	1,446,400	B. Tech. (Met)	33	55	June 23, 1988	Keming Tools Co. Ltd.	Asst. General Manager - Operations	9
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- Notes :
- 1 Nature of Employment - Contractual
 - 2 Other Terms and Conditions - Whole time employment with renewable contract.
 - 3 The above employee is not a relative of any Director.
 - 4 Remuneration includes Salary, Commission, Company's contribution to Provident and Superannuation Fund and monetary value of perquisites as per Income Tax Rules.



By order of the Board

J. P. Goenka
Chairman
Mumbai, May 27, 1999