

Maxflow

SCHRADER
DUNCAN LIMITED



Schrader Duncan Limited

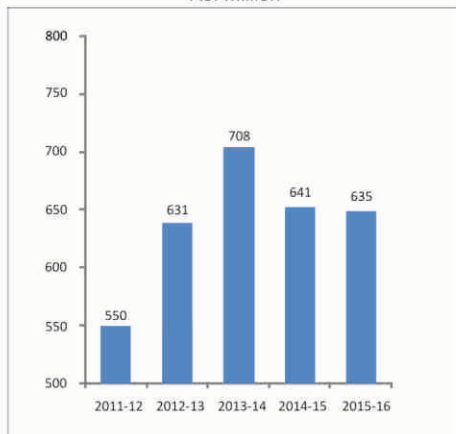
www.schraderduncan.com

**55th ANNUAL REPORT
2015 -2016**

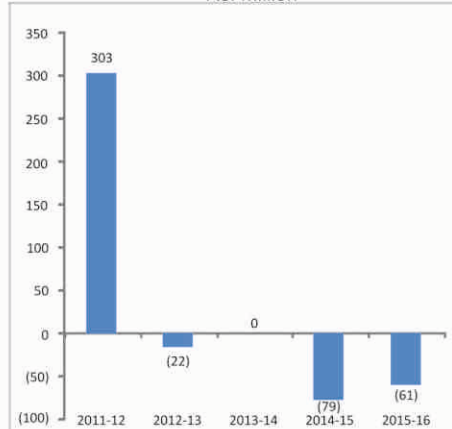
Schrader Duncan Limited

Key Financial Indicators Five Years

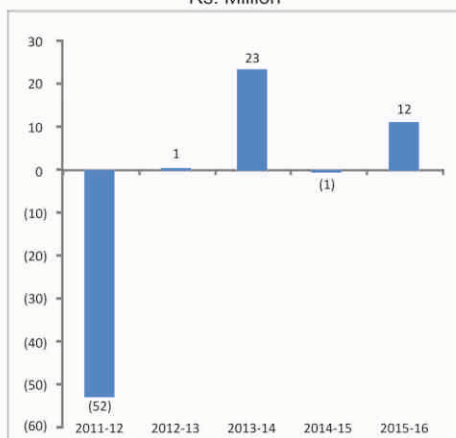
Total Revenue
Rs. Million



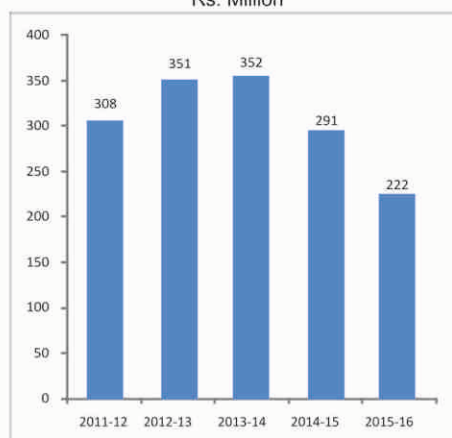
Profit Before Tax
Rs. Million



EBITDA
Rs. Million



Net Worth
Rs. Million



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.scrutinizer@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

May 25, 2016

Rajib Kumar Gope
Company Secretary

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 :
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Karegaon, Tal Shirur
Pune 412 209

By Order of the Board

May 25, 2016

Rajib Kumar Gope
Company Secretary