

Maxflow

DUNCAN
ENGINEERING LIMITED



DUNCAN ENGINEERING LIMITED

www.duncanengg.com

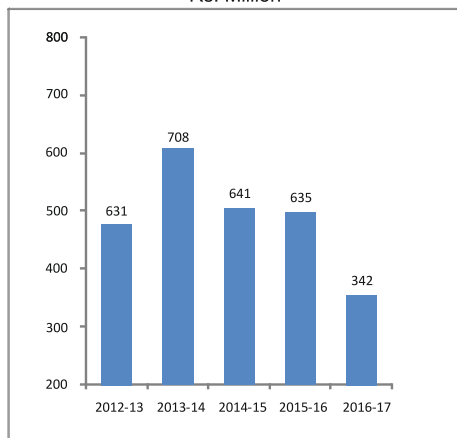
**56th ANNUAL REPORT
2016 -2017**

Duncan Engineering Limited

(formerly known as Schrader Dubcan Limited)

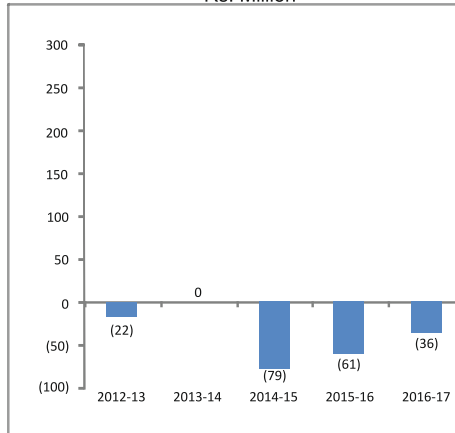
Key Financial Indicators

Total Revenue
Rs. Million

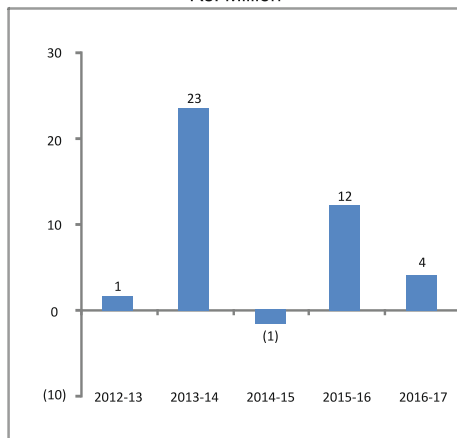


Five Years

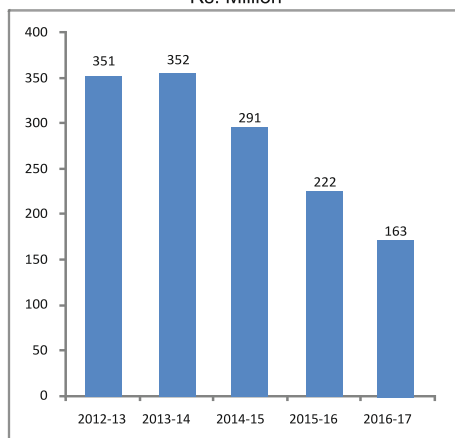
Profit Before Tax
Rs. Million



EBITDA
Rs. Million



Net Worth
Rs. Million



Ten Year Review

Rs. Million

Accounting Year	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Total Revenue	569.50	534.39	570.97	504.94	549.78	630.95	707.99	641.44	635.13	342.13
Profit/(Loss) from continuing operations before taxes	35.69	18.37	8.68	(216.01)	302.94	(22.06)	0.10	(78.79)	(60.74)	(36.11)
				**	****					
Profit/(Loss) from discontinuing operations before taxes	-	-	-	-	-	-	-	-	-	(22.79)
Profit/(Loss) from continuing operations after taxes	23.87	10.89	5.51	(212.08)	204.63	5.09	0.97	(60.48)	(69.29)	(36.09)
Profit/(Loss) from discontinuing operations after taxes	-	-	-	-	-	-	-	-	-	(22.79)
EBITDA (excl. exceptional item)	45.08	28.61	38.19	(20.30)	(51.62)	0.69	23.45	(0.56)	11.99	3.58
Net Worth*	307.32	313.89	315.07	102.99	307.62	350.92	351.89	291.41	222.11	163.23
Earning per share* Rs.	6.46	2.95	1.49	(57.38)	55.37	1.38	0.26	(16.36)	(18.75)	(15.93)
Return on Investment %	7.82	3.51	1.75	(101.46)	99.67	1.54	0.28	(18.80)	(26.99)	(18.73)

*

Earning per share and net worth for FY 2016-17 inclusive discontinuing operations

**

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. Arvind Goenka
Mr. Akshat Goenka
Mr. B B Tandon
Mr. O P Dubey
Mr. Nitin Kaul
Mrs. Arti Kant

Chairman
Director
Managing Director
Director
Director
Director
Director

CORPORATE INFORMATION

REGISTERED OFFICE

F-33, Ranjangaon MIDC,
Karegaon, Shirur
Pune 412 209

AUDITORS

M/s. Singhi & Co., Mumbai
Chartered Accountants

CHIEF FINANCIAL OFFICER

Mr. Chandresh Taunk

COMPANY SECRETARY

Rajib Kumar Gope

PLANT

F-33, Ranjangaon MIDC,
Karegaon, Shirur
Pune 412 209

BANKERS

State Bank of India

BRANCH OFFICES

- 31, Netaji Subhash Road,
Kolkata 700 001
- 14th Floor, Tower-B, World Trade Tower
Plot no. C-1, Sector-16,
Noida-201301

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt Ltd
Block No 202, 2nd Floor,
Akshay Complex, Near Ganesh Temple,
Off-Dhole Patil Road,
Pune - 411001

WEBSITE

<http://www.duncanengg.com>
Email (Investor Relations):
complianceofficer@duncanengg.com

LISTED AT

BSE Limited

CIN: L28991PN1961PLC139151

DUNCAN ENGINEERING LIMITED

Registered Office: F-33, Ranjangaon MIDC, Karegaon, Tal- Shirur, Pune-412209

CIN No. L28991PN1961PLC139151

Email: complianceofficer@duncanengg.com

Website: www.duncanengg.com

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

NOTICE

NOTICE is hereby given that the Fifty Sixth Annual General Meeting of the Shareholders of Duncan Engineering Limited will be held on 3rd August 2017 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 Statements of the Company for the year ended 31st March, 2017 comprising audited Balance Sheet as at 31st March, 2017 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. J P Goenka (holding DIN 0136782), liable to retire by rotation in terms of section 152(6) of the Companies Act, 2013 and who, 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 pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 & Rules made there under, M/s. Singhi & Co, Chartered Accountants, (Firm Registration No. 302049E) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of 59th Annual General Meeting of the Company to be held in the year 2020 (subject to ratification of their appointment at every Annual General Meeting) at such remuneration as may be fixed by the Board of Directors of the Company.”

Special Business:

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

Appointment of Mr. Akshat Goenka as Director

“RESOLVED THAT Mr. Akshat Goenka (DIN: 07131982) who was appointed by the Board of Directors as an Additional Director of the Company w.e.f 9th February 2017 pursuant to Section 161 of the Companies Act, 2013 and who holds office only upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company”

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

Appointment of Mr. Akshat Goenka as Managing 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 appointment of Mr. Akshat Goenka (DIN 07131982) as Managing Director of the Company, for a period of 5 (Five) years with effect from 9th February, 2017, 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 FURTHER THAT Mr. Akshat Goenka shall be entitled to a Salary of Rs. 1000 per month plus commission up to maximum of 5% of Net Profits to be paid out based on the audited Financial Statements of each year subject to overall limit fixed under Section 197 of the Companies Act, 2013;

RESOLVED THAT pursuant to the provisions of Sections 196,197 and 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 appointment and remuneration of Mr Akshat Goenka, Managing Director of the Company with effect from 9th February 2017.

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."

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 28th July 2017 to 3rd August 2017 (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 erstwhile Listing Agreement).
3. In terms of the provisions of Section 124(5) 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 2009-10 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 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 Directors being appointed / reappointed are furnished in the Board's Report and Corporate Governance Report.
5. A Statement in respect of item no. 5 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 sixth 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 27th July 2017 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.

III. The Instructions 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; "Duncan Engineering 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 Duncan Engineering 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@duncanengg.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 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. 1800-22-2990.
 - 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 31st July 2017(10 a.m.) and ends on 02nd August 2017 (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 27th July 2017 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 27th July 2017.
 - 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.duncanengg.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 56th Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website www.duncanengg.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, 2017 would be dispatched.

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

By Order of the Board

May 17, 2017

Rajib Kumar Gope
Company Secretary

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 5

The Board in its meeting held on 9th February 2017 fixed the remuneration of Mr Akshat Goenka with effect from 9th February 2017 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 Products and Tyre Components & Accessories
(2)	Date or expected date of commencement of commercial production	Not applicable
(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	Net Sales (INR) - Rs. 3421.30 Lacs Profit/(loss) before Tax - Rs. (588.98) Lacs
(5)	Foreign investments or collaborations, if any	None
II	INFORMATION ABOUT THE APPOINTEE	
(1)	Background details	Mr. Akshat Goenka, Joint Managing Director of Oriental Carbon & Chemicals Limited, the holding company, aged about 30 years is a Graduate in Economics and International Relations from University of Pennsylvania, USA, an Ivy League Institution. He played a key role in setting up Phase -I, Phase -II and Phase -III of the Plant at SEZ Mundra of Oriental Carbon & Chemicals Limited for manufacturing Insoluble Sulphur.
(2)	Past remuneration	Not applicable
(3)	Recognition or awards	Nil
(4)	Job profile and his suitability	He has strong academic background and rich industry experience of more than 8 years.
(5)	Remuneration Proposed (Subject to review by Board at regular intervals within the prescribe limits of the Companies Act, 2013.	Salary of Rs. 1000 per month. He shall also be entitled to a commission of maximum of 5% of Net Profits to be paid out based on the audited Financial Statements of each year subject to overall limit fixed under Section 197 of the Companies Act, 2013;
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	His remuneration of Rs.1000 per month is negligible. Additional remuneration is linked to the profitability of the Company.
(7)	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Mr. Akshat Goenka is son of Mr. Arvind Goenka & grandson of Mr. J P Goenka.
III	OTHER INFORMATION	
(1)	Reasons of loss or inadequate profits	<ul style="list-style-type: none"> Restructuring initiatives undertaken in the business. Volume and order book assumptions not materialising due to slowdown in overall Automotive and Industrial / Capital Goods Sector.
(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	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 2016-17

The Board recommends the resolution for approval by the Members.

Mr. J P Goenka & Mr. Arvind Goenka being grandfather and father respectively of Mr. Akshat Goenka are interested in the resolution.

The above may be treated as sufficient disclosure under Section 190 with respect to remuneration payable w.e.f. 9th February 2017.

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 erstwhile Listing Agreement with the Stock Exchange).

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

Date: May 17, 2017
Place: Pune

By Order of the Board

Rajib Kumar Gope
Company Secretary

BOARD'S REPORT

1. Your Directors presents the Fifty Sixth Annual Report to the shareholders together with the audited statement of accounts for the year ended March 31, 2017. The operating results as disclosed in the audited accounts are summarised below:

(₹ in Lacs)

Particulars	2016-17	2015-16
Total Revenue	3518.84	3696.36
Total Expenses	(3879.95)	(4211.83)
Profit/(Loss) before Tax	(361.11)	(515.46)
Profit/(Loss) from continuing operations before Tax	(361.11)	(515.46)
Tax Expenses (Current Tax)	(0.18)	85.51
Profit/(Loss) from continuing operations after Tax	(360.93)	(600.97)
Profit/(Loss) from discontinuing operations before Tax	(227.87)	(91.95)
Tax Expenses (Current Tax)	0	0
Profit/(Loss) from discontinuing operations after Tax	(227.87)	(91.95)
Profit/(loss) for the year	(588.80)	(692.92)

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 a total revenue of Rs. 3518.84 Lac with a loss for the year Rs. 588.80 Lacs. The total turnover of the Company for the year under review has come down significantly because Company has discontinued its tube valve product line during the year which contributed almost 50% to the total turnover of 2015-16.

The overall market continued to be subdued, and various restructuring and cost reduction initiatives have been undertaken by your Board of Directors. With majority of the restructuring initiatives completed, your company is now on a stronger platform to leverage market opportunities in engineering item for growth and performance in the coming years.

4. **Operations**

The turnover of Fluid Power Automation business for the current year is Rs. 3063.38 Lacs. This was achieved in a very difficult market and slowing demand in the industrial and capital goods sector.

5. **Change in the Nature of Business**

The tube valve business was discontinued during the year. Other than that there was no change in the nature of business of the Company during the year.

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.

The Company had made application on 30.6.2016 seeking permission of the Labour Ministry to permanently and irrevocably close down manufacturing activities of the Tube Valve Product line in the ABU division in its factory situated at F-33 Ranjangaon MIDC, Pune 412 209.

The Labour Ministry after hearing the Management & the Recognised Union passed an Order dated 26-08-2016 passed under Section 25-O (2) of the Industrial Dispute Act, 1947 granting permission sought for by the Company to close down its manufacturing activities of the tube valves product line in ABU division in its factory situated at F-33 Ranjangaon MIDC, Pune 412 209. The said Order has become operative w.e.f. 28.09.2016. Accordingly, Tyre Tube Valves (ABU) manufacturing activities of the Company stand closed permanently & irrevocably w.e.f. 28.09.2016.

The name of the Company was changed from Schrader Duncan Limited to Duncan Engineering Limited w.e.f 1st December 2016 with due approval from Registrar of Companies, Pune and Bombay Stock Exchange.

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.