

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓			✓
YE	✓			✓

DENISON Hydraulics

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24th ANNUAL REPORT 1996-97



DIRECTORS

MR. V.C. JANARDAN RAO
Chairman & Managing Director

MR. V.G. SRINIVAS
Executive Director

DR. A.K. PRASAD

MR. M.R. TAGORE

MR. C. SATYANARAYANA

MR. M.S. PADMANABHAN

MR. R.C. SOHNI

MR. G. PHANI
Nominee Director (APSEC)

BANKERS

CANARA BANK

SYNDICATE BANK

AUDITORS

M/S. BRAHMAYYA & COMPANY
Chartered Accountants,
920, Tilak Road,
HYDERABAD - 500 001.

REGISTERED OFFICE

1-104, Divyashakti Commercial Complex,
Ameerpet, HYDERABAD - 500 018.

FACTORY

PATANCHERU, MEDAK DIST (A.P.)



HAGGLUNDS DENISON LIMITED**NOTICE OF ANNUAL GENERAL MEETING**

To
All the Shareholders,

NOTICE is hereby given that the 24th ANNUAL GENERAL MEETING of the Members of the Company will be held at CII Conference Hall, H.No. 544, Arora Colony, Banjara Hills, Hyderabad - 500 034., Andhra Pradesh on 21st March, 1998 at 4.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the company as on 30th September, 1997 and the Profit & Loss Account for the year ended on that date together with the Auditors' and Director's Reports thereon.
2. To declare a dividend for the year ended 30th September, 1997.
3. To appoint a Director in place of Sri R.C. Sohni who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri A.K. Prasad who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Sri V.G. Srinivas who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors for the Company and fix their remuneration from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting. M/s. Brahmayya & Co., Chartered Accountants, Hyderabad the retiring Auditors of the Company, are eligible for re-appointment.

SPECIAL BUSINESS :

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

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, Sri V.G. Srinivas be and is hereby appointed as Managing Director of the Company for a term of three years with effect from 1st March, 1998 on the terms and conditions as to the remuneration and other perquisites as follows :

DENISON Hydraulics

- I. Salary : Rs. 25,000/- (Rupees Twenty five thousand only) per month with an annual increment of Rs. 2,500/-.
- II. Commission : 2% of the Net Profits.
- III. Perquisites :
- i) House Rent Allowance : 40% of Salary and provision of gas, electricity and water free of charge/reimbursement of expenditure incurred on it.
- ii) Medical Reimbursement : Expenditure incurred for self and family subject to a ceiling of one month's salary per year or three months salary in a period of three years.
- iii) Leave Travel Concession : For self and family one month's salary per year as per the rules of the Company.
- iv) Clubs Fees : Fees of clubs subject to a maximum of two clubs. No admission and life membership fee shall be paid.
- v) a) Contributing to: As per the rules of the Company.
Provident Fund &
Superannuation
- b) Gratuity : At a rate not exceeding half a months salary for each year of completed service.
- c) Earned leave : As per the rules of the Company. Encashment of leave at the end of the tenure.
- d) Conveyance : The Company shall provide a car with driver for the use of official purposes.
- e) Telephone : Use of telephone at residence for official purposes.

"RESOLVED FURTHER that in pursuance of the provision of Section 198 (4) of the Companies Act, 1956, Sri V.G. Srinivas, Managing Director may be paid the above remuneration including benefits and amenities aforesaid as a minimum remuneration in the event of absence or inadequacy of net profits in any financial year, in accordance with the provisions of Section II of Part-II of Schedule XIII to the Companies Act, 1956."

HAGGLUNDS DENISON LIMITED**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxies in order to be valid must be received by the Company at its Registered Office not less than 48 hours before the meeting.
2. The Explanatory statement pursuant to Sec. 173(2) of the Companies Act, 1956, in respect of item No. 7 as set out above, is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th March, 1998 to 21st March, 1998 (Both days inclusive).
4. The dividend on Equity Shares, if declared, will be paid to those Shareholders whose names appear in the Register of Members of the Company on 21st March, 1998 subject to the provisions of Section 206A of the Companies Act, 1956.
5. Members are requested to notify any change in their address to the company.
6. Members are requested to intimate their Bank Account details so that the same can be printed on the Dividend Warrant to avoid incidence of fraudulent encashment of Dividend Warrants. The members could use the enclosed application form for opting to receive Dividend Warrants mentioning the Bank Name, Address and Account Number.
7. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividends upto the financial year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to claim from the Registrar of Companies, Andhra Pradesh at the address given below :

The Registrar of Companies
Kendriya Sadan
Sultan Bazar,
HYDERABAD - 500 001.

Registered Office :

1-104, Divya Shakti
Commercial Complex,
Ameerpet, HYDERABAD

16 FEB 1998

By Order of the Board

V.C. JANARDAN RAO
Chairman & Managing Director

EXPLANATORY STATEMENT :

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 7

In terms of Section 269 of the Companies Act, 1956 read with Schedule XIII, the Board of Directors in its Meeting held on 16.02.1998 appointed Sri V.G. Srinivas as Managing Director on the terms and conditions as detailed in the resolution, subject to the approval of Members in the General Meeting.

Shri V.G. Srinivas, B.E., M.Sc., S/o. Shri V.C. Janardan Rao, Chairman & Managing Director of the Company on completion of his Masters' Degree from the Bath University, U.K., worked in the Company without any remuneration for about two and half years. During this period he was rotated amongst the various departments of the Company and was also assisting the Chairman & Managing Director in the discharge of his duties. With effect from 1st January, 1993 he was appointed as the Production Manager. On 30th May, 1994 he was appointed the Executive Director and his appointment was thereafter approved by the shareholders at their meeting held on 26th September, 1994.

Shri V.G. Srinivas is in charge of the day-to-day operations of the Company and he is also looking after the expansion and development activities of the Company. His experience and expertise will continue to be of great value to the Company. Considering the contribution he has already made during his tenure with the Company it is proposed that Shri V.G. Srinivas now Executive Director be made the Managing Director of the Company with effect from 1st March, 1998.

None of the Directors except Sri V.C. Janardan Rao, Chairman & Managing Director is interested in or concerned with this resolution. The Board commends the resolution to be passed.

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By Order of the Board

V.C. JANARDAN RAO
Chairman & Managing Director

HAGGLUNDS DENISON LIMITED**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 24th Annual Report and Audited Accounts of the Company for the year ended 30th September, 1997.

OPERATIONS :

During the period under Report, your Company achieved a turnover of Rs. 926.39 Lacs as against Rs. 906.39 Lacs in the previous year.

FINANCIAL RESULTS :

	Rs. in Lacs	
	1996-97 (Current Year)	1995-96 (Previous Year)
Total Income	928.92	915.40
Profit before Depreciation & Tax	86.07	88.94
<u>Less : Depreciation</u>	18.43	19.07
Profit before Tax	67.64	69.87
<u>Less : Provision for Taxation</u>	25.00	32.14
Profit after Tax	42.64	37.73
Profit and Loss A/c. Surplus brought forward	36.59	25.06
TOTAL	79.23	62.79
APPROPRIATIONS :		
General Reserve	10.00	10.00
Dividend (Proposed)	16.20	16.20
Corporate Dividend Tax	1.62	—
Balance carried over	51.41	36.59
TOTAL	79.23	62.79

DENISON Hydraulics**DIVIDEND :**

Your Directors have pleasure in recommending a Dividend of Rs. 1.80 per Equity Share. The Dividend payout would be Rs. 16.20 Lacs.

PERFORMANCE & FUTURE OUTLOOK :

The performance of the Company is steady. The Production/Sales levels and the profit ability can be very much improved by modernisation of some of the production lines and by removing the imbalances.

To sustain its future growth and to improve its profitability, the Company is required to augment its long term Working funds and simultaneously upgrade some of the manufacturing facilities. Your Directors are seized of the matter and propose to take the required measures keeping in view the long term interest of the Company.

DISCLOSURES UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT DIRECTORS) RULE, 1988 :

As required under the above said regulation the necessary additional information is given in the Annexure-I which may be treated as part of this report.

PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 :

Nil

FIXED DEPOSITS :

The Company has not accepted any Deposits from the public and therefore, the provisions of Section 58A of the Companies Act, 1956, are not applicable.

DIRECTORS :

In accordance with the Articles of Association of the Company, Sarvasri R.C. Sohni, A.K. Prasad & V.G. Srinivas retire by rotation and being eligible offer themselves for re-appointment. The Resolution concerning their re-appointment are commended for your approval.

AUDITORS :

M/s. Brahmayya & Company, Chartered Accountants, Hyderabad, the Company's Auditors will be retiring on the conclusion of this Annual General Meeting and are eligible offer themselves for re-appointment.

ACKNOWLEDGEMENT :

The Company acknowledges with gratitude the co-operation and assistance given by ICICI, APSFC, Banks and Investors during the period under review.

By Order of the Board

Place : Hyderabad.
Date : 16-2-1998

V.C. JANARDAN RAO
Chairman & Managing Director