



# **26th ANNUAL REPORT 1998-99**

**DIRECTORS**

**SRI. V.C. JANARDAN RAO**

*Chairman*

**SRI. V.G. SRINIVAS**

*Managing Director*

**SRI. M.R. TAGORE**

**SRI. C. SATYANARAYANA**

**SRI. M.S. PADMANABHAN**

**SRI. R.C. SOHNI**

**SRI. A.K. PRASAD**

*(Upto 17.07.1999)*

**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 - 500 016.

**FACTORY**

Industrial Development Area

Patancheru - 502 319

Medak District

Andhra Pradesh

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## NOTICE OF ANNUAL GENERAL MEETING

To  
All the Shareholders,

NOTICE is hereby given that the **26th ANNUAL GENERAL MEETING** of the Members of the company will be held at Plot No. A 18 & 19, A.P.I.E., Balanagar, Hyderabad - 500 037, Andhra Pradesh on Monday the 20th March, 2000 at 11.00 A.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, 1999 and the Profit & Loss Account for the year ended on that date together with the Auditors' and Directors' Reports thereon.
2. To declare dividend for the year ended 30th September, 1999.
3. To appoint a director in place of Sri M.R. Tagore, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Sri R.C. Sohni who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration and for this purpose to consider and, if thought fit, to pass with or without modification the following Resolution.

RESOLVED THAT pursuant to provisions of Sections 224 of the Companies Act, 1956, M/s. Brahmayya & Co., Chartered Accountants, be and are hereby reappointed as Auditors of the company to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the company and the Board of Directors of the company be and are hereby authorised to fix their remuneration.

## HAGGLUNDS DENISON LIMITED

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### 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 Register of Members and the Share Transfer Books of the company will remain closed from 16th March, 2000 to 20th March, 2000 (Both days inclusive).
3. 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 20th March, 2000 in respect of the Equity Shares held by them.
4. Members are requested to notify any change in their address to the company.
5. Members are requested to intimate their Bank Account details so that the same can be printed on the Dividend Warrants to avoid incidences 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.
6. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividends upto the financial year ended 31st March, 1995 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, Kendriya Sadan, Sultan Bazar, Hyderabad - 500 001, Andhra Pradesh.

### Registered Office :

1-104, Divyashakti  
Commercial Complex,  
Ameerpet, HYDERABAD - 500 016  
Date : January 25, 2000

By Order of the Board

V.G. SRINIVAS  
MANAGING DIRECTOR

**DIRECTORS' REPORT**

Your directors have pleasure in presenting the 26th Annual Report and Audited Accounts of the company for the year ended 30th September, 1999.

The company's operations for the year under report have shown improvement.

**FINANCIAL RESULTS :**

	Rs. in Lacs	
	1998-99 (Current Year)	1997-98 (Previous Year)
TOTAL INCOME	<u>931.98</u>	<u>774.07</u>
Profit before Depreciation & Tax	111.49	84.62
Less : Depreciation	<u>22.23</u>	<u>18.38</u>
Profit before Tax	89.26	66.24
Less : Provision for Taxation	<u>36.92</u>	<u>24.00</u>
Profit after Tax	52.34	42.24
Profit and Loss A/c. Surplus Brought Forward	65.81	51.39
TOTAL	<u>118.15</u>	<u>93.63</u>
<b>APPROPRIATIONS :</b>		
General Reserve	10.00	10.00
Dividend (Proposed)	24.01	16.20
Corporate Dividend Tax	2.64	1.62
Balance carried over	81.50	65.81
TOTAL	<u>118.15</u>	<u>93.63</u>

## HAGGLUNDS DENISON LIMITED

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### **DIVIDEND :**

Your directors have pleasure in recommending a dividend of Rs. 1.80 per Equity Share. In respect of the Equity Shares allotted in the month of Oct' 99, the shareholders will get a prorata dividend. The dividend payout would be Rs. 24.01 Lacs.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under the disclosures under the Companies (disclosure of particulars in the report of Board of Directors) Rule 1988, 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 :**

Dr. A.K. Prasad, a founder director of the company passed away on 17.07.99. The directors placed on record the valuable guidance and services rendered by Shri A.K. Prasad during his tenure as a director of the company.

In accordance with the Articles of Association of the company, Sri M.R. Tagore and Sri R.C. Sohni, retire by rotation and being eligible, offer themselves for reappointment. The Resolutions concerning their reappointment 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 the Financial Institutions, Banks, Investors and employees of the company during the period under review.

On Behalf of the Board of Directors

**V.C. JANARDAN RAO**  
CHAIRMAN

Place : Hyderabad.  
Date : 25-01-2000

## ANNEXURE I

DISCLOSURE OF PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

### A) Measures taken for Conservation of Energy :

This being a Precision Machining Industry, there are no major energy conservation measures except prevention of waste in utilising machines, avoiding waste in electrical lighting during the day by providing north light, etc.

### B) Data in respect of Energy Conservation :

		Current Year	Previous Year
i) Turnover	Rs.	92,718,112	76,070,140
ii) Electricity	Rs.	1,413,846	1,062,986
iii) Diesel	Rs.	60,944	55,950
Electricity Purchased (KWH)		317,159	237,906
Unit Rate (Rs. per KWH)		4.75	4.47

### C) Technology Absorption :

The technology concerning the manufacture of Hydraulic Vane Pumps, Motor and Hydraulic Valves of various types, has been fully absorbed and the products are indigenously manufactured.

The performance of the existing vane products have been upgraded to suit the varying application demands.

The product under manufacture have a wide acceptance in the Hydraulic Market in India as well in abroad. The quality requirement of the export market has also been met.

### D) Foreign Exchange Earnings and Outgo :

	Current Year Rs.	Previous Year Rs.
Foreign Exchange Earned	1,602,370	251,669
Foreign Exchange Used	6,291,180	4,631,113

## HAGGLUNDS DENISON LIMITED

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### AUDITORS' REPORT

To the Shareholders of HAGGLUNDS DENISON LIMITED, HYDERABAD (A.P.)

We have audited the attached Balance Sheet of HAGGLUNDS DENISON LIMITED, HYDERABAD (A.P.), as at 30th September, 1999 and the Profit & Loss Account for the year ended on that date annexed thereto and report that :

1. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of such books.
3. The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of account.
4. In our opinion, the balance sheet and profit and loss account comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations furnished to us, the said Balance Sheet and the Profit and Loss Account read together with the schedules annexed therewith give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view :
  - i) in so far as it relates to the Balance Sheet, of the state of affairs of the company as at 30th September, 1999. AND
  - ii) in so far as it relates to the Profit and Loss Account of the profit of the company for the year ended on that date.
6. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks, as we considered appropriate, we report hereunder on the matters specified in paragraphs 4 and 5 of the said order:
  - i) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management. There is annual verification of fixed assets, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies have been noticed on such verification.
  - ii) None of the fixed assets have been revalued during the year.
  - iii) The stocks of finished goods, stores, spare parts and raw materials have been physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable.