

**DENISON** | **Hydraulics**

**35<sup>th</sup>**



**ANNUAL REPORT**

**2007 - 2008**

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**DENISON HYDRAULICS INDIA LIMITED**

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**DIRECTORS :**

SRI. V. C. JANARDAN RAO  
Chairman

SRI. SRINIVAS VG  
Managing Director

SRI. R. C. SOHNI

SRI. G. K. KABRA

SRI. M. L. MOTWANI

SRI. V. PATTABHI

**BANKERS :**

CANARA BANK  
SYNDICATE BANK

**AUDITORS :**

M/S. BRAHMAYYA & CO.,  
Chartered Accountants ,  
Flat No.403 & 404, IV<sup>th</sup> Floor,  
Golden Green Apartments,  
Erramanzil Colony,  
Hyderabad - 500 082.

**REGISTERED OFFICE:**

Plot No.44, 4th Floor,  
HCL Tower  
Chikoti Gardens,  
Begumpet,  
Hyderabad - 500 016.  
Ph.No.040-27764546  
Fax No.040-27765253

**FACTORY :**

Plot No. 9, Phase-I,  
Industrial Development Area,  
Patancheru - 502 319,  
Medak District,  
Andhra Pradesh.  
Ph.No.08455-242013, 242020 & 242049  
Fax No.08455-242085

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**DENISON HYDRAULICS INDIA LIMITED**  
**NOTICE OF ANNUAL GENERAL MEETING**

To  
All the Shareholders,

NOTICE is hereby given that the 35th Annual General Meeting of the members of the company will be held at factory Plot No. 9, Phase-I, I.D.A, Patancheru - 502 319 Andhra Pradesh on Tuesday the 31<sup>st</sup> March, 2009 at 11.00 A.M. to transact the following business :

**ORDINARY BUSINESS :**

To consider and if thought fit, to pass with or without modification, the following resolution nos. 1 to 5 as ordinary resolutions :

1. To receive, consider and adopt the Audited Balance Sheet of the company as on 30<sup>th</sup> September, 2008 and the Profit & Loss Account for the year ended on that date together with the Auditors' and Directors' Reports thereon.

"RESOLVED that the Balance Sheet as at 30<sup>th</sup> September, 2008 and the Profit & Loss Account for the year ended on that date and the Report of the Auditors' and Directors' Report to the shareholders be and are hereby approved and adopted."

2. To declare dividend for the year ended 30<sup>th</sup> September, 2008.

"RESOLVED that a dividend @ 50% on 1800000 Equity Shares of Rs.10/- each as recommended by the Board of Directors in their report be and is hereby declared for the year ended 30<sup>th</sup> September, 2008 and that it be paid to those members whose names appear in the Register of Members of the company as on 31<sup>st</sup> March, 2009."

3. To appoint a Director in place of Shri M.L. Motwani who retires by rotation and being eligible, offers himself for re-appointment.

"RESOLVED that Shri M.L. Motwani, who retires by rotation and is eligible for re-appointment, be and is hereby reappointed as a Director of the Company."

4. To appoint a Director in place of Shri G.K. Kabra who retires by rotation and being eligible, offers himself for re-appointment.

"RESOLVED that Shri G.K. Kabra, who retires by rotation and is eligible for re-appointment, be and is hereby reappointed as a Director of the Company."

5. To appoint Auditors and fix their remuneration and for this purpose to consider and, if thought fit, to pass the following resolution.

"RESOLVED that pursuant to provisions of Sec. 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."

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**SPECIAL BUSINESS:**

To Consider and if thought, to pass or without modification, the following resolution as special resolution:

**Commission to Directors:**

"RESOLVED that pursuant to section 309(4) of the Companies Act, 1956 and other applicable provision if any, the approval of the members be and is hereby accorded for payment to the Directors of the Company, other than Managing Director and whole Time Director, commission at the rate not exceeding 1% of the net profit of the company to be equally dividend amongst them (and this authorization for payment of commission on net profits shall remain valid) for a period of 5(five) years from Financial Year 2007-08."

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 309(4) OF THE COMPANIES ACT, 1956.**

(The Shareholders are aware that they had approved for payment of commission on net profits pursuant to section 309(4) of the Companies Act, 1956 and other applicable provisions to all the Directors except the Managing Director and Whole Time Director, for a period of five years commencing from Financial year 2002-03).

The operations of the company are steadily improving with the active role and guidance of the Directors. Hence, as before, it is proposed to pay commission on net profit to all Directors other than Managing Director and whole Time Director, which is permissible under the Companies Act, 1956 for a period of 5 years (Five) from financial year 2007-08.

Your Directors commended the resolution for your approval.

All the Directors except the Managing Director are interested in the resolution to the extent of commission payable to them in accordance with the proposed resolution.

By Order of the Board

Registered Office :  
**Denison Hydraulics India Limited**  
Plot NO 44, 4<sup>th</sup> Floor, HCL Towers  
Chikoti Gardens  
Begumpet,  
HYDERABAD 500 016

**V C JANARDAN RAO**  
Chairman

Place : Hyderabad  
Date : 2<sup>nd</sup> March, 2009

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**DENISON HYDRAULICS INDIA 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 Register of Members and the Share Transfer Books of the company will remain closed from 28<sup>th</sup> March, 2009 to 31<sup>st</sup> March, 2009 (both days inclusive) for determining the entitlement for payment of dividend.
3. The Dividend on Equity shares, as recommended by the Directors for the year ended 30<sup>th</sup> September 2008, declared at the meeting, will be made payable on or before 30<sup>th</sup> April, 2009 to those members whose names appear in the Register of Members of the company on 31<sup>st</sup> March 2009 or to their mandates registered with the company before. In respect of shares held in the electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for this purpose as on 31<sup>st</sup> March 2009.

As per SEBI guidelines, the dividends shall have to be paid to the Bank as per the Mandates furnished by the shareholders. The shareholders who have not furnished their Bank Mandates are requested to file the same to the company on or before 31<sup>st</sup> March, 2009, as per the enclosed proforma.

4. Members are requested to notify any change in their address to their Depositories Participants (DPS) in respect of their Electronic Share Accounts and to the company or Share Transfer Agents in respect of their physical share folios, if any.
5. Members holding shares in multiple Folio Nos. are requested to send their requests duly signed by all the joint holders together with the relevant share certificate to the company or Share Transfer Agents for arranging endorsements for consolidation of shareholdings.
6. Members holding shares in electronic form may please note that as per the regulations of NSDL and CDSL, the company is obliged to print the bank details on the dividend warrants as furnished by these Depositories to the company and the company will not entertain any request for deletion/change of bank details already printed on dividend warrants as per information received from the concerned Depositories.

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7. Members are advised that all unclaimed dividends for the Accounting year ended 30<sup>th</sup> September, 2001 are to be transferred to the Investor Education & Protection Fund (IEPF) during the year. Unclaimed dividend for the subsequent year will also be transferred to the Investor Education and Protection Fund of the Central Government if they remain unclaimed for a period of seven years from the date they become due. Members may kindly note that after such date/s, i.e. after transfer of unclaimed dividend to the Investor Education and Protection Fund, the members shall not be entitled to claim such dividend.
8. The company's Equity Shares have been listed with the Stock Exchange at Mumbai, and there have been no arrears of the Listing Fees payable to the Stock Exchange.
9. M/s. Venture Capital and Corporate Investments Ltd, 12-10-167, Bharath Nagar, Hyderabad 500 018, have been appointed as Transfer Agents for Physical/ Demat shares. Shareholders are requested to send their communication to the above said address in future.
10. The compliance on Corporate Governance as per Regulation 49 is applicable to your company, as the Net worth of the company exceeds Rs. 25 Crores during the year even though the paid up Capital is less than Rs. 3 Crores.

By Order of the Board

Registered Office :

**Denison Hydraulics India Limited**

Plot NO 44, 4<sup>th</sup> Floor, HCL Towers

Chikoti Gardens, Begumpet

HYDERABAD 500 016

**V C JANARDAN RAO**

Chairman

Place : Hyderabad

Date : 2<sup>nd</sup> March, 2009

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**DENISON HYDRAULICS INDIA LIMITED**

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE NO.49 OF THE LISTING AGREEMENT)

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1. Name : Shri M.L. Motwani, S/o Later Shri L S Motwani
  2. Age : 73 Years
  3. Educational Qualifications : B. E.(Mech), Post graduate Diploma in Industrial & Experience : Marketing. Retired as Senior Executive From M/s Shriram Fuel injection and Industries Limited Hyderabad.
  4. Date of Appointment : 25/07/2000
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1. Name : Shri G.K. Kabra
  2. Age : 76 Years
  3. Educational Qualifications : B.E. Electrical
  4. Date of Appointment : 27/01/2006
  5. Name of the Companies : M/s. Kabson Industries Limited, Hyderabad,  
Director  
M/s. Satruc Appliances Private Limited,  
Director
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**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 35<sup>th</sup> Annual Report and Audited Accounts of the company for the year ended 30<sup>th</sup> September 2008.

The company's performance for the year is as under:

**FINANCIAL RESULTS:**

	<b>2007-2008 (Current Year) Rs. in Lakhs</b>	<b>2006-2007 (Previous Year) Rs. in Lakhs</b>
<b>TOTAL INCOME</b>	<b><u>6438.87</u></b>	<b><u>5113.01</u></b>
Profit before Depreciation & Tax	<b>1625.71</b>	1630.50
Less : Depreciation	<b>182.53</b>	121.98
<b>Profit before Tax</b>	<b>1443.18</b>	1508.52
Less : Provision for Income tax	<b>506.49</b>	520.00
Provision for Deferred tax	<b>80.29</b>	59.55
Provision for Fringe Benefit Tax	<b>5.00</b>	7.00
	<b>591.78</b>	586.55
<b>Profit after Tax</b>		
Profit and Loss A/c. Surplus	<b>851.40</b>	921.97
Brought Forward from last year	<b>1961.80</b>	1245.12
<b>TOTAL</b>	<b><u>2813.20</u></b>	<b><u>2167.09</u></b>
<b>APPROPRIATIONS :</b>		
General Reserve	<b>100.00</b>	100.00
Dividend (Proposed)	<b>90.00</b>	90.00
Corporate Dividend Tax	<b>15.29</b>	15.29
Balance carried over	<b>2607.91</b>	1961.80
<b>TOTAL</b>	<b><u>2813.20</u></b>	<b><u>2167.09</u></b>



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## **DENISON HYDRAULICS INDIA LIMITED**

**DIVIDEND**

Your Directors recommend Dividend on 18,00,000 Equity Shares of Rs.10/- each at Rs.5.00 per share (50%) amounting to Rs.90.00 Lacs for the year ended 30<sup>th</sup> September, 2008.

**OPERATIONS**

During the year under report the sales are 24.95% higher at Rs.6831.62 Lacs against Rs. 5467.42 Lacs in the previous year. The Profit before tax for the year is 0.96 % lower at Rs.1443.18 Lacs against Rs.1508.52 Lacs for the previous year.

**FUTURE OUTLOOK**

The turnover in the current year, up till now, is lower than that of the previous year. The prevailing unfavorable market conditions worldwide will affect the turnover for the financial year 2008-09. However, the management is utilising this period, to develop new products, which will be helpful for the future growth of the company.

**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**

The company did not engage any employee throughout the financial year under report, who are in receipt of Rs.24,00,000/- or more per annum or Rs.2,00,000/- or more per month, employed for a part of the year.

**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 the company, Shri, M.L. Motwani and Shri G K Kabra, retire by rotation and being eligible, offer themselves for re – appointments.

The resolutions concerning their appointment / reappointment as mentioned above are commended for your approval.

During the Year Sri Kumar Tipirneni has resigned as Director.

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**AUDITORS**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors further report that

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company of that year.
- iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.

**REPLY TO THE AUDITORS QUALIFICATION :**

On the facts of the case the company has obtained a legal opinion to the effect that the provisions of Section 297 (2) are not attracted.

**SECRETARIAL COMPLIANCE**

As required under provision to sub-section (1) of Section 383A of the Companies Act 1956, a Compliance Certificate dated 31<sup>st</sup> January, 2009 issued by M/s.Ravi & Subramanyam, Company Secretaries, Hyderabad, covering the period 2007-2008 is annexed herein as Annexure II, which may be treated as part of this report.

**CORPORATE GOVERNANCE:**

Your Company falls under the scope of coverage under Clause No.49 of the Listing Agreement pertains to Corporate Governance. Steps have accordingly been taken to comply with the applicable requirements.

**ACKNOWLEDGEMENT**

The company acknowledges with gratitude the co-operation and assistance given by the Financial Institutions, Banks and Investors and employees of the company during the period under review.

On Behalf of the Board of Directors

Place : Hyderabad  
Date : 2<sup>nd</sup> March, 2009

**V C JANARDAN RAO**  
CHAIRMAN