

# BRADY & MORRIS ENGINEERING COMPANY LIMITED

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51st ANNUAL REPORT  
FOR THE YEAR ENDED 31ST MARCH, 1997



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**BRADY & MORRIS ENGINEERING COMPANY LIMITED**

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**BOARD OF  
DIRECTORS**

: MR. PAVAN G. MORARKA (CHAIRMAN)  
MR. K. L. KAPUR  
MR. A. P. HARIANI  
MR. K. D. SHAH  
MR. BAHUBALI S. SHAH

**AUDITORS**

: C. L. DALAL & CO.  
CHARTERED ACCOUNTANTS

**SOLICITORS**

: HARIANI & CO., MUMBAI

**BANKERS**

: UNION BANK OF INDIA

**REGISTERED OFFICE**

: "BRADY HOUSE"  
12/14, VEER NARIMAN ROAD,  
FORT, MUMBAI - 400 001.

**WORKS**

: GIDC INDUSTRIAL ESTATE,  
VATVA, AHMEDABAD - 382 445

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**NOTICE**

NOTICE is hereby given that the Fifty-First Annual General Meeting of the Members of BRADY & MORRIS ENGINEERING CO. LTD., will be held on Friday, the 26th September, 1997 at 10.30 a.m. at Maharashtra Chamber of Commerce, "BABASAHEB DAHANUKAR SABHAGRIHA", Oricon House, 6th Floor, 12, K. Dubhash Marg, Mumbai - 400 023, to transact the following business :-

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Directors' Report and Audited Balance Sheet as at 31st March, 1997 and the Profit & Loss Account for the year ended on that date.
2. To declare a Dividend.
3. To elect a Director in place of Mr. P. G. Morarka, who retires by rotation, and being eligible, offers himself for re-election.
4. To elect a Director in place of Mr. K. L. Kapur, who retires by rotation, and being eligible, offers himself for re-election.
5. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS :**

6. To consider and if thought fit to pass with or without modification(s) the following Resolution as a Special Resolution :-

"**RESOLVED THAT** pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of other statutes, as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and is hereby altered by the insertion of the following new Article 27A after the existing Article 27 :"

"(A) Notwithstanding what is stated in Article 27 above, in the event it is permitted by law and subject to such conditions, approvals or consents as may be laid down for the purpose, the Company shall have the power to buy-back its own shares, whether or not there is any consequent reduction of Capital. If and to the extent permitted by law, the Company shall also have the power to re-issue the shares so bought back."

7. To consider and if thought fit to pass with or without modification(s) the following Resolution as a Special Resolution :-

**RESOLVED THAT** pursuant to all applicable provisions of the Companies Act, 1956 (including any statutory modification of enactment thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approval, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board"), the consent of the Company be and is hereby accorded to the Board to acquire/purchase any of its own fully paid shares on such terms and conditions and upto such limits of its paid up equity share capital and/or free reserves as may be prescribed by law from time to time, provided that acquisition/purchase of such fully paid equity shares of the Company be in accordance with the Companies Act, 1956

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and any further amendments as may be carried out in the Companies Act, 1956, by the Central Government and that the Board of Directors of the Company be and is hereby authorised to do all such acts and things as may be necessary or proper to implement this resolution."

8. To consider and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution :

"RESOLVED that subject to the approval of the Reserve Bank of India and/or Central Government under the Foreign Exchange Regulation Act, 1973 and subject to such other approvals and sanctions as may be considered necessary and subject to the applicable provisions, if any, of the Companies Act, 1956 and subject to such further conditions as may be prescribed by any of the authorities while granting such approvals/permissions/sanctions which the Board of Directors of the Company be and is hereby authorised to accept, the Company hereby accords its consent to the Board of Directors to allow -

(A) Foreign Financial Enterprises including Foreign Institutions such as Pension Money Companies, Incorporated/Institutional Portfolio Managers or their Power of Attorney Holders, Private Discretionary and Non-discretionary Portfolio Management Services (hereinafter referred to as FII) and/or

(B) Non-Resident Indians (NRIs) and Overseas Corporate Bodies predominantly owned by NRIs (OCBs) to acquire Shares/Debentures of the Company through Stock Exchanges in India under Portfolio Investment Scheme and/or in accordance with the permissible modes, subject to the following conditions :

- (i) The total purchase by FIIs, NRIs/OCBs both on repatriation and non-repatriation basis shall be within such overall ceiling as may be prescribed from time to time as regards the paid-up Capital of the Company;
- (ii) Investment made on repatriation basis by any single non-resident investor in the equity shares and convertible debentures of the Company shall not exceed such limit as may be permissible under law as a percentage of the total paid-up Capital of Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and it is hereby authorised to permit investment by FIIs and/or NRIs and OCBs in variation of the aforesaid ceilings if so permissible under the law now or any time hereinafter and to do all such deeds, matters and things and to execute such documents or writings as may be considered necessary and proper or expedient for the purpose giving effect to this resolution and for matters indicated therein or incidental thereto."

By Order of the Board of Directors

P. G. MORARKA  
Chairman

Registered Office :  
'BRADY HOUSE',  
12-14, Veer Nariman Road,  
Fort, Mumbai - 400 001.

Mumbai, 20th August, 1997.

Notes :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY DULY STAMPED, COMPLETED AND SIGNED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) The Explanatory Statement in respect of items Nos. 6, 7 & 8 pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from 19th September, 1997 to 26th September, 1997 (both days inclusive).
- (d) The dividend on Equity shares, as recommended by the Board of Directors for the year ended March 31, 1997, if declared at the Meeting, will be payable to those Members whose names appear on the Register of Members of the Company on September, 26, 1997.
- (e) Members are requested to notify immediately to the Company changes, if any, in their registered address specifying full address in Block Capitals with Pin Code of the Post Office.
- (f) Members are requested to send their queries at least ten days in advance of the meeting so that the information can be made available at the meeting.
- (g) Members are requested to bring with them the attendance slip sent with the Annual Report duly completed and signed and hand it over at the entrance.
- (h) Members are requested to quote their Folio Numbers in all their correspondence.
- (i) Members are requested to bring their copy of the Annual Report along with them to the Annual General Meeting.



**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS  
PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**ITEM NO. 6**

It is proposed to add new Article No.27A in the Articles of Association as set out at Item 6 of the Notice, to enable the Company purchase any of its own fully or partly paid Shares, in accordance with law as may be then prevailing. In the event that it is permitted by law to purchase by a Company of its own Shares, the resolution confers the authority to the Board for the purpose.

The Board recommends the acceptance of the resolution at Item No.6 of the Notice.

None of the Directors is concerned or interested in the resolution.

**ITEM NO. 7**

Members may be aware that the Companies Act, 1956, presently restricts the purchase of its own shares by a Company.

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The Working Draft of the Companies Bill, recommended buy back of shares by the Company which may be accepted by the Government in due course. One of the conditions prescribed by the working group is an approval from membes by way of a special resolution.

The Board of Directors feel it would be desirable to have an enabling power from the membes for this purpose. It will be in the fitness of things if membes approve the resolution set out at item No.7, of this notice, should the provisions of the Companies Act, 1956, be modified or amended or enacted permitting such purchases, so that your Company will be able to implement this in the interest of members especially the large number of small investors of the Company, at an appropriate time within the framework of law as may be stipulated for the purpose.

The Board recommends the acceptance of the resolution at Item No.7 of the Notice.

None of the Directors is concerned or interested in the resolution.

**ITEM NO. 8**

Reserve Bank of India has, by Circular No.32 dated 18th November, 1991 issued under Section 73(3) of the Foreign Exchange Regulation Act, 1973, decided to allow Foreign Institutional Investors (FIIs), Non-Resident Indians (NRIs) and Overseas Corporate Bodies predominantly owned by NRIs (OCBs) to acquire Shares/Debentures through Stock Exchanges in India under the Portfolio Investment Scheme.

As per the said Portfolio Investment Scheme, the ceiling of 5% can be raised to 24% provided the Company so resolved through a General Body Resolution of the Members. The Finance Act, 1997 has now proposed to enhance this limit to 30%. Your Company intends to support this initiative of the Government of India and also expects more and more participation from FIIs, NRIs and OCBs in the shares and debentures of the Company.

The Board recommends the acceptance of the Resolution at Item No.8 of the Notice.

None of the Directors is concerned or interested in the Resolution.

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By Order of the Board of Directors

P. G. MORARKA  
*Chairman*

Registered Office :  
'BRADY HOUSE',  
12-14, Veer Nariman Road,  
Fort, Mumbai - 400 001.

Mumbai, 20th August, 1997.



**DIRECTORS' REPORT 1996-97**

To,

The Members,

The Directors present the Fifty-First Annual Report and Audited Accounts for the year ended 31st March, 1997

**1. FINANCIAL RESULTS :**

	1996-97 Rs.	1995-96 Rs.
a) Operating Profit before Interest and Depreciation	74,55,605	43,16,660
b) Less : Interest	53,49,517	36,37,705
c) Profit Before Depreciation	<u>21,06,088</u>	<u>6,78,955</u>
d) Less : Depreciation	10,24,700	9,20,041
e) Profit / (Loss) for the year	<u>10,81,388</u>	<u>(2,41,086)</u>
f) Add : Profit on Sale of Fixed Assets	-	2,16,587
g) Profit / (Loss) before Taxation	<u>10,81,388</u>	<u>(24,499)</u>
h) Less Provision for Taxation	1,60,000	( - )
i) Profit / (Loss) after Taxation	<u>9,21,388</u>	<u>(24,499)</u>
j) Add / Less : Prior Year's adjustment	508	3,108
k) Net Profit / (Loss)	<u>9,21,896</u>	<u>(21,391)</u>
l) Add Profit Brought Forward	<u>84,79,320</u>	<u>85,00,711</u>
m) Amount available for appropriations	<u>94,01,216</u>	<u>84,79,320</u>
n) APPROPRIATIONS –		
Proposed Dividend	6,00,000	-
Tax on Dividend	60,000	-
	<u>6,60,000</u>	<u>-</u>
o) Balance Profit carried to Balance Sheet	<u>87,41,216</u>	<u>84,79,320</u>

**2. DIVIDEND**

After considering the available profit and the need to conserve resources, the Board recommends Dividend @ 10% for the year ended 31st March, 1997

**3. WORKING RESULTS :**

The turnover of the Company during the year amounted to Rs. 364.56 lacs compared to Rs. 370.49 lacs last year. However, due to increase in other income, the Company has made a profit of Rs.

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10.81 lacs before taxation.

**4. OUTLOOK FOR 1997-98.:**

Though the Production/Sales of the Company have somewhat improved during the first four months of the current year, recessionary trends and keen competition in the market are likely to affect the overall performance for the year. However, management is making all necessary efforts to overcome the problems.

**5. BOARD OF DIRECTORS :**

In accordance with the requirements of the Companies Act, 1956, and Articles of Association of the Company, Mr. P.G. Morarka and Mr. K.L. Kapur retire by rotation and are eligible for reappointment.

**6. PERSONNEL :**

During the year under review, Industrial Relations in the Company continued to be satisfactory. The Directors place on record their appreciation of the services rendered by members of staff at all levels.

**7. CONSERVATION OF ENERGY AND PARTICULARS OF EMPLOYEES :**

The information as required under Section 217 (1) (e) of the Companies Act, 1956 and forming part of this report is given in the Annexure.

During the year under report, none of the employees of the Company was in receipt of remuneration in excess of the ceilings prescribed under Section 217 (2A) of the Companies Act, 1956.

**8. AUDITORS :**

M/s. C. L. Dalal & Co., Chartered Accountants, hold office till the conclusion of this Annual General Meeting. Pursuant to Section 224(1) of the Companies Act, a Certificate has been furnished by M/s. C. L. Dalal & Co. that their appointment, if made, will be in accordance with the limit specified in sub-section (1-B) of the said Section 224. The members are requested to appoint Auditors for the year from the conclusion of the ensuing Annual General Meeting till the conclusion of the subsequent Annual General Meeting and fix their remuneration.

**9. ACKNOWLEDGEMENT :**

The Directors wish to place on record their appreciation of the co-operation and assistance received from Bankers, Customers and Suppliers.

By Order of the board of Directors

P.G. MORARKA  
Chairman

Mumbai : 20th August, 1997.