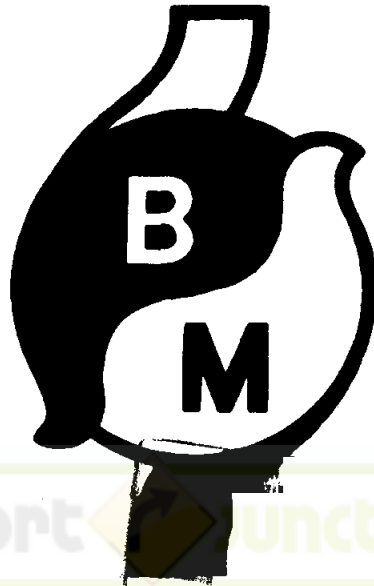


BRADY & MORRIS ENGINEERING COMPANY LIMITED



**53rd ANNUAL REPORT
FOR THE YEAR ENDED 31ST MARCH, 1999**

BRADY & MORRIS ENGINEERING COMPANY LIMITED

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 CITI BANK N. A.
REGISTERED OFFICE	:	"BRADY HOUSE" 12/14, VEER NARIMAN ROAD, FORT, MUMBAI - 400 001.
WORKS	:	GIDC INDUSTRIAL ESTATE, VATVA, AHMEDABAD - 382 445

BRADY & MORRIS ENGINEERING COMPANY LIMITED

NOTICE

NOTICE is hereby given that the Fifty-Third Annual General Meeting of the Members of BRADY & MORRIS ENGINEERING CO. LTD., will be held on Friday, the 17th September, 1999 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, 1999 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. K. L. Kapur, who retires by rotation, and being eligible, offers himself for re-election.
4. To elect a Director in place of Mr. Bahubali S. Shah, 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 modifications the following resolution

SPECIAL RESOLUTION :

"RESOLVED that in accordance with the provisions of Sec. 81 and other applicable provisions, if any of the Companies Act, 1956 and subject to such approvals, permissions and sanctions as may be necessary and subject to such modifications and conditions as the Board of Directors may consider, the consent of the Company be and is hereby accorded to the Board of Directors of the Company, to convert, if deemed fit, the loan amount of Rs. 15 lacs received from its holding Company, M/s. W. H. Brady & Co. Ltd., into 1,50,000 equity shares of Rs. 10/- each at par to its abovementioned holding Company."

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, 31st July, 1999.

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 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 11th September, 1999 to 19th September, 1999 (both days inclusive).
- (d) Payment of dividend will be made within forty two days from the date of its approval at the Annual General Meeting, to those members whose names stand on the Register of Members as on 19th September, 1999.
- (e) Members are requested to notify immediately changes, if any, in their registered address to the Company 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 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.
- (j) In terms of Section 205-C introduced by the Companies (Amendment) Act, 1999, read with Section 205-A of the Companies Act, 1956, as amended, the amount of Dividend remaining unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund. Members who have so far not encashed their Dividend Warrant(s) for the financial years ended 31st March, 1997 and 31st March 1998 are advised to submit their claim to the Company immediately quoting their folio numbers.
- (k) A recent amendment to the Companies Act, 1956 has introduced provisions for nomination by shareholders. The prescribed nomination form can be obtained from the Company's Registered Office at 'Brady House', 12-14 Veer Nariman Road, Fort, Mumbai-400 001. The Members may take advantage of this facility.

BRADY & MORRIS ENGINEERING COMPANY LIMITED

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173
OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM 6**

SPECIAL RESOLUTION :

The Holding Company has advanced an interest free loan of Rs.15 lacs in the year 1998-99 to meet urgent and long term expenses of the Company. The Company has taken several steps to restructure its activities. However, with a view to improving a debt equity ratio, Company proposes to convert the loan of Rs.15 lacs into equity shares and issue further shares to its Holding Company at par.

Accordingly, approval of the shareholders under Sec.81 and other applicable provisions, if any, of the Companies Act, 1956 is being sought for.

Your Directors commend the above Special Resolution for your acceptance.

None of the Directors of the Company are interested in the above resolution, save and except and to the extent that they are Directors and/or shareholders.

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, 31st July, 1999.

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DIRECTORS' REPORT 1998-99

To,

The Members,

The Directors present the Fifty-Third Annual Report and Audited Accounts for the year ended 31st March, 1999

1. FINANCIAL RESULTS :

	1998-99 Rs.	1997-98 Rs.
a) Operating Profit before Interest and Depreciation	89,83,145	93,96,009
b) Less : Interest	<u>62,08,391</u>	<u>67,38,551</u>
c) Profit Before Depreciation	27,74,754	26,57,458
d) Less : Depreciation	<u>15,45,341</u>	<u>15,19,334</u>
e) Profit for the year before Taxation	12,29,413	11,38,124
f) Less Provision for Taxation	<u>1,30,000</u>	<u>1,30,000</u>
g) Profit after Taxation	10,99,413	10,08,124
h) Add/(Less) : Prior Year's adjustment	(6)	(6,432)
i) Net Profit	<u>10,99,407</u>	<u>10,01,692</u>
j) Add Profit Brought Forward	<u>90,82,909</u>	<u>87,41,217</u>
k) Amount Available for appropriations	1,01,82,316	97,42,909
l) APPROPRIATIONS –		
Proposed Dividend	6,00,000	6,00,000
Tax on Dividend	<u>66,000</u>	<u>60,000</u>
	<u>6,66,000</u>	<u>6,60,000</u>
m) Balance Profit carried to Balance Sheet	<u><u>95,16,316</u></u>	<u><u>90,82,909</u></u>

2. DIVIDEND :

Your Directors recommend for the approval of the shareholders Dividend @ 10% for the year ended 31st March, 1999.

3. WORKING RESULTS :

The turnover of the Company amounted to Rs.266.20 lacs compared to Rs.324.76 lacs last year. However, profit before taxation has increased from Rs.11.38 lacs to Rs.12.29 lacs mainly because of prudent working capital management and cost effective measures put into operation at the Works.

4. OUTLOOK FOR 1999-2000 :

Though the production / sales of the Company have somewhat improved during the first four

BRADY & MORRIS ENGINEERING COMPANY LIMITED

months of the current year, recessionary trends and keen competition in the market still continue. However, our management is making all necessary efforts to improve the working.

5. BOARD OF DIRECTORS :

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

6. 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. Y2K COMPLIANCE :

1. The risk of the Company's year 2000 issue :

As the Company uses the Softwares and Hardwares only in Accounting and Commercial functions which are, Year 2000 compliant : No risk to the Company.

2. The Cost to address the Company's year 2000 issue : - Nil -

3. The risk to the Company due to year 2000 bug : No Risk

4. Contingency Plan :

In the event of any problem, Accounts and Commercial functions can be switched over to manual working. So assumption of going concern will not be vitiated by year 2000 bug.

8. 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.

9. 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.

10. 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 : 31st July, 1999.

ANNEXURE "A" TO THE DIRECTORS' REPORT

STATEMENT UNDER SECTION 217(1)(E) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1999.

A) CONSERVATION OF ENERGY :

- a) Company's operations involve low energy consumption. Wherever possible, energy conservation measures have already been implemented and there are no major areas where further energy conservation measures can be taken. However, efforts to conserve and optimise the use of energy through improved operational methods and other means will continue.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

NIL

- c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Efforts made by us to economise consumption of power had a marginal impact on cost of production.

- d) Total energy consumption per unit of production as per Form-A of the Annexure in respect of industries specified in the Schedule thereto.

NOT APPLICABLE

B) TECHNOLOGY ABSORPTION :

Efforts made in Technology Absorption as per Form - B.


FORM - B
1. Research & Development (R & D)

- | | | |
|--|---|------|
| a) Specified areas in which R & D carried out by the Company | } | |
| b) Benefit derived as a result of above R & D | } | |
| c) Future plan of action | } | |
| d) Expenditure on R & D | } | NONE |
| 1. Capital | } | |
| 2. Recurring | } | |
| 3. Total | } | |
| 4. Total R & D Expenditure as a percentage of total turnover | } | |

BRADY & MORRIS ENGINEERING COMPANY LIMITED**2. Technology Absorption, Adaptation and innovation :**

- | | | |
|--|---|------|
| a) Efforts in brief made towards technology Absorption | } | |
| Adaptation and innovation | } | |
| b) Benefit derived as a result of the above efforts | } | NONE |
| e.g. product improvement, cost reduction, | } | |
| product development, import substitution etc. | } | |

3. Imported Technology :

During the last five years no technology has been imported hence this is not applicable

C) FOREIGN EXCHANGE EARNINGS AND OUTGOINGS :

The Foreign Exchange earnings and outgo are as under –

- | | | |
|---|---|--------------|
| 1. Foreign exchange earnings | : | NIL |
| 2. Foreign exchange outgo on account of travel | : | NIL |
| 3. Foreign exchange outgo on account of imports | : | Rs. 24,043/- |

By Order of the board of Directors

P.G. MORARKA
Chairman

Mumbai : 31st July, 1999.