

RADY & MORRIS ENGINEERING COMPANY LIMITED



ANNUAL REPORT - 2006



BPADY & MORRIS ENGINEERING COMPANY LIMITED

**BOARD OF DIRECTORS****MR. PAVAN G. MORARKA**

Chairman

MR. K. D. SHAH**MR. A. P. HARIANI****MR. K. K. KRISHNAN****CHIEF OPERATING OFFICER****MR. GANESH IYER****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 400001.

WORKS

GIDC Industrial Estate

Vatva, Ahmedabad - 382 445

REGISTRAR & TRANSFER AGENTS**BIGSHARE SERVICES PVT. LTD.**

E-2, Ansa Industrial Estate.

Sakivihar Road, Saki Naka, Andheri (E),

Mumbai 400 072

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NOTICE

NOTICE is hereby given that the Sixtieth Annual General Meeting of the Members of **BRADY & MORRIS ENGINEERING CO. LTD.**, will be held on Saturday, 23rd September 2006 at 11.30 a.m. at Alexandra Girls` English Institution, 31, Hazarimal Somani Marg, Mumbai - 400 001, to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2006 and the Profit & Loss Account for the year ended on that date together with Directors` and Auditors` Reports thereon.
2. To declare a Dividend.
3. To elect a Director in place of Mr. K. K. Krishnan, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

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FOR AND ON BEHALF OF THE BOARD

K. K. KRISHNAN

Director

Place : Mumbai.

Dated : 23rd June, 2006

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 A 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 Register of Members and the Share Transfer Books of the Company will remain closed from 16.09.2006 to 23.09.2006 (both days inclusive).
- (c) Members holding shares in physical form are requested to advise any change of address with complete details and other related matters immediately to Company`s Registrar & Transfer Agents, Bigshare Services Pvt. Ltd. Members holding shares in Electronic form should advise their respective Depository Participants about change in address and other related matters and



not to the Company or to R & T Agents.

- (d) The dividend on equity Shares, as recommended by the board of directors for the year ended 31st March, 2006, if declared at the meeting, will be paid within 30 days of the date of the Meeting to those members whose names appear on the Register of Members of the Company as on record date which is fixed as 23-09-2006. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as on 15.09.2006 as per details furnished by National Security Depository Ltd. and Central Depository Services (India) Ltd. for the purpose.
- (e) Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall. Members who hold shares in electronic form and desirous of attending the meeting are requested to bring alongwith them Client ID and DP ID numbers for easy identification.
- (f) Members are requested to send their queries at least seven days in advance of the meeting so that the information can be made available at the meeting.
- (g) Members are requested to quote Folio Numbers in all their Correspondence.
- (h) Members are requested to bring their copy of the Annual Report along with them to the Annual General Meeting.
- (i) Consequent upon amendment of Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999 the amount for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund set up by the Government of India.
- (j) Members who have not encashed their dividend warrant (s) for the financial year ended 31.03.1999 and thereafter may approach the Registered Offie for revalidation of the Dividend Warrants as the amount of dividend remaning unpaid for a period of seven years shall be transferred to investor Education & Protection Fund as per the provisions of Section 205A of the Companies Act, 1956. It may be noted that once the unclaimed dividend is transferred to the Central Government as above, no claim shall lie in respect thereof.
- (k) Members holding shares in physical form can avail of the nomination facility by filing Form 2b (in duplicate) with the Company or its Registrar & Share Transfer Agents. Nomination Forms will be made available on request. In case of shares held in demat form the nomination has to be lodged with the Depository Participant.



- (i) In addition to National Securities Depository Limited (NSDL), your Company has an arrangement with Central Depository Services (India) Limited (CDSL) to provide Members with flexibility when trading in the Company`s shares in electronic form. The Company`s shares are compulsorily required to be traded in dematerialised form and therefore members will find it beneficial to dematerialise their shares at the earliest.

FOR AND ON BEHALF OF THE BOARD

K. K. KRISHNAN

Director

Place : Mumbai.

Dated : 23rd June, 2006

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DIRECTORS' REPORT 2005-2006

To,
The Members,

Your Directors are pleased to present the Sixtieth Annual Report and Audited Accounts for the year ended 31st March, 2006. The Journey over the last 60 years has been one of achievement and sustenance.

1. FINANCIAL RESULTS:

	2005-2006 (Rs.in Lacs)	2004-2005 (Rs.in Lacs)
a) Operating Profit before interest and Depreciation	86.96	58.40
b) Less : Interest	<u>16.75</u>	<u>16.53</u>
c) Profit Before Depreciation	70.21	41.87
d) Less : Depreciation	<u>24.69</u>	<u>22.52</u>
e) Profit for the year before Taxation	45.52	19.35
f) Less : Provision for Taxation		
(i) Current	14.35	7.12
(ii) Deferred	<u>0.94</u>	0.50
(iii) Fringe Benefit Tax	<u>2.36</u>	--
	<u>17.65</u>	<u>7.62</u>
g) Profit after Taxation	27.87	11.73
h) Add / (Less) : Prior Year's adjustment	<u>0.30</u>	<u>(3.34)</u>
i) Net Profit	28.17	8.39
j) Add: Profit Brought Forward	<u>162.82</u>	<u>164.99</u>
k) Amount available for appropriations	190.99	173.38
l) Less : Appropriations -		
i) Proposed Dividend	11.25	9.00
ii) Tax on Dividend	1.58	1.26
iii) Transfer to General Reserve	<u>1.40</u>	<u>0.30</u>
	<u>14.23</u>	<u>10.56</u>
m) Balance Profit carried to Balance Sheet	<u>176.76</u>	<u>162.82</u>

2. DIVIDEND :

Your Directors are pleased to recommend for the approval of the shareholders enhanced Dividend @15% for the year ended 31st March, 2006.

**3. WORKING RESULTS :**

The reorganization of marketing set-up has yielded result and we have been able to increase our Market Share for our products. This is reflected in the turnover of the Company which during the year rose to Rs.975.20 lacs against Rs.577.25 lacs recording a growth of 69%. The impact of this is also seen in our Profit before Tax which is at Rs.45.52 lacs this year as against Rs.19.35 lacs in the previous year has grown by 135%, despite volatility in input cost of metals and market competition.

4. FUTURE OUTLOOK :

The Pending Order position of your Company is very healthy.

Your Company has begun expansion of its main manufacturing facility at Ahmedabad to facilitate the execution of the flow of orders. New machineries are being inducted into the system to enhance productivity and operational efficiencies.

Your Company is also acquiring another Factory premises near Ahmedabad to cater for higher capacity products and also proposes to set up a Manufacturing base in Eastern India in Orissa to cater to Eastern and Southern Indian Markets.

The sustained growth in Order Booking and the strategic investments in Manpower, Infrastructure and Machinery augur well for the future.

5. BOARD OF DIRECTORS :

In accordance with the requirements of the Companies Act, 1956, and Articles of Association of the Company, Mr. K. K. Krishnan retires by rotation and is eligible for reappointment.

6. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that :

- (a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) 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 for the period;



(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors have prepared the annual accounts on a going concern basis.

7. PERSONNEL & PARTICULARS OF EMPLOYEES :

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.

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. CONSERVATION OF ENERGY :

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 A.

9. COMPLIANCE CERTIFICATE :

Pursuant to provisions of Section 383 A of the Companies Act, 1956 and the rules made thereunder, the Company has obtained a Compliance Certificate from Practicing Company Secretary, Ms. Lalitha Lath. The same is attached herewith.

10. APPOINTMENT OF 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.

11. Members are informed that information about the Company and its Directors are furnished in Annexure B to this Report.

12. ACKNOWLEDGEMENT :

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

FOR AND ON BEHALF OF THE BOARD
PAVAN G. MORARKA
Chairman

Mumbai : 23rd June, 2006.

**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, 2006.

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 |
| i. Capital | } | |
| ii. Recurring | } | |
| iii. Total | } | |
| iv. Total R & D Expenditure as a percentage of total turnover. | } | |


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 outgoings are as under :

- | | |
|--|------------------|
| 1. Foreign exchange earnings | : Rs.12,70,700/- |
| 2. Foreign exchange outgoings on account of travel | : Rs. 4,47,429/- |
| 3. Foreign exchange outgoings on account of imports | : NIL |
| 4. Foreign exchange outgoings on account of dividend | : Rs. 55,680/- |

FOR AND ON BEHALF OF THE BOARD

PAVAN G. MORARKA

Chairman

Place : Mumbai.

Dated : 23rd June, 2006