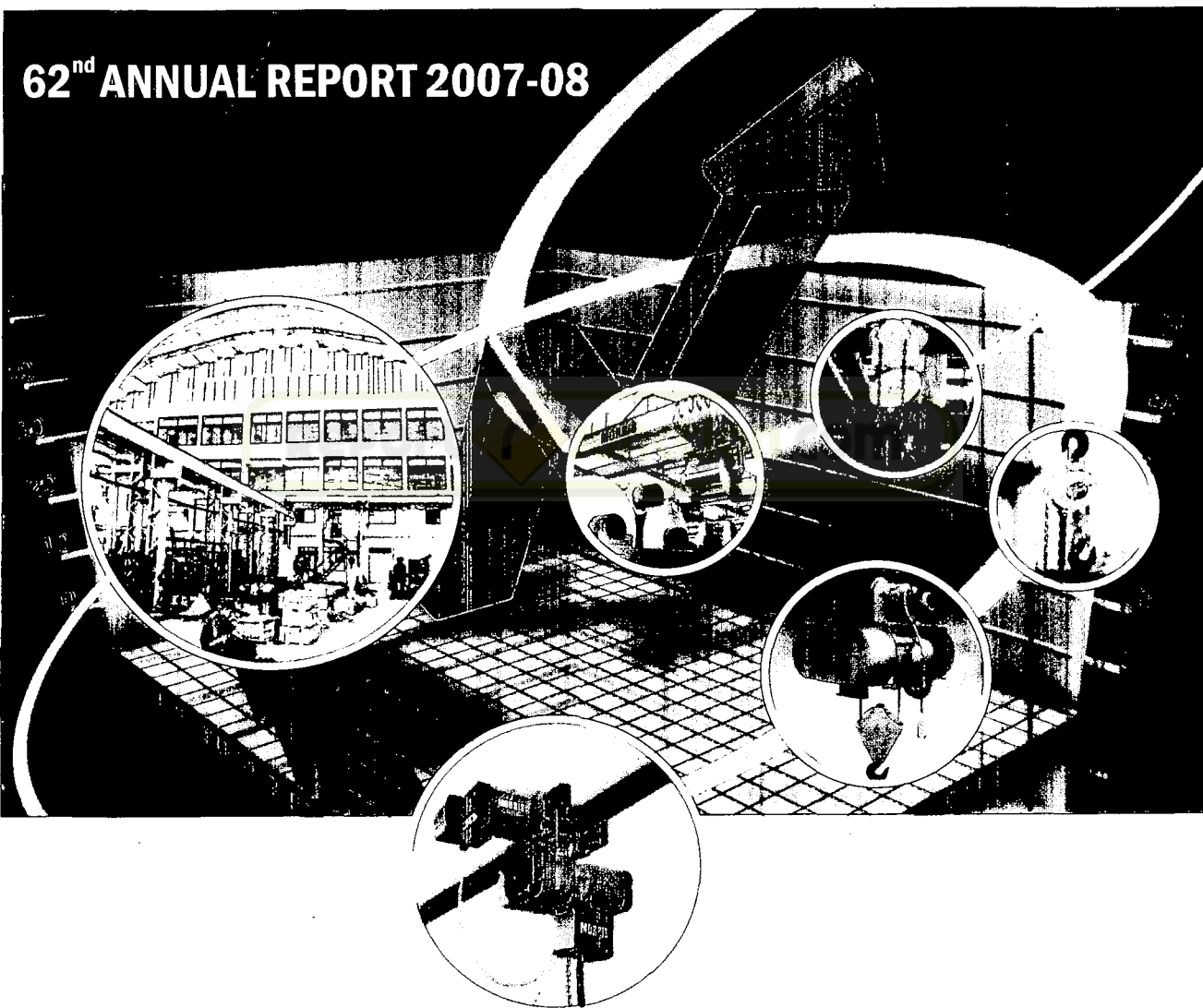


BRADY & MORRIS ENGINEERING COMPANY LIMITED

62nd ANNUAL REPORT 2007-08



BOARD OF DIRECTORS**MR. PAVAN G. MORARKA** Chairman**MR. K. D. SHAH****MR. A. P. HARIANI** (upto 06.07.07)**MR. M. K. SHAH** (w.e.f. 29.06.07)**MR. GAUTAM DIVAN** (w.e.f. 28.07.07)**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 **Sixty-second ANNUAL GENERAL MEETING of the Members of BRADY & MORRIS ENGINEERING CO. LTD.**, will be held on Saturday, 30th August, 2008 at 11.30 a.m. at Maharashtra Chamber of Commerce Trust, Babasaheb Dahanukar Sabhagriha, Orion House, 6th Floor, 12, K. Dubhash Marg, Fort, Mumbai-400 001, to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 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. Pavan G. Morarka, who retires by rotation, and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

FOR AND ON BEHALF OF THE BOARD

PAVAN G. MORARKA
Chairman

Registered Office :

Brady House,
12-14, Veer Nariman Road,
Fort, Mumbai - 400 001.
Dated : 30th June, 2008

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 Register of Members and the Share Transfer Books of the Company will remain closed from 23.08.2008 to 30.08.2008 (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, 2008, 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 22.08.2008. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as on 22.08.2008 as per details furnished by National Security Depository Ltd. and Central Depository Service (India) Ltd. for the purpose.
- (e) The Company proposes to disburse dividend now recommended through ECS, wherever said facility is available. Hence, members holding shares in electronic mode are requested to initiate requisite steps with their respective Depository Participant (DP), to update their bank account details and also to intimate all changes with respect to their nomination, power of attorney, change of address, etc. to their respective DP only.
- (f) 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.
- (g) 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.
- (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) 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.
- (k) Members who have not encashed their dividend warrant(s) for the financial year ended 31.03.2000 and thereafter may approach the Registered Office for revalidation of the Dividend Warrants as the amount of dividend remaining 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.
- (l) 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.

- (m) 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

PAVAN G. MORARKA
Chairman

Registered Office :

Brady House,
12-14, Veer Nariman Road,
Fort, Mumbai - 400 001.

Dated : 30th June, 2008

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DIRECTORS' REPORT 2007-2008**To The Members, of BRADY & MORRIS ENGINEERING CO.LTD**

Your Directors take pleasure in presenting the Sixty-Second Annual Report and Audited Accounts for the year ended 31st March, 2008. Your company Continues to maintain its growth and the results are :

1. FINANCIAL RESULTS:

	2007-2008 (Rs.in Lacs)	2006-2007 (Rs.in Lacs)
a) Gross Sales	<u>2195.78</u>	<u>1500.68</u>
b) Operating Profit before interest and Depreciation	266.93	181.19
c) Less : Interest	<u>63.96</u>	<u>23.43</u>
d) Profit Before Depreciation	202.97	157.76
e) Less : Depreciation	<u>56.72</u>	<u>33.91</u>
f) Profit for the year before Taxation	146.25	123.85
g) Less : Provision for Taxation		
(i) Current	55.60	40.70
(ii) Deferred	(6.45)	0.77
(iii) Fringe Benefit Tax	<u>2.75</u>	<u>1.65</u>
Sub - total	<u>51.90</u>	<u>42.82</u>
h) Profit after Taxation	94.35	81.03
i) Add / (Less) : Prior Year's adjustment	<u>(2.82)</u>	<u>0.18</u>
j) Net Profit	91.53	81.21
k) Add: Profit Brought Forward (Balance as on 1.4.07 Rs. 146.90 lacs Less : Rs. 75.00 lacs Utilised out of accumulated profits for issue of Bonus shares @1:2)	<u>71.90</u>	<u>101.76</u>
l) Amount available for appropriations	163.43	182.97
m) Less : Appropriations -		
i) Proposed Dividend	33.75	22.50
ii) Tax on Dividend	5.74	3.82
iii) Transfer to General Reserve	<u>8.00</u>	<u>9.75</u>
	<u>47.49</u>	<u>36.07</u>
n) Balance Profit carried to Balance Sheet	<u>115.94</u>	<u>146.90</u>

2. DIVIDEND :

Your Directors are pleased to recommend for the approval of the shareholders Dividend @ 15% for the year ended 31st March, 2008 on enhanced share capital of Rs.225 Lacs subsequent to the allotment and issue of Bonus Shares in the ratio of 1:2 on 19.01.2008.

**3. WORKING RESULTS:**

The expansion of manufacturing facility at Vatva, Ahmedabad is complete. As informed to you, the Company has acquired another factory premises at Bareja, Near Ahmedabad. We have added new machineries in the system and this has enabled us to enhance our Production and Operational efficiencies. Gross Sales of our Company has increased from Rs. 1500.68 Lacs to Rs. 2195.70 Lacs recording a growth of 46%. It is pertinent to note that we have more than doubled our Gross Sales as compared to 2005-06 which was at Rs. 1089.76 Lacs recording a growth of 101% in 2 years which is higher than our Industry Norms.

The Order Booking in this Financial Year at nearly Rs. 28 Crores is 50% higher compared to the previous year of Rs.17.66 Crores and more than double of Rs. 11.93 Crore orders booked in 2005-06.

The impact of these are reflected in our Profit Before Tax which at Rs.146.25 Lacs is higher by 18% over the previous year which was at Rs.123.78 Lacs. In percentage terms the profit rise has been affected by volatility in input cost of Metals, disruption and relocation of machinery due to expansion program, Increased Interest Cost due to Capital Investment which has gone up by almost Rs.39.5 Lacs and Depreciation which has gone up by Rs. 23 Lacs. It is a vindication of our plans to grow at a pace which would put us as a Leader in this segment.

4. FUTURE OUTLOOK:

The pending order position of your Company is good and ensures that both the Production Units are fully occupied.

With the process of expansion of Production facility in Vatva completed, the Company has made good progress to set up a State-of-the-art Research & Development Centre for Material Handling Equipments and other products which shall benefit the Company in times to come.

The formalities for formal take over of the land in Choudhwar, Cuttack-Orissa got delayed due to some technicalities and is expected to be completed by August'08. The growth pattern achieved in the Order Booking over the past few years and strategic investment in Manpower, Infrastructure, Machinery and Research & Development augur well for the future. The Company is on the look out for a partner for new technologies that have emerged in our line of activities. Talks are on with a few International Companies and we expect some developments during this year.

5. BOARD OF DIRECTORS:

Mr. Ameet P. Hariani resigned from the Board of Directors of the Company with effect from 06.07.2007. The board places on record its appreciation of the valuable advice and contribution by him during his tenure.

Your Directors have co-opted Mr. Gautam R. Divan, as a Director of the Company on 28.07.2007 in the casual vacancy caused by the resignation of Mr. Ameet P. Hariani. Mr. Gautam R. Divan will hold office till the date on which Mr. Ameet P. Hariani would ordinarily have retired by rotation.

In accordance with the requirements of the Companies Act, 1956, and Articles of Association of the Company, Mr. Pavan G. Morarka 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 year;
- (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 employees 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, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO :

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. INSURANCE

All the properties of the Company including Factory Building Plant & Machinery, stocks, etc. are adequately insured.

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

13. 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 : 30th June, 2008.

**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, 2008.

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 Outgo | } | Please refer to Notes No.16 to 18 of the Notes on Accounts. |
|---|---|---|

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai.
Dated : 30th June, 2008

PAVAN G. MORARKA
Chairman

