

W. H. BRADY & COMPANY LIMITED

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	✓	SEI	✓
YE	✓	✓		✓



**84th ANNUAL REPORT
FOR THE YEAR ENDED 31ST MARCH, 1997**

W. H. BRADY & COMPANY LIMITED**NOTICE**

NOTICE is hereby given that the Eighty-Fourth Annual General Meeting of the Members of W.H. BRADY & CO. LTD., will be held on Friday, the 26th September, 1997 at 11.15 a.m. at Maharashtra Chamber of Commerce, "BABASAHEB DAHANUKAR SABHAGRIHA", Orion House, 6th Floor, 12, K. Dubhash Marg, Mumbai - 400 023, to transact the following business :-

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1997 and the Profit & Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Prakash Mehta who retires by rotation, and being eligible, offers himself for re-election.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

4. 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."

5. 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 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."

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6. 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 FIIs) 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

M. K. SHAH
Secretary

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

Mumbai, 20th August, 1997.

W. H. BRADY & COMPANY LIMITED

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. 4, 5 & 6 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) 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.
- (e) 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.
- (f) 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.
- (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.


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

ITEM NO. 4

It is proposed to add new Article No.27A in the Articles of Association as set out at Item 4 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.4 of the Notice.

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

ITEM NO. 5

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.4, 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.5 of the Notice.

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

ITEM NO. 6

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.6 of the Notice.

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

By Order of the Board of Directors

M. K. SHAH
Secretary

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

Mumbai, 20th August, 1997.

W. H. BRADY & COMPANY LIMITED**DIRECTORS' REPORT**

TO THE MEMBERS OF W. H. BRADY & COMPANY LTD.

The Directors present their Eighty-fourth Annual Report together with the audited accounts of the Company for the year ended 31st March, 1997.

1. FINANCIAL RESULTS:

	1996-97 (Rs. in lacs)	1995-96 (Rs. in lacs)
(a) Operating Profit before Interest & Depreciation	103.38	78.33
(b) Less : Interest	83.16	68.31
(c) Profit before Depreciation	20.22	10.02
(d) Less : Depreciation	11.58	8.24
(e) Profit before Tax	8.64	1.78
(f) Less : Tax for the year	1.12	—
(g) Profit after Tax	7.52	1.78
(h) Prior year adjustments	(0.05)	0.26
(i) Profit for the year	7.47	2.04
(j) Provision for Doubtful Debts no longer required written back	—	0.14
(k) Balance brought forward from the previous year	108.55	106.37
	116.02	108.55
(l) Less : Provision for Wealth Tax	9.52	—
(m) Balance carried to Balance Sheet	106.50	108.55

2. OPERATING RESULTS :

The turnover of the Company increased during the year to Rs. 1070.15 lacs from Rs. 1,045.40 lacs for the previous year and the net profit after tax increased to Rs. 7.52 lacs from Rs. 1.78 lacs during the previous year. This was possible by streamlining the activities of the Company. The Company could have performed much better, but due to the difficult economic conditions coupled with liquidity problems, the performance of the Company was not upto to its potential.

3. FUTURE OUTLOOK :

The Company has taken several steps to strengthen its marketing and trading activities, as a result of which the Company hopes to do better. However, due to the present economic situation, the Company has decided to adopt a cautious approach.

4. DIVIDEND :

Since the net profit is nominal, your Directors have deemed it fit not to recommend any Dividend for the year ended 31/3/97.

5. BOARD OF DIRECTORS :

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association, Mr. Prakash Mehta retires by rotation and is eligible for re-election.

6. PERSONNEL :

Particulars required under Section 217 (2A) of the Companies Act, 1956 in respect of employees drawing remuneration in excess of Rs. 25,000/- p.m. are as given in Annexure 1.

The Company continued to have cordial relations with the officers and employees at various levels.

7. SUBSIDIARY OF THE COMPANY :

The Balance Sheet and Profit & Loss Account of Brady & Morris Engineering Co. Ltd. (the subsidiary of the Company) for the year ended 31st March 1997 along with the Directors' Report have been annexed for the information of the shareholders.

8. AUDITORS AND AUDITORS' REPORT :

With regard to the remark of the Auditors in their Report regarding setting off of accumulated losses against revaluation reserve, the Company has been advised that there is no prohibition in law to do so as reported in our Report of last year.

Rest of the observations made in their report are self explanatory and need no comments.

W. H. BRADY & COMPANY LIMITED

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS :

Information required in terms of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure 2 and forms part of this Report.

- 10.** The Board places on record its appreciation of the support and co-operation extended by the Bankers, Bank of Baroda throughout the year.

11. APPOINTMENT OF AUDITORS :

The members are requested to appoint Auditors to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration

On behalf of the Board of Directors

P. G. MORARKA
Managing Director

Mumbai, 20th August, 1997.

ANNEXURE - 1

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 1997.

PERSON EMPLOYED THROUGHOUT THE FINANCIAL YEAR

Name	Designation/ Nature of Duties	Gross Remun- eration	Quali- fication	Exper- ience (Years)	Date of Comme- ncement of Employ- ment	Age	Last Employment held before joining the Company and the period
Mr. P. G. Morarka	Managing Director	4,65,676	B.Com. (Hons.)	9	1.01.1989	42	NIL

NOTES :

1. Nature of Employment : Appointment terminable by three month's Notice on either side.
2. Remuneration received / receivable include Salaries, Allowances, Exgratia, Contribution to Provident Fund & Superannuation Fund and excludes Company's contribution to gratuity fund.

W. H. BRADY & COMPANY LIMITED**ANNEXURE - 2**

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, 1997.

Item Particulars	Comments
A. Conservation of Energy	
(a) Measures taken)
(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy)
(c) Impact of measures at (a) and (b) above and consequent impact on Cost of production.)
(d) Total energy consumption and energy consumption per unit of production in Form - A)
	Not Applicable
B. Technology Absorption	
(a) Efforts made in technology absorption)
(b) Research & Development)
(c) Technology absorption, adaptation and innovation)
C. Foreign Exchange Earnings and Outgoings	Please refer Notes 6 to 9 of the Notes on Accounts.

On behalf of the Board of Directors

P. G. MORARKA
Managing Director

Mumbai, 20th August, 1997.