

W. H. BRADY & COMPANY LIMITED



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**88TH ANNUAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2001**

W. H. BRADY & COMPANY LIMITED

BOARD OF DIRECTORS :	MR. PAVAN G. MORARKA Managing Director MR. KAUSHIK D. SHAH MR. PINAKI MISRA MR. PRAKASH MEHTA
CHIEF EXECUTIVE :	MR. K. K. KRISHNAN
CHIEF OPERATING OFFICER :	MR. GANESH R. IYER
COMPANY SECRETARY :	MR. M. K. SHAH
AUDITORS :	C. L. DALAL & CO. CHARTERED ACCOUNTANTS
SOLICITORS :	HARIANI & CO., MUMBAI
BANKERS :	BANK OF BARODA, MUMBAI ABN-AMRO BANK N. V., MUMBAI CITIBANK N. A. MUMBAI UTI BANK, MUMBAI.
REGISTERED OFFICE OF THE COMPANY :	"BRADY HOUSE" 12/14, VEER NARIMAN ROAD, FORT, MUMBAI - 400 001.
BRANCH AND SALES OFFICES :	AHMEDABAD - Aditya, 10th Floor, Navrangpura KOLKATA - 4, Swin hoe Street COIMBATORE- 221, Satyamoorti Road, Ramnagar CHENNAI - Killick Tower, Nandanam NEW DELHI - 14/15 F, Connaught Place BANGALORE - No. 1064, 11 th Main, Rajaji Nagar NAGPUR - Narula Bldg, Lokmat Sqaure

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

NOTICE is hereby given that the Eighty-Eighth Annual General Meeting of the Members of **W. H. BRADY & CO. LTD.**, will be held on Saturday, the 29th September, 2001 at 11.15 a.m. or immediately after the conclusion of Annual General Meeting of subsidiary M/s. Brady & Morris Engineering Company Limited at Alexandar Girl's English Institution, 31, Hazarimal Somani Marg, Mumbai-400001, to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001 and the Profit & Loss Account for the year ended on that date together with Directors' and Auditors' Reports thereon.
2. To elect a Director in place of Mr. K.D. Shah, 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 Resolutions :

AS A SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Companies Act, 1956 and all other applicable provisions of applicable Law, rules, guidelines (including any statutory modification or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the such concerned authorities while granting such approvals, permissions, sanctions, which may be agreed to by the Board of Directors of the Company and/or duly constituted committee thereof for the time being exercising the powers conferred by the Board of Directors (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded for investments by NRIs/OCBs/Foreign Institutional Investors including their sub-accounts (hereinafter referred to as "FIIs"), in the Shares or Debentures convertible into Shares of the company, by purchase or acquisition from the market or under Portfolio Investment Scheme under FEMA, subject to the condition that the total overall holding of all FIIs put together shall not exceed 49% of the Paid Up Share Capital or paid up value of the respective series of the convertible Debentures of the Company as may be applicable or such other maximum limit as may be prescribed from time to time."

"FURTHER RESOLVED that the Board of Directors of the company be and is hereby authorised to do all such acts, deeds, matters and things and to execute such documents or writings as may be necessary, proper or expedient for this purpose"

5. AS AN ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is

hereby accorded to the Board of Directors of the Company for creating such mortgage of and/or charging on such terms and conditions and in such form or manner as it may deem fit the whole or substantially the whole of the Company's Assets including present and future properties whether movable or immovable as the case may be, in favour of Banks, Institutions or other Lenders.

"FURTHER RESOLVED that the Board of Directors of the company be and is hereby authorised to do all such acts, deeds, matters and things and to execute such documents or writings as may be necessary, proper or expedient for this purpose".

6. AS AN ORDINARY RESOLUTION :

"RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting of the Company held on 23.09.1992, and pursuant to Section 293 (1) (d) of the Companies Act, 1956 and other enabling provisions, if any consent of the Company, be and is hereby accorded to the Board of Directors of the Company to borrow from time to time any sum or money as they may deem fit for the purpose of business of the Company notwithstanding that moneys to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed at any time the aggregate of the paid up capital and free reserves (that is to say reserves not set apart for any specific purpose) by a sum not exceeding Rs.500.00 Crores (Rupees Five Hundred Crores only)."

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to arrange and to fix the terms and conditions of all such monies to be borrowed from time to time and to do all such acts, deeds as may be necessary or expedient for implementing or giving effect to the above resolution".

7. To declare the result of the following special resolution to be passed by postal ballot in accordance with provisions of the Companies (passing of resolutions by postal ballot) Rules, 2001, notice in respect of which, along with postal ballot form and prepaid self addressed envelope have been posted to shareholders under postal certificate on 17th August, 2001 as required under said Rules:

"RESOLVED THAT pursuant to the provisions of Section 372A and all other applicable provisions if any, of the Companies Act, 1956 and subject to such consents, sanctions and approvals as may be required, the Board of Directors of the Company be and is hereby authorised to make investments in, give loans and/or provide guarantees and securities to the Company's Subsidiaries/ Associates and/or other Bodies corporate in addition to investments made, loans and/or guarantees and securities already given/provided by the Company in excess of 60% of the paid-up capital and free reserves of the Company or 100% of the Free Reserves of the Company whichever is more as prescribed under the Section, up to an aggregate amount not exceeding Rs.300 Crores [Rupees Three Hundred Crores only]".

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"RESOLVED FURTHER that consent of the Company be and is hereby given to the Board of Directors of the Company to determine the specific amount within the aggregate limit of Rs.300 Crores [Rupees Three Hundred Crores only] and the particulars of the Bodies Corporate in which the Investment is proposed to be made or to whom Loan/Deposit is to be given or Guarantee/Security to be provided, Specific source of funding and such other details which in their absolute discretion may deem appropriate and in the best interests of the Company and for the business expediency pursuant to the applicable provisions of the Companies Act, 1956".

"FURTHER RESOLVED that the Board of Directors of the company be and is hereby authorised to do all such acts, deeds, matters and things and to execute such documents or writings as may be necessary, proper or expedient to give effect to these resolutions."

By Order of the Board of Directors

M. K. SHAH
Secretary

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

Dated : 30th August, 2001.

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 Item Nos. 4, 5, 6, & 7 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 22nd September 2001 to 29th September, 2001 (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 Capital with Pin Code of the Post Office.
- (e) Members are requested to send their queries at least ten day 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.
- (i) 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-400001. The Members may take advantage of this facility.
- (j) 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.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173
OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEMS NOS. 4, 5, 6 & 7**

ITEM NO. 4

Under the current liberalisation policy of the Government of India, considerable relaxation has been made in respect of Non Resident Indians (NRIs) and Overseas Corporate Bodies predominantly owned by NRIs (OCBs) and Foreign Institutional Investors (FIIs) making investments in shares and convertible debentures of Indian Companies.

Under the revised FII guidelines issued by the Ministry of Finance, the aggregate portfolio investments by NRIs/OCBs/ FIIs can now be up to 49% of the issued and paid up capital of a Company, if the Directors of the Company has approved the enhanced limit and such enhanced limit has also been approved by a special resolution passed by the Company in General Meeting.

In order to take advantage of this, it is thought expedient to pass the special resolution as set out in this item of the Notice.

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The Directors therefore, recommend the resolution for approval of the shareholders.

None of the Director of the Company is/are interested in the said resolution.

ITEM NO. 5 -

The Company is required to secure various Financial Assistance granted or to be granted by Financial Institutions, Commercial Banks, Bodies Corporate, Mutual Fund and/or other leading Institutions/entities and the same are required to be secured by creation of mortgage/charge on movable /immovable properties of the Company.

Section 293 (1) (a) of the Companies Act, 1956 inter alia provides that the Board of Directors of a Public Limited company shall not, without the consent of the company in General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of undertaking of the Company. In view of the Company's increasing requirement of funds, it may be required to approach the Financial Institutions. Commercial Banks, Bodies Corporate, Mutual Funds and/or other leading Institutions/entities as may be necessary for raising loans to meet the funds requirements.

Since creation of mortgage/charge by the Company on its movable and immovable properties as aforesaid in favour of the Financial Institutions. Commercial Banks, Bodies Corporate, Mutual Fund and/or other leading institutions/entities may be regarded as disposal of the Company's properties/undertaking, it is necessary for the members to pass a Resolution under Section 293 (1) (a) of the Companies Act, 1956.

None of the Directors of the Company is/are concerned or interested in the Resolution.

Your Board recommends the Resolution for your approval.

ITEM NO. 6.

Members are aware that at present the Board of Directors is authorised to borrow money for the purpose of carrying on business of the company up to an amount not exceeding Rs.25 Crores. As the Company is exploring new opportunities for expansion, diversification and taking over of existing units / business, the Board of Directors proposes to enhance the existing borrowing limits up to Rs.500 crores. Therefore, it is necessary for the members to pass a Resolution under section 293(1) (d) of the Companies Act, 1956.

None of the Directors of the company is/are concerned or interested in the Resolution.

Your Board recommends the Resolution for your approval.

ITEM NO. 7 -

To explore new opportunities in the fast emerging markets and to improve the overall operations of the Company, the Company proposes to give loans through its internal accruals or other sources of financing. The Company also proposes to provide security or guarantee in favour of associate companies and/or bodies corporate or on their behalf to banks, financial institutions and/or other parties. The details of the sub-limits are:-

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Particulars	Sanction Sought (Rs. In Crores)
Investments (including Subsidiaries and Associates)	75
Loans & Deposits (Business, Subsidiaries & Others)	100
Guarantees & Securities (Business, Subsidiaries & Others)	125
TOTAL	300

The said transactions of loans, guarantees or securities are regulated by Section 372A of the Companies Act, 1956 according to which the Board of Directors of the Company shall not make Investments in other Bodies Corporate including its subsidiaries, or given loans or guarantee or security if the existing Investments made and loans and guarantees given (including those in respect of Subsidiaries) together with further Investments made and loans and guarantees to be so give exceed 60% of the paid-up capital and free reserves of the Company or 100% of the Free Reserves of the Company, whichever is more unless prior approval of the Shareholders by a Special Resolution is obtained.

The proposed loans and guarantees intended to be given together with existing one will be in excess of the above limits provided by the Act. Hence it is necessary to obtain approval of Shareholders of the Company in respect of the Resolution proposed as above.

The Board of Directors of the Company after careful thinking and discussion arrived at the conclusion that the proposed loans or securities to associate companies and/or other bodies corporate as mentioned in the resolution would be in the interest of the Company and its Shareholders.

Your Board recommends the resolution for your approval.

Directors who are also directors in associate companies and other bodies corporate may be deemed to be concerned or interested in the resolution at the time of giving effect to this resolution.

Registered Office:

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

By order of the Board of Directors

M.K. SHAH

Date : 30th August, 2001.

Secretary

W. H. BRADY COMPANY LIMITED**DIRECTOR'S REPORT**

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

The Directors present their Eighty-Eighth Annual Report together with the audited accounts of the Company for the year ended 31st March, 2001.

FINANCIAL RESULTS :

	2000-2001 (Rs. in Lacs)	1999-2000 (Rs. in Lacs)
(a) Operating Profit before Interest & Depreciation	90.46	17.29
(b) Less : Interest	23.55	30.57
(c) Profit before Depreciation	66.91	(13.28)
(d) Less : Depreciation	13.28	13.62
(e) Bad Debts & Sundry Balances written off	19.01	24.79
(f) Loss on Fixed Assets discarded	00.74	0.39
(g) Add : Credit balances written back	5.40	2.02
(h) Profit on sale of Fixed Assets	-	112.36
(i) Profit before Tax	39.28	62.30
(j) Less : Tax for the year	2.90	6.65
(k) Profit after Tax	36.38	55.65
(l) Prior year adjustments (Net)	0.40	3.53
(m) Profit for the year	35.98	59.18
(n) Balance brought forward from the previous year	174.87	115.69
(o) Balance carried to Balance Sheet	210.85	174.87

2 OPERATING RESULTS :

The turnover of the Company during the year was Rs.1945.33 Lacs as compared to Rs. 634.87 for the previous year. The Company entered into new areas of Trading.

3. FUTURE OUTLOOK :

The Company is making all out efforts to improve its working further by streamlining the operations, and expanding its Trading activities.

4. DIVIDEND :

With a view to conserve resources to meet the challenge of the next financial year, your Directors do not recommend any Dividend for the year ended 31/03/2001.

5. BOARD OF DIRECTORS :

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

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 judgements 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 :

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

The Company's relations with its officers and employees continue to be cordial.

8. 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 2001 along with the Directors' Report are annexed for information of the shareholders.

9. 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 mentioned in our earlier reports.

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

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUT GO :

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 1 and forms part of this Report.
