

W. H. BRADY & COMPANY LIMITED
ANNUAL REPORT - 1914

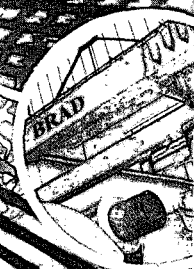
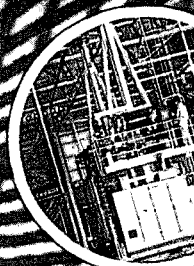
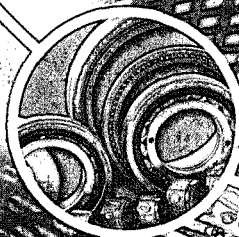
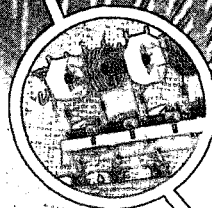


ANNUAL REPORT
2006-07

W. H. BRADY & COMPANY LIMITED

REPORT

BRADY
HOUSE





W. H. BRADY & Co. LIMITED

BOARD OF DIRECTORS

MR. PAVAN G. MORARKA

Chairman & Managing Director

MR. KAUSHIK D. SHAH

MR. PINAKI MISRA

MR. PRAKASH MEHTA

CHIEF EXECUTIVE 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

UTI BANK LTD., MUMBAI

ABN-AMRO BANK N. V., MUMBAI

REGISTERED OFFICE

"Brady House"

12/14, Veer Nariman Road,

Fort, Mumbai - 400 001.

REGISTERAR TRANSFER AGENT

Bigshare Services Pvt. Ltd.,

E-2, Ansa Industrial Estate,

Saki Vihar Road,

Saki Naka, Andheri (East),

Mumbai-400 072.

BRANCH AND SALES OFFICES

AHMEDABAD

- Aditya, 10th Floor, Navrangpura

KOLKATA

- Commercial Point, 79, Lenin Sarani

COIMBATORE

- 221, Satyamoorti Road, Ramnagar

CHENNAI

- Killick Tower, Nandanam

NEW DELHI

- 14/15 F, Connaught Place

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W. H. BRADY & CO. LIMITED

NOTICE

NOTICE is hereby given that the Ninety-fourth Annual General Meeting of the Members of W. H. BRADY & CO. LTD., will be held on Thursday the 27th September, 2007 at 12.15 p.m. or immediately after the conclusion of Annual General Meeting of Subsidiary M/s. Brady & Morris Engineering Company Limited at Maharashtra Chamber of Commerce Trust, Babasaheb Dahanukar Sabhagriha, Oricon 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 Profit & Loss Account of the Company for the year ended 31st March, 2007, the Balance Sheet as on that date and Directors' and Auditors' Reports thereon.
2. To declare a dividend.
3. To elect a Director in place of Mr. K. D. Shah, who retires by rotation, and, being eligible, offers himself for re-election.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

5. To Consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT subject to such approvals, consents and sanctions as may be necessary and further subject to such terms, conditions, stipulations and restrictions as may be imposed by the authorities while granting such approvals, consents, and sanctions, the consent of the Members be and is hereby accorded pursuant to the provisions of Sections 198, 269, 309, 310, 311 Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 for a partial modification of the Ordinary Resolution passed by the members at the Annual General meeting held on August 14, 2004, for the increase in remuneration of Mr. Pavan G. Morarka, Chairman and Managing Director of the Company, viz. Salary from Rs.60,000/- per month to Rs.80,000/- per month and House Rent Allowance from Rs.15,000/- per month to Rs.20,000/- per month w.e.f. 1st August, 2007 till the expiry of his present term of office and is hereby specifically approved with liberty to the board of the Company to alter and vary the terms and conditions in such manner as may be agreed to between the board and Mr. Pavan G. Morarka so as not to exceed the limits as specified in Schedule XIII read with other applicable provisions, if any, of the Act or any amendments thereto or enactment thereof.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to take all such steps and do all such acts and deeds as may be necessary to give effect to the above Resolution."

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

By Order of the Board of Directors

M. K. SHAH
Company Secretary

Mumbai : 29th June, 2007

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 20.09.2007 to 27.09.2007 (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, 2007, 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 27.09.2007. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as on 21.09.2007 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) Members who have not encashed their Dividend Warrants for the Financial Years ended 31.03.2005 and 31.03.2006 may approach the Registered Office for revalidation of Dividend Warrants.
- (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 which will be made available on request and in case of shares held in demat form the nomination has to be lodged with their Depository Participant.
- (l) 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, it is beneficial in the interest of the members to dematerialise their shares at the earliest.

EXPLANATORY STATEMENT U/S. 173 OF THE COMPANIES ACT, 1956

ITEM NO. 5:

It is proposed to partially amend and modify the Ordinary Resolution passed at the Annual General Meeting held on August 14, 2004.

The modification relates to revise the Salary structure of Mr. Pavan G. Morarka, Chairman & Managing Director of the Company from Rs.60,000/- p.m. to Rs.80,000/- p.m. and House Rent Allowance from Rs.15,000/- p.m. to Rs.20,000/- p.m.

Mr. Pavan G. Morarka was re-appointed as Chairman & Managing Director for a period of Five Years upto 31.12.2008 at the Annual General Meeting held on August 14, 2004.

In view of improvement in the performance of the Company and the time devoted by Mr. Pavan G. Morarka, the Board of Directors thought fit to revise the Salary structure of Mr. Pavan G. Morarka from Rs.60,000/- p.m. to Rs.80,000/- p.m. and House Rent Allowance from Rs.15,000/- p.m. to Rs.20,000/- p.m. w.e.f. 01.08.2007.

The above increase has been approved by the Remuneration Committee of the Board of Directors.

The Directors recommend the Resolution set out at item no. 5 of the Notice for the approval of the shareholders.

Except Mr. Pavan G. Morarka no other director of the Company is/are concerned or interested in this Resolution.

This Explanatory Statement alongwith the accompanying notice is and shall be deemed to be an abstract under section 302 of the Companies Act, 1956.

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

Mumbai : 29th June, 2007

By Order of the Board of Directors

M. K. SHAH
Company Secretary



W. H. BRADY & CO. LIMITED

DIRECTORS' REPORT

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

The Directors present their Ninety-fourth Annual Report with the Audited Accounts of the Company for the year ended 31st March, 2007.

1. FINANCIAL RESULTS :

	2006-2007 (Rs. in Lacs)	2005-2006 (Rs. in Lacs)
a) Gross Turnover	1241.48	874.23
b) Operating Profit before Interest and Depreciation	272.61	224.38
c) Less : Interest	26.09	29.07
d) Profit Before Depreciation	246.52	195.31
e) Less : Depreciation	30.36	28.42
f) Less : Bad Debts & Sundry Balances written off	4.01	26.21
g) Less : Loss on Fixed Assets discarded, etc.	--	0.13
h) Less : Loss on sale of Fixed Assets	0.45	0.50
i) Add : Credit balances written back	2.95	9.74
j) Profit before Tax	214.65	149.79
k) Less : Tax for the year - Current	45.00	23.11
- Deferred	(6.57)	(2.04)
- Fringe Benefit Tax	7.00	6.00
- Wealth Tax	0.35	--
l) Profit after Tax	168.87	122.72
m) Prior year Adjustments (Net)	(24.24)	(1.65)
n) Profit for the year	144.63	121.07
o) Balance brought forward from the previous year	471.25	385.41
p) Profit available for appropriations	615.88	506.48
q) Appropriations:-		
i) Proposed Dividend on Equity Shares	25.50	25.50
ii) Tax on proposed Dividend	4.33	3.58
iii) Transfer to General Reserve	9.75	6.15
iv) Transferred to Revaluation Reserve	395.93	--
r) Surplus carried to Balance Sheet	180.37	471.25

2. DIVIDEND :

Your Directors are pleased to recommend for the approval of the shareholders Dividend @ 15% for the year ended 31st March, 2007.

3. WORKING RESULTS:

The sales turnover of the Company has increased to Rs.1241.48 Lacs from Rs.874.23 Lacs, an increase of 42% over the previous year and the profit before tax has increased to Rs.214.84 Lacs against Rs.149.79 Lacs in the previous year, an increase of 43%.

4. FUTURE OUTLOOK:

The Pending Order position as at 31st March '07 is healthy and all our normal business lines continue to grow as per expectations.

While we continue to grow in our existing core business area of Material Handling Equipments, our efforts for new business opportunities in Aviation Support Services and equipments has started to yield results.

During the year under review, we have signed agreements with several international companies in the Aviation Sector. We are hopeful that in the current year aviation business should grow further.

5. BOARD OF DIRECTORS:

In accordance with the provisions of Section 256 of the Companies Act 1956 and the Articles of Association of the Company, Mr. K. D. Shah retires by rotation and being eligible offers himself for re-appointment.

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 had been followed along with proper explanation relating to material departures;
- (b) The Directors had 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 had 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 had 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 2007 along with the Directors' Report are annexed for information of the shareholders.

9. 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.



W. H. BRADY & CO. LIMITED

10. COMPLIANCE CERTIFICATE :

Pursuant to provisions of Section 383 A of the Companies Act, 1956 and the rules made thereunder, the Company has obtained Compliance Certificate issued by Practising Company Secretary, Ms Lalita Lath. The same is attached herewith.

11. 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, 1956, 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. Director recommend to appoint M/s. C. L. Dalal & Co., as statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and fix their remuneration.

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

13. ACKNOWLEDGEMENT :

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

For and on behalf of the Board

PAVAN G. MORARKA

Chairman & Managing Director

Mumbai : 29th June, 2007

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ANNEXURE – 1

STATEMENT UNDER SECTION 217(1)(e) read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2007

Item Particulars	Comments
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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)	Not Applicable
(a) and (b) above and)	
consequent impact on)	
cost of production)	
in Form-'A')	

B. Technology Absorption

(a) Efforts made in technology)	
absorption)	Not Applicable
(b) Research & Development)	
(c) Technology absorption,)	
adaptation and innovation)	

C. Foreign Exchange Earnings and Outgoings

)	Please refer Notes 11 to 14
)	of the Notes on Accounts.

For and on behalf of the Board

PAVAN G. MORARKA

Chairman & Managing Director

Mumbai : 29th June, 2007



W. H. BRADY & CO. LIMITED

Annexure II to the Directors' Report for the year ended 31.3.2007

1. Composition of the Board:

Sl. No	Name	Date of appointment
a	Mr. Pavan G Morarka	14.01.1982
b	Mr. Kaushik D Shah	23.06.1984
c	Mr. Pinaki Misra	23.06.1984
d	Mr. Prakash Mehta	19.05.1994

2. Board Meetings held :

Sl. No	Date
a	23.06.2006
b	22.07.2006
c	23.09.2006
d	03.11.2006
e	07.02.2007

3. Directors' attendance record and Directorships held:

No. of Board Meetings held during the year – 5

Sl. No.	Name	Position	Board Meeting attended during the year	Whether attended last AGM	Directorships in Other Public Ltd. Companies incorporate in India
A	Pavan G Morarka	Chairman & Mg. Director	5	Y	Brady & Morris Engg. Co. Ltd Brady Air Ltd Shirt Company India Ltd.
B	Kaushik D Shah	Director	3	N	Brady & Morris Engg. Co. Ltd Arman Lease & Finance Ltd Amol Decalite Ltd
C	Pinaki Misra	Director	4	N	Brady Air Limited
D	Prakash Mehta	Director	3	N	Advani Hotels & Resorts (I) Ltd. Bharat Bijlee Ltd. Hikal Chemicals Industries Ltd. India Safety Vaults Ltd. Kristeel Shinwa Industries Ltd. KJMC Investment Trust Co. Ltd. Mukand Engineers Ltd. Omega Management Services Ltd. PCS Technology Ltd. JBF Industries Ltd.

4. Information submitted to the Board:

Among others, this includes:

- Quarterly results of the company
- Minutes of meeting of the share transfer committee
- Information on recruitment of senior officers just below the Board level
- Materially important show cause notices, demand, prosecution and penalty notices
- Fatal or serious accidents or dangerous occurrences
- Materially relevant details in financial obligations to and by the company or substantial non payment of goods sold by the company
- Details of joint venture / collaboration agreements

5. Remuneration of Directors: sitting fees, salary, perquisites

Sl. No.	Name of Director	Relationship with other Directors	Sitting Fees Rs.	Salary Rs.	Contribution to PF Rs.	Total Rs.
1	Mr. Pavan G Morarka	Nil	—	9,00,000/-	86,400/-	9,86,400/-
2	Mr. Kaushik D Shah	Nil	12,000/-	—	—	12,000/-
3	Mr. Pinaki Misra	Nil	14,000/-	—	—	14,000/-
4	Mr. Prakash Mehta	Nil	13,000/-	—	—	13,000/-

6. Shareholder / Investor grievances committee:

This committee comprises of Mr. Pavan G Morarka and Mr. Prakash Mehta. The committee met 4 times during the year. The details are as follows:

Sl. No	Date of meeting	Attended by
1	20.04.2006	Mr. Pavan G Morarka and Mr. Prakash Mehta
2	26.05.2006	Mr. Pavan G Morarka and Mr. Prakash Mehta
3	18.08.2006	Mr. Pavan G Morarka and Mr. Prakash Mehta
4	25.11.2006	Mr. Pavan G Morarka and Mr. Prakash Mehta

7. Disclosure regarding appointment / reappointment of Directors:

In terms of the Articles of Association of your company, one-third of the Board of Directors are liable for retirement by rotation and are eligible for reappointment in the Annual General Meeting.

On this basis, Mr. K. D. Shah is liable for retirement by rotation this year and has offered himself for reappointment.

Mr. K. D. Shah, is a practising Chartered Accountant of repute and has been associated with our Company for a long period.

8. General Body Meetings: Details of last three AGMs

Financial year ended	Date	Time	Venue
31st March, 2004	August 14, 2004	11.30 a.m.	Alexandra Girls' English Institution, 31, Hazarimal Somani Marg, Mumbai-400001
31st March, 2005	August 27, 2005	11.30 a.m.	— do —
31st March, 2006	September 23, 2006	12.15 p.m	— do —