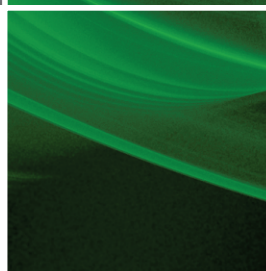


BRADY & MORRIS ENGINEERING COMPANY LIMITED



66th ANNUAL REPORT 2011-12

BRADY & MORRIS ENGG. CO. LTD.

BOARD OF DIRECTORS

MR. PAVAN G. MORARKA Chairman

MR. KAUSHIK D. SHAH

MR. GAUTAM DIVAN

MR. MAHENDRA K. SHAH

MR. VAIBHAV MORARKA - (Appointed w.e.f. 04/08/2012)

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 400 001.

Tel : 22048361-5 • Fax : 22041855

Email : bradys@mtnl.net.in

Website: www.bradys.in

WORKS

1. GIDC Industrial Estate
Vatva, Ahmedabad - 382 445
2. Bareja, Sarsa Patia Village, District Kheda

REGISTRAR & SHARE TRANSFER AGENTS

BIGSHARE SERVICES PVT. LTD.

E-2/3, Ansa Industrial Estate.

Sakivihar Road, Saki Naka, Andheri (E)

Mumbai - 400 072

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NOTICE

NOTICE is hereby given that 66th Annual General Meeting of the Members of **Brady & Morris Engineering Company Limited** will be held on Saturday, September 29, 2012 at 11.30 a.m. at Alexandra Girls' English Institution, 31, Hazarimal Somani Marg, Mumbai 400 001 to transact the following businesses:

1. To Consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date and the Report of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Gautam Divan, who retires from office by rotation, and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. C. L. Dalal & Co., Chartered Accountants, Mumbai, having firm registration no. 102026W, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

To Consider and if thought fit, to pass with or without modification(s), the following Resolutions:

4. AS AN ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Vaibhav Morarka, who was appointed as an Additional Director of the Company w.e.f. 04/08/2012 pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of the Annual General Meeting and being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing from a member Under Section 257 and other applicable provisions, if any, of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company."

5. AS A SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 269, 309, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, consent of the members of the Company be and is hereby granted to the appointment of Mr. Vaibhav Morarka as an Executive Director of the Company for a period of 3 [Three] years with effect from October 1, 2012 upon terms and conditions as detailed in the explanatory statement with liberty to the Board of Directors to alter or to vary the same so as not to exceed the limits set out in Section 198, 309 read with Schedule XIII of the Companies Act, 1956 or any amendment thereto as may be agreed to by the Board of Directors of the Company and Mr. Vaibhav Morarka."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the Company will pay remuneration by way of salary, perquisites, allowances and benefits as mentioned in the explanatory statement, subject to obtaining other requisite approvals."

For and on behalf of the Board

Sd/-

PAVAN G. MORARKA
Chairman

Registered Office:

Brady House,
12-14, Veer Nariman Road,
Fort, Mumbai - 400 001.
August 4, 2012.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from 26/09/2012 to 29/09/2012 (both days inclusive).
3. Pursuant to the provision of Section 205(A) of the Companies Act, 1956, Members are hereby informed that Dividends which remain unclaimed/ unencashed over a period of 7 years have to be transferred by the Company to The Investors Education & Protection Fund, constituted by the Central Government under Sections 205(A) & 205(C) of the Companies Act, 1956.

Members should note that no claim can be made by the shareholders for the unclaimed Dividends which have been transferred to the credit of 'The Investors Education & Protection Fund' of the Central Government under the amended provisions of section 205(B) of the Companies Act, 1956.

Details of unclaimed Dividend with its due date of transfer to Investors Education and Protection Fund is as below:

Sr. No.	Year ended	Date of Declaration	Due date of transfer to IEPF
1.	31.03.2005	27.08.2005	26.09.2012
2.	31.03.2006	23.09.2006	22.10.2013
3.	31.03.2007	27.09.2007	26.10.2014
4.	31.03.2008	30.08.2008	29.09.2015
5.	31.03.2009	19.09.2009	18.10.2016
6.	31.03.2010	18.09.2010	17.10.2017

4. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.

Members are requested to visit the website of the Company 'www.bradys.in' for viewing the quarterly & annual financial results and for more information on the Company.

5. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
6. The Company has listed its shares on The Bombay Stock Exchange Limited, Mumbai.
7. a. The Company has appointed M/s. BIGSHARE SERVICES PRIVATE LIMITED as Common Registrar & Share Transfer Agent of the Company for physical as well as demat mode of transfers. Members are therefore requested to send their grievances to them for early disposal at the address as given below.
- b. Members holding Shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Share Transfer Agent of the Company at the address given below AND in case their shares are held in demat, this information should be passed on directly to their respective Depository Participants and not to the Company.

M/S. BIGSHARE SERVICES PRIVATE LIMITED

Unit: [BRADY & MORRIS ENGINEERING COMPANY LIMITED]

E-2/3, Ansa Industrial Estate, Saki Vihar Road,

Saki Naka, Andheri [East], MUMBAI - 400 072

Tel: 022 2847 0652 / 4043 0200

Email: info@bigshareonline.com

8. All documents referred to in the Notice are open for inspection at the registered office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
9. Members/Proxies are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
10. Members who are holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
11. In all correspondence with the Company, Registrar and Share Transfer Agent, Members are requested to quote their Folio No. and in case their shares are held in demat form; they must quote their DP ID and Client ID Number.
12. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form with M/S. BIGSHARE SERVICES PRIVATE LIMITED.
13. Explanatory statement pursuant to Section 173(2) in respect of item no. 4 & 5 is annexed herewith.

For and on behalf of the Board

Sd/-

PAVAN G. MORARKA
Chairman

Registered Office:

Brady House,
12-14, Veer Nariman Road,
Fort, Mumbai - 400 001.
August 4, 2012.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956.

Item 4:

The Board of Directors have appointed Mr. Vaibhav Morarka as an Additional Director on the Board of the Company w.e.f. 04/08/2012 pursuant to Section 260 of the Companies Act, 1956. He holds office only upto the date of the forthcoming Annual General Meeting of the Company.

Mr. Vaibhav Morarka was appointed as Vice President of the Company by the Board of Directors in their meeting held on 12th February, 2011. Since then, he has been working relentlessly to set the things right and improve the working of the Company. Considering the efforts made and steps taken to improve the operations, the Board of Directors recommended his appointment.

The Company has received notice from a member under section 257 of the Companies Act, 1956, signifying his intention to propose his candidature for the office of Director. Looking at the experience and exposure he has, your Directors propose the resolution for your approval.

Mr. Vaibhav Morarka is interested in the Resolution as the resolution is for his own appointment and Mr. Pavan G. Morarka is interested in the resolution being a relative of Mr. Vaibhav Morarka.

Item 5:

The Board of Directors of the Company have appointed Mr. Vaibhav Morarka as an Additional Director of the Company w.e.f. 04.08.2012. At the same meeting the Board has also proposed appointing Mr. Vaibhav Morarka as an Executive Director of the Company subject to approval of the shareholders for a period of 3 years on the following terms and conditions.

INFORMATION ABOUT THE APPOINTEE:

Mr. Vaibhav Morarka aged 27 years, has graduated and done his Bachelor of Science in Business Administration from the School of Management, Boston University in the year 2006 and thereafter he did his Master in Business Administration from Wharton Business School, University of Pennsylvania in the year 2010. Before he did his Masters, he developed the first comprehensive financial trading simulation in India in the form of www.tradecracker.com. Some of the leading IIMs are using this website. Besides, in the last one year, he has gained substantial experience in his capacity as Vice President of the Company.

- 1) Salary: ₹ 1,00,000/- [Rupees One Lac] per month.
- 2) House Rent Allowance ₹ 33,000/- per month.

In addition to above Salary and allowance, he will be also entitled to the following perquisites:

- a) Gratuity payable at a rate of half month's salary for each completed year of service.
- b) Company's contribution towards Provident Fund as per Rules of the Company, but the same shall not exceed 25% of the salary, subject to the condition that the contribution to Provident Fund and Superannuation Fund to the extent that these, either singly or put together are not taxable under the Income Tax Act, 1961.
- c) Leave unavailed of will be allowed to be encashed at the end of the tenure as per Company's Rules.
- d) Leave Travel Concession for self and family once a year incurred in accordance with the rules of the Company.
- e) Car and Telephone- Car for use of Company's business and telephone at residence and mobile phone expenses. Personal long distance calls and use of car for private purpose shall be billed by the Company.

Appointment of Mr. Vaibhav Morarka has been done as per Section II (B) to Part II of Schedule XIII.

Necessary disclosures as provided in Section II (B) to Part II of Schedule XIII to the Companies Act, 1956 are as follows:

1. The above terms have been approved by a Resolution passed by the Remuneration Committee.
2. The Company has not defaulted on any Debts or Debentures or Interest payable thereon.
3. The Resolution proposed above is a Special Resolution.

I. GENERAL INFORMATION:

1. Nature of Industry:

The Company is engaged in the business of manufacturing, marketing & trading of Engineering Products.

2. Date of Commencement of Commercial Production:

Not Applicable, as the Company is an existing Company.

3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not Applicable.

4. Financial Performance based on given indicators:

(₹ in Lacs)

Sr. No.	Particulars	2010-11	2009-10	2008-09
1.	Gross Income	2748.74	2723.96	2650.81
2.	Profit before tax	[-] 300.41	53.36	117.48
3.	Profit after tax	[-] 283.68	33.59	68.76
4.	Dividend paid (including tax)	-	39.49	39.49
5.	Rate of dividend %	-	15%	15%

5. Foreign Investments or Collaborations:

Company does not have any investment outside India.

II. OTHER INFORMATION:

The Company has been incurring losses for the past 2 years

III. DISCLOSURE:

Necessary disclosures shall be made in the Directors' Report annually and Shareholders will be provided all the necessary information.

The Board recommends the resolution to be passed by the Shareholders.

Mr. Vaibhav Morarka is interested in the Resolution as the resolution is for his own appointment and Mr. Pavan G. Morarka is interested in the resolution being a relative of Mr. Vaibhav Morarka.

This Explanatory Statement along with the notice is and shall be deemed to be an abstract under Section 302 of the Companies Act, 1956.

DIRECTORS' REPORT

TO,

THE MEMBERS

Your Directors have pleasure in presenting the 66th Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2012.

1. FINANCIAL RESULTS:

	2011-2012 (₹ in Lacs)	2010-2011 (₹ in Lacs)
a) Gross Turnover	<u>3,452.42</u>	2,759.54
b) Operating Profit /(Loss) before interest and Depreciation	<u>(144.08)</u>	(14.62)
c) Less: Interest	<u>234.23</u>	165.89
d) Profit / (Loss) before Depreciation	<u>(378.31)</u>	(180.51)
e) Less: Depreciation	<u>94.90</u>	95.41
f) Profit / (Loss) before exceptional item	<u>(473.21)</u>	(275.92)
Add : exceptional item	<u>172.80</u>	(14.88)
Profit /(Loss) before tax	<u>(300.41)</u>	(290.80)
g) Less: Tax for the Year		
(i) Current	—	—
(ii) Deferred	<u>(16.73)</u>	8.12
(iii) Fringe Benefit Tax	—	—
Sub - total	<u>(16.73)</u>	8.12
h) Profit / (Loss) after tax	<u>(283.68)</u>	(298.92)
i) Add / (Less): Prior Year's adjustment	<u>—</u>	—
j) Profit / (Loss) for the year	<u>(283.68)</u>	(298.92)
k) Add: Balance brought forward from the previous year	<u>(143.55)</u>	126.37
l) Add: Transfer from General Reserve	—	29.00
m) Profit /(Loss) available for Appropriations	<u>(427.23)</u>	(143.55)
Balance carried to Balance Sheet	<u>(427.23)</u>	(143.55)
EPS	<u>(12.61)</u>	(13.29)

2. DIVIDEND:

In view of the losses incurred by the Company, your Directors express their inability to recommend any dividend for the year ended 31st March, 2012.

3. WORKING RESULTS:

Your Company incurred losses amounting to ₹ 283.68 lacs as against net loss of ₹ 298.92 lacs during the previous year.

Due to slowdown in the economy and substantial pressure on profit margin, added with increase in overall costs, the company incurred losses.

Your board is hopeful of better performance in the year 2012-2013.

4. FUTURE OUTLOOK:

The current year working is better than the last 2 years due to exhaustive steps taken to streamline all areas of operations, such as; Procurement, Marketing, Production, HR, Banking, Design & Development. The Company is hopeful to substantially improve the performance this year. The pending order position as on July 31, 2012 is ₹ 2,488.02 Lacs approx. as compared to ₹ 1,959.16 Lacs approx. in the corresponding period of the previous year. Similarly, Sales of Material Handling Equipments for the first four months has been ₹ 1,083.33 Lacs approx. as compared to ₹ 776.13 Lacs approx. in the corresponding period of the previous year. This positive trend is indicative of better working results in the current year.

5. REMUNERATION COMMITTEE:

In compliance with the provisions of the Companies Act, 1956, your board has constituted Remuneration Committee comprising of Mr. K. D. Shah, Mr. Gautam Divan and Mr. M. K. Shah as members.

6. 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. Gautam Divan, Director retires from his office by rotation and being eligible offers himself for re-appointment.

Your Board has appointed Mr. Vaibhav Morarka as an Additional Director of the company, necessary resolution is proposed for his appointment as a regular director.

The Board has also recommended to the shareholders for appointing Mr. Vaibhav Morarka as an Executive Director of the Company; necessary resolution for the same is placed before the shareholders for their approval.

7. 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 loss 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.

8. 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.

9. PERSONNEL & PARTICULARS OF EMPLOYEES:

None of the employees of the Company is in receipt of remuneration in excess of limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended and hence no information is furnished thereto.

10. COMPLIANCE CERTIFICATE:

Pursuant to provisions of Section 383A of the Companies Act, 1956 and the rules made thereunder, the Company has obtained a Compliance Certificate from GMJ & Associates, Company Secretaries. The same is attached herewith.

11. CORPORATE GOVERNANCE:

Though Provisions of Clause 49 of the Listing Agreement of the Stock Exchange do not apply to the Company, the Company has adopted best practices prevailing for internal regulations and for good Corporate Governance. A small note on Corporate Governance Practices adopted by the Company is attached as Annexure B to the Directors Report.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

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 I and forms part of this Report.

13. INSURANCE:

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

14. ACKNOWLEDGEMENT:

The Directors acknowledge the invaluable support extended to the Company by the shareholders, financial institutions, bankers and employees of the Company.

For and on behalf of the Board

Sd/-
PAVAN G. MORARKA
Chairman

Registered Office:

Brady House,
12-14, Veer Nariman Road,
Fort, Mumbai - 400 001.
August 4, 2012.