



BRADY & MORRIS ENGINEERING COMPANY LIMITED

68th ANNUAL REPORT 2013-14

BRADY & MORRIS ENGG. CO. LTD.

BOARD OF DIRECTORS

MR. PAVAN G. MORARKA Chairman

MR. KAUSHIK D. SHAH

MR. VAIBHAV MORARKA Executive Director

MR. RAJENDER K. SHARMA

MR. CYRUS VACHHA (Appointed w.e.f. 10/05/2014)

MR. SUMIT BANERJEE (Appointed w.e.f. 10/05/2014)

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

CIN : L29150MH1946PLC004729

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

Tel: 2847 0652 / 4043 0200

Email: info@bigshareonline.com

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NOTICE

NOTICE is hereby given that the 68th Annual General Meeting (AGM) of the Members of Brady & Morris Engineering Company Limited will be held on Saturday, September 27, 2014 at 11:00 a.m. at Maharashtra Chambers of Commerce Trust, Oricon House, Maharashtra Chamber of Commerce Path, Fort, Mumbai - 400001 to transact, with or without modification(s) the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint Director in place of Mr. Pavan G. Morarka who retires from office by rotation and being eligible offers himself for re-appointment.
3. To re-appoint, Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the third consecutive AGM and to pass the following resolution.

“RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. C. L. Dalal & Co., Chartered Accountants having Firm Registration No:102026W, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the third consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined in consultation with the Auditors, and that such remuneration may be paid on a progressive billing basis to be agreed upon between the Auditors and the Board of Directors.

SPECIAL BUSINESS:

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

“RESOLVED THAT, pursuant to the provisions of Section 161(1) and other applicable provisions of the Companies Act, 2013, Mr. Sumit Banerjee (DIN: 00213826), who was appointed as an Additional Director of the Company on 10th May, 2014 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 alongwith requisite deposit signifying his intention to propose Mr. Sumit Banerjee (DIN: 00213826) as a candidate for the office of a Director of the Company, be and is hereby appointed as a Director of the Company.”

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

“RESOLVED THAT, pursuant to the provisions of Section 161(1) and other applicable provisions of the Companies Act, 2013, Mr. Cyrus Vachha (DIN: 06722644), who was appointed as an Additional Director of the Company on 10th May, 2014 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 alongwith required deposit signifying his intention to propose Mr. Cyrus Vachha (DIN: 06722644), as a candidate for the office of a Director of the Company, be and is hereby appointed as a Director of the Company.”

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

“RESOLVED THAT, pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder and Schedule IV to the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Kaushik D. Shah (DIN: 00024305), Director of the Company who retires by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for one term of five consecutive years from 01/04/2014 upto 31/03/2019, not liable to retire by rotation.”

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

“RESOLVED THAT, pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder and Schedule IV to the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sumit Banerjee (DIN: 00213826), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for one term of two consecutive years upto March 31, 2016, not liable to retire by rotation.”

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

“RESOLVED THAT, pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder and Schedule IV to the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Cyrus Vachha (DIN: 06722644), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for one term of two consecutive years upto March 31, 2016, not liable to retire by rotation.”

9. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT in supersession of the earlier Ordinary Resolution passed by the shareholders at the General Meeting of the Company held on September 29, 2001 consent of the Company be and is hereby accorded to the Board of Directors under Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactments thereof for the time being in force) and the Articles of Association of the Company for borrowing, whether by way of Term Loan / Equipment Finance / Cash Credit facilities or the like, from time to time, any sum or sums at its discretion from Financial Institutions / Banks / Others on such terms and conditions and with or without security as the Board of Directors may think fit, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) shall not exceed in the aggregate at any time ₹ 300 Crores (Rupees Three Hundred Crores Only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalise, settle and execute such documents/deeds/writings/agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard and also to delegate all or any of the above powers to the Directors or the Principal Officers of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

10. 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 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 consent of the Company be and is hereby given to the Board of Directors of the Company to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable, immovable properties and other assets, present and future and in such manner as the Board may deem fit, in favour of the Financial Institutions/Banks/any other investing agencies/trustees for the holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any other person(s)/bodies corporate by way of private placement or otherwise, to secure rupee/foreign currency loans, debentures, bonds or other instruments (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed ₹ 300 Crores (Rupees Three Hundred Crores Only).

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors be and are hereby authorized to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage / charge as aforesaid and also to delegate all or any of the above powers to the Principal Officers of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

11. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT subject to Section 188, 177 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Equity Listing Agreement (as amended from time to time by the Securities and Exchange Board of India and the Stock Exchanges), and the Memorandum and Articles of Association of the Company, the consent of the Members be and is hereby accorded for the Company to enter into various transactions with M/s. W. H. Brady & Company Limited, the Holding Company, for an aggregate value of ₹ 35 crores, over a period of 12 months starting from 1st April, 2014, on such terms and conditions as may be agreed by the Board, provided, however, that the transactions so carried out shall at all times be on arm's length basis and in the ordinary course of the Company's business.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or anyone or more Directors of the Company."

Registered Office:

Brady House,
12-14, Veer Nariman Road,
Fort, Mumbai - 400 001.
August 8, 2014.

For and on behalf of the Board

PAVAN G. MORARKA
(DIN : 00174796)
Chairman

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 FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 23/09/2014 to 26/09/2014 (both days inclusive).
4. 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.	31.03.2007	27.09.2007	26.10.2014
2.	31.03.2008	30.08.2008	29.09.2015
3.	31.03.2009	19.09.2009	18.10.2016
4.	31.03.2010	18.09.2010	17.10.2017
5.	31.03.2011	12.08.2011	11.09.2018

5. 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.
6. 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.
7. The Company has listed its shares on BSE Limited, Mumbai.
8. 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 Registrar & Share Transfer Agent 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

9. 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 AGM.
10. 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.

11. 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.
12. 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.
13. 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 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.
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
15. **VOTING THROUGH ELECTRONIC MEANS**
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to cast their vote electronically, through e-voting services provided by Central Depository Services Limited (CDSL), on all resolutions set forth in this Notice.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 21, 2014 at 9.00 a.m. and ends on September 23, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) August 22, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio/client id number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **BRADY & MORRIS ENGINEERING COMPANY LIMITED** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user which should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

The Company has appointed Mr. Mahesh Kumar Soni, Partner of M/s GMJ & Associates, Company Secretaries, Mumbai (C.P. No.2324) to act as Scrutinizer for conducting the electronic voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman. The Results declared along with the Scrutinizer's Report shall be placed on the Company's/CDSL's website within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

Registered Office:

Brady House,
12-14, Veer Nariman Road,
Fort, Mumbai - 400 001.
August 8, 2014.

For and on behalf of the Board

PAVAN G. MORARKA
(DIN : 00174796)
Chairman

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013.

Item 4 & 5 :

The Board of Directors of the Company, pursuant to the provisions of Section 161 (1) of the Act and the Articles of Association of the Company have appointed Mr. Sumit Banerjee and Mr. Cyrus Vachha as Additional Directors of the Company w.e.f. from 10th May, 2014, both the Directors will hold office upto the date of the ensuing AGM.

The Company has received notices in writing from a member along with deposit of requisite amount pursuant to Section 160 of the Act, proposing the candidatures of Mr. Sumit Banerjee and Mr. Cyrus Vachha for the office of Directors of the Company. Mr. Sumit Banerjee and Mr. Cyrus Vachha are not disqualified from being appointed as Directors in terms of Section 164 of the Act. The Company would benefit from their rich experience.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolutions as set out at Item no.4 and 5 for approval of the Members.

Item No.6, 7 & 8:

Section 149, 150, 152 & Schedule IV of the newly enacted Companies Act, 2013 makes it mandatory for every Listed Company to appoint Independent Directors for not more than two terms of five consecutive years each, first term by an Ordinary Resolution and for the second term by passing a Special Resolution. The Independent Directors shall not be liable to retire by rotation at every AGM.

The Board of Directors of the Company have decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Kaushik D. Shah, Mr. Sumit Banerjee and Mr. Cyrus Vachha being eligible, offer themselves for appointment as Independent Directors on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Mr. Kaushik D. Shah, for one term of five consecutive years, Mr. Sumit Banerjee and Mr. Cyrus Vachha as Independent Directors on the Board of the Company for one term of two consecutive years. A brief profile of Mr. Kaushik D. Shah, Mr. Sumit Banerjee & Mr. Cyrus Vachha, Independent Directors, including nature of their expertise, is provided hereunder.

Directors Profile:

Name of the Director	Mr. Kaushik D. Shah	Mr. Sumit Banerjee	Mr. Cyrus Vachha
Date of Appointment	19/05/1994	10/05/2014	10/05/2014
Expertise in Specific Functional Area	Expert in Merger & Acquisition and Valuation of Business Enterprises	General Management & Corporate Governance	Banking and Internal Audit Professional
Qualification	Chartered Accountant	Post Graduate F.I.E	Bachelor of Arts in Economics
Director in Other Private/Public Limited Companies/Firms	1. W H Brady And Company Limited 2. Amol Dicalite Limited 3. Arman Financial Services Limited 4. Brady Services Private Limited 5. Global Tradecracker Private Limited 6. Leading Hotels Limited 7. Life Care Institute 8. DBS Advisory Services Pvt. Ltd. 9. Dhirubhai Shah & Co.	Nil	Tata Trustee Company Limited

Membership of Committees in other Private/Public Limited Companies	Arman Financial Services Limited Chairman of Audit Committee	1. Member, Board of Governors, IIM-Lucknow 2. Invited Member, Managing Committee of Bombay Chamber of Commerce & Industries	1. Tata Trustee Company Limited - Audit Committee 2. Advisory Board, Motilal Oswal Private Equity Fund
No. of Shares Held in the Company as on 31.03.2014 (Face Value of ₹ 10/- per share)	Nil	Nil	Nil

In the opinion of the Board, Mr. Kaushik D. Shah, Mr. Sumit Banerjee and Mr. Cyrus Vachha fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Directors of the Company.

The Company has received from each of them (i) consent in writing to act as a director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

A copy of the Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolutions as set out at Item no. 6, 7 & 8 for approval of the Members.

Item No. 9 & 10 :

The Shareholders of the Company had, by an Ordinary Resolution at the AGM of the Company held on 29th September, 2001 authorized the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company not exceeding ₹ 300 Crores for the business of the Company.

At the same AGM of the Company, the shareholders had accorded their consent to the Board of Directors for creation of mortgages, charges and hypothecations etc. to secure aforesaid borrowings.

However, Section 180(1) of the Companies Act, 2013, provides that the Board of Directors of the Company shall exercise the said powers only with the consent of the Company by a Special Resolution. Hence, the Special Resolutions at Item No.9 & 10 are intended for this purpose.

It may be noted that the Directors and Key Managerial Personnel of the Company and their relatives who are members of the Company, may be deemed to be concerned or interested in this Resolution only to the extent of their respective shareholding in the Company to the same extent as that of every other member of the Company.

Item No. 11 :

The Company in ordinary course of its business, and on arm's length basis, sells goods and materials to M/s.W. H. Brady & Company Limited, its Holding Company, besides allocating common corporate expenditure, purchase of goods & materials, providing guarantee and making of investments/loans.

The value of the transactions proposed which would be on an arm's length basis, is based on the Company's estimated transaction value for FY 2014-15.

The proposal has been approved by the Audit Committee at its meeting held on August 8, 2014 in accordance with the Securities and Exchange Board of India Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and the revised Clause 49 of the Listing Agreement, to be effective from October 1, 2014, as well as Section 177 of the Companies Act, 2013.

The approval of the Shareholders would not be required under the provisions of the Companies Act, 2013 for transactions which are in the ordinary course of the Company's business and are on arm's length. In terms of the Securities and Exchange Board of India Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and the revised Clause 49 of the Listing Agreement, to be effective from October 1, 2014, all existing material related party contracts or arrangements as on the date of the said circular, which are likely to continue beyond March 31, 2015, shall be placed for approval of the shareholders in the First General Meeting subsequent to October 01, 2014. However, a company may choose to get such contracts approved by the shareholders even before October 01, 2014.

The transactions envisaged likely to exceed during the financial year, 5% of the annual turnover or 20% of the net worth of the Company, whichever is higher as per the latest Audited financial statements of the Company and are considered material in terms of the revised Clause 49 of the Listing Agreement, approval of the Shareholders is therefore being sought in terms of the aforesaid Securities and Exchange Board of India Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and the revised Clause 49 of the Listing Agreement, to be effective from 1st October, 2014.

It may be noted that the Directors and Key Managerial Personnel of the Company and their relatives who are members of the Company, may be deemed to be concerned or interested in this Resolution only to the extent of their respective shareholding in the Company to the same extent as that of every other member of the Company. Your Directors recommend the resolution as at Item No. 11 for your approval.

Registered Office:

Brady House,
12-14, Veer Nariman Road,
Fort, Mumbai - 400 001.
August 8, 2014.

For and on behalf of the Board

PAVAN G. MORARKA

(DIN : 00174796)

Chairman