

W. H. BRADY & COMPANY LIMITED



**87th ANNUAL REPORT
FOR THE YEAR ENDED 31ST MARCH, 2000**

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
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
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 CALCUTTA - Mercantile Building, Lal Bazar COIMBATORE - 221, Satyamoorty Road, Ramnagar CHENNAI - Killick Tower, Nandanam NEW DELHI - 14/15 F, Connaught Place BANGALORE - No. 1064, 11th Main, Rajaji Nagar NAGPUR - Narula Bldg, Lokmat Square

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Notice

NOTICE is hereby given that the Eighty-Seventh Annual General Meeting of the Members of **W. H. BRADY & CO. LTD.**, will be held on Saturday, the 30th September, 2000 at 11.15 a.m. or immediately after the conclusion of the Annual General Meeting of Subsidiary, M/s. Brady & Morris Engg. Co. Ltd., at Alexandra Girls' English Institution, 31, Hazarimal Somani Marg, Mumbai-400 001, to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2000 and the Profit & Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Prakash Mehta who retires by rotation and being eligible offers himself for re-election.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

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

AS A SPECIAL RESOLUTION

"RESOLVED that pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered as follows :-

After Article 53, following new articles be added as Article No. 53A & 53B

'DEMATERIALIZATION OF SECURITIES-

Definitions 53A

1. For the purpose of this Article :-

'Beneficial Owner' means the beneficial owner as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996;

'SEBI' means the Securities & Exchange Board of India

'Bye-laws' means bye-laws made by a depository under Section 26 of the Depositories Act, 1996;

'Depositories Act' means the Depositories Act, 1996, and any statutory modification or re-enactment thereof for the time being in force;

'Depository' means a Company formed and registered under the Depositories Act, 1996 ('the Act') and which has been granted a certificate of registration under sub section (1A) of Section 12 of the Securities & Exchange Board of India Act, 1992;

'Record' includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;

'Regulations' means the regulations made by SEBI;

'Security' means such security as may be specified by the SEBI Board from time to time.

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'Shareholder' or **'member'** means the duly registered holder, from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also every person holding Equity Shares of the Company as also one whose name is entered as a beneficial owner of the shares in the records of a Depository;

Dematerialisation of Securities

2. Notwithstanding anything contained in these Articles of Association, the Company shall be entitled to dematerialise or rematerialise its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any;

Options for Investors

3. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in Depositories to be in fungible form

4. All securities held by a Depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C, and 372 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories and beneficial owners

- 5 (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his/her securities held by a Depository.

Service of the documents

6. Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

Option to opt out in respect of any security

7. If a beneficial owner seeks to opt out of a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly. The Company shall within thirty (30 days) of the receipt of intimation from the Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

Transfer of securities

8. Nothing contained in the Act or these Articles regarding transfer of securities shall apply to any transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

Allotment of Securities dealt with in a Depository.

9. Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

Distinctive number of Securities held in a Depository

10. Nothing contained in the Act or these Articles regarding the necessity of having of distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

Register and index of beneficial owners

11. The Register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders as the case may be for the purposes of this Article.

Stamp duty on securities held in dematerialised form

12. No stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form of electronic medium.

Applicability of the Depositories Act

13. In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

Company to recognise the rights of Registered holders as also the Beneficial owners in the records of the Depository

14. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial owner of the shares in records of the Depository as the absolute owner thereof as regards receipt of dividend or bonus or service of notices and all or any other matters connected

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with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof."

Nomination facility

53B Notwithstanding anything contained in any other clause or clauses of the Articles of Association of the Company, a holder or joint holders of shares or debentures, may nominate, in accordance with the provisions of Section 109A of the Companies Act, 1956 and in the manner prescribed thereunder, a person to whom all the rights in the shares or debentures of the Company, shall vest in the event of death of such holder(s). Any nomination so made shall be dealt with by the Company in accordance with the provisions of Section 109B of the Companies Act, 1956."

By Order of the Board of Directors

M. K. SHAH

Secretary

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

Mumbai : 28th August, 2000.



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 No. 4 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 23rd September, 2000 to 30th September, 2000 (both days inclusive).
- (d) Members are requested to notify immediately changes, if any, in their registered address to the Company specifying full address in Block Capitals with Pin Code of the Post Office.
- (e) Members are requested to send their queries at least ten days in advance of the meeting so that the information can be made available at the meeting.
- (f) Members are requested to bring with them the attendance slip sent with the Annual Report duly completed and signed and hand it over at the entrance.
- (g) Members are requested to quote Folio Numbers in all their correspondence.
- (h) Members are requested to bring their copy of 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 400 001. The Members may take advantage of this facility.
- (j) A copy of the Articles of Association of the Company is available for inspection by the members during business hours on any working day at the Registered Office of the Company except holidays observed by the Company and will also be available at the Meeting.

**EXPLANATORY STATEMENT AS REQUIRED
BY SECTION 173(2) OF THE COMPANIES ACT, 1956.**

ITEM NO. 4

- A. Consequent to the passing of the Depositories Act, 1996 and the introduction of the Depository system, a facility has been provided to the investors to hold securities in the form of electronic entries instead of paper scrips. The Company has entered into an Agreement with National Securities Depository Limited (NSDL), and Central Depository Services (India) Limited (CDSL), which enables the investors to hold the equity shares of W. H. Brady & Co. Ltd. in electronic form and trade in them under the Depository system.

The new automated system of holding and trading in the securities of the company side by side with the paper based system has necessitated certain alterations in the Articles of Association of the Company, especially in matters such as issue, holding, transfer and dealing in shares and other securities as also certificates etc.

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It may be clarified that while additional facility as above has been provided within the new legal framework, Shareholders have been given an option to join this system. The existing provisions in respect of the shares held in the form of paper scrips will continue without any change.

A new Article viz. Article 53A as set out in the Resolution is proposed to be added to reflect this change.

- B) Further, as per the recent amendment to the Companies Act, 1956, a facility has been provided to the holder of shares / debentures to nominate any person who will be entitled to his shares / debentures in the event of his death.

A new Article viz. Article 53B as set out in the Resolution is proposed to be added to reflect this change.

The Directors recommend the above Resolutions for acceptance by the Members.

None of the Directors of the Company is interested in the above resolution, save and except and to the extent that they are Directors and/ or shareholders.

By Order of the Board of Directors

M.K. SHAH
Secretary

Registered Office :

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

Mumbai : 28th August, 2000.



DIRECTORS' REPORT

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

The Directors present their Eighty- Seventh Annual Report together with the audited accounts of the Company for the year ended 31st March, 2000.

1. FINANCIAL RESULTS:

	1999-2000 (Rs. in lacs)	1998-99 (Rs. in lacs)
(a) Operating Profit before Interest & Depreciation	17.29	68.22
(b) Less : Interest	30.57	42.39
(c) Profit before Depreciation	(13.28)	25.83
(d) Less: Depreciation	13.62	14.24
(e) Bad Debts & Sundry Balances written off	24.79	-
(f) Loss on Fixed Assets discarded	0.39	--
(g) Add : Credit balances written back	2.02	--
(h) Profit on sale of Fixed Assets	112.36	----
(i) Profit before Tax	62.30	11.59
(j) Less : Tax for the year	6.65	0.72
(k) Profit after Tax	55.65	10.87
(l) Prior year adjustmants (Net)	3.53	3.68
(m) Profit for the year	59.18	14.55
(n) Balance brought forward from the previous year	115.69	101.14
(o) Balance carried to Balance sheet	174.87	115.69

2. OPERATING RESULTS :

Due to adverse economic conditions, the turnover of the Company during the year was Rs. 634.87 lacs as compared to Rs. 1011.03 lacs for the previous year.

3. DEPOSITORY SYSTEM :

During the year, your Company's shares came under the category of compulsory trading in dematerialised form, with effect from 28/08/2000 for all categories of investors. Your Company in line with its constant endeavour to provide best possible services to shareholders, had already entered into an arrangement with National Securities Depository Limited (NSDL) with effect from 18/02/2000. and Central Depository Services (India) Limited (CDSL) with effect from 17/08/2000 for Dematerialisation of your Company's shares. With this the members can hold their securities in dematerialised form through the said depositories.

4. FUTURE OUTLOOK :

In spite of fall in overall demand due to recession, the Company is making all out efforts to improve its working and further streamlining of the operations.