



**W. H. BRADY & COMPANY LIMITED**

**97<sup>th</sup> ANNUAL REPORT 2009-10**

## 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**

### SR. GENERAL MANAGERS

**MR. RAJENDER K. SHARMA**

**MR. S. S. SHAHI**

### AUDITORS

C. L. Dalal & Co.

Chartered Accountants

### BANKERS

BANK OF BARODA, MUMBAI

AXIS BANK, MUMBAI

THE ROYAL BANK OF SCOTLAND, N.V., MUMBAI

PUNJAB NATIONAL BANK, MUMBAI

### REGISTERED OFFICE

“Brady House”

12/14, Veer Nariman Road,  
Fort, Mumbai 400001.

Tel: 2204 8361-5

Email: bradys@mtnl.net.in

Website: <http://www.bradys.in>

### REGISTRAR & SHARE TRANSFER AGENTS

BIGSHARE SERVICES PVT. LTD.

E-2/3, Ansa Industrial Estate.

Sakivihar Road, Saki Naka, Andheri (E)

Mumbai - 400 072

### BRANCH AND SALES OFFICES

**AHMEDABAD** - Aditya, 10th Floor, Navrangpura

**KOLKATA** - Commercial Point, 79, Lenin Sarani

**COIMBATORE** - 221, Satyamoorti Road, Ramnagar

**CHENNAI** - Swati Complex, Nandanam

**NEW DELHI** - 14/15F, Connaught Place

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## NOTICE

NOTICE is hereby given that 97th Annual General Meeting of the Members of **W. H. Brady & Company Limited** will be held on Saturday, September 18, 2010 at 11.45 a.m. or immediately after conclusion of the 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 businesses:

1. To Consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date and the Report of Directors and Auditors thereon.
2. To Declare a Dividend.
3. To appoint a Director in place of Mr. Kaushik D. Shah, who retires by rotation and being eligible offers himself for re-appointment.
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 A SPECIAL RESOLUTION:**

**“RESOLVED THAT** in superseding all the earlier resolutions passed in this behalf and pursuant to the provisions of Sections 269, 309, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, the consent of the members of the Company be and is hereby granted to the re-appointment of Mr. Pavan G. Morarka as Chairman & Managing Director of the Company for a period of 3 [Three] years with effect from 1st July, 2010 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. Pavan G. 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.”

Registered Office:

Brady House,

12-14, Veer Nariman Road, Fort,

Mumbai - 400 001.

May 31, 2010.

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**PAVAN G. MORARKA**

Chairman & Managing Director

### **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 Register of Members and the Share Transfer Books of the Company will remain closed from 14/09/2010 to 17/09/2010 (both days inclusive).
3. The Dividend on Equity Shares as recommended by the Board of Directors of the Company, when sanctioned at the Annual General Meeting of the Company will be paid on or after September 23, 2010 to those members whose names appear on the Register of Members of the Company as at the close of the business hours on September 17, 2010. In respect of shares held in demat mode, dividend will be paid on the basis of beneficial ownership as on September 17, 2010 as per details furnished by National Security Depository Ltd. [NSDL] and Central Depository Services [India] Ltd. [CDSL].
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 it's 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.      | 31.03.2004 | 14.08.2004          | 13.09.2011                   |
| 2.      | 31.03.2005 | 27.08.2005          | 26.09.2012                   |
| 3.      | 31.03.2006 | 23.09.2006          | 22.10.2013                   |
| 4.      | 31.03.2007 | 27.09.2007          | 26.10.2014                   |
| 5.      | 31.03.2008 | 30.08.2008          | 29.09.2015                   |
| 6.      | 31.03.2009 | 19.09.2009          | 18.10.2016                   |

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 The Bombay Stock Exchange Limited, Mumbai.
8. a. The Company has appointed M/s. BIGSHARE SERVICES PRIVATE LIMITED as Common Registrar & Transfer Agent of the Company for physical 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 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 : [ W. H. BRADY & 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. a. Members are informed that in order to avoid fraudulent encashment of dividend warrants they should send to the Registrar and Transfer Agent of the Company at the address given above under the signature of the Sole/First Joint holder the information relating to Name and Address of the Banker along with the Pin Code Number and Bank Account Number to print on the Dividend Warrants.  
b. Members desirous of availing the facility of Electronic Credit of Dividend are requested to send ECS Form to the Registrar and Transfer Agent of the Company at the address given above.  
c. Members holding shares in dematerialized form and desirous to change or correct the bank account details should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR Code to the Depository Participant.
10. 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.
11. Members/Proxies holding their Shares in Physical mode 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.
12. 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.
13. In all correspondence with the Company, Registrar and Share Transfer Agents, 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.
14. Explanatory statement pursuant to Section 192 in respect of item no. 5 is annexed herewith.

Registered Office:

Brady House,  
12-14, Veer Nariman Road,  
Fort,  
Mumbai - 400 001.  
May 31, 2010.

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**PAVAN G. MORARKA**

Chairman & Managing Director



## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.**

The present term of Mr. Pavan G. Morarka as Chairman & Managing Director will expire on 31.12.2013. As the Company has also diversified into Airport Infrastructure Equipments and Services by representing leading International Companies and offering their products and services to the Airport owners in India, the Chairman & Managing Director has been making extraordinary efforts and devoting a lot of time towards the working of the Company. The Board of Directors in their wisdom have felt the need to compensate the Chairman & Managing Director commensurate to the efforts and time devoted by him and accordingly the Directors in the Board Meeting held on 31.05.2010 have taken a decision to supersede the earlier resolution and pass a fresh resolution for re-appointment of Mr. Pavan G. Morarka as Chairman & Managing Director of the Company for a period of 3 [Three] years with effect from 1st July, 2010 subject to approval of the members of the Company at General Body Meeting on the following terms:-

- 1) Salary: Rs. 1,50,000/- [Rupees One Lac Fifty Thousand] per month with liberty to the Board to increase the same upto 2,25,000/- [Rupees Two Lacs Twenty Five Thousand] per month during the tenure.
- 2) House Rent Allowance Rs. 25,000/- per month.
- 3) Perquisites:

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. Personal long distance calls and use of car for private purpose shall be billed by the Company.

Appointment of Mr. Pavan G. Morarka has been done as per Section-B to PART-II of Schedule-XIII.

Necessary disclosures as provided in SECTION-B to PART-II of Schedule-XIII to the Companies Act, 1956 are as follows:

1. The above revision and change in 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 Airport Infrastructure and services, marketing & trading of Textiles and 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:

(Rs. in lacs)

| Sr. No. | Particulars                   | 2009-10 | 2008-09 | 2007-08 |
|---------|-------------------------------|---------|---------|---------|
| 1.      | Gross Income                  | 1470.67 | 2248.02 | 1500.51 |
| 2.      | Profit before tax             | 273.12  | 196.21  | 213.20  |
| 3.      | Profit after tax              | 225.70  | 161.11  | 164.80  |
| 4.      | Dividend paid (including tax) | 40.12   | 40.12   | 44.75   |
| 5.      | Rate of dividend %            | 15%     | 15%     | 15%     |

## 5. Foreign Investments or Collaborations:

Company does not have any investment outside India.

**INFORMATION ABOUT THE APPOINTEE:**

Mr. Pavan G. Morarka aged about 54 years has got an experience of over 25 years to his credit. He is a B.com graduate.

Comparative Remuneration with respect to Industry, size of the Company etc. is not possible to be complied as it is difficult to call and compile information from such industries. In this regard the Board is of the opinion that the proposed remuneration is not detrimental to the interest of either the Company or its other stakeholders.

Mr. Pavan G. Morarka is Chairman and Managing Director of the Company and his past remuneration for the last three years is as under:-

(Rs. in lacs)

| Remuneration | 2009-10 | 2008-09 | 2007-08 |
|--------------|---------|---------|---------|
|              | 12.00   | 9.00    | 9.00    |

**II. OTHER INFORMATION:**

The Company has been making profits and declaring dividends for the past many 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.

Except Mr. Pavan G. Morarka, none of the Directors of the Company is/are interested in the resolution.

This Explanatory Statement along with the 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.

May 31, 2010.

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**PAVAN G. MORARKA**

Chairman &amp; Managing Director

## DIRECTORS' REPORT

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

Your Directors have pleasure in presenting the Ninety –seventh Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2010.

#### 1. FINANCIAL HIGHLIGHTS :

|   | 2009-2010<br>(Rs.in Lacs) | 2008-2009<br>(Rs.in Lacs) |
|---|---------------------------|---------------------------|
| a) Gross Turnover   | 1551.19                   | 2248.02                   |
| b) Operating Profit before Interest and Depreciation            | 368.48                    | 295.64                    |
| c) Less : Interest  | 44.96                     | 49.03                     |
| d) Profit Before Depreciation                                   | 323.52                    | 246.61                    |
| e) Less : Depreciation  | 50.40                     | 50.39                     |
| f) Profit before Tax  | 273.12                    | 196.22                    |
| g) Less: Tax for the year:                                      |                           |                           |
| (i) Current   | 44.75                     | 25.00                     |
| (ii) Deferred   | 2.37                      | 2.32                      |
| (iii) Fringe Benefit Tax  | —                         | 7.50                      |
| (iv) Wealth tax   | 0.29                      | 0.28                      |
| Sub-total   | 47.41                     | 35.10                     |
| h) Profit after Tax   | 225.71                    | 161.12                    |
| i) Add/(Less) Prior year adjustments                            | 1.58                      | (0.51)                    |
| j) Profit for the year  | 227.29                    | 160.61                    |
| k) Add: Balance brought forward from the previous year          | 317.41                    | 204.29                    |
| l) Profit available for appropriations                          | 544.70                    | 364.90                    |
| m) Less: Appropriations:-                                       |                           |                           |
| i) Proposed Dividend  | 38.25                     | 38.25                     |
| ii) Tax on proposed Dividend                                    | 1.87                      | 1.87                      |
| iii) Transfer to General Reserve                                | 12.00                     | 12.00                     |
| iv) Excess provision of Dividend Tax of last year written back. | —                         | (4.63)                    |
| Sub-total   | 52.12                     | 47.49                     |
| n) Balance carried to Balance Sheet                             | 492.58                    | 317.41                    |

#### 2. DIVIDEND :

Your Directors are pleased to recommend for the approval of the shareholders dividend @ 15% i.e. Rs. 1.50 per share for the year ended 31st March, 2010.

#### 3. WORKING RESULTS :

The turnover of the Company decreased to Rs. 1551.19 Lacs as compared to Rs. 2248.02 Lacs in previous year, The profit before tax has increased to Rs. 273.12 lakhs as compared to Rs. 196.22 lakhs in the previous year.

#### 4. FUTURE OUTLOOK :

The Company expects to do much better in the current year as the pending orders position is good both in the Engineering and the Aviation Division.

The Company is making all out efforts to enhance both the turnover and the profitability in the coming years.

#### 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. Kaushik 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 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 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.

**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 2010 along with the Directors' Report are annexed for information of the shareholders.

**9. 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.

**10. COMPLIANCE CERTIFICATE :**

Pursuant to provisions of Section 383 A of the Companies Act, 1956 and the rules made thereunder, the Company has obtained a Compliance Certificate from Practicing Company Secretary, Ms. Mansi Damania. 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, 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.

**12. 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**

Sd/-

**PAVAN G. MORARKA**

Chairman & Managing Director

Mumbai : 31st May, 2010



## ANNEXURE – I

STATEMENT UNDER SECTION 217(1)(e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2010.

| Item Particulars                                  |  | Comments  |
|---|--|---|
| <b>A. Conservation of Energy</b>                  |  |   |
| (a)   | Measures taken   | )   |
| (b)   | Additional investments and proposals, if any, being implemented for reduction of consumption of energy | )   |
| (c)   | Impact of measures at (a) and (b) above and consequent impact on cost of production in Form-‘A’        | ) Not Applicable                                      |
| <b>B. Technology Absorption</b>                   |  |   |
| (a)   | Efforts made in technology absorption  | ) Not Applicable                                      |
| (b)   | Research & Development   | )   |
| (c)   | Technology absorption, adaptation and innovation   | )   |
| <b>C. Foreign Exchange Earnings and Outgoings</b> |  | Please refer Notes 12 to 15 of the Notes on Accounts. |

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**PAVAN G. MORARKA**

Chairman & Managing Director

Mumbai : 31st May, 2010

## ANNEXURE II TO DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2010

### VOLUNTARY REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the system by which Companies are directed and controlled by the management in the best interest of the Shareholders and others; ensuring greater transparency and better and timely financial reporting. Corporate Governance therefore generates long term economic value for its Shareholders.

Your Company believes that the implementation of Corporate Governance principles generates public confidence in the corporate system. With this belief, your Company has initiated significant measures for compliance with Corporate Governance.

#### BOARD OF DIRECTORS:

The details of composition of the Board, category, attendance of Directors at Board Meetings during the financial year and last Annual General Meeting, number of other Directorships and other Committee Memberships are given below:

| Name of Director     | Category | Date of Appointment | No. of Board Meeting attended | Attendance at last AGM |
|----------------------|----------|---------------------|-------------------------------|------------------------|
| Mr. Pavan G. Morarka | CMD      | 14/01/1982          | 5                             | YES                    |
| Mr. Kaushik D. Shah  | Director | 23/06/1984          | 5                             | YES                    |
| Mr. Pinaki Misra     | Director | 23/06/1984          | 4                             | YES                    |
| Mr. Prakash Mehta    | Director | 19/05/1994          | 2                             | NO                     |

CMD stands for Chairman and Managing Director.

During the financial year ended March 31, 2010, 5 [FIVE] Board meetings were held on 27/04/2009, 27/07/2009, 19/09/2009, 24/10/2009 and 30/01/2010.

#### INFORMATION SUPPLIED TO THE BOARD

The Board has complete access to all information with the Company & to any of the employee of the Company. The Board is provided with all the relevant information on the important matters affecting the working of the Company as well as the related details required deliberations by the members of the board.

Among others, this includes:

- Annual operating plans, capital budgets and updates.
- quarterly results of the Company and its operating divisions.
- minutes of meeting of audit committee and other committees.
- information on recruitment and remuneration of senior officers just below the board level.
- general notices of interests.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences.
- details of any joint venture of collaboration agreement.
- sale of material nature of investments, subsidiaries, assets which is not in the normal course of business.
- foreign exchange exposure and the steps taken by the management to limit the risk of adverse exchange rate movement.
- Any materially significant effluent or pollution problem.
- Any issue which involves possible public or product liability claims of a substantial nature.
- Significant development in the human resource and industrial relations fronts.
- Legal compliances reporting system.

The Board is routinely presented with all information under the above heads whenever applicable and materially significant.