



**BRADY & MORRIS ENGINEERING COMPANY LIMITED**

**BRADY & MORRIS ENGINEERING COMPANY LIMITED**

CIN: L29150MH1946PLC004729

**BOARD OF DIRECTORS**

MR. PAVAN G. MORARKA - CHAIRMAN

MR. VAIBHAV P. MORARKA

MR. KAUSHIK D. SHAH

MR. CYRUS VACHHA

MR. SUMIT BANERJEE - (RESIGNED W.E.F. AUGUST 18, 2020)

MR. DINESH SINGHAL - (RESIGNED W.E.F. MARCH 04, 2020)

MR. RAJENDER KUMAR SHARMA

MS. MITA JHA - (APPOINTED W.E.F. MAY 21, 2019)

**CHIEF OPERATING OFFICER**

MR. H. S. BINDRA

**COMPANY SECRETARY & COMPLIANCE OFFICER**

MS. KHUSHMEETA BAFNA

**STATUTORY AUDITORS**

M/S. S. S. RATHI & CO.,  
CHARTERED ACCOUNTANTS

**BRANCH AND SALES OFFICES**

KOLKATA - COMMERCIAL POINT, 79, LENIN SARANI  
CHENNAI - SABARI COMPLEX, KOLATHUR

**SECRETARIAL AUDITORS**

M/S. GMJ & ASSOCIATES,  
COMPANY SECRETARIES

**FACTORY**

BAREJA - 326B SARSA KANERA ROAD, GUJARAT

**BANKERS**

UNION BANK OF INDIA, MUMBAI

**REGISTERED OFFICE**

BRADY HOUSE, 4<sup>TH</sup> FLOOR,  
12/14 VEER NARIMAN ROAD,  
FORT, MUMBAI 400001.  
TEL: 022 22048361 FAX: 22041855  
EMAIL: [bradys@mtnl.net.in](mailto:bradys@mtnl.net.in)  
WEBSITE: [www.bradymorris.in](http://www.bradymorris.in)

**REGISTRAR & SHARE TRANSFER AGENTS**

BIG SHARE SERVICES PVT. LTD.  
1<sup>ST</sup> FLOOR, BHARAT TIN WORKS BUILDING,  
OPP. VASANT OASIS, MAKWANA ROAD,  
MAROL, ANDHERI (E),  
MUMBAI - 400 059.  
TEL: 022-6263 8205 / 6263 8268  
EMAIL: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

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## NOTICE

NOTICE IS HEREBY GIVEN THAT THE 74<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF **BRADY & MORRIS ENGINEERING COMPANY LIMITED** WILL BE HELD ON SATURDAY, NOVEMBER 28, 2020 AT 11.45 A.M. (IST) THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT, WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020, including the Audited Balance Sheet as at March 31, 2020, the Statement of Profit and Loss & Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pavan G Morarka (DIN: 00174796), who retires by rotation and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 3. Appointment of Mr. Ramesh C. Jain (DIN: 00175049) as an Independent Director

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Act, Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the SEBI Listing Regulations"), the Company appoints Mr. Ramesh C. Jain (DIN: 00175049) as the Independent Director of the Company, who has submitted a declaration confirming that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 read with the SEBI Listing Regulations, as amended from time to time, to hold office for a consecutive term of 5 years with effect from November 28, 2020 to November 27, 2025 and shall not be liable to retire by rotation."

#### Registered Office:

Brady House, 4<sup>th</sup> Floor,  
12-14, Veer Nariman Road,  
Fort, Mumbai - 400 001.  
CIN: L29150MH1946PLC004729  
Tel: +91 22 2204 8361; Fax: +91 22 2204 1855  
Email: bradys@mtnl.net.in;  
Website: [www.bradymorris.in](http://www.bradymorris.in)  
November 03, 2020

For and on behalf of the Board  
**Brady & Morris Engg. Co. Ltd.**

**PAVAN G. MORARKA**  
Chairman  
(DIN: 00174796)

### NOTES:

1. In view of the situation arising due to COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020 and 5<sup>th</sup> May 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/ CMD1/CIR /P/2020/79 dated 12<sup>th</sup> May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 74<sup>th</sup> AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 74<sup>th</sup> AGM shall be the Registered Office of the Company.
2. Since the AGM will be held through VC/OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this notice.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. Participation of Members through VC /OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
5. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice calling the Annual General Meeting, Corporate Governance Report, Directors' Report, Audited Financial Statements, Auditors' Report, etc. is being sent only through electronic mode to those Members whose email addresses are registered with the RTA / Depositories. Members may note that the Notice and Annual Report 2020 will also be available on the Company's website [www.bradymorris.in](http://www.bradymorris.in), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL i.e., [www.evotingindia.com](http://www.evotingindia.com).

Members who have not registered their email addresses are requested to register the same for receiving all communication from time to time including Annual Report, Notices, Circulars, etc. from the Company electronically.

- a. For Members holding shares in physical form, please send scanned copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self- attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company/RTA at: [cs@bradys.in](mailto:cs@bradys.in) or [/info@bigshareonline.com](mailto:/info@bigshareonline.com).
  - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
6. In all correspondence with the Company/RTA, members are requested to quote their Folio Number and in case their shares are held in demat form, they must quote their DP ID and Client ID Number.
  7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
  8. Corporate members intending to send their authorized representative(s) to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified true copy of the relevant Board Resolution and Authorization letter to the Company at [cs@bradys.in](mailto:cs@bradys.in) or upload on the VC portal / e-voting portal.
  9. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 17 The voting facility through electronic voting system shall be made available during the AGM and members attending the meeting through VC who have not casted their vote by remote e-voting shall be able to exercise their right during the meeting through electronic voting system.
  10. The process and manner for e-voting and process of joining meeting through video conferencing alongwith other details also forms part of the Notice.
  11. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, November 24, 2020 to Saturday, November 28, 2020 (both days inclusive).
  12. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company through email at [bradys@mtnl.net.in](mailto:bradys@mtnl.net.in) at least seven days before the date of the meeting.
  13. Members holding Shares in physical form are requested to notify immediately any change in their postal address, email address, telephone/mobile number, Permanent Account Number (PAN), etc. 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.

**BIGSHARE SERVICES PRIVATE LIMITED**

**Address:** 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis,

Makwana Road, Marol, Andheri (E) Mumbai – 400059

Tel: 022 62638205/ 62638268

E-mail: [info@bigshareonline.com](mailto:info@bigshareonline.com), Web: [www.bigshareonline.com](http://www.bigshareonline.com)

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar /Company.

15. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
16. The statutory registers including register of directors and key managerial personnel and their shareholding, the register of contracts or arrangements in which directors are interested maintained under the Companies Act, 2013 and all other documents referred to in the notice will be available for inspection in electronic mode. Members who wish to inspect the register are requested to write to the company by sending e-mail to [bradys@mtnl.net.in](mailto:bradys@mtnl.net.in).

## 17. PROCEDURE FOR REMOTE E-VOTING

### ➤ INSTRUCTIONS TO SHAREHOLDERS FOR VOTING THROUGH ELECTRONIC MEANS PRIOR TO AGM

- a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

The Company has engaged the services of Central Depository Services Limited (CDSL) as the Agency to provide e-voting facility. The detailed procedure to be followed in this regard has been given below. The members are requested to go through them carefully.

- b) The Board of Directors of the Company has appointed Mr. Mahesh Soni, failing him, Ms. Sonia Chettiar, Partner of GMJ & Associates, Company Secretaries, as Scrutiniser to scrutinize the votes cast through remote e-voting and during AGM in a fair and transparent manner.
- c) The members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- d) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member /beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. November 21, 2020.
- e) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. November 21, 2020 only shall be entitled to avail the facility of e-voting / remote e-voting.
- f) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. November 21, 2020, may obtain the User ID and password from **Bigshare Services Private Limited** (Registrar & Transfer Agent of the Company).
- g) The Scrutiniser, after scrutinizing the votes cast during the meeting and through remote e-voting, will, not later than 48 Hours of conclusion of the Meeting, make a consolidated scrutiniser's report and submit the same to the Chairman. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company (i.e. [www.bradymorris.in](http://www.bradymorris.in)) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com). The results shall simultaneously be communicated to the Stock Exchanges.
- h) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. November 28, 2020.

### The instructions for members for voting electronically are as under:-

1. The voting period begins on November 25, 2020 (9:00 a.m. IST) and ends on November 27, 2020 (5:00 p.m. IST). 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) of November 21, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the Meeting.
3. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
4. Click on Shareholders / Members

5. 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.
6. Next enter the Image Verification as displayed and Click on Login.
7. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
8. If you are a first time user follow the steps given below:

<b>FOR MEMBERS HOLDING SHARES IN DEMAT FORM AND PHYSICAL FORM</b>	
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>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 sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</li> <li>In case the sequence 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. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>DIVIDEND BANK DETAILS OR DATE OF BIRTH (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

9. After entering these details appropriately, click on "SUBMIT" tab.
10. Members holding shares in physical form will then reach directly 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.
11. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
12. Click on the EVSN for the relevent "Brady & Morris Engineering Company Limited" on which you choose to vote.
13. 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.
14. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
15. 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.
16. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
17. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
18. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
19. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

## 20. 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](http://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 a Compliance User 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 linked in the login 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [maheshsoni@gmj.co.in](mailto:maheshsoni@gmj.co.in) OR [cs@bradys.in](mailto:cs@bradys.in) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

21. 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](http://www.evotingindia.com), under help section or write an email to helpdesk.evoting@cdslindia.com.

22. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

➤ **INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY DURING THE AGM ARE AS UNDER:**

- a. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- b. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- c. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- d. Shareholders who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**The instructions for shareholders attending the AGM through VC / OAVM are as under:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under Shareholders / Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to members on first come first served basis.

2. Shareholders are encouraged to join the Meeting through Laptops / I-Pads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@bradys.in](mailto:cs@bradys.in).

5. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@bradys.in](mailto:cs@bradys.in). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**Registered Office:**

Brady House, 4<sup>th</sup> Floor,  
12-14, Veer Nariman Road,  
Fort, Mumbai - 400 001.  
CIN: L29150MH1946PLC004729  
Tel: +91 22 2204 8361; Fax: +91 22 2204 1855  
Email: [bradys@mtnl.net.in](mailto:bradys@mtnl.net.in);  
Website: [www.bradymorris.in](http://www.bradymorris.in)  
November 03, 2020

For and on behalf of the Board  
**Brady & Morris Engg. Co. Ltd.**

**PAVAN G. MORARKA**  
Chairman  
(DIN: 00174796)

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### ITEM NO. 3

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors propose to appoint Mr. Ramesh C. Jain (DIN: 00175049) as Independent Director, not liable to retire by rotation, for a consecutive term of 5 years i.e. from November 28, 2020 to November 27, 2025.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

Mr. Ramesh C. Jain has an experience of over 55 years, as Practicing Chartered Accountant and specializes in statutory audit, internal and management audits of corporate enterprises. His diverse experience and knowledge in the finance and accounting stream will be extremely useful to the company for taking important business decisions. The Board considers that his association would be of immense benefit to the Company.

In the opinion of the Board, he fulfills the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

The profile and specific areas of expertise of Mr. Ramesh C. Jain are provided in the annexure to this Notice.

In compliance with the provisions of Section 149, read with Schedule IV of the Act and other applicable SEBI Listing Regulations, the appointment of Mr. Ramesh C. Jain as Independent Director is now being placed before the Members for their approval.

The Board recommends the Resolution at Item Nos. 3 of this Notice for approval of the Members.

None of the Directors or Key Managerial Personnel or their respective relatives, except Mr. Ramesh C. Jain, to whom the resolution relates, are in any way concerned or interested, financially or otherwise in this resolution set out at Item No. 3 of the Notice.

#### Registered Office:

Brady House, 4<sup>th</sup> Floor,  
12-14, Veer Nariman Road,  
Fort, Mumbai - 400 001.  
CIN: L29150MH1946PLC004729  
Tel: +91 22 2204 8361; Fax: +91 22 2204 1855  
Email: bradys@mtnl.net.in;  
Website: [www.bradymorris.in](http://www.bradymorris.in)

November 03, 2020

For and on behalf of the Board  
**Brady & Morris Engg. Co. Ltd.**

**PAVAN G. MORARKA**  
Chairman  
(DIN: 00174796)

**ANNEXURE “A” TO THE EXPLANATORY STATEMENT:**

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT PURSUANT TO REGULATIONS 26(4) AND REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CLAUSE 1.2.5 OF SECRETARIAL STANDARDS ON GENERAL MEETINGS (INFORMATION AS ON MARCH 31, 2020)

<b>Name of the Director</b>	<b>Mr. Pavan G. Morarka</b>	<b>Mr. Ramesh C. Jain</b>
<b>Date of Birth</b>	02/09/1955	01/07/1937
<b>Date of first Appointment</b>	27/02/1985	(AGM date)
<b>Qualifications</b>	Commerce Graduate (HON)	Mr. R. C. Jain, aged 83 years is a fellow member of the Institute of Chartered Accountants of India (ICAI).
<b>Brief resume &amp; Nature of expertise in specific functional areas</b>	He is associated with the Company since 1989 as a Director of the Company and has experience of about 30 years in his credit. He looks after the overall affairs of the Company and plays an imperative role in the progress of the Company.	He has an experience of over 55 years, as Practicing Chartered Accountant and specializes in statutory audit, internal and management audits of corporate enterprises.
<b>Terms and conditions of Re-appointment</b>	Re-appointment as a Non-executive Director of the Company liable to retire by rotation in accordance with the provisions of Section 152 of the Companies Act, 2013.	As per the resolution at item no. 3 of the Notice convening Annual General Meeting on November 28, 2020 read with explanatory statement thereto.
<b>Directorships of other Listed Companies as on March 31, 2020</b>	1. W. H. Brady & Company Limited	Nil
<b>Membership/ Chairmanship of Committees of other Listed Companies as on March 31, 2020</b>	<b>W. H. Brady &amp; Company Limited</b>  Audit Committee - Member	Nil
<b>No. of shares held:</b> (a) Own (b) For other persons on a beneficial basis	22,500 Shares	-
<b>Relationship with other Directors / Key Managerial Personnel</b>	Mr. Pavan G. Morarka being related to Mr. Vaibhav Morarka as a Father.	Not related to any Director/Key Managerial Personnel
<b>Number of meetings of the Board attended during the Financial Year 2019-20</b>	5 (Five)	-

## DIRECTORS' REPORT

To  
The Members,

The Board of Directors are pleased to present the Company's 74<sup>th</sup> Annual Report together with the annual audited financial statements for the financial year ended March 31, 2020.

### 1. FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended March 31, 2020 is summarized below:

(Rs. In Lakhs except EPS)

PARTICULARS	2019- 2020	2018- 2019
Gross Income	4,477.58	4,448.53
<b>Profit before Depreciation, Finance Costs, Exceptional Items and Taxation</b>	<b>565.36</b>	<b>472.18</b>
<b>Less: Depreciation and Amortization expense</b>	<b>76.89</b>	<b>101.60</b>
Profit before Finance Costs, Exceptional Items and Taxation	488.47	370.58
<b>Less: Finance costs</b>	<b>87.07</b>	<b>117.91</b>
Profit /(Loss) before Exceptional Items and Taxation	401.40	252.67
<b>Add: Exceptional Items</b>	<b>-</b>	<b>-</b>
Profit before Taxation	401.40	252.67
<b>Less: Tax Expense</b>	<b>35.02</b>	<b>45.40</b>
Profit/(Loss) for the year after tax from the continuing operation	366.39	-
Profit/(Loss) after tax from the discontinued operation	(182.44)	-
Profit /(Loss) for the year	183.95	207.27
Other comprehensive income/(loss)	(8.07)	8.53
Total Other comprehensive income/(loss) for the year	175.88	215.80
<b>Earnings per share (in Rs.):</b>		
Basic / Diluted from Continuing Operation	16.28	9.21
Basic / Diluted from Discontinued Operation	(8.11)	-
Basic / Diluted from Continued and Discontinued Operation	(8.18)	9.21

### 2. FINANCIAL PERFORMANCE:

The gross turnover of your Company stood at Rs. 4,477.58 Lakhs for the year ended March 31, 2020 as against Rs. 4,448.53 Lakhs in the previous year. The total expenditure is Rs. 4,076.18 Lakhs for the year ended March 31, 2020 as against Rs. 4195.86 Lakhs in the previous year. The Company made a net profit of Rs. 183.95 Lakhs for the year ended March 31, 2020 as compared to the net profit of Rs. 207.27 Lakhs in the previous year.

### 3. WORKING RESULTS:

The Company has performed well during the year as it generated Profit Before Tax of Rs. 4.01 Crores on an Income of Rs. 44.77 Crores, as against generating a Profit Before Tax of Rs. 252.67 Crores on an income of Rs. 44.28 Crores in the previous year. The Company faced a one-time loss of Rs. 1.82 Crores on the discontinued operations of one of the activities of the Company. This resulted in a Profit after Tax of Rs. 1.83 Crores as against Rs. 2.17 Crores in the previous year.

### 4. IMPACT ON BUSINESS OPERATIONS OF THE COMPANY ON ACCOUNT OF COVID-19 PANDEMIC:

The World Health Organization declared Novel Coronavirus disease (COVID-19) a global pandemic on February 11, 2020. Since March 2020, COVID-19 developed rapidly into a global crisis, forcing governments to impose lock-downs of all economic activity. In enforcing social distancing to contain the spread of the disease, our offices and Plant have been operating with minimal or no staff for extended periods of time.

The Operations of Business of the Company were also affected due to the Lockdown announced by the Government of India to control the spread of Corona virus. The Company's Manufacturing operations was shut till the end of April 2020, now have been functional after obtaining necessary approvals from the concerned government/ local authorities.

**5. FUTURE OUTLOOK:**

The Company will also be negatively impacted as a result of the Covid-19 Situation prevalent in the country; however, your Company is making all efforts to minimize the impact.

**6. DIVIDEND:**

In order to conserve the resources of the Company for future operations, your Directors regret their inability to recommend dividend for the year under review.

**7. TRANSFER TO RESERVES:**

Your company has not proposed any amount to be transferred to Reserves out of the profits earned during the Financial Year 2019-2020.

**8. SHARE CAPITAL OF THE COMPANY:**

The issued, subscribed and paid-up Share Capital of the Company stood at Rs. 22,25,00,000/- as at March 31, 2020 comprising of 22,50,000 Equity Shares of Rs. 10/- each fully paid-up and 2,00,00,000 7% Redeemable Non-Cumulative Non-Convertible Preference Shares of Rs. 10/- each fully paid-up.

During the year under review, the Company has not issued any shares with differential voting rights or granted any stock options or sweat equity.

**9. HOLDING, SUBSIDIARIES, ASSOCIATE COMPANIES & JOINT VENTURES:**

W. H. Brady & Co. Limited, Holding Company; is carrying on the business of renting of space in building and trading of material handling equipment's. W. H. Brady & Co. Limited holds 72.50% of the Equity Share Capital and 100% of the 7% Redeemable Non-Cumulative Non-Convertible Preference Shares of your Company's Capital as on March 31, 2020.

The Company does not have any Subsidiary, Associate Companies and Joint Venture.

**10. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Inductions to the Board**

On the recommendations of the Nomination and Remuneration Committee, the Board appointed Ms. Mita Jha as Additional (Non-Executive) Director of the Company, liable to retire by rotation with effect from May 21, 2019, and was approved by the Members at the 73<sup>rd</sup> AGM held on September 21, 2019.

On the recommendations of the Nomination and Remuneration Committee, the Board proposes to appoint Mr. Ramesh C. Jain as an Independent Director of the Company for a consecutive term of 5 years with effect from November 28, 2020 to November 27, 2025 and shall not be liable to retire by rotation. A special resolution for the appointment of Mr. R.C. Jain forms a part of the Notice of AGM for approval of the members.

**B. Re-appointment**

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Pavan G Morarka, Director of the Company, retires by rotation and, being eligible, offers himself for reappointment at the 74<sup>th</sup> Annual General Meeting of the Company scheduled to be held on November 28, 2020.

**C. Cessation**

Mr. Dinesh Singhal has resigned from the post of Independent Director of the Company w.e.f. March 04, 2020 due to unavoidable personal circumstances.

Mr. Sumit Banerjee has resigned from the Company w.e.f. August 18, 2020.

The Board places on record its sincere appreciation for their contribution and guidance provided by Mr. Dinesh Singhal and Mr. Sumit Banerjee during their tenure as a Director with the Company.

- D. Pursuant to provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Key Managerial Personnel of your Company are as below:

Sr. No.	Name of the Key Managerial Personnel as on March 31, 2020	Designation
1.	Mr. Pavan G. Morarka	Chairman
2.	Mr. Vaibhav P. Morarka	Executive Director
3.	Mr. R. K. Sharma	Director & Chief Financial Officer
4.	Ms. Khushmeeta Bafna	Company Secretary & Compliance Officer

There was no change in the Key Managerial personnel during the year under review.

#### 11. DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations.

#### 12. BOARD MEETINGS:

The Board of Directors met Five (5) times in the financial year. Particulars of meetings of the Board are detailed in the Voluntary Corporate Governance Report, which forms part of this Report.

#### 13. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Act is available on Company's website [www.bradymorris.in](http://www.bradymorris.in).

#### 14. BOARD COMMITTEES:

As on March 31, 2020, the Board had three Committees, viz,

1. Audit Committee ("AC")
2. Stakeholders' Relationship Committee ("SRC")
3. Nomination and Remuneration Committee ("NRC")

Details of all the Committees along with their composition, terms of reference and meetings held during the year are provided in Voluntary Corporate Governance Report.

#### 15. BOARD EVALUATION:

The annual evaluation process of the Board of Directors ("Board"), Committees and individual Directors was carried out in the manner prescribed in the provisions of the Act, Guidance Note on Board Evaluation issued by Securities and Exchange Board of India on January 5, 2017 and as per the Corporate Governance requirements prescribed by SEBI Listing Regulations.

The performance of the Board, Committees and individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The Board reviewed the performance, of the individual Directors seeking inputs from all the Directors. A separate meeting of Independent Directors was also held on February 14, 2020 to review the performance of Non-Independent Directors; performance of the Board as a whole and performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors (excluding the director being evaluated). The Board meeting held on February 14, 2020 discussed the performance of the Board, its Committees and individual Directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure; effectiveness of Board processes, information and functioning, etc. The criteria for performance evaluation of Committees of the Board included aspects like composition and structure of the Committees, functioning of Committee meetings, contribution to decision of the Board, etc. The criteria for performance evaluation of the individual Directors included aspects on contribution to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, integrity etc. In addition, the Chairman was also evaluated on the key aspects of his role.

**Outcome of evaluation process**

Based on inputs received from the members, it emerged that the Board had a good mix of competency, experience, qualifications and diversity. Each Board member contributed in his/her own manner to the collective wisdom of the Board, keeping in mind his/her own background and experience. There was active participation and adequate time was given for discussing strategy. Overall, the Board was functioning very well in a cohesive and interactive manner.

**16. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirements under Section 134(3)(c) read with Section 134(5) of the Act with respect to Directors' Responsibility Statement, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made in following the same;
- (b) appropriate accounting policies have been selected and applied consistently and judgments and estimates made 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 and loss of the Company for that period;
- (c) proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Act have been taken for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, if any;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**17. AUDITORS AND AUDIT REPORTS:****A. STATUTORY AUDITORS**

In accordance with Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in its 71<sup>st</sup> Annual General Meeting held on September 23, 2017 approved the appointment of M/s. S. S. Rathi & Company, Chartered Accountants (Registration No.: 108726W), as the Statutory Auditors of the Company for a consecutive term of five years i.e. from the conclusion of 71<sup>st</sup> Annual General Meeting till the conclusion of 76<sup>th</sup> Annual General Meeting of the Company. The Company has obtained a certificate of eligibility and consent from M/s. S. S. Rathi & Co., that their appointment for the financial year 2020-21 would be in conformity with the conditions/limits specified in Section 139 & 141 of the Companies Act, 2013.

Their appointment was subject to ratification by the Members at every subsequent AGM. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

The Report given by M/s. S. S. Rathi & Company, Chartered Accountants, on the financial statements of the Company for the financial year 2019-2020 forms part of the Annual Report.

The Auditors' Report is unmodified i.e. it does not contain any qualification, reservation or adverse remark or disclaimer.

**B. INTERNAL AUDITORS**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Board of Directors on recommendation of the Audit Committee re-appointed M/s Rajesh Dudhara & Co., Chartered Accountants as Internal Auditors to conduct Internal Audit of the functions and activities of the Company for the financial year 2019-20.

**C. SECRETARIAL AUDITORS**

M/s. GMJ & Associates, Company Secretaries, were appointed as Secretarial Auditors of your Company to conduct a Secretarial Audit of records and documents of the Company for Financial Year 2019-2020. The Report given by the Secretarial Auditors is annexed as **Annexure "A"** and forms an integral part of this Board's Report.

There has been no qualification, reservation or adverse remark or disclaimer in their Report.

**D. REPORTING OF FRAUDS BY AUDITORS**

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

**18. PUBLIC DEPOSITS**

During the year under review, the Company has not accepted any public deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Your Company has not given any loans, or made investments or issued any guarantee or provided any security covered under Section 185 & 186 of the Companies Act, 2013 during the year under review.

**20. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY:**

All contracts/ arrangements/ transactions entered by the Company during the financial year with Related Parties were on an arm's length basis and in the ordinary course of business. Thus, disclosure in Form AOC-2 in terms of Section 134 and 188 of the Companies Act, 2013 for material related party transaction is annexed as **Annexure "B"** and forms an integral part of this report. All related party transactions are mentioned in the Notes to the Financial Statements.

All Related Party Transactions are placed before the Audit Committee. Omnibus approval has been obtained for transactions which are of repetitive nature. A statement giving details of all Related Party Transactions are placed before the Audit Committee for review and approval on a quarterly basis.

The policy on Related Party Transactions as approved by the Board of Directors is available on the website of the Company viz. [www.bradymorris.in](http://www.bradymorris.in).

**21. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

**22. CORPORATE GOVERNANCE:**

Pursuant to the Regulation 15(2) of the SEBI Listing Regulations, corporate governance provisions are not applicable to your Company as the Company's Paid Up Equity Share Capital does not exceed Rs.10 Crores and net worth does not exceed Rs.25 Crores as on March 31, 2020.

A Voluntary Report on Corporate Governance as stipulated under Schedule V of the SEBI Listing Regulations forms part of this Annual Report.

**23. VIGIL MECHANISM:**

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the SEBI Listing Regulations is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The policy provides for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

Whistle Blower Policy of your Company is available on the Company's website [www.bradymorris.in](http://www.bradymorris.in). Further details are available in the Voluntary Corporate Governance Report that forms part of this Report.

During the financial year 2019-20, no cases under this mechanism were reported to the Company.

**24. THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment.

During the financial year 2019-20, no cases in the nature of sexual harassment were reported at any workplace of the Company.

**25. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Provisions relating to CSR enumerated under Section 135 of the Companies Act, 2013 are not applicable to your Company and accordingly, your Company does not have CSR policy.

**26. RISK MANAGEMENT:**

The Company has a well-defined risk management framework in place with the objective to formalize the process of Identification of Potential risk and adopt appropriate risk mitigation measures. The Policy is a step by the Company towards strengthening the existing internal controls and updating the same as may be required from time to time.

The details of the risks faced by the Company and the mitigation thereof are discussed in detail in the Management Discussion and Analysis report.

**27. INTERNAL FINANCIAL CONTROLS:**

Your Company has in place adequate internal financial controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by the Audit Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board of Directors.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the results of such assessments carried out by internal audit function, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed. Nonetheless your Company recognizes that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

**28. CODE OF CONDUCT:**

The Company has adopted the Code of Conduct for Non-Executive Directors which includes details as laid down in Schedule IV to the Act. The Company has also adopted a Code of Conduct for all its employees including Executive Director(s). The above codes can be accessed on the Company's website at [www.bradymorris.in](http://www.bradymorris.in). All the Board Members and Senior Management Personnel comply with the Code.

**29. PARTICULARS OF EMPLOYEES:**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report. Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection by the members at the registered office of the Company during working hours on working days upto the date of the Annual general meeting and if any member is interested in obtaining as copy thereof, such member may write to the Company Secretary.

**30. EXTRACT OF ANNUAL RETURN:**

As required under Section 134(3)(a) of the Act, the Annual Return is put up on the Company's website and can be accessed at [www.bradymorris.in](http://www.bradymorris.in). Extracts of the Annual return in form MGT 9 for the FY 2019-20 is uploaded on the website of the Company and can be accessed at [www.bradymorris.in](http://www.bradymorris.in).

**31. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached herewith as **Annexure "C"** and forms part of this Report.

**32. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

**33. INSURANCE:**

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

**34. SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE:**

Your Company's commitment towards safety, health and environment is being continuously enhanced and persons working at all locations are given adequate training on safety and health. The requirements relating to various environmental legislations and environment protection have been duly complied with by your Company.

**35. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:**

During the financial year 2019-20, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**36. AFFIRMATION ON COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Board of Directors of the Company has affirmed compliance with Secretarial Standards 1 & 2 issued by Institute of Company Secretaries of India.

**37-. ACKNOWLEDGEMENT:**

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the Company's Bankers, valuable Customers and others concerned with the Company. Your involvement as shareholders is greatly valued and your Board looks forward to your continued support.

**Registered Office:**

Brady House, 4<sup>th</sup> Floor,  
12-14, Veer Nariman Road,  
Fort, Mumbai - 400 001.  
CIN: L29150MH1946PLC004729  
Tel: +91 22 2204 8361; Fax: +91 22 2204 1855  
Email: [bradys@mtnl.net.in](mailto:bradys@mtnl.net.in);  
Website: [www.bradymorris.in](http://www.bradymorris.in)  
November 03, 2020

For and on behalf of the Board  
**Brady & Morris Engg. Co. Ltd.**

**PAVAN G. MORARKA**  
Chairman  
(DIN: 00174796)

**ANNEXURE 'A' TO THE BOARDS' REPORT**  
**Form No.MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,  
The Members,  
**BRADY AND MORRIS ENGINEERING COMPANY LIMITED**  
Brady House,  
12/14 Veer Nariman Road,  
Fort, Mumbai - 400 001.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Brady and Morris Engineering Company Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Brady and Morris Engineering Company Limited** for the financial year ended on March 31, 2020, according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iv. The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz
  - a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable during the period of audit]
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008; [Not applicable during the period of audit]
  - f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; [Not applicable during the period of audit]
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable during the period of audit]
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Not applicable during the period of audit]

- i. We have also examined compliance with the applicable clauses of the following:
  - a) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
  - b) The Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Company being engaged in material handling equipment, no specific Acts were applicable to the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

We report that the Compliance by the Company of applicable financial laws, like direct, indirect tax laws and Goods and Service Tax Act, has not been reviewed in this Audit since the same has been subject to review by statutory auditor and other designated professionals.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.
2. That there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
3. Adequate notices are given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of Minutes.

We further report that during the audit period, no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

For **GMJ & ASSOCIATES**  
**Company Secretaries**

[MAHESH SONI]  
PARTNER  
FCS: 3706 COP: 2324  
UDIN: F003706B001096050

PLACE: Mumbai  
DATE: November 03, 2020.

**Note:** This report is to be read with our letter of even date which is annexed as '**ANNEXURE A**' and forms an integral part of this report.

**ANNEXURE A**

To,  
The Members,  
**BRADY AND MORRIS ENGINEERING COMPANY LIMITED**  
Brady House,  
12/14 Veer Nariman Road,  
Fort, Mumbai - 400 001.

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Due to the outbreak of COVID -19 pandemic and the current lockdown in the entire country, physical examination of documents under Companies Act, 2013 and SEBI regulations and Other Laws is not possible; we have therefore relied upon the documents provided by the Company in electronic mode for Audit purpose.

For **GMJ & ASSOCIATES**  
*Company Secretaries*

[MAHESH SONI]  
PARTNER  
FCS: 3706 COP: 2324  
UDIN: F003706B001096050

PLACE: Mumbai  
DATE: November 03, 2020.

**ANNEXURE 'B' TO THE BOARDS' REPORT****Form No. AOC-2****Particulars of contracts/arrangements made with related parties**

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 as on March 31, 2020]

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020, which were not at arm's length basis.

**2. Details of material contracts or arrangements or transactions at arm's length basis**

The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2020 are as follows:

Sr. No.	Name (s) of the related party & Nature of relationship	Nature of transactions	Transactions Value (Rs. in Lakhs)	Duration of transactions	Salient terms of transactions	Date of approval by the Board	Amount paid in advance
1.	W. H. Brady & Company Limited (Holding Company)	Sale of Goods & Material	Rs. 917.50	For the Financial Year 2019-2020	The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arm's length basis.	Board Meeting dated August 03, 2018 Audit Committee dated May 21, 2019	Not Applicable
	Purchase of Goods & Material	Rs. 64.07					
	Commission	Rs. 13.66					
	Reimbursement of Expenses incurred by W. H. Brady & Co. Ltd. and payable to Brady & Morris Engg. Co. Ltd.	Rs. 0.51					
	Reimbursement of Expenses incurred by Brady & Morris Engg. Co. Ltd. and payable to W. H. Brady & Co. Ltd.	Rs. 0.04					

For and on behalf of the Board  
**Brady & Morris Engg. Co. Ltd.**

**PAVAN G. MORARKA**  
Chairman  
(DIN: 00174796)

**Registered Office:**

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

CIN: L29150MH1946PLC004729

Tel: +91 22 2204 8361; Fax: +91 22 2204 1855

Email: bradys@mtnl.net.in; Website: [www.bradymorris.in](http://www.bradymorris.in)

November 03, 2020

## ANNEXURE 'C' TO THE BOARDS' REPORT

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

Information as per Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year 2019-2020.

#### A. CONSERVATION OF ENERGY:

- (i) the steps taken or impact on conservation of energy: NIL
- (ii) the steps taken by the Company for utilising alternate sources of energy: NIL
- (iii) the capital investment on energy conservation equipment's: NIL

#### B. TECHNOLOGY ABSORPTION:

- (i) the efforts made towards technology absorption during the year under review are: NIL
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: NIL
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): NIL
  - (a) the details of technology imported
  - (b) the year of import
  - (c) whether the technology been fully absorbed;
- (iv) During the year Company has incurred R&D Expenditure: NIL

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

Foreign Exchange outgo	-
Foreign Exchange earned	<b>Rs. 2,61,879/-</b> (Awal Readymix Concrete Co W.L.L.- Rs 2,61,879)

#### Registered Office:

Brady House, 4<sup>th</sup> Floor,  
12-14, Veer Nariman Road,  
Fort, Mumbai - 400 001.

CIN: L29150MH1946PLC004729

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November 03, 2020

For and on behalf of the Board  
**Brady & Morris Engg. Co. Ltd.**

**PAVAN G. MORARKA**

Chairman

(DIN: 00174796)

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS OVERVIEW

Brady & Morris Engineering Co. Ltd is a subsidiary of W.H. Brady & Co. Ltd and started operations in 1946. Considered India's premier manufacturer of Material Handling Equipment it has been bringing value to landscape of the country's infrastructure. We represent leading Global its investors for over 60 years. The Company has a Pan India network of sales offices and dealers. Its Headquarter is in Mumbai and factory is in Bareja, Gujarat. This Pan India presence allows the Company to service every corner of the country.

### OPPORTUNITIES AND THREATS

While risk continues to dominate the business agenda, competition is becoming just as dominant a feature. Market volatility, pricing pressure, variations in market performance, demanding stakeholders – all have contributed to a global economy that encourages competitive drive. The new policies being framed by the government of India for boosting the manufacturing sector, have certainly boosted our confidence however the result will take time to show up and shall see gradual progress.

The Company's strength lies in providing a complete Material Handling Solution and is involved in multiple projects in industries as varied as Steel, Cement, Power, Sugar, Chemicals, Paper, Mining, Water & Sewage Treatment and Defence.

The domestic market continued to be affected by, Macro economic problems, high inflation, petroleum product prices, interest rates and poor consumer sentiments, volatility in foreign exchange rates, challenging market environment, slowing consumer demand, COVID-19 disruption towards the end of the year. In spite of all this, your company was able to sustain its market share.

### OUTLOOK POST COVID

The Company is reviving parts of its business and future readying it for a post COVID-19 world through various measures. The Company is enhancing safety and hygiene standards and workplace practices for offices and its operations. Due to continuous efforts of management, the Company's performance during the year has been remarkably good even though the Company's Manufacturing operations was shut till the end of April 2020 due to the Lockdown announced by the Government of India. After obtaining necessary approvals from the concerned government/ local authorities the Company resumed its operation ensuring proper safety standards.

The board is hopeful of much better performance in the current year.

### RISKS & CONCERNS

The Company's business is exposed to many internal and external risks and it has consequently put in place robust systems and processes, along with appropriate review mechanisms to actively monitor, manage and mitigate these risks.

The risks that may affect us include, but are not limited to:

- Economic Conditions.
- Inflation pressures and other factors affecting demand for our products.
- Increasing cost of Raw Material, transport and storage.
- Supplier and distributor relationships and retention of distribution channels.
- Competitive market conditions and new entrants to the market.
- Labour shortages and attrition of Key Staff.
- Compliance and regulatory pressure including changes to tax laws.
- Natural Calamity risks.

The coronavirus pandemic (COVID-19), is an unprecedented event in the history of the world and has created humongous challenges for mankind and enterprises. The emerging risk arising out of social distancing, national lockdown, uncertainty in environment, demand contraction, government intervention (ranging from encouraging certain business to indirect stoppage of goods and services) – has overshadowed the last couple of weeks out of the entire year. Companies are experiencing significant demand destruction due to the cessation of business activities on account of lockdown due to COVID-19. Outbreak of COVID-19 would make growth environment challenging in first half of FY 2020-21. Though the Company is committed to

manufacture and deliver quality products strictly as per requirement of the customers by ensuring safety and well-being of employees throughout the pandemic. Constant feedback from the customers is received and all efforts are made for continuous improvement in process performance and product quality wherever required. With established production, the Company is in a position to maintain production and supply of quality products smoothly. The Company has benefit of its long standing with its customers and can match the prices suitably as and when required. For the above reasons, no major threat is overseen and the Company is confident to face any threat from the competition.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company maintains adequate Internal Control Systems commensurate with the nature of its business, size and complexity of its operations. The internal audit functions of the company are carried out by a firm of Chartered Accountants. The scope and authority of the Internal Audit function is defined by the Audit Committee. To ensure independence, the internal audit function has a reporting line to the Audit Committee of the Board. The Internal Auditors monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Audit Committee of the Board reviews the performance of the audit and the adequacy of internal control systems and compliance with regulatory guidelines. Significant deviations are brought to the notice of the Audit Committee of the Board of the respective companies and corrective measures are recommended for implementation. The Audit Committee of Board provides necessary oversight and directions to the internal audit function and periodically reviews the findings and ensures corrective measures are taken. This system enables us to achieve efficiency and effectiveness of operations, reliability and completeness of financial and management information and compliance with applicable laws and regulations.

#### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>	<b>yoy growth</b>
Net Turnover	4,477.58	4,448.53	0.65%
Operational Profit (EBITDA)	565.36	472.18	19.73%
Profit before Tax	401.40	252.67	58.86%
Profit/(Loss) after tax from the continuing operation	366.39	-	-
Profit/(Loss) after tax from the discontinued operation	(182.44)	-	-
Profit after Tax for the year	183.95	207.27	-11.25%

#### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES**

Your Company has focused on identifying internal talent and nurture them through the culture of continuous learning and development, thereby building capabilities for creating future leaders.

Talent is our most valuable asset and we believe that the ultimate identity and success of our Company lies in the excellent quality of our people and their commitment towards attaining our Organizational goal.

The Company's various employee engagement platforms and initiatives have resulted in a vibrant, productive and enjoyable work environment. A structured approach to career development, leadership development, internal job rotations, and mentoring helps employees grow their careers and realize their potential.

#### **CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objective, projections, and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied due to various risk factors and uncertainties. These risk factors and uncertainties include the economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in government regulations and policies that may impact our businesses as well as ability to implement our strategies. We are under no obligation to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events and assume no liability for any action taken by anyone on the basis of any information contained herein.

## Report on Corporate Governance

### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a process and structure by which the business and affairs of the company are directed and managed in order to enhance long term shareholder value through enhancing corporate performance and accountability, while taking into account the interests of other stakeholders.

To implement the Corporate Governance practice, the Company has a well-defined policy consisting of the following:

- Ensure that the Quality and frequency of Financial and Managerial Information's, which the Management shares with the Board, fully placed before the Board Members in control of the Company's affairs.
- Ensure that the Board exercises its Fiduciary responsibilities towards Shareholders and Creditors, thereby ensuring high accountability.
- Ensure that the extent to which the information is disclosed to present and potential investors is maximized.
- Ensure that the decision-making is transparent and documentary evidence is traceable through the minutes of the meetings of the Board/Committees thereof.
- Ensure that the Board, Management, Employees and all the other stakeholders are fully committed to maximizing long-term value to the shareholders and the Company.
- Ensure that the core values of the Company are protected.

We are committed to follow the prescribed corporate governance practices embodied in various legislations viz., Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI Listing Regulations"), the Companies Act, 2013 (hereinafter referred to as 'the Act') and other applicable rules & regulations.

In accordance with the corporate governance provisions prescribed under the SEBI Listing Regulations, we are providing the following disclosures:

### II. BOARD OF DIRECTORS

The Board of Directors of the Company chaired by Mr. Pavan G. Morarka comprises of eminent persons with high credentials of considerable professional experience and expertise in diverse fields. The Board is entrusted with the ultimate responsibility of management, general affairs, direction and performance of the Company and provide effective leadership to the management, thereby assisting them to adhere to high standards of ethics, transparency and disclosures even as they pursue high targets of business performance.

#### A. COMPOSITION OF THE BOARD

The Company's Board as on March 31, 2020 consists of seven Directors, of which three are Independent Directors, three Non-executive Directors and one Executive Director. The composition of the Board is in compliance with the requirements of the Companies Act, 2013 (Act) and Regulation 17 of the SEBI Listing Regulations. The profile of the Directors can be accessed on the Company's website at [www.bradymorris.in](http://www.bradymorris.in).

#### B. MEMBERSHIPS OF OTHER BOARDS

The information relating to the number of other directorships and committee chairmanships/memberships held by the directors in other listed companies as on March 31, 2020 is given below.

Name of the Director	Category of Directorship	No. of other Directorships	No. of Committee positions held		No. of shares held in the Company	Directorship in other listed entities (category of directorship)
			Chairman	Member		
Mr. Pavan G. Morarka	Non-Executive Director	1	-	1	22,500	W. H. Brady & Co. Ltd. (Executive Director)
Mr. Vaibhav P. Morarka	Executive Director	1	-	1	600	W. H. Brady & Co. Ltd. (Non-Executive Director)
Mr. Rajender Kumar Sharma	Non-Executive Director	-	-	-	600	-

Name of the Director	Category of Directorship	No. of other Directorships	No. of Committee positions held		No. of shares held in the Company	Directorship in other listed entities (category of directorship)
			Chairman	Member		
Mr. Kaushik D. Shah	Independent, Non-Executive Director	2	3	1	-	W. H. Brady & Co. Ltd. (Independent, Non-Executive Director) Arman Financial Services Limited (Independent, Non-Executive Director)
Mr. Cyrus Vachha	Independent, Non-Executive Director	-	-	-	-	-
Mr. Sumit Banerjee	Independent, Non-Executive Director	-	-	-	-	-
Ms. Mita Jha (Appointed w.e.f. May 21, 2019)	Woman, Non-Executive Director	-	-	-	-	-

**NOTES:**

- Excludes directorship in Brady and Morris Engineering Company Limited, and directorships in private companies (including deemed public company), foreign companies, bodies corporate and companies under Section 8 of the Act.
- Pertains to membership/chairmanship of the Audit Committee and Stakeholders Relationship Committee of Indian public companies (excluding Brady and Morris Engineering Company Limited). None of the Directors held directorship in more than 8 listed companies. Further, none of the Independent Director (ID) of the Company served as an ID in more than 7 listed companies.
- None of the Directors held directorship in more than 20 Indian companies, with not more than 10 public limited companies.
- None of the Directors is a member of more than 10 committees or chairman of more than 5 committees across all the public limited companies in which he/she is a Director. As per SEBI Listing Regulations, only memberships of Audit Committee and Stakeholders Relationship Committee have been taken into consideration for the purpose of ascertaining the limit.
- Mr. Pavan G. Morarka, Chairman is not an Independent Director of any other listed company and does not hold directorships of more than three equity listed companies.
- All IDs of the Company have been appointed as per the provisions of the Act and SEBI Listing Regulations. Formal letters of appointment have been issued to the IDs. In the opinion of the Board, the IDs are independent of the management.
- Mr. Dinesh Singhal, Independent Director has resigned w.e.f. March 04, 2020 before the expiry of his tenure.
- The details of the below mentioned Directors is not included in the above table as they ceased to be directors as on March 31, 2020

**C. NUMBER OF BOARD MEETINGS, ATTENDANCE OF THE DIRECTORS AT MEETINGS OF THE BOARD AND AT THE ANNUAL GENERAL MEETING**

During the financial year 2019-2020, Five (5) Board Meetings were held on the following dates – May 21, 2019, August 9, 2019, September 21, 2019, November 5, 2019, and February 14, 2020. The Board met at least once in every Calendar Quarter and the gap between two Meetings did not exceed one hundred and twenty days. These Meetings were well attended by the Directors. The 73<sup>rd</sup> AGM of your Company was held on September 21, 2019.

The attendance of the Directors at these Meetings was as under:

Name of the Director	Board Meetings					Number of Meetings entitled to attend	Number of Meetings attended	Attendance at the previous AGM
	May 21, 2019	Aug 9, 2019	Sept 21, 2019	Nov 5, 2019	Feb 14, 2020			
Mr. Pavan G. Morarka	Y	Y	Y	Y	Y	5	5	YES
Mr. Vaibhav P. Morarka	Y	Y	Y	Y	Y	5	5	YES
Mr. Kaushik D. Shah	Y	Y	N	Y	Y	5	4	NO
Mr. Rajender Kumar Sharma	Y	Y	Y	Y	Y	5	5	YES
Mr. Cyrus Vachha	Y	N	Y	Y	Y	5	4	YES
Mr. Sumit Banerjee	N	Y	N	N	N	5	1	NO
*Mr. Dinesh Singhal	Y	Y	Y	Y	Y	5	5	YES
**Ms. Mita Jha	Y	N	Y	Y	Y	5	4	NO

\* Mr. Dinesh Singhal resigned from the Directorship of the Company w.e.f. March 04, 2020.

\*\* Ms. Mita Jha has been appointed as a Woman Director w.e.f. May 21, 2019.

#### D. RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

Mr. Pavan G. Morarka, who is the Chairman of the Company is related to Mr. Vaibhav P. Morarka, as father, with such inter-se relation between them.

None of the other Directors except as aforementioned are related to each other.

#### E. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has in place the familiarisation program for Independent Directors appointed from time to time. The Program aims to enlighten them about, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.

During the financial year, Mr. Dinesh Singhal has resigned from the post of Independent Director w.e.f. March 04, 2020 due to some unavoidable personal reasons.

Pursuant to Regulation 46 the details required are available on the website of your Company [www.bradymorris.in](http://www.bradymorris.in).

#### F. BOARD PROCEDURE

A detailed agenda, setting out the business to be transacted at the board/committee meeting(s) supported by detailed notes and executive summaries, if any, is sent to each Director well in advance. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the Board meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda.

The Board also, inter alia, periodically reviews strategy and business plans, annual operating and capital expenditure budget(s), investment and exposure limit(s), compliance report(s) of all laws applicable to your Company, as well as steps taken by your Company to rectify instances of non-compliances, review of major legal issues, minutes of meetings of Audit Committee and other committees of the Board of Directors, approval of quarterly/half-yearly/annual results, safety and risk management, transactions pertaining to purchase/ disposal of property(ies), sale of investments, remuneration of Key Managerial Personnel, major accounting provisions and write-offs, corporate restructuring, material default in financial obligations, if any, fatal or serious accidents.

The draft minutes of the Board meetings are circulated amongst the Directors for their perusal and comments. Suggestions, if any, received from the Directors are suitably incorporated in the draft minutes, in consultation with the Chairman of the Board. Minutes are signed by the Chairman of the Board at the next meeting.

#### G. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on February 14, 2020 without the presence of the Executive and Non-Executive Directors or any other Management Personnel. The meeting was attended by all the Independent Directors.

The Meeting was conducted in an informal and flexible manner to enable the Independent Directors to, inter alia, discuss matters pertaining to review of performance of Non-Independent Directors and the Board as a whole, review

the performance of the Chairman of the Company taking into account the views of the Executive and Non-Executive Directors, assess the quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

As confirmed by the Independent Directors, they did not have any material pecuniary relationship with the Company during the financial year 2019-20. The sitting fees paid to them for attending the Board meetings and its Committee(s) during the year is not considered as material pecuniary relationship in accordance with the relevant provisions of the Act/SEBI Listing Regulations.

Independent director databank registration Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

### III. AUDIT COMMITTEE

#### Composition

The Audit Committee comprises of Mr. Kaushik D. Shah, Independent Director (Chairman of the Committee), Mr. Cyrus Vachha, Independent Director and Mr. Vaibhav P. Morarka, Executive Director. All the Members of the Committee possess strong accounting and financial management knowledge.

The Committee acts as a link between the Management, the Statutory Auditors and the Board of Directors of the Company. The Committee focuses its attention on monitoring the financial reporting system within the Company, considering Quarterly & Annual Financial Results of the Company and submitting its observations to the Board of Directors before its adoption by the Board, review of the internal audit report & internal control system, audit methodology and process, major accounting policies and practice, compliance with accounting standards. Committee also reviews the legal compliance reporting system.

The Meetings of the Audit Committee are also attended by the Chief Financial Officer and the Statutory Auditors. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are circulated amongst the members for their approval. The minutes as approved by the members are signed by the Chairman at the next meeting of the Committee.

Mr. Kaushik D. Shah, Chairman of the Audit Committee due to ill health was unable to attend and authorized Mr. Cyrus Vachha to attend on his behalf the 73<sup>rd</sup> Annual General Meeting of the Company held on September 21, 2019 to address the Shareholder's queries pertaining to Annual Accounts of the Company.

#### Scope and Function

The broad terms of reference of the Audit Committee, inter alia, include:

- a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- d. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- e. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Modified opinions in the draft audit report.
- f. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- g. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- h. Approval or any subsequent modification of transactions of the company with related parties;
- i. Scrutiny of inter-corporate loans and investments;
- j. Valuation of undertakings or assets of the company, wherever it is necessary;
- k. Evaluation of internal financial controls and risk management systems;
- l. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m. Reviewing the adequacy of internal audit functions;
- n. Discussion with internal auditors of any significant findings and follow up there on;
- o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r. To review the functioning of the Whistle Blower mechanism;
- s. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- t. Such other functions as may be entrusted to it by the Board of Directors from time to time;
- u. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- v. Management discussion and analysis of financial condition and results of operations;
- w. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management, if any;
- x. Management letters / letters of internal control weaknesses issued by the statutory auditors, if any;
- y. Internal audit reports relating to internal control weaknesses, if any;
- z. Statement of deviations, if any; in terms of Regulation 32(1) & 32(7) of the SEBI Listing Regulations.

#### Meetings and Attendance

During the Financial Year 2019-20, Four (4) Audit Committee Meetings were held on the following dates - May 21, 2019, August 09, 2019, November 5, 2019 and February 14, 2020 and the gap between two meetings did not exceed one hundred twenty days. The required quorum was present at all the Audit Committee meetings.

The details of attendance of the members of the Committee at the said meetings are as below:

Name of the Member	Position	Committee Meetings				Number of Meetings entitled to attend	Number of Meetings attended
		May 21, 2019	Aug 09, 2019	Nov 05, 2019	Feb 14, 2020		
Mr. Kaushik D. Shah	Chairman	Y	Y	Y	Y	4	4
Mr. Cyrus Vachha	Member	Y	N	Y	Y	4	3
Mr. Vaibhav P. Morarka	Member	Y	Y	Y	Y	4	4

#### IV. NOMINATION AND REMUNERATION COMMITTEE (NRC)

##### Composition

The Nomination and Remuneration Committee (NRC) comprises of the following Directors viz. Mr. Kaushik D. Shah (Chairman of the Committee), Mr. Cyrus Vachha, Mr. Sumit Banerjee and Mr. Rajender Kumar Sharma. All the Members of the Committee are Independent Directors except Mr. Rajender Kumar Sharma, who is Non-Executive Director of the Company.

As per section 178(7) of the Act and Secretarial Standards, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company. The Chairman of the Committee, Mr. Kaushik D. Shah due to ill health was unable to attend and authorized Mr. Cyrus Vachha to attend on his behalf the 73<sup>rd</sup> Annual General Meeting of the Company held on September 21, 2019.

##### Scope and Function

The broad terms of reference of the Nomination and Remuneration Committee are:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on the Board diversity;
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable;
- Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits such as Commission, if any, payable to the Non- Executive Directors.

##### Meetings and Attendance

During the Financial Year 2019-20, Two (2) Nomination and Remuneration Committee Meetings were held on the following dates - May 21, 2019 and February 14, 2020. The required quorum was present at all the NRC meeting.

The details of attendance of the members of the Committee at the said meetings are as below:

		Committee Meetings		Number of Meetings entitled to attend	Number of Meetings attended
Name of the Member	Position	May 21, 2019	Feb 14, 2020		
Mr. Kaushik D. Shah	Chairman	Y	Y	2	2
Mr. Cyrus Vachha	Member	Y	Y	2	2
Mr. Sumit Banerjee	Member	N	N	2	--
Mr. Rajender Kumar Sharma	Member	Y	Y	2	2

##### Criteria for Performance Evaluation of Independent Directors

The key criteria for performance evaluation of Independent Directors of the Company are given below:

- |                         |   |
|-------------------------|---|
| Role & Accountability   | <ul style="list-style-type: none"> <li>• Understanding of nature and role of independent Directors' position.</li> <li>• Understanding of risks associated with the business.</li> <li>• Application of knowledge for rendering advice to Management for resolution of business issues.</li> <li>• Active engagement with the Management and attentiveness to progress of decisions taken.</li> </ul> |
| Objectivity             | <ul style="list-style-type: none"> <li>• Own recommendations given professionally without tending to majority views.</li> </ul>   |
| Leadership & Initiative | <ul style="list-style-type: none"> <li>• Heading Board Sub Committees.</li> <li>• Leading the functions of the Committees based on knowledge and experience.</li> </ul>   |

## V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

### Composition

The Stakeholders' Relationship Committee comprises of Mr. Kaushik D. Shah, Independent Director (Chairman of the Committee), Mr. Cyrus Vachha, Independent Director and Mr. Pavan G. Morarka, Non-Executive Director.

Ms. Khushmeeta Bafna, Company Secretary of the Company acts as the Compliance Officer.

The following table shows the nature of complaints received from the shareholders during the year 2019-20.

Nature of complaints	No. of complaints received / resolved during the year 2019-20
Non receipt of Shares/Dividend/Bonus/Rights	0
Non receipt of Annual Report	0
<b>Total</b>	<b>0</b>

There were no complaints pending as on March 31, 2020.

As per section 178(7) of the Act and the Secretarial Standards, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company. The Chairman of the Committee, Mr. Kaushik D. Shah due to ill health was unable to attend and authorised Mr. Cyrus Vachha to attend on his behalf the 73<sup>rd</sup> Annual General Meeting of the Company held on September 21, 2019.

### Scope and Function

- Review statutory compliances relating to all security holders;
- Consider and resolve the grievances of security holders of the Company, including complaints related to transfer of securities, non-receipt of annual report/ declared dividends/ notices/ balance sheet;
- Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund;
- Oversee and review all matters related to the transfer/transmission of securities of the Company;
- Approve issue of duplicate certificates of the Company;
- Review movements in shareholding and ownership structures of the Company;
- Ensure setting of proper controls and oversee performance of the Registrar and Share Transfer Agent;
- Recommend measures for overall improvement of the quality of investor services.

During the financial year 2019-20, no complaints were received from the Shareholders.

### Meetings and Attendance

During the financial year 2019-20, Four (4) Stakeholders' Relationship Committee Meetings were held on the following dates - May 21, 2019, August 9, 2019, November 5, 2019 and February 14, 2020. The required quorum was present at all the Stakeholders' Relationship Committee meeting.

The details of attendance of the members of the Committee at the said meetings are as below:

Name of the Member	Position	Committee Meetings				Number of Meetings entitled to attend	Number of Meetings attended
		May 21, 2019	Aug 9, 2019	Nov 5, 2019	Feb 14, 2020		
Mr. Kaushik D. Shah	Chairman	Y	Y	Y	Y	4	4
Mr. Cyrus Vachha	Member	Y	N	Y	Y	4	4
Mr. Pavan G. Morarka	Member	Y	Y	Y	Y	4	4

## VI. REMUNERATION TO DIRECTORS

### A. REMUNERATION POLICY

Your Company has a well-defined Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees. The Policy was approved by the Board of your Company at its Meeting held on February 13, 2015, and modified as and when required based on the recommendations made by the Nomination and Remuneration Committee ("NRC"). This Policy is available on Company's website [www.bradymorris.in](http://www.bradymorris.in).

NRC while deciding the basis for determining the compensation, both fixed and variable to the Non-Executive Directors, takes into consideration various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule IV of the Act and SEBI Listing Regulations and such other factors as the NRC may consider deem fit.

The element of remuneration package of Executive Directors includes salary, benefits, provident fund, gratuity etc. The Non-Executive Directors are paid remuneration in the form of sitting fees.

### B. REMUNERATION TO NON-EXECUTIVE DIRECTORS FOR THE YEAR ENDED MARCH 31, 2020

The sitting fees paid to Non-Executive Directors for the year ended March 31, 2020 along with their respective shareholdings in your Company are as under:

Name of the Director	Sitting Fees paid for the Board and Committee Meetings held during the year ended March 31, 2020 (Rs.)	No. of Equity Shares held as on March 31, 2020
Mr. Sumit Banerjee	15,000	Nil
Mr. Kaushik D. Shah	1,10,000	Nil
Mr. Cyrus Vachha	1,00,000	Nil
Mr. Pavan G. Morarka	90,000	22500
*Mr. Dinesh Singhal	75,000	Nil
Mr. Rajender Kumar Sharma	80,000	600
**Ms. Mita Jha	55,000	Nil

\* Mr. Dinesh Singhal resigned from the Directorship of the Company w.e.f. March 04, 2020

\*\* Ms. Mita Jha has been appointed as a Woman Director w.e.f. May 21, 2019

The Company does not have any stock option plans and hence such instrument does not form part of the remuneration package payable to any Executive Director and / or Non-Executive Director.

During the period under review, none of the directors were paid any performance linked incentive.

## VII. GENERAL BODY MEETINGS

### a. Details of General Meetings and Special Resolutions passed

Annual General Meetings ("AGM") held during the past 3 years and the Special Resolutions passed therein:

Financial Year ended	Date	Time	Special Resolutions Passed
March 31, 2017	September 23, 2017	11:00 a.m.	-
March 31, 2018	September 29, 2018	11:00 a.m.	1. Re-appointment of Mr. Vaibhav P. Morarka (DIN: 01630306) as an Executive Director for a period of Three (3) years w.e.f. October 1, 2018
March 31, 2019	September 21, 2019	11:00 a.m.	1. Re-appointment of Mr. Kaushik D. Shah (DIN: 00024305) as an Independent Director for a Second Term of Five (5) consecutive year from April 1, 2019 to March 31, 2024.

The above Meetings were held at Maharashtra Chamber of Commerce Trust, Babasaheb Dhanukar Sabhagriha, Oricon House, 6<sup>th</sup> Floor, 12, K. Dubhash Marg, Fort, Mumbai 400 001.

No Extraordinary General Meeting was held during the past 3 years. No Special Resolution(s) requiring a Postal Ballot was passed last year or is being proposed at the ensuing Annual General Meeting.

#### VIII. MEANS OF COMMUNICATION

- (i) The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the SEBI Listing Regulations.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in Free Press Journal (English newspaper) and Navshakti (local language (Marathi) newspaper), within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.

The Company's financial results and official press releases, if any are displayed on the Company's Website- [www.bradymorris.in](http://www.bradymorris.in).

No presentations were made to institutional investors or/and analysts during the Financial year 2019-20.

- (iii) Management Discussion and Analysis report forms part of the Annual Report, which is sent to the shareholders of the Company.
- (iv) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchange i.e. BSE Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre.
- (v) A separate dedicated section under "Investors Relations", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.
- (vi) SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

The Company has designated the email id: [cs@bradys.in](mailto:cs@bradys.in) exclusively for investor relation, and the same is prominently displayed on the Company's website [www.bradymorris.in](http://www.bradymorris.in)

#### IX. GENERAL SHAREHOLDERS' INFORMATION

##### a. 74<sup>th</sup> Annual General Meeting

Date : November 28, 2020

Time : 11:45 a.m.

Venue : Through VC/OAVM, The venue of the 74th AGM shall be deemed to be the Registered Office of the Company.

##### b. Financial Year of the Company

The financial year covers the period from 1<sup>st</sup> April to 31<sup>st</sup> March.

##### c. Date of Book Closure

Book Closure will be from November 24, 2020 till November 28, 2020 both days inclusive.

##### d. Listing on Stock Exchange along with the Security Code and Payment of Listing Fee

Name of the Stock Exchange and its Address	Security Code	Payment of Annual listing fee (FY 2020-21)
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. Tel : 91 22 2272 1233/4 Fax: 91 22 2272 2041 <a href="http://www.bseindia.com">www.bseindia.com</a>	505690	Paid

e. **Corporate Identification Number of the Company (CIN)**

L29150MH1946PLC004729

f. **Registered Office Address**

Brady House, 4<sup>th</sup> Floor, 12/14 Veer Nariman Road, Fort, Mumbai – 400 001.

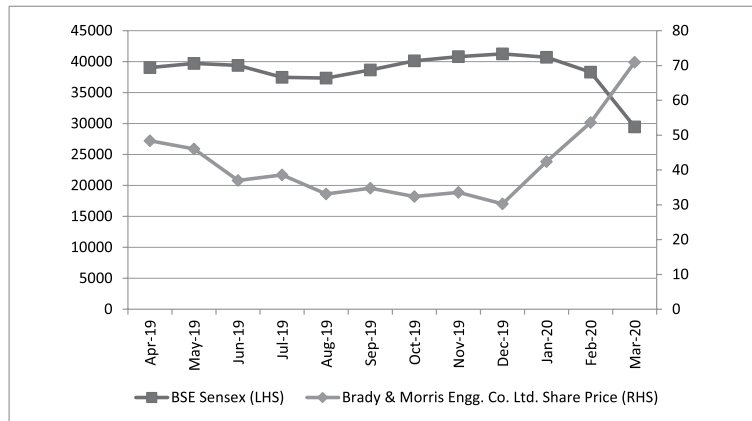
g. **Stock Price Data**

Details of monthly open, high, low and close prices and volume of equity shares of the Company traded on BSE are given below:

Month	Open	High	Low	Close	No. of Shares traded during the month
Apr-19	48.4	48.4	48.4	48.4	436
May-19	50.8	53.25	45.85	46.05	4005
Jun-19	44.25	44.25	34.3	37	14095
Jul-19	37	40.75	37	38.6	1170
Aug-19	38.6	38.6	31.6	33.1	972
Sep-19	34.75	34.8	34.75	34.8	11
Oct-19	34.8	34.8	32.4	32.4	1097
Nov-19	32.4	33.6	30.8	33.6	1341
Dec-19	32	32	29.6	30.25	3383
Jan-20	31.75	42.4	31	42.4	7188
Feb-20	40.3	53.65	36.4	53.65	3374
Mar-20	56.3	70.95	56.3	70.95	2396

h. **Stock Performance**

The performance of the equity share price of the Company in comparison with S&P BSE Sensex is given below:



i. **Registrar and Share Transfer Agent**

**BIGSHARE SERVICES PRIVATE LIMITED**

1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E) Mumbai – 400059.

Tel. No.: 022 62638205/ 62638268

Email: info@bigshareonline.com

j. **Share Transfer System**

Out of the total of 22,50,000 equity shares outstanding as on March 31, 2020, 22,21,225 equity shares (770 members) representing 98.73 % of the Company's total equity shares are dematerialized and are held by members in electronic mode. These shares can be transferred through the depository participants in electronic mode. The remaining 28,775 equity shares (285 members) representing 1.27% are held by the members in physical form.

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

k. **Distribution of Shareholding as on March 31, 2020**

No. of Equity Shares held	No. of Shareholders	No. of Shares	% of Equity Capital
1 - 500	870	96740	4.30
501 - 1000	36	25080	1.11
1001 - 2000	23	32144	1.43
2001 - 3000	7	19003	0.85
3001 - 4000	2	7920	0.35
4001 - 5000	1	4500	0.20
5001 - 10000	2	12840	0.57
10001 and above	9	2051773	91.19
<b>Total</b>	<b>950</b>	<b>2250000</b>	<b>100.00</b>

l. **Dematerialisation of Shares and Liquidity**

The equity shares of the Company are available for trading in the dematerialized form under both the Depositories i.e., NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE856A01017.

**No. of Shares held in dematerialized and physical mode:**

Particulars	No. of Shareholders	No. of Shares	% to total paid up capital
Held in dematerialized mode in NSDL	511	20,02,177	88.99
Held in dematerialized mode in CDSL	294	2,19,048	9.74
Held in physical mode	145	28,775	1.27
<b>Total</b>	<b>950</b>	<b>22,50,000</b>	<b>100.00</b>

The Company's equity shares are regularly traded on BSE.

m. **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2020, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

n. **Commodity price risk or Foreign Exchange Risk and Hedging activities**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

o. **Plant Locations**

Your Company's manufacturing facilities are located at Bareja (Gujarat).

p. **Address for Correspondence**

Shareholders may correspond with the Registrar and Share Transfer Agents at:

**Bigshare Services Private Limited**

1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis,

Makwana Road, Marol, Andheri (E) Mumbai - 400072

Tel. No.: 022 62638205/ 62638268

Email: investor@bigshareonline.com.

For all matters relating to transfer/dematerialisation of shares, payment of dividend and any other query relating to Equity Shares of your Company.

Your Company has also designated [cs@bradys.in](mailto:cs@bradys.in) as an exclusive e-mail ID for Investors for the purpose of registering complaints and the same has been displayed on the Company's website.

Security holders would have to correspond with the respective Depository Participants for Securities held in dematerialised form for transfer/transmission of Shares, change of Address, change in Bank details, etc. For all investor related matters, the Company Secretary & Compliance Officer can also be contacted at:

**Brady & Morris Engg. Co. Ltd.**

Brady House, 4<sup>th</sup> Floor, 12/14 Veer Nariman Road,  
Fort, Mumbai - 400001  
Tel. No: +91 22 22048361  
Fax No.: +91 22 22041855  
E-mail: [bradys@mtnl.net.in](mailto:bradys@mtnl.net.in)

Your Company can also be visited at its website: [www.bradymorris.in](http://www.bradymorris.in)

## X. DISCLOSURES

### a. Policy on Materiality of and Dealing with Related Party Transactions

Your Company has formulated a Policy on Materiality of and Dealing with Related Party Transactions which specify the manner of entering into related party transactions. This Policy has also been posted on the Company's website [www.bradymorris.in](http://www.bradymorris.in).

### b. Disclosure of Transactions with Related Parties

During the year under review, your Company had entered into Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual turnover as per the last audited financial statements, with W. H. Brady & Company Limited, Holding Company. These transactions too were in the Ordinary Course of Business of your Company and were at Arm's Length Basis. Further, details of related party transactions are presented in Note No. 42 to Annual Accounts in the Annual Report.

### c. No Penalty or Strictures

There have been no instances of non-compliances by the Company and no penalties and/or strictures have been imposed on it by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the previous three financial years.

### d. Vigil Mechanism / Whistle Blower Policy

The Vigil Mechanism as envisaged in the Act and the Rules prescribed thereunder and the SEBI Listing Regulations is implemented through the Whistle blower Policy to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee. As such the Whistle Blower Policy provides for protected disclosure and protection to the Whistle Blower. We confirm that no Director or employee has been denied access to the Audit Committee during the financial year 2019-20.

### e. Disclosures with respect to demat suspense account / unclaimed suspense account

The Company does not have any shares in the demat suspense /unclaimed suspense account.

#### Registered Office:

Brady House, 4<sup>th</sup> Floor,  
12-14, Veer Nariman Road,  
Fort, Mumbai - 400 001.  
CIN: L29150MH1946PLC004729  
Tel: +91 22 2204 8361; Fax: +91 22 2204 1855  
Email: [bradys@mtnl.net.in](mailto:bradys@mtnl.net.in);  
Website: [www.bradymorris.in](http://www.bradymorris.in)

For and on behalf of the Board  
**Brady & Morris Engg. Co. Ltd.**

**PAVAN G. MORARKA**  
Chairman  
(DIN: 00174796)

November 03, 2020

## Independent Auditors' Report

### To the Members of Brady & Morris Engineering Co. Limited

Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Brady & Morris Engineering Co. Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### Emphasis of Matter

We draw attention to Note 46 of the standalone financial statements, as regards to the management evaluation of COVID - 19 impacts on the future performance of the Company. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

We have determined that there are no key audit matters to be communicated in our report.

#### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Management and Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:**

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe

these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

- a) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- b) As required by section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- c) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its financial statements - Refer note 38 to the financial statements;
  - b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

**For S S Rathi & Co.**  
**Chartered Accountants**  
**Firm Registration No : 108726W**

**Brijesh Mathur**  
**Partner**  
**Membership No: (039565)**  
**ICAI UDIN: 20039565AAAAABC2318**

Mumbai  
July 09, 2020

## Annexure “A” to the Independent Auditors’ Report

The Annexure referred to in our report of even date to the members of Brady & Morris Engineering CO Limited on the financial statements for the year ended March 31, 2020. We report that:

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Financial Statements of the Company and taking into considerations the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Some of the Fixed Assets were physically verified during the year by the management in accordance with a phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. No material discrepancies between the books records and physical inventory have been noticed.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.
2. In our opinion, physical verification of inventories has been conducted by the management at reasonable intervals. The discrepancies noticed on such verification by the management have been properly dealt with in the books of accounts.
3. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has not given any loans, or made investments or issued any guarantee or provided any security covered under section 185 and 186 of the Act, hence our comments on the compliance are not given.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
6. We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-Tax, Sales-Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it, though there has been a slight delay in a few cases. According to the information and explanations given to us, there are no arrears of undisputed amounts payable in respect of above statutory dues which were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.
- (b) **According to the information and explanations given to us, there are no cases of non-deposit appropriate authorities of disputed dues of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax or cess except the following:**

Name of the statute	Nature of dues	Amount (in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales tax	3.22	2010-11	Before tribunal Ahmedabad
Central Sales Tax Act, 1956	Central Sales tax	2.64	2012-13	Before tribunal Ahmedabad

Name of the statute	Nature of dues	Amount (in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales tax	23.90	2013-14	Before Commissioner Ahmedabad
Central Excise Act, 1944	Excise Duty	11.26	2011-12	Before Ahmedabad tribunal
Central Excise Act, 1944	Excise Duty	2.31	2012-13	Before Ahmedabad tribunal
Income-tax Act, 1961	Income Tax Demand	1.99	2010-11	CPC
Income-tax Act, 1961	Dividend Tax Demand	11.53	2011-12	CPC

8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowings to financial institutions and banks during the year. The company has not taken any loans from Government or by way of Issue of Debentures.
9. **In our opinion on an overall basis and according to the information and explanations given to us, the term loans were applied for the purpose for which the same were obtained. The Company has not raised any money by way of Initial Public Offer or further public offer (including debt instruments) during the year.**
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the records of the Company examined by us and the information and explanations given to us, managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company hence our comments as required under clause 3(xii) of the Order are not given.
13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where ever applicable and the details whereof have been stated in the Financial Statements etc., as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the records of the Company examined by us and the information and explanations given to us, the Company has not entered into any non- cash transactions referred to in section 192 of the Act with directors of the Company or persons connected with them during the year.
16. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For S. S. Rathi & Co**  
Chartered Accountants  
Firm Regn. No. 0108726W

**Brijesh Mathur**  
Partner  
M. No. 039565

Place: Mumbai  
Date: July 09, 2020

## Annexure “B” to the Independent Auditors’ Report

The Annexure referred in our Report of even date to the members of **Brady & Morris Engineering Co Ltd** on the financial statements for the year ended March 31, 2020.

### Report on the Internal Financial Controls under Clause (l) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Brady & Morris Engineering Co Ltd (“the Company”) as of March 31, 2020 in conjunction with our audit of financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

### Management’s Responsibility for Internal Financial Controls:

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).

### Auditors’ Responsibility:

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

### Meaning of Internal Financial Controls over Financial Reporting:

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements include those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting:

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For S. S. Rathi & Co**  
Chartered Accountants  
Firm Regn. No. 0108726W

Place: Mumbai  
Date: July 09, 2020

**Brijesh Mathur**  
Partner  
M. No. 039565

**Balance Sheet as at 31st March, 2020**

Particulars	Note No.	(Rs. In Lakhs)	
		31st March,2020	31st March,2019
<b>I. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	4A	837.44	889.65
(b) Capital Work in Progress	4B	105.90	105.90
(c) Intangible Assets	4C	3.19	8.55
(d) Financial Assets			
(i) Investments	5	55.00	58.30
(ii) Loans	6	5.06	9.68
(e) Other Non Current Assets	7	12.30	12.31
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,018.88</b>	<b>1,084.39</b>
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	8	1,320.27	1,521.12
(b) Financial Assets			
(i) Trade Receivables	9	996.19	1,412.00
(ii) Cash and Cash Equivalents	10	28.28	0.92
(iii) Bank balances other than (ii) above	11	108.76	91.00
(iv) Loans	12	5.82	5.82
(v) Others	13	1.70	0.89
(c) Current Tax Assets (Net)	14	36.29	-
(d) Other Current Assets	15	155.12	88.64
<b>TOTAL CURRENT ASSETS</b>		<b>2,652.43</b>	<b>3,120.39</b>
<b>(3) Current Assets Held for Sale and Discontinued Operation</b>	16	-	182.69
<b>TOTAL ASSETS (1+2+3)</b>		<b>3,671.31</b>	<b>4,387.47</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) EQUITY</b>			
(a) Equity Share Capital	17	225.00	225.00
(b) Other Equity	18	176.55	0.67
<b>TOTAL EQUITY</b>		<b>401.55</b>	<b>225.67</b>
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	19	2,010.66	2,042.87
(ii) Others	20	67.86	62.99
(b) Provisions	21	21.06	14.19
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,099.59</b>	<b>2,120.05</b>
<b>(3) CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	22	108.83	662.33
(ii) Trade Payables dues to			
(a) Micro and Small Enterprises	23	12.50	63.61
(b) Other than Micro and Small Enterprises	23	720.41	1,003.74
(iii) Other Financial Liabilities	24	1.74	41.41
(b) Other Current Liabilities	25	326.35	268.28
(c) Provisions	26	0.35	0.88
(d) Current Tax Liabilities (Net)	14	-	1.50
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,170.17</b>	<b>2,041.75</b>
<b>TOTAL EQUITY &amp; LIABILITIES (1+2+3)</b>		<b>3,671.31</b>	<b>4,387.47</b>
<b>Corporate Information, Basis of Preparation &amp; Significant Accounting Policies</b>	1-3		

The accompanying notes 1 to 47 are an integral part of the Financial Statements

As per our report of even date attached

**For S S Rathi & Co.**  
Chartered Accountants  
Firm Registration Number: 108726W

**Brijesh Mathur**  
Partner  
Membership Number: 039565

Place : Mumbai  
Date : 9th July,2020

On behalf of the Board of Directors

**Pavan G. Morarka**  
Chairman  
DIN: 00174796

**K.D. Shah**  
Director  
DIN: 00024305

Date : 9th July,2020

**Vaibhav Morarka**  
Director  
DIN: 01630306

**Khushmeeta Bafna**  
Company Secretary

**R.K Sharma**  
Director & Chief Financial Officer  
DIN: 01215327

**Statement of Profit and Loss for the year ended 31st March, 2020**

Particulars	Note No.	Rs. In Lakhs	
		Year ended 31st March, 2020	Year ended 31st March, 2019
<b>INCOME</b>			
Revenue from operations	27	4,400.36	4366.30
Other income	28	77.22	82.23
<b>TOTAL INCOME</b>		<b>4,477.58</b>	<b>4,448.53</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	29	2,615.92	2,396.16
Purchases of Stock in Trade		0.13	7.50
Changes in inventories of finished goods, Stock-in-Trade and work-in progress	30	(192.35)	171.53
Employee benefits expense	31	672.94	627.00
Finance Costs	32	87.07	117.91
Depreciation and amortization expenses	4	76.89	101.60
Other expenses	33	815.58	774.16
<b>TOTAL EXPENSES</b>		<b>4,076.18</b>	<b>4,195.86</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>401.40</b>	<b>252.67</b>
Exceptional items (net)		-	-
<b>Profit/(Loss) before tax</b>		<b>401.40</b>	<b>252.67</b>
Tax items			
Current tax	34	36.07	45.40
Earlier year tax		(1.05)	-
Deferred tax liability / (Assets)		-	-
Total tax items		35.02	45.40
<b>Profit/(Loss) for the year after tax from the continuing operation</b>		<b>366.39</b>	<b>207.27</b>
Profit/(Loss) from the discontinued operation	35	(182.44)	-
<b>Tax expense from discontinued operation</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) after tax from the discontinued operation</b>		<b>(182.44)</b>	<b>-</b>
<b>Profit / (Loss) for the period</b>		<b>183.95</b>	<b>207.27</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		(4.74)	0.80
Investment in Equity		(3.33)	7.73
<b>Other Comprehensive Income/ (Loss) for the year</b>		<b>(8.07)</b>	<b>8.53</b>
<b>Total Comprehensive Income/ (Loss) for the year</b>		<b>175.88</b>	<b>215.80</b>
Earnings Per Equity Share (Basic and Diluted) from Continuing Operation	36	16.28	9.21
Earnings Per Equity Share (Basic and Diluted) from discontinued Operation	36	(8.11)	-
Corporate Information, Basis of Preparation & Significant Accounting Policies	1-3		

The accompanying notes 1 to 47 are an integral part of the Financial Statements

As per our report of even date attached

**For S S Rathi & Co.**  
 Chartered Accountants  
 Firm Registration Number: 108726W

**Brijesh Mathur**  
 Partner  
 Membership Number: 039565

Place : Mumbai  
 Date : 9th July, 2020

On behalf of the Board of Directors

**Pavan G. Morarka**  
 Chairman  
 DIN: 00174796

**K.D. Shah**  
 Director  
 DIN: 00024305

Date : 9th July, 2020

**Vaibhav Morarka**  
 Director  
 DIN: 01630306

**Khushmeeta Bafna**  
 Company Secretary

**R.K Sharma**  
 Director & Chief Financial Officer  
 DIN: 01215327

## Statement of changes in Equity for the year ended 31st March, 2020

### (A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2020

(Rs. In Lakhs)

Balance as at 1st April, 2019	Changes during the year	Balance as at 31st March, 2020
225.00	-	225.00

For the year ended 31st March, 2019

(Rs. In Lakhs)

Balance as at 1st April, 2018	Changes during the year	Balance as at 31st March, 2019
225.00	-	225.00

(Rs. In Lakhs)

Particulars	Retained Earnings	Remeasurement of the defined benefit Plans	Equity Instruments through Other Comprehensive Income	Total Equity
Balance as at 1st April, 2019	(47.01)	(4.60)	52.28	0.67
Profit/(Loss) for the year	183.95	-	-	183.95
Transfer from / to :	-	-	-	-
Other Comprehensive income/(loss) for the year:				
Remeasurements gain/(loss) on defined benefit plans	-	(4.74)	-	(4.74)
Remeasurements gain/(loss) on Equity Instruments			(3.33)	(3.33)
<b>Balance as at 31st March, 2020</b>	<b>136.94</b>	<b>(9.34)</b>	<b>48.95</b>	<b>176.55</b>

For the year ended 31st March, 2019

(Rs. In Lakhs)

Particulars	Retained Earnings	Remeasurement of the defined benefit Plans	Equity Instruments through Other Comprehensive Income	Total Equity
Balance as at 1st April, 2018	(254.28)	(5.39)	44.56	(215.11)
Profit/(Loss) for the year	207.27	-	-	207.27
Transfer from / to :	-	-	-	-
Other Comprehensive income/(loss) for the year:				
Remeasurements gain/(loss) on defined benefit plans	-	0.79	-	0.79
Remeasurements gain/(loss) on Equity Instruments			7.72	7.72
<b>Balance as at 31st March, 2019</b>	<b>(47.01)</b>	<b>(4.60)</b>	<b>52.28</b>	<b>0.67</b>

The accompanying notes 1 to 47 are an integral part of the Financial Statements

As per our report of even date attached

**For S S Rathi & Co.**  
Chartered Accountants  
Firm Registration Number: 108726W

**Brijesh Mathur**  
Partner  
Membership Number: 039565

Place : Mumbai  
Date : 9th July, 2020

On behalf of the Board of Directors

**Pavan G. Morarka**  
Chairman  
DIN: 00174796

**K.D. Shah**  
Director  
DIN: 00024305

Date : 9th July, 2020

**Vaibhav Morarka**  
Director  
DIN: 01630306

**Khushmeeta Bafna**  
Company Secretary

**R.K Sharma**  
Director & Chief Financial Officer  
DIN: 01215327

**Statement of Cash Flow Statement for the year ended 31st March, 2020**

Particulars	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) Before Tax	218.96	252.67
Adjustments for:		
Depreciation and amortization	76.89	101.60
Interest and finance charges	87.07	117.91
Interest income	(14.47)	(12.84)
(Gain)/Loss on fixed assets sold/ discarded (net)	0.60	(0.59)
Provisions for Employees Benefits	(4.74)	0.80
Sundry Balance Written off	13.08	1.72
(Profit) / Loss on Discontinue Operation	182.44	
Sundry Balance Written Back	(52.35)	(61.77)
<b>Operating Profit before Working Capital Changes</b>	<b>507.48</b>	<b>399.50</b>
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables, loans & advances and other assets	340.87	(100.90)
(Increase)/decrease in inventories	200.84	178.68
Increase/(decrease) in trade payables, other liabilities and provisions	(252.48)	(1.11)
<b>Cash Generated from Operations</b>	<b>796.71</b>	<b>476.17</b>
Income taxes paid	(72.81)	(6.00)
<b>Net Cashflow from Operating Activities</b>	<b>723.90</b>	<b>470.17</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(20.69)	(21.53)
Proceeds from sale of fixed assets	0.79	0.84
Investments in bank deposits	(17.76)	(7.00)
Cashflow from Discontinued Operations	0.25	
Interest received	13.65	12.55
<b>Net Cashflow from / (used in) Investing Activities</b>	<b>(23.76)</b>	<b>(15.14)</b>

Particulars	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipts from / (Repayments of) long term borrowings	(585.71)	(344.53)
Interest and finance charges	(87.07)	(110.91)
<b>Net Cashflow from / (used in) Financing Activities</b>	<b>(672.78)</b>	<b>(455.44)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>27.36</b>	<b>(0.41)</b>
<b>Cash and bank balances at the beginning of the period</b>	<b>0.92</b>	<b>1.33</b>
<b>Cash and bank balances at the end of the period</b>	<b>28.28</b>	<b>0.92</b>

**NOTES:**

- 1) The above cash flow statement has been prepared as per the "Indirect method" set out in the Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flows
- 2) Figures in bracket indicate cash outflow.
- 3) Previous year figures have been regrouped and recast wherever necessary to confirm to current year's classification.

**Cash and cash equivalents at the end of the year consist of cash on hand and balance with banks as follows:**

DETAIL OF CASH AND CASH EQUIVALENTS	Rs. In Lakhs	Rs. In Lakhs
	As at 31st March,2020	As at 31st March,2019
Balances with banks		
In current accounts	3.81	0.60
Cash on hand	0.47	0.32
Bank Deposits	24.00	-
<b>TOTAL</b>	<b>28.28</b>	<b>0.91</b>

As per our report of even date attached

**For S S Rathi & Co.**  
Chartered Accountants  
Firm Registration Number: 108726W

**Brijesh Mathur**  
Partner  
Membership Number: 039565

**Place : Mumbai**

**Date : 9th July,2020**

**On behalf of the Board of Directors**

**Pavan G. Morarka**  
Chairman  
DIN: 00174796

**K.D. Shah**  
Director  
DIN: 00024305

**Date : 9th July,2020**

**Vaibhav Morarka**  
Director  
DIN: 01630306

**Khushmeeta Bafna**  
Company Secretary

**R.K Sharma**  
Director & Chief Financial Officer  
DIN: 01215327

## Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020

### 1. Company overview

Brady and Morris Engineering Co. Limited ('the Company') is a listed company domiciled in India and incorporated under the provisions of Companies Act, 1913.

The Company has its registered office at, Mumbai, Maharashtra, India. The Company's Equity Shares are listed on Bombay Stock Exchange.

The company is in the business of manufacturing of Material handling equipment.

### 2. Significant Accounting Policies

#### (i) Basis of preparation of financial statements:

##### (a) Statement of Compliance

The Financial Statements are prepared in accordance with Indian Accounting Standards (hereinafter referred to as 'Ind AS') notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015 and as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 ; and the other relevant provisions of the Act and Rules thereunder.

The Financial Statements have been prepared on going concerned basis using historical cost convention, except for certain assets and liabilities measured at fair value such as financial instruments measured at FVTPL/FVOCI.

The Financial Statements were authorized for issue by the Company's Board of Directors on 9<sup>th</sup> July, 2020.

##### (b) Functional and Presentation Currency:

The financial statements are presented in Indian Rupees, rounded off to the nearest lakhs which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

#### (ii) Use of judgment and estimates:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected and, if material, the effects of such changes are disclosed in the notes to financial statements.

#### Estimation of uncertainties relating to the global health pandemic from COVID-19

Post declaration of COVID-19 as a pandemic by the World Health Organization, the Government in India have taken significant measures to curtail the wide spread of virus, including country wide lockdown and restriction in economic activities. In view of such lockdowns, operations at the Company's facilities have been scaled down from the end week of March 2020.

In view of the impact of COVID-19, the Company has assessed the carrying amounts of property, plant and equipment, intangible assets, inventories, trade receivables, investments and other financial assets as well as liabilities accrued. In assessing the recoverable value of such assets, the Company has considered various internal and external information such as existing long-term arrangements with customer and vendor partners, long-term business plan, cash flow forecasts and possible future uncertainties in economic conditions because of the pandemic including lockdowns and supply chain disruptions.

As per the Company's current assessment of recoverability of these assets, no significant impact on carrying amounts of these assets is expected. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the Company continues to closely monitor the situation including any material changes to future economic conditions and consequential impact on its financial statements

**(iii) Current and non-current classification**

All Assets and Liabilities are classified as Current and Non-Current.

An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold in normal operating cycle
- b) Held primarily for the purpose of trading
- c) Expected to be realised within twelve months after reporting period
- d) Cash and Cash equivalents unless there are restrictions from being exchanged or used to settle a liability for at least twelve months after reporting period

All other assets are classified as Non-Current Assets

A liability is current when:

- e) It is expected to be settled in the normal operating cycle
- f) It is held primarily for trading
- g) It is due to be settled within twelve months after reporting period
- h) There is a unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as Non-Current Liabilities

Deferred Tax assets and Liabilities are classified as Non-Current assets and Liabilities

The time between the acquisition of the asset and realisation in cash or cash equivalents is the operating cycle. The company has identified 12 months as its operating cycle

**(iv) Measurement of Fair value**

The Company measures financial instruments, such as investments at fair values at each Balance Sheet date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** inputs for the assets or liability that are not based on observable market data (unobservable inputs)

When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there are no quoted prices in an active market, then the Company uses a valuation technique that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

**(v) Property, plant and equipment and depreciation**

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Depreciation is calculated on a Written Down Value basis over the estimated useful life of the assets (as per the Schedule II of the Companies Act, 2013)

**(vi) Intangible assets and amortisation**

Intangible fixed assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any.

Intangible assets are amortised uniformly over the best estimate of their useful lives. Estimated useful life considered for amortisation of Intangible assets is from 3 - 5 years from the date of acquisition.

**(vii) Financial Assets**

**a. Initial recognition and measurement**

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

**b. Subsequent measurement**

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss

**c. Financial Asset Other than Equity instrument at amortised cost**

A 'Financial Asset' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

**d. Financial Asset at Fair value through Other Comprehensive Income (FVOCI)**

'Financial Asset ' is measured at the fair value through Other Comprehensive Income if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognised in the Statement of Profit and Loss. Other net gains and losses are recognised in other comprehensive Income.

**e. Financial Asset at Fair value through Profit or Loss (FVTPL)**

Fair Value through Profit or Loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation at amortised cost or as FVOCI, is classified as FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognised in the Statement of Profit and Loss.

**f. Equity investments**

All equity investments within the scope of Ind-AS 109 are measured at fair value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income (OCI). Dividends on such equity instruments are recognised in the Statement of Profit or Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**g. De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

**h. Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortised cost and debt instruments measured at FVOCI.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets such as debt securities and bank balances, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

**(viii) Financial Liabilities**

**a. Initial recognition and measurement**

Financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

**b. Subsequent measurement**

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

**c. Financial Liabilities at Fair Value through Profit or Loss (FVTPL)**

Financial liability is classified as at Fair Value through Profit or Loss (FVTPL) if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit and Loss.

**d. Financial Liabilities at amortised cost**

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortised cost using the effective interest rate ("EIR") method.

Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortisation done using the EIR method is included as finance costs in the Statement of Profit and Loss.

**e. De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**f. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(ix) Inventories:**

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'First-in-First-out'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

**(x) Borrowing cost and finance charges:**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Finance charges incurred in raising long term borrowing is amortised over the tenure of the borrowing.

**(xi) Segment reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**(xii) Revenue recognition:**

**a. Sale of goods and services:**

Revenue from sales is recognised when significant risks and rewards of ownership have been transferred to the buyer which is normally on delivery of goods and is net of value added tax / Goods and Service Tax.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

**b. Interest Income:**

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income [OCI], interest income is recorded using the effective interest rate [EIR]. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument [for example, prepayment, extension, call and similar options]

**c. Dividend income:**

Dividend income from investments is recognized when the Company's right to receive payment is established which is generally when shareholders approve the dividend.

**d. Other income:**

Other Income is recognised when no significant uncertainty as to its determination or realisation exists.

**(xiii) Taxation:**

Tax expense comprises of current tax and deferred tax.

**a. Current tax:**

Income-tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**b. Deferred tax**

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

**(xiv) Leases:****Company as Lessee**

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognizes depreciation of the right-of-use

asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion. As the company do not have any leases as on reporting date, Ind AS 116 is not expected to impact them.

**Company as Lessor**

Leases for which the company is a lessor classified as finance or operating.

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**(xv) Provisions, contingent liabilities and assets:**

- a. Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period when the effect of time value is material. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not discounted to present value and are determined based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date when the effect of time value is not material. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

- b. Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognize a contingent asset unless the recovery is virtually certain.

**(xvi) Cash and Cash Equivalents:**

The Cash flow statement is prepared under the "indirect method" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and cash equivalents presented in the cash flow statement consist of cash on hand and balance with banks in current and deposit accounts with original maturity of less than 3 months.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short term deposits, net of bank overdrafts as they are considered an integral part of the Company's cash management

**(xvii) Foreign Currencies Transactions and Translation:**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

**(xviii) Employee benefits****(i) Short-term obligations:**

Liabilities for wages and salaries, including nonmonetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

**(ii) Other long-term employee benefit obligations:**

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the discount rates for Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

**(iii) Post-employment obligations**

The Company operates the following postemployment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund etc.

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**Termination benefits**

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

**(xix) Earnings Per Share:**

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020**
**4 A- PROPERTY, PLANT AND EQUIPMENT**

(Rs. In Lakhs)

Cost:	Freehold land	Factory Buildings	Office Buildings	Furniture, Fixtures and Furnishing	Plant and Machinery	Vehicle	Office Equipments	Total
As at 1st April, 2018	299.99	219.65	240.13	22.17	245.77	36.99	51.03	1,115.73
Additions	-	-	-	1.82	11.31	-	7.48	20.61
Disposals / transfers	-	-	-	-	-	3.39	-	3.39
As at 31st March, 2019	<b>299.99</b>	<b>219.65</b>	<b>240.13</b>	<b>23.99</b>	<b>257.08</b>	<b>33.60</b>	<b>58.51</b>	<b>1,132.95</b>
Additions				7.14	8.26	3.80	0.31	19.51
Disposals / transfers						3.47		3.47
<b>As at 31st March, 2020</b>	<b>299.99</b>	<b>219.65</b>	<b>240.13</b>	<b>31.13</b>	<b>265.34</b>	<b>33.93</b>	<b>58.82</b>	<b>1,148.99</b>
<b>Accumulated depreciation:</b>								
As at 1st April, 2018	-	37.22	9.56	10.83	61.68	10.31	29.28	158.88
Depreciation charged during the year		17.13	10.62	3.30	36.18	8.58	11.70	87.51
Disposals / transfers		-	-	-	-	3.09	-	3.09
As at 31st March, 2019	-	<b>54.35</b>	<b>20.18</b>	<b>14.13</b>	<b>97.86</b>	<b>15.80</b>	<b>40.98</b>	<b>243.30</b>
Depreciation charged during the year		15.52	10.13	3.13	35.43	6.06	1.26	71.53
Disposals / transfers						3.28		3.28
<b>As at 31st March, 2020</b>	-	<b>69.87</b>	<b>30.31</b>	<b>17.26</b>	<b>133.29</b>	<b>18.58</b>	<b>42.24</b>	<b>311.55</b>
<b>Net book value</b>								
As at 31st March, 2019	299.99	165.30	219.95	9.86	159.22	17.80	17.53	889.65
<b>As at 31st March, 2020</b>	<b>299.99</b>	<b>149.78</b>	<b>209.82</b>	<b>13.87</b>	<b>132.05</b>	<b>15.35</b>	<b>16.58</b>	<b>837.44</b>

**4B - CAPITAL WORK-IN PROGRESS**

(Rs. In Lakhs)

Cost:	Orissa Project	Computer Under Installation	Total
As at 1st April, 2018	105.90	19.73	125.63
Additions			-
Disposals / transfers		19.73	19.73
As at 31st March, 2019	<b>105.90</b>	-	<b>105.90</b>
Additions			-
Disposals / transfers			-
<b>As at 31st March, 2020</b>	<b>105.90</b>	-	<b>105.90</b>
As at 31st March, 2019	105.90	-	105.90
<b>As at 31st March, 2020</b>	<b>105.90</b>	-	<b>105.90</b>

## Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020

## 4 C- INTANGIBLE ASSETS

(Rs. In Lakhs)

Cost:	Design Software	Design and Drawing	Computer Software	Total
As at 1st April, 2018	0.53	0.30	2.75	3.58
Additions			20.66	20.66
Disposals / transfers	-	-		-
As at 31st March, 2019	0.53	0.30	23.41	24.24
Additions				-
Disposals / transfers				-
<b>As at 31st March, 2020</b>	<b>0.53</b>	<b>0.30</b>	<b>23.41</b>	<b>24.24</b>
<b>Accumulated depreciation:</b>				
As at 1st April, 2018	0.52	0.30	0.77	1.59
Depreciation charged during the year			14.09	14.09
Disposals / transfers				-
As at 31st March, 2019	0.52	0.30	14.86	15.68
Depreciation charged during the year			5.36	5.36
Disposals / transfers				-
<b>As at 31st March, 2020</b>	<b>0.52</b>	<b>0.30</b>	<b>20.22</b>	<b>21.04</b>
<b>Net book value</b>				
As at 31st March, 2019	0.01	-	8.54	8.55
<b>As at 31st March, 2020</b>	<b>0.01</b>	<b>-</b>	<b>3.18</b>	<b>3.19</b>

## 4.1 Vehicles include the following amounts where the company is a lessee under a finance lease

	As at 31st March, 2020	As at 31st March, 2019
Cost / Deemed Cost	24.29	24.29
Accumulated Depreciation	14.38	9.88
Net Carrying Value	<b>9.91</b>	<b>14.41</b>

4.2 As reported in earlier years In respect of plot of land taken on lease ( Capital Work In Progress) by the company from Industrial Development Corporation Limited of Orissa (IDCO) the lease was terminated for alleged non-compliance of the terms of the said lease, which is unlawful and the company has adopted appropriate legal proceedings in the matter and against such cancellation as an add interim major it has been directed by Orissa high court that the letter dated 25.2.2013 issued for Cancellation of lease shall not be given effect to till the next date which direction is still inforce.

4.3 At each balance sheet date the company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets have suffered impairment loss.If any such indication exists the company estimates the recoverable amounts of such assets.If recoverable amount of the assets or cash generating unit to which the assets belong is less than the carrying amount,the carrying amount is reduced to its recoverable amount.The reduction is treated as impairment loss and debited to the profit and loss account.If at the balance sheet date there is a indication of a previously assessed impairment loss no longer existing, then recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciated historical cost.

4.4 Refer Note No. 19 - for Property offered as securities by the company.

**Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020**
**5 NON - CURRENT FINANCIAL ASSETS - INVESTMENTS**

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
<b>Unquoted investments:</b>		
<b>a. Fair Value through Other Comprehensive Income</b>		
(i) Investment in Equity Shares (Refer Note 5.1)	54.97	58.27
(ii) Investment in Preference Shares	-	-
<b>b. At Cost</b>		
(i) Investment in Equity Shares (Refer Note 5.3)	0.03	0.03
<b>TOTAL</b>	<b>55.00</b>	<b>58.30</b>

**5.1 Details of Investments**

Particulars	Face value per unit in Rs. unless otherwise specified	No. of shares/units As at 31st March,2020	(Rs. In Lakhs)	
			Value	
			As at 31st March,2020	As at 31st March,2019
<b>Unquoted Investments:</b>				
<b>Investment in equity instruments</b>				
<b>Investment measured at FVOCI</b>				
Brady Estates Pvt Ltd	Rs. 10	50,000	24.72	25.89
Brady Services Pvt Ltd	Rs. 10	40,000	30.25	32.38
Ganesh Flour Mills Pvt Ltd (Refer Note 5.2)	Rs. 10	78,964	-	-
<b>Others (At cost)</b>				
Manekchowk Co-operative Bank Ltd (Refer Note 5.3)	Rs. 100	25	0.03	0.03
<b>Investment in Preference Share Capital</b>				
<b>Investment measured at FVOCI</b>				
Ganesh Flour Mills Pvt Ltd	Rs. 12.5	520	-	-
<b>Aggregate Carrying Value Of Unquoted Investments</b>			<b>55.00</b>	<b>58.30</b>

5.2 As reported earlier, the company had filed appeal with the National Company Law Tribunal (NCLT) against the dismissal of its application by the NCLT in 1982 in connection with the transfer of 54000 equity shares of the Ganesh Flour Mills Co. Ltd. to its name. The appeal is pending for final hearing and disposal. However, by way of abundant caution, the company during year ended 31st March, 1994, stated the value of the said investment at a token figure of Re.1 each by writing off the investment.

5.3 In the absence of details Investment in Manekchowk Co-operative Bank Ltd is valued at cost

## Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020

## 6 NON - CURRENT FINANCIAL ASSETS - LOANS

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
<b>(Unsecured, considered good)</b>		
Security deposits	5.06	9.68
<b>TOTAL</b>	<b>5.06</b>	<b>9.68</b>

## 6.1 Allowance for Doubtful Loans

Company has analysed any allowance for doubtful loans based on the 12 months expected credit loss model. - Refer Note - 45

## 7 OTHER NON CURRENT ASSETS

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
<b>(Unsecured, considered good)</b>		
(A) Advances other than Capital Advances		
- Other Advances	12.30	12.31
<b>TOTAL</b>	<b>12.30</b>	<b>12.31</b>

## 8 INVENTORIES

(Valued at lower of cost and net realizable value)

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
a. Raw Materials & Components	537.37	912.35
Goods - in - transit	-	-
	537.37	912.35
b. Work in Progress	761.33	568.97
c. Stores and Spares	21.57	39.79
<b>TOTAL</b>	<b>1,320.27</b>	<b>1,521.12</b>

-As per Inventory taken and valued by Management

## 9 TRADE RECEIVABLES

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
<b>(Unsecured, considered good)</b>		
Trade Receivables (Refer Note 9.1)	996.19	1,412.00
<b>TOTAL</b>	<b>996.19</b>	<b>1,412.00</b>

## 9.1 Allowance for Doubtful Debts

Company has analysed any allowance for doubtful debts based on the lifetime expected credit loss model. - Refer Note - 45

**Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020**
**9.2 Debts due from holding company and entity in which a director of the company has significant control.**

Name of Entity	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
W.H Brady & Co. Ltd	114.85	89.86

9.3 The credit period ranges from 30 days to 90 days. Before accepting any new customers, the company assesses the potential customer's credibility and defines credit limits for each customer. Such limits are reviewed annually.

9.4 The company has analysed any allowance for doubtful debts based on the life time expected credit loss model – refer note 45

**10 CASH AND CASH EQUIVALENTS**

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
Balances with banks		
In current accounts	3.81	0.60
Cash on hand	0.47	0.32
Fixed Deposits having maturity period less than 12 months	24.00	-
<b>TOTAL</b>	<b>28.28</b>	<b>0.92</b>

**11 BANK BALANCES OTHER THAN ABOVE**

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
Balances with banks		
Fixed Deposit Held as margin money (Refer Note 11.1)	108.76	91.00
<b>TOTAL</b>	<b>108.76</b>	<b>91.00</b>

11.1 The bank has lien on Fixed Deposits as security against the guarantees issued on behalf of the company to its constituents.

**12 CURRENT FINANCIAL ASSETS - LOANS**

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
<b>(Unsecured, considered good)</b>		
Security deposits	5.82	5.82
<b>TOTAL</b>	<b>5.82</b>	<b>5.82</b>

**13 CURRENT - OTHER FINANCIAL ASSETS**

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
Accrued Interest	1.70	0.89
<b>TOTAL</b>	<b>1.70</b>	<b>0.89</b>

## Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020

## 14 CURRENT TAX ASSETS / (LIABILITIES) (NET)

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
Advance Tax, TDS etc.	72.56	43.90
Less: Provisions	36.27	45.40
Current Tax Assets / (Liabilities) [Net]		
<b>TOTAL</b>	<b>36.29</b>	<b>(1.50)</b>

## 15 CURRENT ASSETS - OTHERS

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
<b>(Unsecured, considered good)</b>		
Prepaid expenses	7.49	6.59
Statutory Dues	130.79	70.87
Advances to Trade Payables	16.63	10.46
Staff Advances	0.20	0.72
<b>TOTAL</b>	<b>155.12</b>	<b>88.64</b>

## 16 CURRET ASSETS HELD FOR SALE AND DISCONTINUED OPERATION

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
<b>(Unsecured, considered good)</b>		
Trade Receivable	-	114.55
Capital Advances	-	68.14
<b>TOTAL</b>	<b>-</b>	<b>182.69</b>

16.1 Trade Receivable and Capital Advance include balance due from Zoetfig Bradys only, in which director is having controlling authority.

## 17 SHARE CAPITAL

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
<b>Authorised:</b>		
50,00,000 Equity Shares of Rs. 10 each	500.00	500.00
2,00,00,000 7% Reedemable non cumulative non convertible preference share of Rs. 10 each	2,000.00	2,000.00
<b>Issued, Subscribed and paid-up:</b>		
22,50,000 Equity Shares of Rs. 10 each fully paid up (Refer Note 17.3)	225.00	225.00
<b>TOTAL</b>	<b>225.00</b>	<b>225.00</b>

**Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020**
**17.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting year**

Particulars	No. of Shares	(Rs. In Lakhs)		
		As at 31st March,2020	No. of Shares	As at 31st March,2019
<b>Equity shares</b>				
At the beginning of the year	2,250,000	225.00	2,250,000	225.00
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	2,250,000	225.00	2,250,000	225.00
<b>Preference shares (Refer Note 17.4)</b>				
At the beginning of the year	20,000,000	2,000.00	20,000,000	2,000.00
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	20,000,000	2,000.00	20,000,000	2,000.00

**17.2. Number of Shares held by each shareholder holding more than 5% Shares in the company**

Name of Shareholder	As at 31st March,2020		As at 31st March,2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity shares</b>				
W. H. Brady & Co. Ltd. (Holding Co.)	1,631,151	72.50	1,631,151	72.50
Morris Material Handling Ltd	139,200	6.19	139,200	6.19
Transparent Agro Pvt Ltd	157,000	7.00	157,000	7.00
<b>Preference shares (Refer Note 17.3)</b>				
W. H. Brady & Co. Ltd. (Holding Co.)	20,000,000	100.00	20,000,000	100.00

**17.3. Terms/Rights attached to the equity shares**

The Company has one class of equity and preference shares having a par value of Rs. 10 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

- 17.4 As 7 % Redemable Preference Shares amounting to Rs. 200 lakhs does not meet definition of 'Equity' as per Ind AS 32 "Financial Instruments" in its entirety and they have component of liability, the same has been considered as debt and disclosed accordingly in Financial Statements (Refer Note 19).

## Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020

## 18 OTHER EQUITY

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
<b>Retained Earnings</b>		
Opening balance	(47.01)	(254.28)
Add: Net Profit/(Net Loss) For the current year	183.95	207.27
Add: Transfer from Revaluation Reserve		
Closing Balance	136.93	(47.01)
<b>Equity Instruments through Other Comprehensive Income</b>		
Opening balance	52.28	44.56
Add: Movement during the year	(3.33)	7.72
Closing Balance	48.95	52.28
<b>Remeasurement of Defined Benefit Plans</b>		
Opening balance	(4.60)	(5.39)
Add: Movement during the year	(4.74)	0.79
Closing Balance	(9.34)	(4.60)
<b>TOTAL</b>	<b>176.55</b>	<b>0.67</b>

## 18.1 Nature and purpose of reserve

- (a) Retain Earning are the profit that the company has earned till the date, less dividend or any other distributions paid to the Shareholders.
- (b) Equity instrument through other comprehensive income: The fair value change of the equity, instrument measures at fair value through other comprehensive income is recognised in equity instrument through other comprehensive income. Upon decognition, the cumulative fair value changes in the said instruments are transferred to the retained earnings.
- (c) Remeasurement of defined benefit plan: Difference between the interest income on plan assets and the return actually and any change in the liabilities over the year due to change in actual assumption or experience adjustments within the plans are recognised in other comprehensive incomes and are adjusted to retained earnings.

## 19 NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
<b>Secured</b>		
a. Term Loan		
From a bank (Refer Note 19.1 & 19.2)	-	27.93
<b>TOTAL (a)</b>	<b>-</b>	<b>27.93</b>
b.Vehicle Loan		
From Banks (Refer Note 19.1)	10.66	14.94
<b>TOTAL (b)</b>	<b>10.66</b>	<b>42.87</b>
<b>Unsecured</b>		
a. Preference Shares (7% Redeemable Non-cumulative non convertible) (Refer Note 17.4)	2,000.00	2,000.00
<b>TOTAL (c )</b>	<b>2,000.00</b>	<b>2,000.00</b>
<b>TOTAL (a+b+c)</b>	<b>2,010.66</b>	<b>2,042.87</b>

**Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020**
**19.1 Nature of Security**

The above Term Loan is secured by extention of first charge against Commercial building at 414-senapati Bapat Marg, Lower Parel, Mumbai-400 013.

The Vehicle Loans are secured by respective Motor Vehicles.

**19.2 Rate of Interest and Terms of Repayment**

Name of Bank	Instruments	Repayment schedule			
		Frequency	Number of Installments	First installment due	Rate of Interest
AXIS Bank Ltd	Vehicle Loan	Monthly	48	10-05-2017	9.50%
Union Bank of India	Vehicle Loan	Monthly	84	01-02-2018	8.70%
Union Bank of India	Vehicle Loan	Monthly	84	01-02-2018	8.70%

**20 NON - CURRENT FINANCIAL LIABILITIES - OTHERS**

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
Security Deposits		
From a Related party (Refer Note 19.1)	44.00	39.63
From Others	23.86	23.36
<b>TOTAL</b>	<b>67.86</b>	<b>62.99</b>

20.2 The Company has taken security deposit from Brady Estates Pvt Ltd where in a director of the Company has controlling interest.

**21 NON - CURRENT PROVISIONS**

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
Provision for employee benefit		
Leave Encashment	9.25	4.71
Gratuity	11.81	9.48
<b>TOTAL</b>	<b>21.06</b>	<b>14.19</b>

**22 CURRENT FINANCIAL LIABILITIES - BORROWINGS**

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
<b>Secured</b>		
a. Cash Credits		
From a bank	108.83	662.33
<b>TOTAL</b>	<b>108.83</b>	<b>662.33</b>

**22.1 Nature of Security**

Cash credit from a bank is secured, against hypothecation of Raw materials, Stores, Spare parts, Finished goods and Work-in-progress. The above Cash Credit alongwith the other facilities of inland / foreign letter of credit, Guarantees, bill discounting and Term Loan aggregating to Rs.2150 lacs (Previous year Rs.2150 lacs) is availed at 12.20%.

## Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020

## 23 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
Due to micro and small enterprises	12.50	63.61
Due to other than micro and small enterprises	720.41	1,003.74
<b>TOTAL</b>	<b>732.91</b>	<b>1,067.35</b>

## 23.1 Disclosure under Section 22 of Micro, Small and Medium Enterprise Development (MSMED) Act, 2006.

Based on the intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 by the company, disclosures as required under Section 22 of Act are as under:

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;	12.50	63.61
(b) Interest paid during the year	-	-
(c) Amount of payment made to the supplier beyond the appointed day during accounting year;	-	-
(d) Interest due and payable for the period of delay in making payment;	-	-
(e) Interest accrued and unpaid at the end of the accounting year; and	-	-
(f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise;	-	-

## 24 CURRENT - OTHER FINANCIAL LIABILITIES

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
Current Maturities of Long Term Debts		
a. Term Loan		
From a bank	-	39.67
<b>TOTAL (a)</b>	<b>-</b>	<b>39.67</b>
b. Vehicle Loans		
From banks	1.74	1.74
<b>TOTAL (b)</b>	<b>1.74</b>	<b>1.74</b>
<b>TOTAL (a+b)</b>	<b>1.74</b>	<b>41.41</b>

24.1 For Nature of Security Offered Refer Note No. 19.1

24.2 For Terms of Repayment of Term Loan and Vehicle Loans Refer Note No. 19.2

**Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020**
**25 OTHER CURRENT LIABILITIES**

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
(i) Trade Advance		
- From Customer	215.08	157.96
(ii) Statutory liabilities	11.06	36.92
(iii) Deferred Security Deposits	-	3.28
(iv) Employees Liabilities Payable	35.38	32.11
(v) Other operating expenses	64.84	38.00
<b>TOTAL</b>	<b>326.35</b>	<b>268.28</b>

**26 SHORT TERM PROVISIONS**

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
<b>Provision for employee benefits</b>		
Leave Encashment	0.35	0.88
<b>TOTAL</b>	<b>0.35</b>	<b>0.88</b>

**27 REVENUE FROM OPERATIONS**

	(Rs. In Lakhs)	
	Year ended 31st March,2020	Year ended 31st March,2019
Sale of Products*	4,335.13	4,320.95
Sale of Services	57.97	38.69
Other Operating Revenues	7.26	6.66
<b>TOTAL</b>	<b>4,400.36</b>	<b>4,366.30</b>

**28 OTHER INCOME**

	(Rs. In Lakhs)	
	Year ended 31st March,2020	Year ended 31st March,2019
Interest Received/Receivable		
From banks	8.11	10.13
From Income Tax (On Refund)	2.86	-
From others	3.50	2.70
Deferred Income Amortised	3.28	5.16
Net gain on foreign currency transaction and translation (other than finance cost)	0.05	0.44
Profit on Sale of Fixed Assets (Net)	0.60	0.59
Sundry Balance Written Back	52.35	61.77
Other Income	6.47	1.43
<b>TOTAL</b>	<b>77.22</b>	<b>82.23</b>

## Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020

## 29 COST OF MATERIALS CONSUMED

	(Rs. In Lakhs)	
	Year ended 31st March,2020	Year ended 31st March,2019
Opening Stock	912.35	921.54
Add : Purchases	2,240.94	2,386.97
	3,153.29	3,308.51
Closing Stock	(537.37)	(912.35)
<b>TOTAL</b>	<b>2,615.92</b>	<b>2,396.16</b>

## 30 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS

	(Rs. In Lakhs)	
	Year ended 31st March,2020	Year ended 31st March,2019
<b>Inventories (at close):</b>		
Work -in- Process	761.33	568.97
	761.33	568.97
<b>Inventories (at commencement):</b>		
Work -in- Process	568.97	740.50
	568.97	740.50
<b>Net (Increased)/Decreased</b>	<b>(192.35)</b>	<b>171.53</b>

## 31 EMPLOYEE BENEFITS EXPENSES

	(Rs. In Lakhs)	
	Year ended 31st March,2020	Year ended 31st March,2019
Salaries and wages	646.00	602.17
Contribution to provident and other funds	16.90	12.79
Retrenchment Compensation	-	1.04
Staff welfare expenses	10.04	11.00
<b>TOTAL</b>	<b>672.94</b>	<b>627.00</b>

## 32 FINANCE COSTS

	(Rs. In Lakhs)	
	Year ended 31st March,2020	Year ended 31st March,2019
<b>Interest expenses</b>		
- Term Loan	4.92	11.27
- Working Capital Loan	38.83	64.55
- Hire Purchase	1.06	1.20
- Unwinding of Interest on Financial Liability	4.37	7.00
- Others	6.46	0.56
<b>Total Interest Exps</b>	<b>55.65</b>	<b>84.57</b>
<b>Other borrowing costs (including bank charges)</b>	<b>31.42</b>	<b>33.34</b>
<b>TOTAL</b>	<b>87.07</b>	<b>117.91</b>

**Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020**
**33 OTHER EXPENSES**

	(Rs. In Lakhs)	
	Year ended 31st March,2020	Year ended 31st March,2019
Stores, Spares and Packing Materials	133.51	106.96
Electricity, Power and Fuel	27.38	31.48
Repairs, maintenance and refurbishing *	21.21	12.59
Rent	5.43	5.47
Rates and taxes	0.42	0.39
Insurance	5.68	4.21
Labour Charges	148.90	154.23
Legal and professional charges	57.10	57.98
Payments to the auditors**	3.46	3.57
Erection and Commissioning	89.54	41.76
Freight and Cartage	182.64	184.13
Travelling and Conveyance	37.83	37.48
Directors Sitting Fees	5.25	5.00
Advertisement, publicity and business promotion	2.00	3.26
Commission and Discount	16.31	7.62
Sundry Balance written off	13.08	1.72
Miscellaneous	65.83	116.32
<b>TOTAL</b>	<b>815.58</b>	<b>774.16</b>
* includes:		
Repairs to buildings	11.93	3.08
Repairs to machinery	5.16	4.83
**Payments to the auditors for		
-statutory audit	3.15	3.15
-limited review	-	0.42
-Other Exps	0.31	-
<b>TOTAL</b>	<b>3.46</b>	<b>3.57</b>

**34 CURRENT TAX EXPENSES**

	(Rs. In Lakhs)	
	Year ended 31st March,2020	Year ended 31st March,2019
Current Tax (Refer Note 34.1)	36.07	45.40
Earlier Years Tax	(1.05)	-
Deferred Tax (Refer Note 39)	-	-
<b>TOTAL</b>	<b>35.02</b>	<b>45.40</b>

## Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020

## 34.1 Reconciliation Statement of Current Tax Expenses

	(Rs. In Lakhs)	
	Year ended 31st March,2020	Year ended 31st March,2019
Profit before tax	218.96	252.67
Enacted Tax Rate in India (as per Section 115 JB of Income Tax Act, 1961)	16.48%	20.59%
Expected Income Tax Expenses at statutory rate	<b>36.07</b>	<b>52.02</b>
Adjustment For:		
Unused Tax Losses or depreciation w.e.l. of earlier year now utilised	-	(7.18)
Other Non-deductible Exps	-	0.57
Total	<b>36.07</b>	<b>45.41</b>
<b>Tax Expenses as per Profit &amp; Loss Statement</b>	<b>36.07</b>	<b>45.41</b>

## 35 Profit/(Loss) from the discontinued operation

	(Rs. In Lakhs)	
	Year ended 31st March,2020	Year ended 31st March,2019
Sundry Balances written off	(68.14)	-
Bad Debt	(114.30)	-
<b>TOTAL</b>	<b>(182.44)</b>	<b>-</b>

As decided by the Board of Directors, the company has discontinued Assembly of Chairs Divisions. Net Gain / (Loss) on account of sale of discontinued business assets have been recognised during the year ended on 31st March, 2020 and disclosed under discontinued operation in the above financial results. Due to discontinuation, the figures for current year ended 31st March, 2020 is not comparable with the corresponding period of previous year.

## 35.1 Result of Discontinue Operation

	(Rs. In Lakhs)	
	Year ended 31st March,2020	Year ended 31st March,2019
<b>Revenue (A)</b>	-	-
<b>Less: Expenses</b>		
Sundry Balance written off	68.14	-
Bad debt	114.30	-
<b>Total of Expenses (B)</b>	<b>182.44</b>	<b>-</b>
<b>Profit / (Loss) before tax from the discontinued operation (A - B)</b>	<b>(182.44)</b>	<b>-</b>
<b>Tax Expenses</b>	<b>-</b>	<b>-</b>
<b>Profit / (Loss) from discontinued Operation after tax</b>	<b>(182.44)</b>	<b>-</b>
<b>EPS Basic / Diluted (In Rupees)</b>	<b>(8.11)</b>	<b>-</b>

**Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020**
**35.2 Cash Flow from discontinued Operations**

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
Net Cash flow From Operating Activities	0.25	-
Net Cash flow From Investing Activities	-	-
Net Cash flow From Financing Activities	-	-
Net Cash Flow from Discontinued Operation	0.25	-

**35.3 Effect of Discontinued Operations on Financial Position of the Company**

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
<b>Other Non Current Assets</b>		
Capital Advances	(68.14)	-
Trad Receivable	(114.30)	-
Net Assets and liabilities	(182.44)	-
Less: Consideration Received	-	-
Net Effect of Discontinued operation on Financial Position of the Company	(182.44)	-

**36 EARNINGS PER EQUITY SHARE**

	(Rs. In Lakhs)	
	Year ended 31st March,2020	Year ended 31st March,2019
Profit/(loss) from Continuing Operation available for equity shareholders	366.39	207.27
Profit/(loss) from discontinued Operation available for equity shareholders	(182.44)	-
Weighted average numbers of equity shares outstanding	22.50	22.50
Nominal value per equity share (in Rupees)	10.00	10.00
Earnings /(loss) Per Equity Share- Basic and Diluted (in Rupees) from continuing Operation	16.28	9.21
Earnings /(loss) Per Equity Share- Basic and Diluted (in Rupees) from discontinued Operation	(8.11)	-

## Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020

## 37 CONTINGENT LIABILITIES AND COMMITMENTS

	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
<b>(A) CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF</b>		
(a) Bank Guarantee given to clients	987.92	943.17
(b) Statutory demand / liabilities disputed and not provided for Income tax Demands (including interest)	13.52	13.52
Value Added Tax (CST)	29.76	29.76
Central Excise	13.57	13.57
(c) Claims against the Company not acknowledged as debt	2.38	2.38
(d) The Company is contingently liable in respect of differential liability of bonus under The Payment of Bonus(Amendment) Act, 2015 which has come into force from 1st April, 2014. For the year 2014-15 the liability where of is estimated which is not provided in view of the matter is subjudice before various High Courts in the country.	3.06	3.06
(e) Other Contingent Liabilities (Case filed against company)	0.39	0.39
(f) Claims made by the ex-employees of the company and pending before the appropriate authorities in respect of dues, reinstatement, premanency etc, which are contested by the company the liability whereof is indeterminate.		

**(B) COMMITMENTS**

Estimated amount of contracts remaining to be executed on capital account and not provided for in accounts aggregated to:

**38 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS**

The Company has classified the various benefits provided to employees as under:-

**(a) Defined contribution plans**

-Provident fund

The Company has recognized the following amounts in the statement of profit and loss:

Employers' contribution to provident fund :- Current Year Rs. 11.01 Lakhs (Previous Year Rs. 7.21 Lakhs)

**(b) Defined benefit plans**

- Gratuity

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

**Economic Assumptions**

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

**Discount Rate**

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to zero years. For the current valuation a discount rate of 7.79% p.a. (Previous Year 7.87% p.a.) compound has been used.

**Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020**
**Salary Escalation Rate**

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

The assumptions used are summarized in the following table:

	Gratuity (Funded)	
	31st March,2020	31st March,2019
Discount rate(per annum)	6.82%	7.79%
Future salary increase	5.00%	5.00%
Expected rate of return on plan assets	7.79%	7.87%
Mortality Rates	N.A.	N.A

(Rs. In Lakhs)

	Gratuity (Funded)	
	31st March,2020	31st March,2019
<b>Change in present value of the defined benefit obligation during the year</b>		
Present value of obligation as at the beginning of the year	14.98	13.77
Interest Cost	1.17	1.08
Current Service Cost	2.23	4.64
Benefits Paid	(2.18)	(2.62)
Past Service Cost		
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	2.12	0.14
Actuarial (Gain)/Loss on arising from Experience Adjustment	1.43	-2.03
Present value of obligation as at the end of the year	19.75	14.98
<b>Change in fair value of plan assets during the year</b>		
Fair Value of plan assets at the beginning of the year	5.50	2.93
Interest Income	1.17	1.08
Contributions by the employer	6.97	3.84
Benefits paid	(2.18)	(2.62)
Other Cost	(2.33)	(0.82)
Return on plan assets	(1.19)	1.09
Fair Value of plan assets at the end of the year	7.94	5.50
<b>Net Asset/ (Liability) recorded in the Balance Sheet</b>		
Present value of obligation as at the end of the year	11.81	9.48
Net Asset/ (Liability)-Current	-	-
Net Asset/ (Liability)-Non-Current	11.81	9.48
<b>Expenses recorded in the Statement of Profit &amp; Loss during the year</b>		

## Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020

	(Rs. In Lakhs)	
	Gratuity (Funded)	
	31st March,2020	31st March,2019
Interest Cost	-	-
Current Service Cost	2.23	4.64
Past Service Cost		
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	-	-
Total expenses included in employee benefit expenses	2.23	4.64
<b>Recognized in Other Comprehensive Income during the year</b>		
Actuarial (Gain)/Loss on obligation for the period	(1.19)	(1.89)
Return on plan assets Excluding Interest	(3.55)	1.09
Recognized in Other Comprehensive Income	(4.74)	(0.80)
<b>Maturity profile of defined benefit obligation</b>		
Within 12 months of the reporting period	1.85	2.16
Between 2 and 5 years	2.89	3.10
Between 6 and 10 years	5.95	3.84
More tha 10 years	43.63	38.59
<b>Quantitative sensitivity analysis for significant assumption is as below:</b>		
Increase/ (decrease) on present value of defined benefit obligation at the end of the year		
One percentage point increase in discount rate	(2.18)	(1.56)
One percentage point decrease in discount rate	2.62	1.88
One percentage point increase in salary increase rate	1.67	1.32
Onepcentage point decrease in salary increase rate	(1.41)	(1.17)
One percentage point increase in rate of Employee Turnover	1.18	0.70
One percentage point decrease in rate of Employee Turnover	(1.35)	(0.82)
<b>Expected contribution to the defined benefit plan for the next reporting period</b>		
		(Rs. In Lakhs)
	2019-20	2018-19
Expected contribution to the defined benefit plan for the next reporting period (Gratuity)	3.08	2.24

**39 Deferred Tax Assets**

The Company has not recognized deferred tax assets in respect of carry forward losses / depreciation as at 31<sup>st</sup> March, 2020 as there is no virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized as required under Ind AS 12 'Income Taxes'.

**Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020**
**40 Operating Lease**

Future lease rental payments are determined on the basis of monthly lease payments

Lease income recognised in the Statement of Profit and Loss 18 lakhs (2019: Rs. 18 lakhs).

The future minimum lease rental payments under all operating leases

Future minimum lease receivable	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
Less than one year	12.00	18.00
Between one and five years	-	12.00
More than five years	-	-

**41 DERIVATIVE INSTRUMENTS**

(a) The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31st March, 2020 and 31st March, 2019 are as under:

	As at 31st March, 2020		As at 31st March, 2019	
	Foreign Currency	(Rs. In Lakhs)	Foreign Currency	(Rs. In Lakhs)
<b>Receivables</b>				
Debtors				
(in USD)	-	-	-	-
<b>Payables</b>				
Trade payables	-	-	-	-

**42 RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24**

(a) **Related Parties**

- **Holding Company**

W.H.Brady & Co Ltd

- **Key Management Personnel**

Mr.Pavan G. Morarka	Chairman
Mr. Vaibhav Morarka	Executive Director
Mr.R.K.Sharma	Director/CFO
Ms Khushmeeta Bafna	Company Secretary
Mr. Kaushik D. Shah	Independent Director
Mr. Sumeet banerjee	Independent Director
Mr. Cyrus F. Vachha	Independent Director
Mr. Dinesh Singhal	Independent Director (upto 04.03.2020 )
Ms. Mita Jha	Woman Director

- **Enterprises over which Key Managerial Personnel are able to exercise significant influence**

Brady Estates Pvt Ltd ( Formerly Known as Brady Futures Pvt.Ltd.)

**Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020**

Brady Services Pvt Ltd

Brady Entertainment Pvt Ltd (Formerly Known as Brady Telesoft Pvt Ltd)

Brady Air Pvt Ltd

Global Trade Crackers Pvt.Ltd

Shivum Holdings Pvt. Ltd.

Pawan Dynamics Pvt Ltd

MGM International Pvt Ltd

Zoefitg Bradys

**(b) Transactions during the year with related parties**

Nature of Transactions	(Rs. In Lakhs)	
	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>1. Sale of Products Exclusive of taxes etc</b>		
- W.H.Brady & Co Ltd	917.50	692.37
<b>2. Purchase of Products</b>		
- W.H.Brady & Co Ltd	64.07	69.71
<b>3. Other Expenses including reimbursements (BME)</b>		
- W.H.Brady & Co Ltd	0.51	0.12
<b>4. Other Expenses including reimbursements (WHB)</b>		
- W.H.Brady & Co Ltd	0.04	-
<b>5. Commission paid</b>		
- W.H.Brady & Co Ltd	13.66	7.61
<b>6. Loss from Discontinue Operation</b>		
- Zoefitg Bradys	182.44	-
<b>7. Trade Receivables</b>		
- Zoefitg Bradys	0.25	-
<b>8. Security Deposit Paid</b>		
- Brady Estate Pvt Ltd.	-	12.00
<b>9. Maintenance/Commitment/charges received during the year</b>		
- Brady Estate Pvt Ltd.	18.00	18.00
<b>10. Sitting Fees Paid</b>		
- Mr. Pavan G. Morarka	0.90	0.80
- Mr. R.K.Sharma	0.80	0.80
- Mr. Kaushik D. Shah	1.10	0.85
- Ms. Urvashi D. Shah	-	0.30
- Mr. Sumeet banerjee	0.15	0.55
- Mr. Cyrus F. Vachha	1.00	1.25
- Ms. Mita Jha	0.55	-
- Mr. Dinesh Singhal	0.75	0.45
<b>15. Remuneration (incl. HRA, PPF)</b>		
- Vaibhav P. Morarka	71.00	39.60

**Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020**
**(c) Outstanding Balances with related parties**

Nature of Transactions	(Rs. In Lakhs)	
	As at 31st March,2020	As at 31st March,2019
<b>1. W.H Brady &amp; Co. Ltd</b>		
- Trade Receivable	114.55	89.86
- Trade Payable	16.26	13.56
<b>2. Zoefitig Brady</b>		
- Capital Advance	-	68.14
- Trade Receivable	-	114.55
<b>3. Brady Estate Pvt. Ltd</b>		
- Security Deposit	44.00	44.00
- Others	14.58	4.86

(d) The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transaction.

**43. Segment Reporting**

The company has identified two reportable segment viz Engineering and Sub Assembly of Chairs Segment.

	(Rs. In Lakhs)	
	Year ended 31st March,2020	Year ended 31st March,2019
<b>1) Segment Value of Revenue</b>		
a) Engineering (MHED)	4,400.36	4,366.30
b) Sub Assembly Chairs	-	-
<b>Gross segment value of Revenue</b>	4,400.36	4,366.30
Less:		
Inter Segment Transfer	-	-
<b>Net Segment Value of Revenue</b>	<b>4,400.36</b>	<b>4,366.30</b>
<b>2 Segment Results (EBITDA)</b>		
a) Engineering (MHED)	411.58	268.98
b) Sub Assembly Chairs	(182.44)	-
<b>Total Segment Revenue before Interest, Tax, Exception items, Depreciation &amp; Amortization</b>	<b>229.14</b>	<b>268.98</b>
<b>3 Segment Results (EBIT)</b>		
a) Engineering (MHED)	411.25	288.35
b) Sub Assembly Chairs	(182.44)	-
<b>Total Segment Revenue before Interest, Tax and Exception items</b>	<b>228.81</b>	<b>288.35</b>
(i) Finance Cost	87.07	117.91
(ii) Other Income	(77.22)	(82.23)
<b>Profit Before Exceptional item and Tax</b>	<b>218.96</b>	<b>252.67</b>

## Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020

	(Rs. In Lakhs)	
	Year ended 31st March,2020	Year ended 31st March,2019
Exceptional item	-	-
<b>Profit before Tax</b>	<b>218.96</b>	<b>252.67</b>
Provision for Tax		
(i) Current Tax	36.07	45.40
(ii) Deferred Tax	-	-
(iii) Earlier Year Tax	(1.05)	-
<b>Profit after Tax</b>	<b>183.94</b>	<b>207.27</b>
<b>4 Segment Assets</b>		
a) Engineering (MHED)	3,671.31	4,204.78
b) Sub Assembly Chairs	-	182.69
<b>5 Segment Liabilities</b>		
a) Engineering (MHED)	3,269.77	4,161.80
b) Sub Assembly Chairs	-	-
<b>6) Capital Employed</b>		
a) Engineering (MHED)	401.55	42.98
b) Sub Assembly Chairs	-	182.69

**44. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

**Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020**
**I. Figures as at March 31, 2019**

(Rs. In Lakhs)

Financial Instrument	Note No.	Carrying Amount					Fair value			
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non Current Assets</b>										
<b>Financial Assets</b>										
(i) Investments	5	-	58.27	58.27	0.03	58.30	-	-	58.27	58.27
(ii) Loans	6	-	-	-	9.68	9.68	-	-	9.68	9.68
<b>Non Current Assets</b>										
<b>Financial Assets</b>										
(i) Trade Receivables	9	-	-	-	1,526.30	1,526.30	-	-	-	-
(ii) Cash and Cash Equivalents	10	-	-	-	0.92	0.92	-	-	-	-
(iii) Bank balances other than above (ii)	11	-	-	-	91.00	91.00	-	-	-	-
(iv) Loans	12	-	-	-	5.82	5.82	-	-	-	-
(v) Others	13	-	-	-	0.89	0.89	-	-	-	-
		-	58.27	58.27	1,634.65	1,692.93	-	-	67.96	67.96
<b>Non Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Borrowings	19	-	-	-	2,042.87	2,042.87	-	-	2,042.87	2,042.87
(ii) Others	20	-	-	-	62.99	62.99	-	-	-	-
<b>Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Borrowings	22	-	-	-	662.33	662.33	-	-	-	-
(ii) Trade Payables	23	-	-	-	1,067.35	1,067.35	-	-	-	-
(iii) Other Financial Liabilities	24	-	-	-	41.41	41.41	-	-	-	-
		-	-	-	3,876.95	3,876.95	-	-	2,042.87	2,042.87

## Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020

## II. Figures as at March 31, 2020

(Rs. In Lakhs)

Financial Instrument	Note No.	Carrying Amount					Fair value			
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non Current Assets</b>										
<b>Financial Assets</b>										
(i) Investments	5	-	54.97	54.97	0.03	55.00	-	-	54.97	54.97
(ii) Loans	6	-	-	-	5.06	5.06	-	-	5.06	5.06
<b>Non Current Assets</b>										
<b>Financial Assets</b>										
(i) Trade Receivables	9	-	-	-	996.19	996.19	-	-	-	-
(ii) Cash and Cash Equivalents	10	-	-	-	28.28	28.28	-	-	-	-
(iii) Bank balances other than above (ii)	11	-	-	-	108.76	108.76	-	-	-	-
(iv) Loans	12	-	-	-	5.82	5.82	-	-	-	-
(v) Others	13	-	-	-	1.70	1.70	-	-	-	-
		-	54.97	54.97	1,145.84	1,200.81	-	-	60.03	60.03
<b>Non Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Borrowings	19	-	-	-	2,010.66	2,010.66	-	-	2,010.66	2,010.66
(ii) Others	20	-	-	-	67.86	67.86	-	-	-	-
<b>Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Borrowings	22	-	-	-	108.83	108.83	-	-	-	-
(ii) Trade Payables	23	-	-	-	732.91	732.91	-	-	-	-
(iii) Other Financial Liabilities	24	-	-	-	1.74	1.74	-	-	-	-
		-	-	-	2,922.00	2,922.00	-	-	2,010.66	2,010.66

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has authorised the Audit Committee (the Committee), which is responsible for developing and monitoring the Company's risk management framework. The Committee reports to the Board of Directors on its activities.

The Company's risk management framework is established to identify and analyse the risks faced by the Company, to set appropriate mitigation measures. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

**Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020**
**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The objective of market risk management is to avoid exposure in our foreign currency transactions and interest rate risk.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

(Rs. In Lakhs)

Borrowings	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Gross amount	Interest rate sensitivity @0.50%	Gross amount	Interest rate sensitivity @0.50%
Current Borrowings	110.57	0.55	703.74	3.52
Non Current Borrowings	10.66	0.05	42.87	0.21
<b>Total</b>	<b>121.23</b>	<b>0.60</b>	<b>746.61</b>	<b>3.73</b>

**Foreign currency risk**

The Company operates locally, however, the nature of its operations requires it to transact in several currencies and consequently the Company is exposed to foreign exchange risk in various foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies.

**I. Foreign Currency Sensitivity**

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognized directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

(Rs. In Lakhs)

Currency	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, counterparties to the derivative contract, bank balances, investment securities and other receivables. Credit risk is managed through credit approvals and continuous monitoring in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected credit losses in respect of trade and other receivables.

## Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

### 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

#### I. Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)

Particulars	(Rs. In lakhs)	
	As at 31st March,2020	As at 31st March,2019
Non-current financial assets - Loans	5.06	9.68
Current financial assets - Loans	5.82	5.82
<b>Total (A)</b>	<b>10.88</b>	<b>15.50</b>

#### II. Financial assets for which loss allowance is measured using 12 months Life Time Expected Credit Losses (ECL)

Particulars	(Rs. In lakhs)	
	As at 31st March,2020	As at 31st March,2019
Trade Receivables	996.19	1,412.00
<b>Total (A)</b>	<b>996.19</b>	<b>1,412.00</b>

#### Grand Total (A+B)

Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.

#### III. The ageing analysis of these receivables (gross of provision) has been considered from the date the invoice falls due

Particulars	(Rs. In lakhs)	
	As at 31st March,2020	As at 31st March,2019
Up to 3 months	784.38	998.29
3 to 6 months	38.53	124.48
More than 6 months	173.28	289.23
<b>Total</b>	<b>996.19</b>	<b>1,412.00</b>

#### IV. Provision for expected credit losses again "II" and "III" above

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence based on historic default rates, the Company believes that, no expected credit loss is necessary in respect of above mentioned financial assets.

#### Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company monitors its risk of shortage of funds. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and debentures. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be moderate. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders helping it maintain adequate liquidity.

**Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020**
**Maturity profile of financial liabilities**

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	(Rs. In lakhs)					
	As at 31st March, 2020			As at 31st March, 2019		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Non-current financial liabilities - Borrowings	-	2,010.66	2,010.66	-	2,042.87	2,042.87
Non-current financial liabilities - Others	-	67.86	67.86	-	62.99	62.99
Current financial liabilities - Borrowings	108.83		108.83	662.33	-	662.33
Current financial liabilities - Trade Payables	732.91		732.91	1,067.35	-	1,067.35
Current financial liabilities - Others	1.74		1.74	41.41	-	41.41
<b>Total</b>	<b>843.48</b>	<b>2,078.53</b>	<b>2,922.00</b>	<b>1,771.09</b>	<b>2,105.86</b>	<b>3,876.95</b>

**Capital management**

The company's objective when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of borrowings, support the corporate strategy and meet shareholder expectations. The policy of the Company is to borrow through banks / financial institutions supported by committed borrowing facilities to meet anticipated funding requirements.

The capital structure is governed by policies approved by the Board of Directors and funding requirements are reviewed periodically.

The Capital structure is governed by policies approved by Board of Directors and funding requirements are reviewed periodically.

The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Particulars	(Rs. In Lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Total Debt	2,121.23	2,746.61
Equity	401.55	225.67
<b>Capital and net debt</b>	<b>2,522.78</b>	<b>2,972.28</b>
<b>Gearing ratio</b>	<b>84.08%</b>	<b>92.41%</b>

**46. Covid-19 Assessment Impact**

Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of impact on business and financial risks on account of COVID-19. Considering that the Company is in the business of manufacturing of crane and hoist, the management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. The Company will recognise the said impact in the financial statement in the year in which the said liabilities will accrue and arise.

**Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2020**

47. 'Previous Year's figures have been regrouped and reclassified, wherever necessary.

The accompanying notes 1 to 47 are an integral part of the Financial Statements

As per our report of even date attached

**For S S Rathi & Co.**  
Chartered Accountants  
Firm Registration Number: 108726W

**On behalf of the Board of Directors**

**Pavan G. Morarka**  
Chairman  
DIN: 00174796

**Vaibhav Morarka**  
Director  
DIN: 01630306

**R.K Sharma**  
Director & Chief Financial Officer  
DIN: 01215327

**Brijesh Mathur**  
Partner  
Membership Number: 039565

**K.D. Shah**  
Director  
DIN: 00024305

**Khushmeeta Bafna**  
Company Secretary

**Place : Mumbai**

**Date : 9th July,2020**

**Date : 9th July,2020**

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**BRADY & MORRIS ENGINEERING COMPANY LIMITED**

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