

52nd Annual Report 1997-98

MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
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RO	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
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Brite**BRIGHT BROTHERS LIMITED**

Registered Office : 35-C, Pt. M. M. Malviya Road, (Tardeo Road), Mumbai - 400 034.

ATTENDANCE SLIP

FIFTYSECOND ANNUAL GENERAL MEETING, 17th December, 1998, 4.00 p.m. at AMAR GIAN GROVER AUDIRORIUM, The Lala Lajpat Rai College Building, Haji Ali, Mumbai - 400 034.

Name of the attending Member/Proxy (in block letters)

Member's Folio No.

No. of Shares held

I hereby record my presence at Fiftysecond Annual General Meeting held on 17th December, 1998.

(Member's/Proxy's Signature)

Please bring this Attendance Slip to the Meeting and hand over at the entrance duly filled in.

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BRIGHT BROTHERS LIMITED

Registered Office : 35-C, Pt. M. M. Malviya Road, (Tardeo Road), Mumbai - 400 034.

PROXY FORM

Reg. Folio No.

I/We

of

being a member/members of the above named Company hereby appoint

..... of

or failing him of

as my / our proxy to attend and vote for me / us behalf at the Fiftysecond Annual General Meeting of the Company to be held on 17th December, 1998 and at any adjournment thereof.

Signed this day of 1998.

Affix
a 30 ps.
Revenue
Stamp

Signature

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the Meeting.



Bright Brothers Limited***Brite*****NOTICE**

NOTICE is hereby given that the Fifty Second Annual General Meeting of the members of BRIGHT BROTHERS LIMITED will be held at Amar Gian Grover Auditorium, The Lala Lajpat Rai College Building, Haji Ali, Mumbai 400034 on Thursday, the 17th DECEMBER, 1998 at 4.00 P.M. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts for the period ended 30th June, 1998, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare Preference dividend for the year ended 30th June, 1998.
3. To declare Equity dividend for the year ended 30th June, 1998.
4. To appoint a Director in place of Mr. D.S.Mulla, who retires by rotation, but being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS**6. Appointment of Dr. T. S. Sethurathnam as a Director.**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Dr. T. S. Sethurathnam, be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. Re-appointment of Mr. T. W. Bhojwani as a Managing Director

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT, pursuant to the provisions of Section 269, 309, 311 and other applicable provisions of the Companies Act, 1956 and subject to the approval of the Central Government, Mr.T.W.Bhojwani, be and is hereby re-appointed as Managing Director of the Company for a further period of 5 years with effect from 1st April, 1999 on the following terms and remuneration".

1. Salary Rs.75,000 p.m. inclusive of entertainment allowance of Rs.500 p.m.
2. Commission 1% on the net profits of the Company subject to a ceiling of 50% of the Annual Salary or Rs. 4,50,000/- whichever is less.
3. Perquisites In addition to salary and commision, perquisites in respect of following will be allowed to an amount equal to the annual salary or Rs.10,50,000/- per annum whichever is less.

PART A

- i) Housing:
 - a) The expenditure by the Company on hiring accommodation at Mumbai: 60% of salary over and above 10% payable by the Managerial Personnel himself. If however, the company fails to provide

accommodation, house rent will be paid by the company @ 60% of the salary.

- b) The expenditure incurred by the Company on Gas, Electricity, water and furnishings will be evaluated as per the Income Tax Rules, 1962. This will however be subject to a ceiling of 10% of the salary of the Managing Director.
- ii) Medical Reimbursement for self and family: Reimbursement of expenses actually incurred including hospitalisation, the total cost of which to the company shall not exceed one month's salary in a year or three month's salary over a period of three years.
- iii) Leave Travel Concession: For Self and Family once in a year in accordance with the Rules of the Company.
- iv) Club Fees: Fees of maximum two clubs. This will not include admission and life membership fees.
- v) Personal Accident Insurance: Premium not to exceed Rs.5,000/- p.a.

PART B

- i) Company's Contribution towards Provident Fund and Superannuation Fund shall be subject to a ceiling of 12% and 15% respectively. The expenditure on these will not be considered or included for computation of ceiling on perquisites to the extent that these, either singly or put together are not taxable under the Income Tax Act, which is presently limited to 27% of the salary.
- ii) Gratuity: Half month's salary for each completed year of service, subject to a ceiling as may be laid down by the payment of Gratuity Act, 1972 from time to time.

PART C

- i) Use of Company's car with driver.
- ii) Use of Company's telephone at residence: Personal long distance calls on telephone and use of company's car for private purpose shall be billed by the Company.
- iii) Leave - One month's privilege leave with full pay for every eleven month's service, which may be accumulated as per the rules of the Company.
- iv) Minimum Remuneration: In the event of loss or inadequacy of profits in any year the aforesaid remuneration shall be paid as minimum remuneration.

8. Re-appointment of Mrs.H.T.Bhojwani as a Whole-time Director

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT, pursuant to the provisions of Section 269, 309, 311 and other applicable provisions of the Companies Act, 1956 and subject to the approval of the Central Government, Mrs.H.T.Bhojwani be and is hereby re-appointed

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as Whole Time Director of the Company for a further period of 5 years with effect from 1st April, 1999 on the following terms and remuneration".

1. Salary
Rs. 35,000 p.m. inclusive of entertainment allowance of Rs.500 p.m.
2. Commission
1% on the net profits of the Company subject to a ceiling of 50% of the Annual Salary or Rs. 2,10,000/- whichever is less.
3. Perquisites
In addition to salary and commission, perquisites in respect of the following will be allowed to an amount equal to the annual salary or Rs.10,50,000/- per annum whichever is less.

PART A

- i) Housing:
 - a) The expenditure by the Company on hiring accommodation at Mumbai:
60% of salary over and above 10% payable by the Managerial Personnel himself. If however, the company fails to provide accommodation, house rent will be paid by the company @ 60% of the salary.
 - b) The expenditure incurred by the Company on Gas, Electricity, water and furnishings will be evaluated as per the Income Tax Rules, 1962. This will however be subject to a ceiling of 10% of the salary of the Managing Director.
- ii) Medical Reimbursement for self and family:
Reimbursement of expenses actually incurred including hospitalisation, the total cost of which to the company shall not exceed one month's salary in a year or three month's salary over a period of three years.
- iii) Leave Travel Concession:
For Self and Family once in a year in accordance with the Rules of the Company.
- iv) Club Fees:
Fees of maximum two clubs. This will not include admission and life membership fees.
- v) Personal Accident Insurance:
Premium not to exceed Rs.5,000/- p.a.

PART B

- i) Company's Contribution towards Provident Fund and Superannuation Fund shall be subject to a ceiling of 12% and 15% respectively. The expenditure on these will not be considered or included for computation of ceiling on perquisites to the extent that these, either singly or put together are not taxable under the Income Tax Act, which is presently limited to 27% of the salary.
- ii) Gratuity:
Half month's salary for each completed year of service, subject to a ceiling as may be laid down by the payment of Gratuity Act, 1972 from time to time.

PART C

- i) Use of Company's car with driver.
- ii) Use of Company's telephone at residence:
Personal long distance calls on telephone and use of

company's car for private purpose shall be billed by the Company.

- iii) Leave - One month's privilege leave with full pay for every eleven month's service, which may be accumulated as per the rules of the Company.
- iv) Minimum Remuneration: In the event of loss or inadequacy of profits in any year the aforesaid remuneration shall be paid as minimum remuneration.

9. Borrowing Powers to increase from Rs.50 crores to Rs.100 crores U/S 293 (1) (d)

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in Supersession of the Ordinary Resolution passed at the Annual General Meeting of the Company held on 23rd December, 1993 and pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time any sum or sums of money not exceeding Rs.100 crores with or without security and on such other terms and conditions as the Board of Directors may deem fit, notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from loans obtained from the Company's banker in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do and perform all such other acts, deeds and things as may be necessary or desirable to give effect to this resolution."

10. Authority to create Charge/Mortgage

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the creation by the Board of Directors of the Company, from time to time, of such mortgages, charges or hypothecations in addition to the mortgages, charges and hypothecations created by the Company on such terms and conditions and as the Board may deem fit on the whole or substantially the whole of the Company's undertakings, including other properties, both present and/or future, whether movable or immovable, comprised in any of the undertakings of the Company as the case may be, in favour of the Trustees of the Debenture Holders/The Industrial Credit & Investment Corporation of India Ltd (ICICI) and/or banks and/or other financial institutions and/or other financial assistance by way of cash credit, overdraft, Letter of Credit and guarantees facilities and the like whether in rupees or the equivalent in rupees in any other currencies (at the official rate of exchange from time to time in force) subject to a maximum of Rs.150 crores, together with simple and/or compound interest thereon, commitment charges and expenses payable from time to time on terms and conditions contained in any loan agreements or other debts and documents entered into

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between the Company and the said Trustees/ICICI/Banks and/or financial institutions or bodies corporate or agencies."

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to finalise the said Trustees/ICICI/ Banks and/or financial institutions or bodies corporate or agencies, the documents for creating the aforesaid mortgages and/or charges and to do all such other acts, deeds and things as may be necessary or desirable to give effect to the resolution."

11. Authority to sell and/or lease U/S 293 (1) (a)

To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to Section 293 (1) (a) and other applicable provisions of the Companies Act, 1956, and subject to any other permissions which may be required legally and or contractually, consent of the Company be and is hereby accorded to the Board of Directors to sell and/or lease any of the Companies property from time to time on such terms and conditions as the board may deem fit in the interest of the Company."

12. Contribution to Charitable and other Trust

To consider and, if thought fit, to pass with or without modification, the following resolution as an Special Resolution:

"RESOLVED THAT in pursuance of Section 293 (1)(e) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the consent of the company be and is hereby accorded to the Board of Directors to contribute towards any charitable or other funds not directly relating to the business of the Company or the welfare of its employees including any institute, body, trust, society, association or person, such sum or sums as may be decided by the Board of Directors from time to time but subject to the maximum of Rs.5,00,000 or 5% of Average Net profit as determined under section 349 and section 350 of the Companies Act, whichever is greater but in no case/ circumstances the said contribution in a financial year shall exceed Rs.5 lakhs."

13. Authority to buy back of shares

To consider and, if thought fit, to pass with or without modification, the following resolutions as an Ordinary Resolution:

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (including any statutory modification (s) or re-enactment thereof and any Ordinance promulgated in this regard for the time being in force and as may be enacted/promulgated from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board"), the consent of the Company be and is hereby accorded to the Board to buy-back from the existing holders of fully paid equity shares, on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the shares of the Company, from out of its free reserves or out of the securities premium account of the

Company or out of the proceeds of any issue made by the Company specifically for the purpose or from such other sources as may be permitted by law, on such time, conditions and in such manner as may be prescribed by law from time to time"

"RESOLVED FURTHER THAT the acquisition/purchase of such fully paid equity shares/securities of the Company be not construed as reduction of equity share capital which is subject to the controls as stipulated in Section 100 to 104 and Section 402 of the Companies Act, 1956 for the time being in force.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and things and deal with all such matters and take all such steps in this regard as it may, in its absolute discretion, deem necessary, fit or proper."

Registered Office: By Order of the Board of Directors
35 C Pt.M.M.Malviya Road, for **BRIGHT BROTHERS LIMITED**
Mumbai 400 034
Dated: 28th September, 1998 **PRAKASH BHAVE**
COMPANY SECRETARY

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the company will remain closed from 3rd December, 1998 to 17th December, 1998 (both days inclusive) for the purpose of payment of dividend.
3. The dividend as recommended by the Board of Directors, if declared at the meeting, will be paid to those Members whose names appear in the Register of Members of the Company as on 17th December, 1998.
4. Non-resident Indian Shareholders are requested to inform the Company immediately:
 - a) the change in the Residential status on return to India for permanent settlement.
 - b) the particulars of NRE Bank Account in India, if not furnished earlier.
 Members are requested to intimate the Company under the signature of the Sole/First Joint Holder the Account Number, Type of Account - Saving (SB) or Current (CA), Name and address of the Bank, in which they intend to deposit the Dividend Warrant, so that the same can be printed on Dividend Warrant, to avoid the incidence of fraudulent encashment of the instrument.

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35 C Pt.M.M.Malviya Road, for **BRIGHT BROTHERS LIMITED**
Mumbai 400 034
Dated: 28th September, 1998 **PRAKASH BHAVE**
COMPANY SECRETARY

Bright Brothers Limited



ANNEXURE TO THE NOTICE

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

Item No.6

Dr.T.S.Sethurathnam was appointed as an Additional Director at the Board Meeting held on 18th December, 1997, pursuant to Section 260 of the Companies Act, 1956. He will hold office upto the date of the forthcoming Annual General Meeting of the Company. The Company has received a Notice in writing from a Member under Section 257 of the Companies Act, 1956 together with the required deposit signifying his intention to propose Dr.T.S.Sethurathnam as a candidate for the office of director.

Dr.T.S.Sethurathnam has filed his consent with the company under Section 264 (1) of the Companies Act, 1956 to act as a Director of the Company, if appointed. Hence approval is sought from the Members of the Company for his appointment by an Ordinary Resolution. The Board recommends the resolution.

None of the Directors except Dr.T.S.Sethurathnam is concerned or interested in the Resolution.

Item No.7

The terms of appointment of Mr.T.W.Bhojwani as a Managing Director expires as on 31.03.99 as per the approval from the Central Government. The Company proposes to re-appoint Mr.T.W.Bhojwani as a Managing Director with effect from 1st April, 1999 for a period of 5 years at a salary of Rs.75,000/- p.m. (including Entertainment Allowance of Rs.500/-p.m) as per provisions of Companies Act, 1956, subject to the approval of Central Government.

Mr.T.W.Bhojwani is interested in the said resolution. Mr.S.T.Bhojwani and Mrs.Hira T.Bhojwani are interested as relatives of the Managing Director. No other Director of the Company is interested in the proposed resolution.

Item No.8

The terms of appointment of Mrs.H.T.Bhojwani as a Whole Time Director expires as on 31.03.99 as per the approval of the Central Government. The Company proposes to re-appoint Mrs.H.T.Bhojwani as a Whole Time Director with effect from 1st April, 1999 for a period of 5 years at a salary of Rs.35,000/- p.m. as per provisions of Companies Act, 1956, subject to the approval of Central Government.

Mrs.H.T.Bhojwani is interested in the said resolution. Mr.S.T.Bhojwani and Mr.T.W.Bhojwani are interested as relatives of the Whole Time Director. No other Director of the company is interested in the proposed resolution.

Item No.9

By an Ordinary Resolution passed at the Annual General Meeting held on 23rd December, 1993 the Board of Directors were allowed to borrow upto a maximum amount of Rs. 50 Crores. The Company may have to resort to long term borrowings from the financial institutions/banks and such borrowings together with the existing borrowings may exceed the said limit of Rs.50 Crores. It is therefore, proposed to increase the borrowing powers of the Directors from the said limit of Rs.50 crores to Rs.100 crores,

and for this purpose, suitable resolution is being proposed for the shareholders' consideration under Section 293 (1) (d) of the Companies Act, 1956. The Board of Directors recommends that the resolution be passed.

None of the Directors may be considered to be concerned or interested in the resolution.

Item No.10

The Shareholders approval is required for creation of mortgage on the Company's assets upto a limit of Rs.150 crores in terms of Section 293(1)(a) of the Companies Act, 1956. The Company has expanded its undertakings/assets and needs to acquire further assets in the normal course of business. Part financing of such assets is normally in the form of long term loans from bank/financial institutions. For securing such loan, the Company may have to provide security by way of a mortgage of its assets. Since this limit to create the mortgage is inclusive of working capital facilities enjoyed by the Company it will be consequent to resolution No.8 above to authorise board by increased limit under Section 293 (1) (a) of the Companies Act, 1956. The Board of Directors recommends that the resolution be passed.

None of the Directors may be considered to be concerned or interested in the resolution.

Item No.11

As per provisions of Section 293 (1) (a) of the Companies Act, 1956 the Board of Directors can sell/lease Company's property with the authority given by the members in the general meeting. There may be some opportunity in future to use Company's property more profitably by selling/leasing. The Board of Directors recommends that the resolution be passed.

None of the Directors may be considered to be concerned or interested in the resolution.

Item no.12

As per the provisions of Section 293(1)(e) of the Companies Act, 1956, the Board of Directors of public company shall not, except with the consent of members, contribute to any charitable and other funds not directly relating to the business of the company or the welfare of its employees in excess of Rs.50,000/- or 5% of its average Net Profit as determined in accordance with the provision of Section 349 and 350 of the Companies Act, 1956, during the three financial years immediately preceding, whichever is greater.

Acknowledging the Company's increased responsibility towards social, philanthropic and other causes of public utility your Directors may contribute to any charitable and other funds not directly relating to the business of the Company or the welfare of its employees within the limits as prescribed or stipulated under the provisions of Section 293(1)(e) of the Companies Act, 1956. This resolution is an enabling resolution.

None of the Directors of the Company is, in any way, concerned or interested in this resolution.

Item No.13

Buy back of own shares or other securities convertible into equity shares by the Companies is presently not allowed under the

Bright Brothers Limited***Brite***

Companies Act, 1956. The Companies Bill, 1997, sought to lay down the operative provisions to regulate the buy back of shares/securities by Companies. The said bill has not yet become the law, it is expected that, in due course of time, the law will be amended to allow such buy back.

It is proposed to pass this enabling resolution so that the Company may buy back shares or other securities and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots) or in other suitable manner subject to necessary enactment in this regard.

The buy back of shares as aforesaid would entail investing of an amount which would not be less than the market value of the shares or other securities giving right to subscribe for shares of the Company and shall be met out of the free reserves and/or the securities premium account and/or out of the proceeds of any issue specifically made for the purpose or from such other sources as may be permitted by law. The shares so bought back shall be dealt with as per then prevailing law/regulation.

The Board is of the opinion that it will be in the best interest of the Company if shareholders approve the said resolution permitting such buy back, so that the Company will be able to implement this resolution once the law is amended.

The resolution, if approved will be operative and given effect to from the applicable date as may be prescribed in this regard.

The approval of the shareholders for such buy back of shares was obtained at the Annual General Meeting of the Company, held on 23rd December, 1994. The above approval was valid till 22nd December, 1995. Based on the provisions of the Companies Bill 1997, resolution to be passed at the ensuing Annual General Meeting will be valid till such time as may be provided by law.

The resolution is an enabling provision aimed at facilitating the Company to buy back its shares as soon as legally permissible.

The Directors recommend the resolution for approval of the shareholders.

Directors of the Company may be treated as concerned or interested in this Resolution to the extent of their shareholding and actual numbers of shares bought back, if any..

**By Order of the Board of Directors
for BRIGHT BROTHERS LIMITED**

**Place: Mumbai
Dated: 28th September, 1998**

**PRAKASH BHAVE
COMPANY SECRETARY**



