

54th Annual Report 1999-2000



Bright Brothers Limited

Brite

Board of Directors

Mr. T. W. Bhojwani	— Chairman & Managing Director
Mr. S. T. Bhojwani	— Vice-Chairman
Mrs. Hira T. Bhojwani	
Mr. D. S. Mulla	
Mr. K. P. Rao	
Dr. T. S. Sethurathnam	
Mrs. Shalini Shah	— Nominee Director ICICI Ltd.

COMPANY SECRETARY

Mr. Tushar B. Naik

AUDITORS

N. S. Gubbi & Co.
Chartered Accountants,
Mumbai-400 023

BANKERS

BANK OF BARODA
CANARA BANK
THE BANK OF NOVA SCOTIA
STATE BANK OF INDIA

REGISTRARS & TRANSFER AGENTS

PCS Industries Ltd.
Hyfa Bldg., No. 2, 1st Floor,
Safed Pool (Near Johnson & Johnson),
Kurla-Andheri Road,
Andheri (E),
Mumbai-400 072
Tel. : 8511520/8510647

REGISTERED OFFICE

L.B.S. Marg,
Kanjurmarg (West)
Mumbai-400 078
Tel.: 5786533 (5 lines)

WORKS

B-54, Road No. 33, Wagle Industrial Estate,
Thane 400 604

B-7/3, B. Road,
MIDC, Tarapur, Boisar, Thane-401 506

No. 4, Roz Ka Meo Ind. Area,
Sohna-122 103
Dist. Gurgaon
Haryana

186, Pitampur Industrial Area,
Sector 1, Opp. Bajaj Tempo Ltd.
Pithampur Dist.
Dhar (M.P.)

Plot No. 1/1 to 1/4
Thirubhuvanai, Mannadipet Commune,
Pondicherry-605 107.

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Notice

NOTICE IS HEREBY GIVEN THAT the Fifty fourth Annual General Meeting of the members of BRIGHT BROTHERS LIMITED will be held as under:

Day : Friday
 Date : 16th March, 2001
 Time : 4.00 p.m.
 Venue : Amar Gian Grover Auditorium,
 Lala Lajpatrai College,
 Lala Lajpatrai Marg,
 Haji Ali,
 Mumbai 400 034.
 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 30th June, 2000 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend on Preference Shares.
3. To appoint a Director in place of Mr. K. P. RAO, who retires by rotation, but being eligible, offers himself for re-appointment.
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 of the company and to authorise the Managing Director to fix their remuneration.

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with and in accordance with the conditions specified in Schedule XIII of the said Act, the approval of the company is be and hereby accorded to the appointment of Mr. Suresh T. Bhojwani as the Whole Time Director of the company for a period of 5 years with effect from 1st February 2001 on the following terms and conditions:

- (a) Basic Salary : Rs. 75,000/- p.m.
- (b) Commission : Such amount of Commission (in addition to Salary & Perquisites hereinafter stated) calculated with reference to the net profits of the Company for each financial year as may be fixed by the Board of Directors which, together with the salary and monetary value of perquisites shall not exceed the ceiling laid down under section 309 of the Act.
- (c) Perquisites : In addition to the above Basic Salary, he shall be entitled to the following Perquisites and allowances :
 - (I) Residential Accommodation :
 - (a) Housing I : The expenditure by the Company on hiring furnished accommodation for the appointee will be subject to the following ceiling.
 60% of the salary over and above ten percent payable by the appointee.

(b) Housing II	: In case the accommodation is owned by the company 10% of the salary of the appointee shall be deducted by the Company.
(c) Housing III	: In case no accommodation is provided by the company the appointee shall be entitled to house rent allowance @ 60% of the salary.
Explanation	: The expenditure incurred by the company on gas, electricity, water and furnishing shall be valued on actual basis..
(II) Medical Reimbursement	: Expenses incurred for the appointee and the family subject to a ceiling of one month's salary in a year or three months salary over a period of three Years.
(III) Leave Travel Allowance	: For the appointee and his family once in a year incurred in accordance with any rules specified by the company. For the purpose of the above perquisites, family means the spouse, dependent children and dependent parents of the appointee.
(IV) Club Fees	: Fees of Clubs subject to a maximum of two clubs. This will not include Admission and Life membership fees.
(V) Personal Accident Insurance	: Premium not to exceed Rs. 4000/- p.a.
(VI) Car	: Facility of car with driver to be used for the business of the company.
(VII) Telephone	: Free telephone facility at residence to be used for the business of the Company.
(VIII) Leave	: One month's leave with full salary for every 11 months of service subject to the condition that leave encashment at the end of the tenure will not be included in the computation of the ceiling on perquisite.

Provided that the following perquisite which are also allowed to him shall not be included in the computation of this ceiling :

- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent of these either singly or put together are not taxable under Income Tax Act, 1961 and
- (ii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.

"RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year, Mr. Suresh T Bhojwani shall be paid the same remuneration as stated herein above as minimum remuneration but subject to the upper limit, prescribed under Schedule XIII read with the provisions of the Companies Act, 1956 , if any, from time to time."

"RESOLVED FURTHER THAT in the event of loss of his office as Whole Time Director Mr. Suresh T.Bhojwani shall be paid compensation in the manner and to the extent permissible under the provisions of the Companies Act, 1956."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION :

"RESOLVED that pursuant to Section 31 and other applicable provisions of the Companies Act, 1956 (including any statutory modification or reenactment thereof for the time being in force) the Articles of Association of the Company be and are hereby amended, altered and/or substituted in the manner and to the extent as is set out herein below :

- 7.1 Article 2 of the Articles of Association shall include the following definitions in alphabetical order with marginal notes:

- Beneficial Owner** : "Beneficial Owner" shall mean beneficial owner as defined in Clause (a) of sub section (1) of section 2 of the Depositories Act, 1996.
- Depositories Act** : "Depositories Act" means the Depositories Act, 1996, including any Statutory modification or re-enactment thereof for the time being in force.
- Depository** : "Depository" shall mean a Depository as defined under Clause (e) of Sub section (1) of Section 2 of the Depositories Act, 1996.
- 7.2 Definition of "Member" in Article 2 of Articles of Association, be deleted and the following with the marginal note be substituted in its place:
- Member** : Member means the duly registered holder from time to time of the Shares of the company and includes the Subscribers to the Memorandum of Association of the company and the beneficial Owner(s) as defined in clause(a) of Sub-section (1) of Section 2 of the Depositories Act, 1996.
- 7.3 Article 2 of the Articles of Association be substituted with the following:
- The Register** : The company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by law including, in any form of electronic media.
- 7.4 Article 7 of the Articles of Association be substituted with the following:
- "Purchase by the company of its own shares"** : "The Company may purchase its own shares or other specified securities in accordance with the provisions of Section 77A and other applicable provisions of the Act."
- 7.5 Article 12 of the Articles of Association be substituted with the following:
- Nature & Numbering of Shares** : The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the shares of the company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.
- 7.6 The following article with marginal notes be inserted after the existing Article 12 and be numbered as Article 12B :
- Dematerialised Shares** : The company shall be entitled to dematerialise its existing shares, rematerialise its shares held in the Depositories and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder if any.
- Options for investors** : Every person subscribing to shares offered by the company shall have the option to receive share certificate, or to hold the shares with a Depository. Such a person who is the Beneficial Owner of shares can at any

time opt out of a Depository, if permitted by the law, in respect of any shares in the manner provided by the Depositories Act, and the company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required Certificate of shares. If a person opts to hold his shares with a Depository, the company shall intimate such Depository the details of allotment of shares, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the shares.

**Shares in Depositories
to be in fungible form**

- : All shares held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the shares held by it on behalf of "the Beneficial Owners".

**Rights of Depositories
and Beneficial Owners**

- : (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of shares on behalf of the Beneficial Owner.
- (b) Same as otherwise provided in (a) above, the Depository as the registered owner of the shares shall not have any voting rights or any other rights in respect of the shares held by it.
- (c) Every person holding shares of the company and whose name is entered as the Beneficial Owner in the records of the depository shall be deemed to be a member of the company. The Beneficial Owner of shares shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Shares which are held by a Depository.

Service of Documents

- : Notwithstanding anything in the Act or these Articles to the contrary, where shares are held in a Depository, the records of the Beneficial Ownership may be served by such Depository on the company by means of electronic mode or by delivery of floppies or discs.

Transfer of shares

- : Nothing contained in section 108 of the Companies Act, 1956 or these articles shall apply to a transfer of shares effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

**Allotment of shares dealt
with a Depository**

- : Notwithstanding anything in the Act or these Articles, where shares are dealt with by a Depository, the company shall intimate the details thereof to the Depository, immediately on allotment of such shares.

7.7 Article 18 of the Articles of Association be substituted with the following :

**Trusts not ordinarily
recognised**

- : Except as ordered by a Court of competent jurisdiction or as by Law required, the company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the Beneficial Owner of shares in the records of the Depository, as the absolute owner thereof and

accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the Part of any other person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.

7.8 Article 42 of the Articles of Association be substituted with the following :

Register of Transfers : The Company shall keep a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share or debenture held in material form.

7.9 Following Article shall be inserted as 44 (1) of the Articles of Association :

Transfer and Transmission held in electronic form : In the case of transfer or transmission of shares, where the Company has not issued certificates and where such shares are being held in any electronic and fungible form in a Depository, the provisions of Depositories Act, 1996 shall apply.

7.10 The following shall be inserted as Article 112 (1A) :

Voting Rights : "A depository as a Registered Owner shall not have any voting rights in respect of shares and securities held by it in dematerialised form. However, the Beneficial Owner as per the Register of Beneficial Owner maintained by a Depository shall be entitled to such rights in respect of shares held by him in a Depository. Any reference made of the member or joint members shall include a reference to Beneficial Owner or Joint Beneficial Owners in respect of the shares held in a Depository".

7.11 The following Article shall be inserted as 195 (3) of the Articles of Association:

Electronic clearing system in case of Dividend : Any dividend declared may be paid by Electronic Clearing System through any Sponsor Bank after getting registration with the Reserve Bank of India for using this facility and collecting from the members necessary bank mandate in the prescribed format.

7.12 The following Article shall be inserted in Article 119 (1) :

Number of Directors : Company shall have an optimum combination of Executive and Non-Executive Directors with not less than 50% of the Board of Directors comprising of Non-Executive Directors. The number of Independent Directors would depend on whether the Chairman is Executive or Non-Executive. In case of a Non-Executive Chairman, atleast 1/3rd of the Board shall comprise of Independent Directors and incase of Executive Chairman, atleast half of the Board shall comprise of Independent Directors.

The expression "Independent Directors" means Directors who apart from receiving Director's remuneration, do not have any other material pecuniary relationship or transaction with the Company, its promoters, its management or its subsidiaries which in

the judgement of the Board may affect independence of the judgement of the Directors. Such pecuniary relationship or transaction as between the Non-Executive Directors and the company shall be disclosed therefor in the Annual Report of the Company.

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956, the following new Article, numbered as Article 48 (1) be inserted after the existing Article 48 of the Articles of the Association of the Company :

48(1). Notwithstanding anything contained in any other clause or clauses of the Articles of Association of the company, a holder or joint holders of shares or debentures, may nominate, in accordance with the provisions of Section 109A of the Companies Act, 1956, in the manner prescribed thereunder, a person to whom all the rights in the shares or debentures of the company, shall vest in the event of death of such holder(s). Any nomination so made shall be dealt with by the company in accordance with the provisions of Section 109B of the Companies Act, 1956."

Registered Office
L.B.S. Marg,
Kanjurmarg (West),
Mumbai- 400 078

By Order of the Board of Directors
For BRIGHT BROTHERS LIMITED.

Tushar B. Naik
Company Secretary

Dated: 6th February, 2001

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL ONLY, INSTEAD OF HIMSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Pursuant to the provisions of Section 205A of the Companies Act, 1956, all unclaimed Dividends upto and inclusive of Financial Year 1993-94 have been transferred to the General Revenue Account of the Central Government. The Dividend so transferred can be claimed by the Members from the Registrar of the Companies, Maharashtra, Mumbai on submission of claim in the prescribed form.
3. 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.
4. The members desirous to appoint a nominee in respect of their shareholding in the Company are requested to send the duly filled up and signed nomination form to the Company as enclosed with the Annual Report.
5. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of the Annual Report to the meeting.

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.

ITEM NO. 6

Mr. Suresh T. Bhojwani who is currently the Vice Chairman of your Company was appointed as the Whole Time Director of the Company by the Board, at its meeting held on 6th February, 2001 with effect from 1st February, 2001 for a period of 5 years, however subject to the approval of the Shareholders at their meeting. He has about 29 years working experience in Plastics Industry. He had set up Eterna Plastics and Trading Co., in Dubai, UAE, which became the leading plastic housewares and packaging manufacturer in the UAE. He was also the Managing Director of erstwhile Brite Automotive & Plastics Ltd., which has plants in Pithampur and Pondicherry producing Hi-Tech industrial mouldings for the Auto and Appliances sectors and which has been now merged with your Company.

He is currently on the Executive Committee of the Automotive Component Manufacturer's Association (ACMA). He was the past President of the Organisation of Plastic Processors of India (OPPI) and current Member of the Executive Committee. He is also a member of Executive Committee of the Indian Centre for Plastics and Environment (ICPE). He is a senior member of the Society of Plastic Engineers (SPE), USA and the Life Member of the Indian Plastic Institute (IPI).

The Board has now appointed him as the Whole Time Director of your Company making him responsible for the day to day operations of the Company. The Board felt that, Mr. S. T. Bhojwani who has vast experience in plastic industries, would be able to contribute in the development of the Company.

The terms and conditions including remuneration payable to him as a Whole Time Director is specified in the Resolution at item no. 6 of the Agenda and may be treated as an abstract under Section 302 of the Act.

The Board/Managing Director shall have the discretion and authority to modify the foregoing terms of remuneration within, however, the limit prescribed under Schedule XIII read with the provisions of the Act.

The Board recommends the resolution to be passed.

Mr. T.W. Bhojwani and Mrs. Hira T. Bhojwani other than Mr. Suresh T. Bhojwani are concerned or interested in this resolution.

ITEM NO. 7

Some of the provisions of the Companies Act, 1956, have been amended to facilitate the introduction of Depository system consequent to the passing of the Depositories Act, 1996. The new automated system of holding and trading in the shares of the Company, side by side with the paper based system will necessitate certain alterations in the Articles of Association of the Company, especially in matters such as Register of Members to cover the Beneficial Owners as per the records of the Depository, fungibility of the shares held by Depository, transfer of shares held by Depository etc. Appropriate alterations as set out in the Special Resolution in the notice are, accordingly, proposed for the approval of the shareholders.

It may be clarified that while additional facility as above could be provided within the new legal frame work, shareholders will be given an option to join this system. The existing provisions in respect of the shares held in the form of paper scripts will continue without any change.

It is, therefore, proposed to alter the Articles of Association of the company, in certain respects, so that they conform to the amended provisions of the Companies Act, 1956 and the Depositories Act, 1996.

The Board recommends the passing of the Special Resolution contained in item no. 7 of the accompanying notice.

ITEM NO. 8

The Companies (Amendment) Act, 1999 has inter-alia, made a provision through insertion of two Sections 109A and 109B whereby a holder or jointholder of shares can nominate a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of such holder(s).

Where such a nomination has been made in the manner prescribed, the nominee shall in the event of the death of the person nominating be entitled to all rights, in the shares or debentures of the company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

It is, therefore, proposed to amend the Articles of Association of the company, enabling to insert a new article to permit for nomination facility in accordance with the newly enacted provisions of the Companies Act, 1956.

Registered Office
L.B.S. Marg,
Kanjurmarg (West),
Mumbai- 400 078

By Order of the Board of Directors
For BRIGHT BROTHERS LIMITED.

Tushar B. Naik
Company Secretary

Dated: 6th February, 2001

