

55th Annual Report 2000-2001



Bright Brothers Limited

Brite

Board of Directors

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

BANKERS

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

STATUTORY AUDITORS

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

COMPANY SECRETARY

Mr. Tushar B. Naik

REGISTERED OFFICE

304, Nirman Kendra,
Famous Studio Lane, Dr. E. Moses Road,
Mahalaxmi, Mumbai-400 011
Tel.: 4905323

REGISTRARS & SHARE TRANSFER AGENTS

Sharepro Services
Satam Estate, 3rd Floor, Above Bank of Baroda,
Chakala, Andheri (East), Mumbai-400 099
Tel. : 8215168/8215991

EQUITY SHARES LISTED WITH

- The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.
- The Delhi Stock Exchange Association Ltd.
DSE House, 3/1, Asaf Ali Road, New Delhi-110 002.
- The Ahmedabad Stock Exchange, Kamdhenu Complex, Near Polytechnic, Panjara Pole, Ahmedabad-380 015.

Annual Listing Fees for the period 2001-2002 has been paid to all the Stock Exchanges.

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, Pithampur Industrial Area,
Sector 1, 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-Fifth Annual General Meeting of the Members of BRIGHT BROTHERS LIMITED will be held as under:

Day : Thursday
 Date : 28th February, 2002
 Time : 11.00 a.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, 2001 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 Dr. T. S. SETHURATHNAM, 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 Joint Auditors of the Company and to authorise the Managing Director to fix their remuneration. In this connection, to consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT M/s. N. S. Gubbi & Co., Chartered Accountants, and M/s. Dhody & Murthy, Chartered Accountants, Joint Auditors, be and are hereby appointed Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration, as may be approved by the Managing Director."

SPECIAL BUSINESS:

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

"RESOLVED THAT Shri Byram Jeejeebhoy who was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 30th April, 2001 and who holds office under Section 260 of the Companies Act, 1956 upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. To consider and if thought fit, to pass, with or without modifications, the following Resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the company be and are hereby altered, amended and/or substituted in the manner and to the extent set out herein below:

- 7.1. By inserting the following heading and the Article as Article 112 (1) (c) after the Article 112 (1) (b):

Postal ballot

"Notwithstanding anything contained in these Articles, the company may and in the case of resolutions relating to such business as the Central Government may declare to be conducted only by postal ballot, shall get such

resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the company. Where the company requires to, or decides to, as the case may be, get a resolution passed by means of postal ballot, the provisions of Section 192A of the Act and such other rules framed thereunder from time to time shall be complied with."

- 7.2. By inserting the following heading and the Article as Article 123 B after the Article 123 A:

Director elected by small shareholders

"That a company may have a director elected by small shareholders in the manner as may be prescribed under the provisions of Section 252 of the Act or such other rules governing from time to time."

- 7.3. By inserting the following heading and the Article in the Article 143 (d):

Audit Committee

"The company shall constitute a Committee of the Board known as 'Audit Committee'. The constitution of the Audit Committee shall be governed by the provisions of Section 292A of the Act and such other regulations governing the matter from time to time."

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

"RESOLVED THAT consent of the Company be and is hereby accorded to keep the Register of Members and Index of Members under Section 163 of the Companies Act, 1956 with M/s. Sharepro Services (Registrar and Share Transfer Agent of the company) at Satam Estate, 3rd Floor, Above Bank of Baroda, Chakala, Andheri (East), Mumbai-400 099 instead of Registered Office of the Company with effect from 30th April, 2001".

9. 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 314(1)(b) and other applicable provisions of the Companies Act, 1956, consent and approval of the Shareholders be and is hereby accorded for the appointment of Mr. Karan S. Bhojwani relative of the Director of the Company as an Executive Assistant on a gross monthly remuneration of Rs. 10,000/- (Rupees Ten Thousand Only)".

"RESOLVED FURTHER THAT this resolution shall be deemed to confer the necessary authority to the Board of Directors to sanction at their discretion and with the approval of the Central Government, where necessary, increments within the grade as they may deem fit and proper, to promote him to any higher grade or grades at their discretion and in due course together with the allowances and benefits as may be applicable to the grade or grades for the time being and to give increments within that grade or grades as they may deem fit and proper".

Registered Office:
304, Nirman Kendra,
Dr. E Moses Road,
Mahalaxmi, Mumbai-400 011.

By Order of the Board of Directors
For BRIGHT BROTHERS LIMITED

Tushar B. Naik
Company Secretary

Dated: 31st January, 2002

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT 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. THE PROXY FORM IS ENCLOSED HERewith.
2. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of business set out under item no. 6, item no. 7, item no. 8 and item no. 9 is annexed herewith.
3. It may be noted that all dividends unclaimed for a period of seven years are to be transferred by the Company to the Investor Education and Protection Fund (the Fund) to be established by the Central Government, as provided for under Section 205C of the Companies Act, 1956. Accordingly, all unclaimed dividends from and including the financial year ended 30th June, 1995, will be transferred by the Company to the Fund in the manner prescribed in the said Section 205C of the Act.
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 of India, if not furnished earlier.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 26th February, 2002 to 28th February, 2002 (both days inclusive).
6. The Company is registered with National Securities Depository Ltd. and Central Depository Services (India) Ltd. for dematerialisation of its Equity Shares with effect from 23rd August, 2001 and the ISIN allotted to the Company's Equity Shares is INE630D01010.
7. As your Company has been categorised under compulsory dematerialisation segment, in order to facilitate dealing in shares in electronic mode, the company has joined National Securities Depository Ltd. (NSDL) and Central Depository Services (I) Ltd. (CDSL). The Shareholders who wish to hold their Equity shares in Electronic mode can send an application enclosed with the Original Share certificates to M/s. Sharepro Services, Satam Estate, 3rd Floor, Above Bank of Baroda, Chakala, Andheri (E), Mumbai-400 099 and Credit shall be made to the respective Demat accounts at the earliest.
8. Members who are holding Company's Shares in dematerialised form are requested to bring details of their DP and Client ID numbers for identification.
9. Members desirous of getting any information about the accounts of the Company are requested to send their queries so as to reach at least seven (7) days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
10. Members are requested to intimate change in their address immediately to Sharepro Services, the Company's Registrar and Share Transfer Agents, at their office at "Satam Estate, 3rd Floor, Above Bank of Baroda, Chakala, Andheri (East), Mumbai-400 099".
11. Under the provisions of the Companies Act, 1956 as amended with effect from 31st October, 1998, Members may file nomination Forms in respect of their shareholdings. Any Member willing to avail this facility may submit to the Company the prescribed Form 2B or write to or contact the Company Secretary of the Company for assistance.
12. As a measure of economy, copies of Annual Reports 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

The Board of directors has appointed Shri Byram Jeejeebhoy as an Additional Director of the company on 30th April, 2001. Pursuant to the provisions of Section 260 of the Companies Act, 1956 he holds office upto the date of the ensuing Annual General Meeting being held on 28th February, 2002. A notice in writing from a member under Section 257 of the Companies Act, 1956 proposing the appointment of Shri Byram Jeejeebhoy as a Director of the Company and a deposit of Rs. 500/- (Rupees Five hundred only) has been received in this connection by the Company.

Mr. Byram Jeejeebhoy has done his graduation in Economics, History and Politics and then proceeded to U. K. in 1964 to do an external course in Business Management at the London School of Economics. His business is of property development in London and Bombay, and was also a Co-Promoter of erstwhile Brite Automotive and Plastics Limited.

Your Directors feel that the Company would be immensely benefited from the wide and varied experience possessed by Shri Byram Jeejeebhoy and accordingly recommend the passing of the Resolution proposed at item No. 6 of the Notice.

No Director other than Shri Byram Jeejeebhoy is in any way concerned or interested in the said resolution.

Your Directors commend the resolution for your approval.

ITEM NO. 7

As the Companies (Amendment) Act, 2000 inserted certain new provisions, the consequential changes are required to be made in the Articles of Association of the Company to ensure conformity with the provisions of the Act.

None of the directors of the company are concerned or interested in the said resolution.

ITEM NO. 8

In accordance with the guidelines of the Securities and Exchange Board of India (SEBI) the Equity Shares of your company have been compulsorily brought into demat mode with effect from 26th March, 2001. Accordingly M/s. Sharepro Services have been appointed with effect from 30th April, 2001 as Share Transfer Agent in Electronic segment.

The Company has also entered into an understanding with M/s. Sharepro Services in respect of Physical segment. They shall maintain the Register of Members as well as the Index of Members as long as the Board of Directors decides otherwise. Keeping of the Statutory Registers and Records at a place other than a Registered Office of the Company requires approval of the Shareholders by a Special Resolution and accordingly approval of the Shareholders of the Company is sought thereto.

A copy of the agreement entered into with M/s. Sharepro Services is available at the Registered Office of the Company for perusal of the Shareholders.

None of the Directors are concerned or interested in the said Resolution.

ITEM NO. 9

The Board of Directors at their meeting held on 30th October, 2001 have approved the appointment of Mr. Karan S. Bhojwani relative of the Director of the Company as an Executive Assistant in the Company w.e.f. 20th September 2001 on a gross monthly remuneration of Rs. 10,000/- (Rupees Ten Thousand only).

As the total monthly remuneration paid to Mr. Karan S. Bhojwani is Rs. 10,000/-, approval of shareholders by way of Special Resolution is required under the provisions of Section 314(1)(b) of the Companies Act, 1956. The members are also requested to authorise the Board to sanction in due course promotion of Mr. Karan Bhojwani to the next higher grade or grades together with the usual allowances and benefits.

Mr. Karan S. Bhojwani has completed G.C.S.E. (I.C.S.E.) and International Baccalaureate at United World College, Singapore. He has done two years of Business Administration from Bryant College, Rhode Island (Business Specialty School). He has worked as a summer Intern with Bright Brothers Ltd. and as a channel owner at Uthplanet.com (Business development/talent finding).

No other Directors are interested in the Resolution except Shri T. W. Bhojwani Chairman and Managing Director, Mrs. H. T. Bhojwani Whole-time Director, and Shri Suresh T. Bhojwani Vice-Chairman and Whole-time Director.

Registered Office:
304, Nirman Kendra,
Dr. E Moses Road,
Mahalaxmi, Mumbai 400 011.

By Order of the Board of Directors
For BRIGHT BROTHERS LIMITED

Tushar B. Naik
Company Secretary

Dated: 31st January, 2002



Report of the Directors

Dear Members,

Your Directors take pleasure in presenting the Fifty-Fifth Annual Report together with the Audited Accounts of your Company for the financial year ended 30th June, 2001.

AMALGAMATION:

As informed to you earlier Brite Automotive & Plastics Ltd. (BAPL) has merged with Bright Brothers Ltd. and all legal provisions have been duly complied with.

Your Directors had fixed the record date for exchange of shares on 15th June, 2001 and shares have been allotted to shareholders of BAPL in the ratio of 2:1 (shareholders holding 2 shares of BAPL have been allotted 1 share in Bright Brothers Ltd.) as per the Scheme of Amalgamation. The share certificates have been sent to the shareholders.

FINANCIAL RESULTS:

The Financial highlights are summarised below:

	Year ended 30th June, 2001	(Rs. in lakhs) Year ended 30th June, 2000
Gross Income	13251.89	15250.54
Profit before Interest, Depreciation and Tax	2041.56	2423.87
Depreciation	905.57	971.58
Interest	1182.67	1358.88
Profit/(Loss) before Tax	(46.68)	93.41
Short Provision of Tax of earlier years	1.56	—
Profit/(Loss) after Tax	(48.24)	93.41
Add: Surplus brought forward from Previous Year	304.35	275.93
	<u>256.11</u>	<u>369.34</u>
Appropriations:		
Tax on Dividend	1.38	1.49
Proposed Dividend on — Preference	13.50	13.50
General Reserve	—	50.00
Capital Redemption Reserve	100.00	—
Balance carried forward	<u>141.23</u>	<u>304.35</u>
	<u>256.11</u>	<u>369.34</u>

YEAR UNDER REVIEW:

The Automotive industry has been passing through a recessionary phase. Passenger car sales were down by 7.50%. The sales of commercial Vehicles were down by 21.30%. In the Two-Wheeler segment, market sales of motorcycles grew by 20%. However, scooter sales were down by 28.10%. This overall effect has had a negative impact on the auto component suppliers.

Sales of CTV and White goods have been flat during the year, recording miniscule growth.

DIVIDEND:

Due to financial constraints, your Directors do not recommend any dividend on Equity Shares for the year under review. However your Directors recommend a dividend on Redeemable Cumulative Preference Shares @ 13.5%.

MEETING THE CHALLENGE:

For the future, the Company is negotiating for the increase in its client portfolio with recognised leaders in Two-Wheelers, IT hardware and Consumer Durables.

The Company has acquired the Plastic manufacturing unit at Faridabad from Whirlpool of India Ltd. and has also set up a new manufacturing unit at Pondicherry. The effect of the same will be reflected in the working of the current year.

With regard to "Brite" branded business of plastic household products, crates and containers, the Company has been able to meet its projected sales. Moreover, the Company is focussing on markets which will yield better realisations.

In the current year, the manufacturing sector continues to exhibit a low growth rate. As a measure to fight against recession and to remain competitive, the Company has embarked on the following strategies:

- Minimising Capital Expenditure.
- Maximising capacity utilisation through inter-unit movement of machinery and moulds.
- Sharp focus on Quality as a value driver.
- Improved productivity thereby reducing Operating Cost.
- Reducing cost of debt.

These challenges have been addressed during the current year. However, to make the effect sustainable and far reaching, these efforts have to be continued on an on-going basis. The Company has launched a "100 ppm" programme at its Pondicherry plant, the success of which will be replicated at other locations.

STOCK EXCHANGE LISTINGS AND DEMATERIALISATION OF EQUITY SHARES:

The Equity Shares of the Company are listed at Bombay, Delhi and Ahmedabad Stock Exchanges. The shares of the Company are being traded at the said Stock Exchanges. As your Company has been categorised under compulsory dematerialisation segment, and in order to facilitate dealing in the Shares in electronic mode, the Company has joined National Securities Depository Ltd. (NSDL) and Central Depository Services (I) Ltd. (CDSL). All future dealings in the Company's Equity Shares are now compulsorily required to be done with effect from 23rd August, 2001 only through electronic mode as announced by SEBI. The Company has so far dematerialised 1,315,815 Equity Shares representing 26% of the paid-up Capital of the Company.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Directors Dr. T. S. SETHURATHNAM and Mr. D. S. MULLA retire from office by rotation, and being eligible, offer themselves for re-appointment.

Mr. Byram Jeejeebhoy was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 30th April, 2001. As per the provisions of Section 260 of the Companies Act, 1956 he holds office upto the date of the Annual General Meeting. The Company has now received a notice in writing under Section 257 of the Act, proposing his candidature as a Director of the Company.

FIXED DEPOSITS:

Fixed Deposits as at 30th June, 2001 were Rs. 273.62 lakhs which includes deposits by Directors amounting to Rs. 32.55 lakhs. A sum of Rs. 1.63 lakhs has remained unclaimed as on that date.

AUDITORS:

The Auditors M/s. N. S. Gubbi & Co. retire and offer themselves for re-appointment. The Board further recommends appointment of M/s. Dhody & Murthy, Chartered Accountants as Joint Auditors of the Company.