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56th Annual Report
2001-2002

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## Board of Directors

| | |
|---|---|
| Mr. D.N. Bhojwani | — Chairman & Managing Director |
| Mr. Suresh T. Bhojwani | Vice Chairman & Whole-time Director |
| Mrs. Hira T. Bhojwani | — Whole-time Director |
| Mr. D.S. Mulla | |
| Mr. K.P. Rao | |
| Dr. I.S. Sethumadhavan | |
| Mr. Bcram Jogesthin | |
| Mrs. Shalini Shah | — Nominee of KICT Bank Ltd. |

**COMPANY SECRETARY & GENERAL MANAGER FINANCE**
Mr. Tushar B. Naik

**BANKERS**
BANK OF BARODA
CANARA BANK
STATE BANK OF INDIA

**STATUTORY AUDITORS**
M/s. Dhruly & Murthe
Chartered Accountants

**REGISTERED OFFICE**
304, Niman Kendra, Famous Studio Lane,
Dr. E. Moses Road, Mahalaxmi
Mumbai-400 011.
Tel.: 022 24905321/24905324
E-Mail : bbl@brightbrothers.com

**REGISTRARS & SHARE TRANSFER AGENTS**
Sharepro Services
Satam Estate, 3rd Floor, Above Bank of Baroda
Chakala, Andheri (East), Mumbai-400 099
Tel.: 022 28215168/28215991

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

E-27/3, E Road,
MIDC, Tarapur, Boisar, Thane-401 506

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

Plot No. 16-17, Sector 24,
Faridabad-121 005

106, Pithampur Industrial Area,
Sector I, Pithampur Dist.
Dhar (M.P.)

Plot Nos. 171 & 174,
Thirubhuvanai, Mannadipet Commune,
Pondicherry-605 107.

Resurvey No. 146/3 PT, 146/5PT,
Anyur village, Villianur Commune,
Pondicherry-605 102

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## Notice

**NOTICE IS HEREBY GIVEN THAT** the Fifty-Sixth Annual General Meeting of the Members of BRIGHT BROTHERS LIMITED will be held as under:

Day : Thursday
Date : 27th February, 2003
Time : 4.00 p.m.
Venue : Amar Chand Lesser 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, 2002 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.

2. To appoint a Director in place of Mr. K.P. Rau, who retires by rotation, but being eligible, offers himself for re-appointment.

3. To appoint Auditors of the Company and to authorise the Board of Directors to fix their remuneration. In this connection, to consider and, if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** M/s. Dhody & Murthy, Chartered Accountants, the Statutory Auditors of the Company, who retire at this meeting, be and are hereby re-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 Board of Directors."

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to listing agreement/regulations of the Stock Exchanges and the SEBI Guidelines and subject to applicable approvals and procedures, the Company be and is hereby authorised to delist its Equity Shares from the Madhya Pradesh Stock Exchange and Ahmedabad Stock Exchange where the Equity Shares of the company are listed and the Board of Directors of the Company or any person specifically authorised by the Board in this behalf be and is hereby authorised to sign, deliver and pursue or otherwise deal with all necessary applications and/or documents and to do all such acts, deeds and things as may be deemed necessary in this regard."

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

Dated: 28th January, 2003

By Order of the Board of Directors
For BRIGHT BROTHERS LIMITED

**TUSHAR B. NAIK**
*Company Secretary*



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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. 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. 4 is annexed hereto.

3. Pursuant to the provisions of Section 205A of the Companies Act, 1956 as amended, dividend for the financial years ended 30th June, 1995 and thereafter, which would remain unpaid or unclaimed for a period of 7 Years will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 30th June, 1995 or any subsequent financial years are requested to make their claims to the Company at its Registered Office. **It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund, as stated herein, no claim shall lie in respect thereof.**

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.

5. 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.

6. 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.

7. The Register of Members and Share Transfer Books of the Company will remain closed from 24th February, 2003 to 27th February, 2003 (both days inclusive).

8. 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.

9. 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".

10. Members who are holding Company's Shares in dematerialised form are requested to bring details of their DP and Client ID numbers for identification.



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

**ITEM NO. 4**

The Equity Shares of the Company are listed on Mumbai Stock Exchange (Regional Stock Exchange), Delhi Stock Exchange Association Ltd., Ahmedabad Stock Exchange and Madhya Pradesh Stock Exchange. Since Pithampur at District Dhar of Madhya Pradesh was the Registered Office of erstwhile Brite Automotive & Plastics Ltd., the Madhya Pradesh Stock Exchange was the Regional Stock Exchange of erstwhile Brite Automotive & Plastics Ltd. Since the Company has merged with Bright Brothers Ltd., Madhya Pradesh Stock Exchange is no longer the Regional Stock Exchange. The Board of Directors also feel that there is no benefit in continuing the listing of Company's Equity Shares on the said Exchange where the shares are not actively traded. In order to reduce the burden on the Company in complying with the listing formalities which are not beneficial to the investors or Shareholders, it is deemed prudent to delete the shares from the Madhya Pradesh Stock Exchange and Ahmedabad Stock Exchange. The Company is permitted to delete the Equity Shares from any of the Stock Exchange(s), other than Regional Stock Exchange, under Voluntary Delisting Scheme by passing a special resolution and complying with certain other formalities. The Board, therefore, recommend the resolution to be passed as special resolution.

None of the Directors is concerned or interested in the resolution.

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: 20th January, 2003

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DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING
(Pursuant to Clause 49 of the Listing Agreement)

| | |
|---|---|
| 1. Name | Mr. K. Purushotham Rao |
| 2. Age | 79 Years |
| 3. Qualifications | B. Com, F.C.A |
| 4. Experience | Senior Partner of M/s. K. P. Rao and Company, Chartered Accountants, Bangalore.<br>He has served as the President of the Local Board of State Bank of India, Bangalore and was also a member of the Central Board of State Bank of India.<br>He was also nominated as Director in General Insurance Corporation of India for 3 years. |
| 5. Other Directorships | VST Precision Components Ltd. Bangalore |

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## Report of the Directors

Dear Members,

Your Directors take pleasure in presenting the Fifty-Sixth Annual Report together with the Audited Accounts of your Company for the financial year ended 30th June, 2002.

**FINANCIAL RESULTS:**

The Financial highlights are summarised below:

(Rs. In Lacs)

| **Particulars** | 2001-2002 | 2000-2001 |
|---|---|---|
| Gross Income | 13604.11 | 13251.49 |
| Profit before Interest, Depreciation and Tax | 1056.90 | 2041.56 |
| Depreciation | 920.48 | 905.57 |
| Interest | 1045.55 | 1182.07 |
| Profit/(Loss) before Tax | (910.12) | (46.68) |
| Provision for Current Tax | 8.80 | 5.41 |
| Provision for Deferred Tax | 35.35 | — |
| Short Provision of Tax for earlier Years | — | 1.58 |
| Profit/(Loss) after Tax | (954.29) | (48.24) |
| Add: Surplus brought forward from Previous Year | 141.23 | 304.35 |
| | (813.06) | 256.11 |

**Appropriations:**

| Particulars | 2001-2002 | 2000-2001 |
|---|---|---|
| Tax on Dividend | — | 1.38 |
| Proposed Dividend on Preference | — | 13.50 |
| Capital Redemption Reserve | — | 200.00 |
| Balance carried forward to the Profit & Loss Account | (813.06) | 41.23 |
| | (813.06) | 256.11 |

**YEAR UNDER REVIEW**

The business of your Company has remained flat during the year due to poor growth in the Automotive sector and Consumer Durables sectors. However, margins have come under severe strain due to continued pressure on prices from the OEMs (Original Equipment Manufacturers). This has caused considerable erosion in the margins of the Company, resulting in higher loss during the year.

**CURRENT OUTLOOK:**

The Company's focus on operational cost reduction coupled with the Company's discussions with the Financial Institutions to reduce the cost of term borrowings in keeping with the current economic scenario are expected to show results in 2002-2003.

The Company has launched an aggressive marketing thrust to increase the capacity utilisation of its different plants.

The strategy to increase the sale of "Brite" branded products is taking shape and will be visible in the period from January–June 2003.

All of the above measures should contribute to improving the Company's performance in the year 2002-2003.

**DIVIDEND:**

In view of loss incurred by the Company in the year under review, your Directors do not recommend any dividend on Equity Shares.



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**STOCK EXCHANGE LISTINGS:**

The Equity Shares of the Company are listed on Mumbai Stock Exchange (Regional Stock Exchange), Delhi Stock Exchange Association Ltd., Ahmedabad Stock Exchange and Madhya Pradesh Stock Exchange. Since Pithampur at District Dhar of Madhya Pradesh was the Registered Office of erstwhile Brite Automotive & Plastics Ltd., the Madhya Pradesh Stock Exchange was the Regional Stock Exchange of erstwhile Brite Automotive & Plastics Ltd. Since the Company has merged with Bright Brothers Ltd., Madhya Pradesh Stock Exchange is no longer the Regional Stock Exchange. The Board of Directors also feel that there is no benefit in continuing the listing of Company's Equity shares on the said Exchange where the shares are not actively traded. In order to reduce the burden on the Company in complying with the listing formalities which are not beneficial to the investors or Shareholders, it is deemed prudent to delist the shares from the Madhya Pradesh Stock Exchange and Ahmedabad Stock Exchange. The Company is permitted to delist the Equity Shares from any of the Stock Exchange(s), other than Regional Stock Exchange, under Voluntary Delisting Scheme by passing a special resolution and complying with certain other formalities. The Board of Directors of your Company have therefore placed the matter before the members for their approval.

**DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Director Mr. K.P. Rao retires from office by rotation and being eligible, offer himself for re-appointment.

**CORPORATE GOVERNANCE:**

A separate report on Corporate Governance alongwith the Auditor's Statement on its Compliance is annexed hereto as Annexure-I and forms part of this report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

A report in the form of Management Discussion and Analysis Report is annexed hereto as Annexure-II and forms part of this report.

**FIXED DEPOSITS:**

Fixed Deposits as on 30th June, 2002 were Rs. 376.20 Lacs which includes deposits by Directors amounting to Rs. 51.00 Lacs.

**AUDITORS:**

The Auditors M/s. Deloitte & Murthy, Chartered Accountants, Statutory auditors of the Company, retire and being eligible offer themselves for re-appointment.

During the year M/s. K. S. Gubbi & Co., Chartered Accountants, has resigned. The Board of Directors place on record the valuable advice and service rendered by them during their long tenure.

**PERSONNEL:**

Employee relations continued to be cordial all across the Company. The Board of Directors takes the opportunity to thank the unions and employees for their co-operation and support.

None of the employees are covered under the Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

**DIRECTORS RESPONSIBILITY STATEMENT:**

As required under Section 217(2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000 given below is the Director's Responsibility Statement:



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The Board of Directors state :

(i) that in the preparation of Annual Accounts for the year ended 30th June, 2002, the applicable accounting standards have been followed along with proper explanation relating to material departures.

(ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 30th June, 2002 and of the profits of the company for that period.

(iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(iv) that the Annual Accounts for the year ended 30th June, 2002, have been prepared on a going concern basis.

**CONSERVATION OF ENERGY:**

Adequate measures have been taken to avoid wastage of energy, the necessary investments are also planned to cut down the consumption of energy per Kg. of processing of plastic. The requirement for disclosure with respect to conservation of energy is not applicable to company. Section 217(1)(e) of the Companies Act, 1956 is not applicable to your Company.

**TECHNOLOGY ABSORPTION:**

Research & Development (R&D):

(1) Specific areas in which R&D carried out by the company
 (a) Reduction in cost of conversion by
  (1) Evaluation of the alternative raw material mix/compounds/use of fillers, additives etc.
  (2) Modify the process parameters keeping the end quality in mind.
  (3) By getting the maximum finished goods out of the per kg. raw material input.
 (b) We have also modified wherever possible the tooling/dies to have higher production of improved quality.
 (c) New product development.

(2) Benefits derived as a result of above R & D
 (a) Improved productivity
 (b) Cost Reduction
 (c) Improvement in quality
 (d) Process innovation/conservation of raw material
 (e) Addition to the existing range of products.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Total Foreign Exchange earned and used:

| | (Rs. in Lacs) |
|---|---|
| Foreign Exchange Earned | 10.48 |
| Foreign Exchange Used | 195.51 |

**APPRECIATION:**

The Directors wish to place on record their sincere appreciation for the encouragement and the cooperation received by the Company from its Employees, Shareholders, Financial Institutions, Banks, Customers and Suppliers during the year.

On behalf of the Board of Directors

Mumbai
Dated : 20th January, 2003

**T.W. BHOJWANI**
Chairman & Managing Director



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## ANNEXURE-I TO THE DIRECTOR'S REPORT

## Report on Corporate Governance for the Year 2001-2002

(Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges)

**1. Company's Philosophy on Code of Governance:**

The Company's Philosophy on Corporate Governance is to strive for attaining the optimum level of transparency and accountability, in all facets of its operations and in all dealings with its shareholders, employees, lenders, creditors, customers and the government. The Board of Directors by considering itself as a Trustee of its Shareholders aims at enhancing shareholder value and protecting the interest of other stakeholders. The Board has constituted various Committees from time to time and has held its Board and Committee meetings as frequently as required. Adequate disclosures and information are being provided to the Board as well as the Committees.

**2. Board of Directors:**

The Board of Directors of the Company comprises of an optimum combination of Executive and Non-Executive Directors headed by an Executive Chairman. Five out of Eight Directors are Non-Executive Directors forming over 50% of the total number of Directors and further Five out of Eight directors are Independent Directors forming over half of the total number of Directors. The Independent Directors do not have any material or pecuniary relationship or transactions with the Company, its promoters or its management, which may affect their judgement in any manner.

None of the Directors hold directorships in more than the permissible number of companies under the relevant provisions. Further, none of the directors on the Board is a member of more than ten Committees or Chairman of more than five Committees.

During the financial year under review, six Board Meetings were held on the following dates:

August 31, 2001; October 30, 2001; January 21, 2002; January 31, 2002; February 28, 2002; April 29, 2002

The names of the Directors and the category to which they belong to, along with their attendance at Board Meetings during the year and at the last annual general meeting, and the number of directorships and committee memberships held by them in other companies are given below:

| Name | Category | Board Meetings During The tenure (*) | Attendance at the last AGM ([illegible]) | No. of outside Directorships in Public, Private and Foreign Companies as on 30th June 2002 | | No. of outside Committee positions in Public, Private and Foreign Companies as on 30th June 2002 | |
|---|---|---|---|---|---|---|---|
| | | Attended | | Chairman | Member | Chairman | Member |
| Mr. T.P. Bhojwani (Chairman & Managing Director) | Promoter Executive Non-Independent | 4 | No | Nil | Nil | Nil | Nil |
| Mr. Suresh T. Bhojwani (Vice Chairman & Wholetime Director) | Promoter Executive Non Independent | 6 | Yes | Nil | Nil | Nil | Nil |
| Mrs. Hira T. Bhojwani (Wholetime Director) | Promoter Executive Non Independent | 6 | No | Nil | Nil | Nil | Nil |
| Mr. D.S. Mulla | Non Executive Independent | 5 | Yes | Nil | 7 | 5 | 5 |
| Mr. K.T. Rao | Non Executive Independent | 4 | Yes | Nil | 1 | Nil | Nil |
| Dr. I.S. Natarajan | Non Executive Independent | 5 | Yes | 5 | 2 | Nil | Nil |
| Mr. Ernest [illegible] | Non Executive Independent | 1 | No | Nil | 6 | Nil | 1 |
| Mr. Shahen Shah | Non Executive Independent | 3 | No | Nil | 2 | Nil | 1 |

* The figure mentioned in the bracket denotes the number of Board of Meetings held during the period from 1st July 2001 to 30th June 2002.



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