

62nd Annual Report 2008-2009



Bright Brothers Limited

Brite

Board of Directors**Chairman & Managing Director**

Mr. Suresh Bhojwani

Whole Time Director

Mrs. Hira T. Bhojwani

Directors

Mr. Byram Jeejeebhoy

Mr. K. P. Rao

Dr. T. S. Sethurathnam

CFO & Company Secretary

Mr. Tushar Naik

Banker

Bank of Baroda

Auditors

M/s. Dhody & Associates, Bhilai

Chartered Accountants

Registered Office

610-611, Nirman Kendra,

Famous Studio Lane,

Dr. E. Moses Road,

Mahalaxmi,

Mumbai-400 011.

Tel.: 022 24905323 / 2490 5324

Fax : 022 2490 5325

E-Mail: ho@brightbrothers.co.in

Corporate Office

B-54, Road No. 33,

Gynaeshwar Nagar,

Wagle Industrial Estate,

Thane-400 604.

Tel.: 022-2583 5158

Website

www.brightbrothers.co.in

Registrars and Share Transfer Agents

M/s. Sharepro Services (India) Private Limited

(Unit: Bright Brothers Ltd.)

Samhita Warehousing Complex

13AB, Gala No. 52, 2nd Floor

Near Sakinaka Telephone Exchange

Off. Kurla Andheri Road

Sakinaka, Mumbai 400 072

Tel: 022 67720300

Fax No.: 022-28375646

Factories

Plot No. 1/1 to 1/4,

Thirubhuvanai,

Mannadipet Commune,

Puducherry-605 107.

Plot No. 16-17, Sector 24,

Faridabad-121 005.

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NOTICE

NOTICE is hereby given that the 62nd Annual General Meeting of the Shareholders of BRIGHT BROTHERS LIMITED will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 on Friday, 26th June 2009 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Accounts of the Company for the period ended 31st March 2009 and the Report of Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares for the period ended 31st March 2009.
3. To appoint a Director in place of Mr. K. P. Rao, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint, M/s. Dhody & Associates, Chartered Accountants, as Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Audit Committee of the Board of Directors to fix the remuneration of the said Auditors.

SPECIAL BUSINESS:

Re-appointment of Mrs. Hira T. Bhojwani as Wholetime Director

5. 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 198, 269, 309, and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the said Act) as amended from time to time and all the applicable guidelines for managerial remuneration issued by the Central Government from time to time, and such other consents and approvals as may be required, consent of the Company be and is hereby accorded for the re-appointment of Mrs. Hira T. Bhojwani, as a "Whole-time Director-Commercial" of the Company for a further period of 3 years with effect from 1st April 2010, whose term of office is not liable to retire by rotation, on terms and conditions and stipulation contained in an agreement to be entered into between the Company and Mrs. Hira T. Bhojwani, a draft whereof is placed before the meeting which, for the purpose of identification initialed by the Chairman of the meeting, with authority to the Board of Directors (which term shall be deemed to include the Remuneration Committee constituted by the Board), to alter and vary the terms and conditions as may be permissible under law in the best interest of the Company and on the terms as to remuneration and perquisites as set out below:

- | | |
|---|---|
| A. Basic Salary | Rs. 50,000/- p.m. (Fifty Thousand only) with such increment(s) as may be decided from time to time |
| B. <u>Perquisites as under:</u> | |
| a. House Rent Allowance | Rs. 21,000/- p.m. |
| b. Gas, Electricity, Water and Furnishing | The expenditure incurred shall be evaluated as per the applicable Income tax Rules. In the absence of any specific rule the same shall be valued on actual payment. |
| c. Medical Expenses | One month's basic or overall ceiling of three month's basic for a period of three years. |
| d. Leave Travel Expenses | Once in a year for self subject to a ceiling of one month's basic salary. |
| e. Club Fees | Membership of two clubs (excluding admission and life membership fee) |

- | | |
|--|--|
| f. Entertainment, Travelling and Business Expenses | Reimbursement as per the rules of the Company |
| g. Personal accident insurance | Amount not exceeding Rs. 10,000/- per annum |
| h. Motor Car & Telephone Expenses | The Company shall provide Motor car with driver and telephone at the residence of Whole time Director, for Company's business. |
| i. Leave encashment | As per the rules of the Company. |
| j. Provident fund | Contribution to Provident Fund shall be as per the rules of the Company. |
| k. Other allowances, benefits and perquisites | Any other allowances, benefits and perquisites admissible to the senior Officers of the Company as per Rules of the Company from time to time. |

The aggregate of the Salary and perquisites as aforesaid in any financial year shall not exceed the limits prescribed from time to time under Section 198, 309, 310 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII of the said Act, or any statutory modification or re-enactment thereof for the time being in force or otherwise as may be permissible in law.

RESOLVED FURTHER THAT in the event of any loss or inadequate profit in the aforesaid period the Company will pay the foregoing amount of remuneration and benefit as specified above not exceeding the limits specified in accordance with the provisions of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution.

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By order of the Board of Directors
For **BRIGHT BROTHERS LIMITED**

TUSHAR NAIK
CFO & Company Secretary

Place : Mumbai,
Date : 21st May, 2009

Registered Office:
610-611, Nirman Kendra,
Dr. E. Moses Road,
Famous Studio Lane,
Mahalaxmi,
Mumbai 400 011.

NOTES:

1. **A member entitled to attend and vote at the 62nd Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such a proxy need not be a member. The instrument appointing a proxy should, however, be received at the registered office of the Company not less than forty-eight hours before the commencement of this meeting.**
2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, setting out the material facts in respect of the special business is annexed hereto.
The relevant details in respect of Item Nos. 3 & 5 above, pursuant to Clause 49 of the Listing Agreement are annexed hereto.
3. Members/Proxies are requested to bring their Attendance Slip duly filled in along with their copy of Annual Report to the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from June 19, 2009 to June 26, 2009 (both days inclusive). The dividend as recommended by the Board, if approved at the Annual General Meeting will be paid after June 26, 2009 as under:
 - a. To all beneficial owners in respect of shares held in electronic form per data made available by the National Security Depository Limited and Central Depository Services (India) Limited as of the close of business hours on June 18, 2009.
 - b. To all members in respect of shares held in physical form after giving effect to valid transfer requests lodged with the Company whose name appear in the Company's Register of Members as on close of the business hours on June 18, 2009.
5. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar will not entertain any direct request from Members for deletion of or change in such bank particulars. Members who wish to change bank account details are therefore requested to advise their respective Depository Participant.
6. In order to avail of the Electronic Clearing System (ECS) for receiving direct credit of the dividend to his/their respective account with the Bank(s), the members holding shares in physical form are requested to provide bank account details to the Company's Registrar and Share Transfer Agent, M/s. Sharepro Services (India) Pvt. Ltd.
7. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to write to the Company Secretary at the registered office of the Company at least seven days in advance so that information may be available at the meeting.
8. Members who have not encashed their interim dividend warrant in respect of the period 2006-07 are requested to make their claim immediately to the Company or to the Company's Registrar & Share Transfer Agent M/s. Sharepro Services (India) Pvt. Ltd.
9. Members holding shares in the same set of names under different Ledger Folios are requested to apply for consolidation of such folios along with relevant share certificates to M/s. Sharepro Services (India) Pvt. Ltd.
10. The facility of making nomination is available to the shareholders in respect of the shares held by them. Interested shareholders can obtain the Nomination form from the Company's Registrars and Share Transfer Agents.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF COMPANIES ACT, 1956.

Item No 5: (Special Resolution)

Mrs. Hira T. Bhojwani was reappointed as Wholetime Director of the Company in terms of the resolution passed at the Annual General Meeting held on December 29, 2006 for a period of three years with effect from 1st April 2007. Her term expires on 31st March 2010. The Board of Directors at its meeting held on 21st May 2009 on the basis of the recommendation of the Remuneration committee, has renewed the terms of appointment of Mrs. Hira T. Bhojwani, as Wholetime Director of the Company for a period of three years with effect from 1st April, 2010 on the details as to remunerations and otherwise, as set out in the resolution under this item of the notice.

She has been associated with the Company from the year 1989 and has handled important assignments in the areas of Administration. Apart from her considerable experience in the industry, she is being associated with the Company for several years and is well conversant with the affairs of the Company. The Company is suitably utilizing her experience and expertise during her association with the Company in various capacities.

Considering her background, competence and experience as also her association with the Company for several years and compared to the remuneration packages of similarly placed personnel of other corporate bodies in the country, the terms of her remuneration as set out in the resolution are considered to be fair, just and reasonable.

The terms of the remuneration as set out in the resolution may be regarded as an abstract of the terms of contract and memorandum of interest for the purpose of Section 302 of the Companies, Act, 1956.

The Directors commend the Resolutions for acceptance by the Members.

Memorandum of concern or interest:

Mrs. Hira T. Bhojwani is interested in this resolution since it relates to her appointment. Mr. Suresh Bhojwani may also be considered to be interested, being a relative of Mrs. Hira T. Bhojwani.

By order of the Board of Directors
For **BRIGHT BROTHERS LIMITED**

TUSHAR NAIK
CFO & Company Secretary

Place : Mumbai,
Date : 21st May, 2009

Registered Office:
610-611, Nirman Kendra,
Dr. E. Moses Road,
Famous Studio Lane,
Mahalaxmi,
Mumbai 400 011.

**Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting.
(Pursuant to Clause 49(IV)(G)(i) of the Listing Agreement with the Stock Exchanges):**

Name of Director	Mr. K. P. Rao	Mrs. Hira T. Bhojwani
Date of Birth	11th September, 1927	3rd January, 1923
Date of Appointment	27th December, 2005	29th December, 2006
Qualifications	B.Com., F.C.A.	B.Sc. (Hons.) from Government College Lahore, stood first in the University and M.Sc. (Hons), from Government College Lahore, Stood 2nd in the University.
Experience	In areas of Audit, Finance & Taxation, Management Consultancy in Business Restructuring.	Wide Managerial experience
No of Equity shares held in the Company	Nil	370310
List of Public Companies in which outside Directorships held as on 31st March 2009	Nil	Nil
Chairman/Member of the Committees of the Board of the Companies in which he is a Director as on 31st March 2009	Nil	Nil

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in submitting their 62nd Annual Report and Audited Accounts for the period ended March 31, 2009.

Financial Results and General Review:

(Rs. in lakhs)

Particulars	Period Jan. 08 to Mar, 09	Period July. 06 to Dec. 07
Net Sales and Operating Income	8865.86	28107.06
Other Income	344.34	141.19
Total Income	9210.20	28248.25
PROFIT BEFORE INTEREST, DEPRECIATION AND TAX	386.76	2081.53
Exceptional Items (Income)	—	8015.74
Prior Period Expenses	166.30	—
Depreciation	160.60	1237.30
Financial charges (Net)	84.91	1959.14
PROFIT/(LOSS) BEFORE TAX	(25.04)	6900.82
Less: Tax for earlier year	9.47	—
Less: Fringe Benefit Tax	9.86	23.81
Less: Provision for Taxation	—	1756.00
Less: Deferred Tax (Assets)/Liabilities	425.47	(429.70)
NET PROFIT/(LOSS) AFTER TAX	(469.84)	5550.72
Add: Balance brought forward	2175.68	(1501.89)
Balance available for appropriations	1705.84	4048.82
APPROPRIATIONS:		
General reserve	200.00	1000.00
Equity Dividend	119.51	587.43
Preference Dividend	—	158.87
Tax on distributed profit	20.31	126.83
Balance Carried forward	1366.02	2175.68

The financial results for the current year comprises of fifteen months operations as against eighteen months of the previous year. In view of this as also the sale of the Automotive Division in the previous year, the current year figures are not comparable.

General Review:

Operations:

The Consumer Durable Components Division has fared reasonably well despite the slowdown in the economy. The sales of this division was affected in the September-December 08 quarter but have since recovered with most customers looking at 2009-2010 as the year of growth.

The Company has bagged orders from a leading manufacturer of Water Purifiers and Vacuum Cleaners in the country. In order to service this business effectively, the Company is considering the acquisition of an injection moulding unit in the North in order to grow the business inorganically.

The Brite Material Handling Division is being strengthened for better marketing and the Company expects to perform better in the current year. The Brite Consumer Products Division is being reorganized to take advantage of the increasing demand for quality household products. The new "Divo" range of Hair-Care products has been soft launched in Mumbai, Hyderabad and Chennai with a good initial response. Formal launch of the complete "Divo" range is planned for August/September 2009.

Dividend:

Considering the liquidity position and based on the confidence in the performance of your Company in the coming years, your Directors have decided to recommend a dividend of Rs. 2/- per Equity Share for the year (Previous year Rs. 10/- per Equity share). If approved by the Shareholders at the Annual General Meeting, the Dividend will absorb Rs. 119.51 lacs. The tax on distributed profit borne by the Company will amount to Rs. 20.31 lacs.

Fixed Deposit:

The Company has no unpaid/unclaimed deposits as on 31st March 2009. The amount of fixed deposits held by the Company as on 31st March 2009 was Rs. 455.72 lacs. Out of this the fixed deposits received from the Directors amounted to Rs. 140.55 lacs.

Management Discussion and Analysis Report:

The detailed Management Discussion and Analysis Report has been annexed to this report.

Corporate Governance:

The detailed Corporate Governance has been annexed to this report in compliance with Clause 49 of the Listing Agreement.

Directors' Responsibility Statement:

Pursuant to Section 217(2AA) of the Companies Act, 1956.

Your Directors confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed.
2. That they have selected such accounting policies and applied them consistently and made judgment 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 31st March 2009 and of the loss of the Company for that year.
3. That they 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 prevention and detection of fraud and other irregularities.
4. That they have prepared the annual accounts on a going concern basis.

Insurance:

All the insurable interests and risks of your Company including inventories, building, plant & machinery are adequately insured against risk of fire and other risks.

Directors:

In accordance with the provisions of the Companies Act, 1956 and Articles of Associations of the Company, Mr. K. P. Rao, Director of the Company, retires by rotation at the ensuing Annual General meeting and being eligible offers himself for re-appointment. The resolution in respect of revised remuneration and reappointment of Mrs. Hira T. Bhojwani has been included in the notice.

Auditors:

Members are requested to re-appoint M/s Dhody & Associates, Chartered Accountants as the Auditors of the Company and authorize the Audit committee to fix their remuneration. The Company has received the certificate from the retiring auditors to the effect that the appointment if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956.

Other Information:

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to Section 217(1)(e) of the Companies Act 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this report. As per provisions of Section 219(1)(b)(iv) of the Act, the Directors' Report and Accounts are being sent to the shareholders excluding the statement giving particulars of employees under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended. Any Shareholder interested in obtaining a copy of the statement may write to the Company Secretary at the Registered Office of the Company. Management Discussion and Analysis report, as required under Clause 49 of the Listing Agreement is published separately in this Annual Report.

Appreciation and Acknowledgement:

The Directors expresses their appreciation made by the employees to the unstinting efforts of the employees which has enabled the Company to grow and show better performance and for the support received from all other stakeholders including shareholders, suppliers and business partners.

For and on behalf of the Board

SURESH BHOJWANI

Chairman & Managing Director

Place : Mumbai

Date : 21st May, 2009

Registered Office:

610-611, Nirman Kendra,

Dr. E. Moses Road,

Famous Studio Lane,

Mahalaxmi,

Mumbai 400 011.