

63rd Annual Report 2009-2010

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 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

Venue : Walchand Hiranand Hall, 4th Floor
Indian Merchant Chamber Building
IMC Marg, Churchgate
Mumbai 400 020

Date : Thursday, 29th July, 2010

Time : 11.30 a.m.

Factories

Plot No. 1/1 to 1/4,

Thirubhuvanai,

Mannadipet Commune,

Puducherry-605 107.

Plot No. 16-17, Sector 24,

Faridabad-121 005.

Hiltron Electronic Complex,

Plot No. C, D, E, F & G

Mallittal, Bhimtal,

Nainital-263136

CONTENTS	Page No.
Notice.....	2
Directors' Report.....	9
Management Discussion and Analysis	13
Corporate Governance.....	16
Auditors' Report	26
Balance Sheet	30
Profit & Loss Account.....	31
Cash Flow Statement.....	32
Schedules A to R.....	33
Significant Accounting Policies and Notes on Accounts.....	42

NOTICE

NOTICE is hereby given that the Sixty-Third ANNUAL GENERAL MEETING of the Members of BRIGHT BROTHERS LIMITED will be held at Walchand Hiranand Hall, 4th Floor, Indian Merchant Chamber Building, IMC Marg, Churchgate, Mumbai 400 020 on Thursday 29th July, 2010 at 11.30 a.m to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2010 and Balance sheet as at that date and the Reports of the Directors and Auditors.
2. To declare dividend on Equity shares for the year 2009-10.
3. To appoint a Director in place of Dr. T. S. Sethurathnam who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

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

“RESOLVED THAT M/s. Dhody & Associates, Chartered Accountants, the retiring Auditors be and are hereby re-appointed as 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 and the Board on the recommendation of the Audit Committee be and is hereby authorized to fix their remuneration for the said period and reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties”.

SPECIAL BUSINESS

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 314(1B) of Companies Act 1956 read with Director’s Relatives (Office or Place of Profit) Rules and subject to Central Government approval and such other consents, approvals, permissions as may be required, the Company approves re-appointment of Ms. Ruchika Bhojwani for a period of three years to hold office or place of profit under the Company as “Manager – Hair Care Division” (not a Manager for the purpose of the Companies Act, 1956) w.e.f. 01-04-2010, on such revised remuneration as may be decided by the Board and approved by Central Government provided that remuneration payable to Ms. Ruchika Bhojwani shall be in the time scale of Rs. 75,000-5,000-10,000-1,00,000/- per month.

RESOLVED FURTHER THAT remuneration payable as aforesaid will be subject to such modification(s) as the Central Government may suggest or require which the Board is hereby authorized to accept on behalf of the Company and which may be acceptable to the incumbent.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate the power to any Officer of the Company to give effect to this resolution”.

6. 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 314(1B) of Companies Act 1956 read with Director’s Relatives (Office or Place of Profit) Rules and subject to Central Government approval and such other consents, approvals, permissions as may be required, the Company approves re-appointment of Mr. Karan Bhojwani, for a period of three years to hold office or place of profit as “Manager – Brite Branded Products” (not a Manager for the purpose of the Companies Act, 1956) w.e.f. 01-04-2010, on such revised remuneration as may be decided by the Board of Directors and approved by Central Government provided that remuneration payable to Mr. Karan Bhojwani shall be in the time scale of Rs. 75,000-5,000-10,000-1,00,000/- per month.

RESOLVED FURTHER THAT remuneration payable as aforesaid will be subject to such modification(s) as the Central Government may suggest or require which the Board is hereby authorized to accept on behalf of the Company and which may be acceptable to the incumbent.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate the power to any Officer of the Company to give effect to this resolution”.

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 the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Articles of Association of the Company be altered in the following manner:

DELETION:

The following existing articles be deleted:

<i>Sr. No.</i>	<i>Article No.</i>	<i>Particulars</i>	<i>Reasons for deletion</i>
(i)	Article 45 & Article 76	Transfer Books and Register of Member. Closure of register of Members or Debenture holders	Incorporated in Article 58.
(ii)	Article 51	Compliance with Estate Duty Act, 1953	Non-relevant.
(iii)	Article 55	No fee for registration of transmission and transfer	Non-relevant.
(iv)	Article 60	Transmission of Shares	Non-relevant.
(v)	Article 61	Director's power with regard to transfer of Shares	Incorporated in Article 46.
(vi)	Article 63	Compulsory retirement	Non-relevant.
(vii)	Article 67	To make Investments	Combined with Article 66.
(viii)	Article 77	Deposit of moneys and securities by Employees	Non-relevant.
(ix)	Article 85(2) & Article 144	Calling of Extraordinary General Meeting by any Director or any five members. Calling of extraordinary general meeting	Repetition – Already incorporated in Article 85(3).
(x)	Article 117	Matters in which special resolutions are required	Non-relevant.
(xi)	Article 120	Directors at the date of incorporation of the Company.	Non-relevant.
(xii)	Article 138	Mr. T.W. Bhojwani as Managing Director	Non-relevant.
(xiii)	Article 139	Managing Director remuneration	Non-relevant.
(xiv)	Article 191	Dividend in proportion to paid-up capital	As per the Act.
(xv)	Article 195(1) & Article 195(2)	Mode of payment of dividends or bonus Power of the Board to distribute Dividends	Inconsistent with the existing provisions of the Act.
(xvi)	Reference to Managing Agents, Secretaries and Treasures wherever it appears stands deleted.		
(xvii)	All provisions Omitted by Companies (Amendment) Act, 2000 wherever it appears stands deleted.		

SUBSTITUTION:

In place of existing articles the following articles be substituted:

(i) Article 12A: Power to increase Subscribed Capital

Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then it shall be pursuant to the provisions of Sec. 81(1A) of the Companies Act, 1956.

(ii) Article 46: - Directors may refuse to register transfers

Subject to the provisions of Section 111 of Companies Act, 1956, Articles, the Listing Agreement and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission of the right to, any shares or interest of a Member in or Debentures of the Company. The Company shall within two months from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused to person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

(iii) Article 58: - Closure of the register of members

The Transfer books and Register of Members shall be closed pursuant to the provisions of Sec. 154 of the Companies Act, 1956 and the Listing Agreement with the Stock Exchange.

(iv) Article 66: - To make loans, give guarantees and to make investments

In respect of loans, giving guarantee, provision of security for loans given by third party to body corporate, the Company shall comply with the provisions of Sec. 372A, 292(1)(e) and in the making of investments and dealing with any money of the company, in varying or releasing such investments, the company shall comply with the provisions of Sections 49, 372A and 292(1)(d) of the Act or any statutory modifications thereof.

(v) Article 82: - Application of Section 166 to 197

In regard to the calling and conduct of general meetings of the company, it shall comply with the provisions of Sections 166 to 168 and Sections 171 to 197 of the Companies Act, 1956 or any statutory modifications thereof.

(vi) Article 105: - Casting vote by Chairman

In the case of equality of votes in both Board meeting as well as General meeting of the Company, the Chairman shall have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

(vii) Article 132(1)(a): - Vacation and termination of office of director

The vacation and termination of the office of the director shall be on the happening of any conditions provided for in Sec. 283 of the Companies Act, 1956 or any statutory modifications thereof.

(viii) Article 143(l): - To refer to Arbitration

To refer any claims or demands by or against the company or any differences to arbitration, and observe and perform the awards, except by an order of a court to the contrary.

(ix) **Article 201(1): - Inspection by members**

The Company shall cause to be kept proper books of account with respect to:

- (a) all sums of money received and expended by the company and the matters in respect of which receipts and expenditure take place;
- (b) all sales and purchases of goods by the company;
- (c) the assets and liabilities of the company; and
- (d) if so required by the Central Government, such particulars relating to utilization of material or labour or to other items of cost as may be prescribed by the Government.

Books of account shall be kept at the registered office of the company or at such other place in India as the Board of Directors may decide provided the company shall within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

(x) **Article 201(2): – Restriction on inspection by members**

The Board of Directors shall from time to time determine whether and to what extent and at what times and place and under what conditions or regulations the documents of the company or any of them shall be open to the inspection of Member, and no member (not being a Director) shall have any right of inspecting any account or book or document of the company except as conferred by statute or authorized by the Board of Directors or by a resolution of the company in general meeting

By Order of the Board
For **BRIGHT BROTHERS LIMITED**

TUSHAR NAIK
CFO & Company Secretary

Place : Mumbai
Date : 28th May, 2010

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

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND ON A POLL TO VOTE AND SUCH A PROXY OR PROXIES NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

1. The relevant 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..
2. Only bonafide members of the Company whose names appear on the Register of Members/proxy holders in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The company reserves the right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.

3. Members are requested to bring their copies of Annual Report and duly filled Attendance slip for attending the Meeting.
4. The Register of Members of the Company and Share Transfer Register will remain closed for a period of three days from July 26, 2010 to July 29, 2010 (both days inclusive). The dividend if declared at the Annual General Meeting will be paid:
 - (a) To those members whose names appear on the Company's register of members, after giving effect of all valid share transfer in physical forms lodged with Registrar and Share Transfer Agent of the Company on or before the closing of business hours on July 23, 2010.
 - (b) In respect of shares held in electronic form, to those "deemed members" whose names appear in statements of beneficial ownership furnished by National Securities Depository Limited and Central Depository Service (India) Limited as at the end of closing of business hours on July 23, 2010.
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 seeking any information with regard to 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 as to enable the Company to keep the information ready.
8. Members who have not encashed their interim dividend warrant in respect of the period 2006-07 and final dividend for the year 2008-09 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. As per the provisions of the Companies Act, 1956, facility for making nomination is now available to individuals holding shares of the Company. The Nomination Form 2B prescribed by the Government can be obtained from the Company's Registrar and Share Transfer Agent or the Secretarial Department of the Company at its Registered Office.
11. The relevant details in respect of Item No. 3 above, pursuant to Clause 49 of the Listing Agreement is annexed hereto.

ANNEXURE TO NOTICE

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

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following explanatory statement sets out all the material facts relating to the items of Special business as mentioned above.

Item Nos. 5 & 6

Sec. 314(1B) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2003 requires prior approval of the members by way of Special resolution and Central Government approval in case a relative of the Director is holding office or place of profit and re-appointed on a higher monthly salary exceeding the limit prescribed under the Rules.

Ms. Ruchika Bhojwani had been appointed as "Executive-Corporate Communication" in the year 2006 u/s. 314(1) of the Act. In the 61st AGM of the Company she was re-designated as "Manager-Hair Care" to take the overall charge of Hair Care Division. Under her leadership the Company launched the new brand "DIVO" in the Hair Care division in the year 2007-2008. The new division is making good headway in brand building exercise and has established its presence in the niche segment. The division has also established its dealership distribution network in major metros and Tier II cities. The current remuneration drawn by her is Rs. 47,500/- per month.

Taking into consideration the overall responsibilities handled by her which includes procurement, setting up of Distribution chain, Advertisement campaigns, Product designing and development, Creating brand image and awareness, the Board has decided to revise her remuneration.

Members of the Company had in the 60th AGM accorded approval to the appointment of Mr. Karan Bhojwani as "Manager- Brite Branded Products" w.e.f. 01st September, 2006 to look after the activity of "Brite" Branded Division. This Division comprises of Household Consumer Articles and Material Handling Crates and Pallets. The current remuneration drawn by him is Rs. 48,500/- per month.

The current pattern of turnover is more tilted towards consumer durable industry but as part of a risk mitigation measure and as a strategy to leverage the "Brite" brand, the management has decided to focus on Material Handling Division considering the huge untapped opportunity that exists both in Industrial and Agricultural segment. Since the brand is very well established in the market it will be easier for the Company to make further inroads into this segment.

In order to take this Division to new heights and effectively make use of unutilized capacity, Mr. Karan Bhojwani has been given addition responsibility to expand the division by introducing new models and expanding the distribution network.

In order to make their remuneration commensurate with the responsibilities being handled by them the Board of Directors at its meeting held on 28th May, 2010 has recommended increase in their salary w.e.f. 01/04/2010 in the scale of Rs.75,000-5,000-10,000-1,00,000/- with such increments from time to time as may be decided by the Board within the said time scale for a period not exceeding three years.

None of the directors except Mr. Suresh Bhojwani and Mrs. Hira T. Bhojwani are deemed to be concerned or interested in the resolution.

Item No. 7

In order to adapt to the changing business environment and align it with the latest amended provisions of the Companies Act, 1956 and Stock Exchange requirements, the Articles of Association needs to be suitably modified.

In the past the Company had carried out partial amendment to the Articles to make it comply with the legal requirements. With the passage of time, some of the articles have lost its relevance and needs to be deleted while some articles needs to be amended in the light of current amendments.

In terms of Sec. 31 of the Companies Act, 1956 any amendment to the Articles of Association of the Company requires approval of the Members by way of Special resolution.

The draft amended Articles of Association of the Company is open for inspection by the Members at the Registered Office of the Company between 3.00 p.m. to 5.00 p.m. on all working days.

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

By Order of the Board
For **BRIGHT BROTHERS LIMITED**

TUSHAR NAIK
CFO & Company Secretary

Place : Mumbai
Date : 28th May, 2010

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 Exchange)**

Name of the Director	Dr. T. S. Sethurathnam
Date of Birth	11th April, 1929
Date of Appointment	29th December, 2006
Educational Qualification	B.A., M.COM., LL.B., ACA, IA &AS (Retd.)
Experience	Past Chairman of M.P. Electricity Board, BSES Ltd., Power Finance Corporation Ltd. and Arbitrator in the Power sector.
Expertise in specific functional area	Vast experience in the area of Administration, Finance and Arbitration.
No. of Equity shares held in the Company (Both on ownership basis or held by any other person on a beneficial basis)	Nil
List of Public Companies in which outside Directorships held as on 31st March, 2010	Oil Country Tubular Limited Meenakshi Power Limited
Chairman/Member of the Committees of the Board of the Companies in which he is a Director as on 31st March, 2010	Chairman of Audit Committee, Share Transfer Committee and Remuneration Committee of Oil Country Tubular Limited
Relationship with other Directors of the Company	Nil

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their 63rd Annual Report together with Audited statement of Financial Accounts for the year ended March 31, 2010.

Financial results:

(Rs. in lakhs)

Particulars	April-2009 to March-2010 (12 months ended)	Jan-2008 to March-2009 (15 months ended)
Sales and Operating Income (Net)	9892.16	8865.87
Less: Expenses	9441.86	8823.44
Operating Profit	450.30	42.43
Add: Other Income	341.27	584.98
PROFIT BEFORE INTEREST, DEPRECIATION AND TAX	791.56	627.40
Financial Charges	272.04	325.54
Depreciation	197.98	160.61
PROFIT/(LOSS) BEFORE TAX	305.39	(25.05)
Less: Provision for tax (Including Deferred Tax)	20.00	444.80
Wealth Tax	2.23	—
PROFIT/(LOSS) AFTER TAX	283.16	(469.84)
Balance brought forward from previous year	1266.02	2175.69
Adjustments for prior period	(2.95)	—
Balance available for appropriation	1546.23	1705.84
APPROPRIATIONS:		
General Reserve	15.00	200.00
Capital Redemption Reserve	—	100.00
Proposed Final Dividend on Equity Shares	116.13	119.51
Corporate Dividend Tax	19.74	20.31
Total	150.87	439.82
Balance Carried to Balance Sheet	1395.36	1266.02

Dividend:

Your Directors recommend a dividend @ 20% (Rs. 2/- per Equity share of Rs. 10/- each) for the year 2009-10 which will absorb a sum of Rs. 135.87 lakhs, together with Corporate dividend tax subject to the approval of members in the ensuing Annual General Meeting.

Operations and Financial Results:

The period under review is for twelve months compared to the fifteen months for the last year. Due to this the figures are not comparable.

During the year the Company has achieved substantial improvement both in turnover and operating profit. The operating profit has jumped from Rs. 42.43 lakhs to Rs. 450.30 lakhs during the current year. The detailed analysis of the units are given in Management Discussion and Analysis Report.