

65th Annual Report 2011-2012

Bright Brothers Limited



New Manufacturing Facility



State of the art Plant Unit II at Puducherry inaugurated on 19th April 2012.

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

Registrar and Share Transfer Agent

M/s. Sharepro Services (India) Private Limited

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

Date : Friday, 3rd August, 2012

Time : 3.00 p.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

Mallital, Bhimtal,

Nainital-263136

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NOTICE

Notice is hereby given that the SIXTY-FIFTH ANNUAL GENERAL MEETING of the Members of BRIGHT BROTHERS LIMITED will be held at "Walchand Hirachand Hall", 4th Floor, Indian Merchant Chamber Building, IMC Marg, Churchgate, Mumbai 400 020 on Friday, the 3rd day of August 2012 at 3.00 pm to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Statement of Profit and Loss for the financial year ended 31st March, 2012 and the Balance Sheet as at that date together with the Report of the Directors' and Auditors' Report thereon.
2. To declare dividend for the financial year ended 31st March, 2012.
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 appoint M/s. Desai Saxsena & Associates, Chartered Accountants, Mumbai, (Firm Registration No 102358W) as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

The retiring Auditors M/s Dhody & Associates, Chartered Accountants (Firm Registration No. 003837C) have informed the Company that they do not wish to seek reappointment as Auditors of the Company at the ensuing Annual General Meeting.

SPECIAL BUSINESS:

5. **To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution: -**

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the said Act) as amended and subject to the approval of the Central Government and such other approvals as may be required, approval of the Company be and is hereby accorded for the re-appointment of Mr. Suresh Bhojwani as Managing Director of the Company for a further period of 3 years with effect from 1st February, 2012 up to and including 31st January, 2015, who shall not be liable to retire by rotation, upon such terms and conditions including remuneration as set out in the agreement entered into by the Company and Mr. Suresh Bhojwani and as detailed in the explanatory statement annexed hereto and forming part of this notice.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the Company will pay to the Managing Director the remuneration by way of Salary, benefits, perquisite and allowances as set out in the explanatory statement as minimum remuneration for that year.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and are hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper in the best interests of the Company."

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 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the said Act) as amended 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” for a further period of 3 years with effect from 1st April, 2013, who shall not be liable to retire by rotation, on terms and conditions as contained in an agreement to be entered into between the Company and Mrs. Hira T. Bhojwani, 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 in the explanatory statement.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profit in any financial year comprised in the period of appointment, the Company will pay to the Whole time Director, remuneration in accordance with the applicable 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 this resolution”.

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

“RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded for the payment of commission to the Directors of the Company, (other than the Whole time director and Managing Director) a sum not exceeding 1% of the net profits of the Company as determined in accordance with the provisions of Sections 198, 349, 350 and other applicable provisions if any, of the Companies Act, 1956 for a period of five years commencing from 1st January, 2013, to be distributed amongst them in a manner and to the extent as the Board of Directors may determine from time to time.

RESOLVED FURTHER THAT the aforesaid commission shall be in addition to the sitting fees etc payable to such directors.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be considered necessary, desirable or expedient for giving effect to this resolution.”

NOTES:

- (1) The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special business to be transacted at the meeting is annexed hereto.
- (2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER.

The Instrument appointing a proxy in order to be effective must be received at the Registered office of the Company not less than forty-eight hours before this Annual General meeting. Proxy shall not have the right to speak at the meeting.

Proxy submitted on behalf of limited companies, societies, partnership firms etc must be accompanied by appropriate resolution/authority as applicable.

(3) Book Closure:

The Register of Members and Share Transfer Books shall remain closed from 23rd July 2012 to 27th July 2012 (both days inclusive).

(4) Payment of Dividend:

Dividend, if declared at the Annual General Meeting, will be paid as under:

- (a) To all Beneficial Owners at the close of business hours on 20th July, 2012 as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. in respect of shares held in demat form.

- (b) To all Members in respect of shares held in physical form after giving effect to the valid share transfer lodged with the Company on or before the book closure.
 - (c) In order to avail 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.
 - (d) Members holding shares in dematerialized form are requested to update and advise change, if any, in their bank details/ ECS mandates to their respective Depository Participant immediately to enable the Company to pay the dividend accordingly.
- (5) In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
- (6) Unclaimed Dividend:
Members who wish to claim dividend, which remains unclaimed are requested to either correspond with the Corporate Secretarial Department at the Company's registered office or the Company's Registrar and Share Transfer Agent (RTA) (Sharepro Services (India) Pvt. Ltd.). Members are requested to note that dividends which remain unclaimed, as per Section 205A (5) read with Section 205C of the Companies Act, 1956, will be transferred to the Investor Education and Protection Fund (IEPF) of Government of India. No claim shall lie against the IEPF or the Company for the amount so transferred nor shall any payment be made in respect of such claim.
- (7) Members are requested to bring their copy of the Annual Report to the meeting.
- (8) Members desiring any information as regards accounts are requested to write to the Company at the registered office of the Company at least seven days in advance so as to enable the management to keep the information ready at the meeting.
- (9) Pursuant to the provisions of Section 109A of Companies Act, 1956, facility for making nomination is now available for individual members. Therefore, the Shareholders holding shares in physical form and willing to avail this facility may make an nomination in form 2B, which may be send on request. However in case of demat holding the shareholders should approach their respective depository participants for making nominations.
- (10) **The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by issuing circulars allowing paperless compliances by Company through electronic mode. Further, in line with recent circular issued by Securities and Exchange Board of India (SEBI) and consequent changes in the listing agreement, Companies can send Annual Report in electronic mode to Members who have registered their e-mail address for the purpose. Members who have not registered their e-mail address with the Company can now register the same by submitting the enclosed registration form to M/s. Sharepro Services (India) Pvt. Ltd. The Members of the Company who have registered their e-mail address are entitled to receive such communication in physical form, upon request.**

By Order of the Board of Directors

TUSHAR NAIK
CFO & Company Secretary

Place : Mumbai
Date : 24th May 2012

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

ANNEXURE TO THE NOTICE

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

Item No 5:

At the 61st Annual General Meeting of the Company held on 27th June 2008, the Members had approved the appointment and remuneration of Managing Director subject to the terms and conditions set out in the resolution passed at that meeting read with explanatory statement.

Since then the Company has made remarkable progress in spite of challenging environment, both at the micro and macro level. During the year 2011-12 the Company has started a new plant for manufacturing tooth brush handles for meeting the requirements of global FMCG Company and has also added new capacity at both the plants i.e Puducherry and Faridabad to meet the requirement of customers. Considerable progress has been made in the current year on account of branded products and considering the opportunities available in the market, the Company has put up a strategic plan for this division which includes new product launch, exploring the new segments and a drive to establish robust distribution network.

The Company is also exploring the opportunity of inorganic growth in the related segment in order to increase product portfolio and customer base. All these involve managing complexities and working out simplified structure to manage the business to sustain a profitable growth. Considering the above, it is proposed to revise the existing limit of remuneration payable to Managing Director. The enhanced limit of remuneration will however be subject of Central Government approval, if any.

The Board of Directors at their meeting held on 14th February 2012 has appointed Mr. Suresh Bhojwani as Managing Director subject to the approval of Central government and members for a further period of three years.

The terms and conditions of appointment and remuneration of Mr. Suresh Bhojwani as the Managing Director of the company shall be as under:

Period of Agreement: As may be determined by the Board but not exceeding three years.

The company shall pay the following remuneration during the continuance of this agreement:—

(a)	Basic Salary	₹ 2,50,000/- p.m. (Two Lakhs fifty Thousand only)
	Perquisites as under:	
(b)	House Rent Allowance	60% of the Basic Salary
(c)	Leave Travel Assistance	One month's Basic Salary
(d)	Medical Benefits	One month's Basic Salary
(e)	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.
(f)	Club Fees	Membership of two clubs (excluding admission and life membership fee).
(g)	Entertainment, Traveling and Other Business Expenses	Reimbursement as per the rules of the Company

(h)	Car & Telephone	The Company shall provide car with driver and telephone at the residence of Managing Director, for Company's business.
(i)	Leave encashment	As per the rules of the Company.
(j)	Provident Fund contribution	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.

Commission @ 1% of the Net Profits of the Company, calculated as per Sec. 349 and 350 of the Companies Act, 1956

For the purpose of calculation of minimum remuneration the following shall not be considered part of the remuneration: Provision of chauffeur driven car and telephone facility at his residence for official use, payment of Company's Contribution to Provident Fund, encashment of leave (at the end of the tenure).

Minimum Remuneration: Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the Managing Director, in the event of loss or inadequacy of profits, the Company will pay remuneration by way of basic salary, perquisites and allowances as specified above as minimum remuneration subject to such approvals as may be required.

The Board shall have the discretion and authority to modify the foregoing terms of remuneration within the parameters of the applicable provisions of the Act.

Considering the valuable contribution made by Mr. Suresh Bhojwani, Managing Director, to the growth of the Company over the years, the Board recommends that his re-appointment and remuneration as set forth above be approved.

The abstract of the terms of re-appointment and memorandum of interest was circulated to the members on 01/03/2012 pursuant to Section 302 of the Companies Act, 1956.

Memorandum of Interest:-

Except for Mr. Suresh Bhojwani and Mrs. Hira T. Bhojwani, being a relative of Mr. Suresh Bhojwani, no other Directors are concerned or interested in the said resolution.

Item No 6.

Mrs. Hira Bhojwani was reappointed as Wholtime Director-Commercial of the Company in terms of the resolution passed at the Annual General Meeting held on 26th June, 2009 for a period of three years with effect from 1st April, 2010. Her term expires on 31st March, 2013. The Board of Directors at its meeting held on 24th May, 2012 on the basis of the recommendation of the Remuneration committee has renewed the terms of appointment of Mrs. Hira Bhojwani, as Wholtime Director of the Company for a period of three years with effect from 1st April, 2013 and the details of remuneration are set out hereunder:

(a)	Basic Salary	₹. 50,000/- p.m. (Fifty Thousand only) with such increment(s) as may be decided from time to time
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	Perquisites as under:	
(b)	House Rent Allowance	₹ 21,000/- p.m.
(c)	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.
(d)	Medical Expenses	One month's basic or overall ceiling of three month's basic for a period of three years.
(e)	Leave Travel Expenses	Once in a year for self subject to a ceiling of one month's basic salary.
(f)	Club Fees	Membership of two clubs (excluding admission and life membership fee)
(g)	Entertainment, Traveling and Other Business Expenses	Reimbursement as per the rules of the Company
(h)	Personal Accident Insurance	Amount not exceeding ₹ 10000/- per annum
(i)	Car & Telephone	The Company shall provide car with driver and telephone at the residence of Whole time director, for Company's business.
(j)	Leave encashment	As per the rules of the Company.
(k)	Provident Fund contribution	Contribution to Provident Fund shall be as per the rules of the Company.
(l)	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.

Notwithstanding, where in any financial year during the currency of the tenure of the Wholtime Director, the Company has no profits or its profits are inadequate the Company will pay remuneration including benefit in accordance with the provisions of Schedule XIII of the Act.

She has been associated with the Company for more than three decades and handled important assignments in the areas of Administration. Apart from her considerable experience in the industry, she 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.

There is no change in terms of remuneration drawn by her in comparison with her previous appointment and the terms of appointment as stated above may be regarded as an abstract u/s 302 of the Companies Act, 1956.

The proposal as set out in the notice is placed for your consideration and approval.

Memorandum of Interest:-

Except for Mrs. Hira T. Bhojwani and Mr. Suresh Bhojwani, being a relative of Mrs. Hira T. Bhojwani, no other Directors are concerned or interested in the said resolution.

Item No 7.

Section 309(4) of the Companies Act, 1956 provides for payment of Commission to Non- Executive Directors. At present, the Non-Executive Directors are paid a sitting fee of ₹ 15000/- for each meeting of the Board, ₹ 5000/- for each meeting of the Audit Committee and ₹ 1000/- for other Committee meetings.

The members at their meeting held on 27th June 2008 have passed special resolution to remunerate the non executive directors out of the profits of the Company for each year for a period of five years commencing from 1st January 2007. The said period will expire on 31st December, 2012. Considering the substantial time and professional expertise being rendered by the Non-Executive Directors for the growth of the Company and increased responsibility on account of compliance of various legal requirements, the Board of Directors has recommended, subject to the approval of members, the payment of Commission not exceeding 1% of the net profits of the Company calculated in accordance with the provisions of the Companies Act for a further period of 5 years commencing from 1st January, 2013.

Memorandum of Interest:-

All the non executive directors are concerned or interested in the resolution to the extent of the commission payable to them from time to time.

By Order of the Board of Directors

TUSHAR NAIK
CFO & Company Secretary

Place : Mumbai
Date : 24th May, 2012

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