

66th Annual Report 2012-2013

Bright Brothers Limited

Brite



State of the art New Manufacturing Unit II at Puducherry.



Toothbrush handles manufactured for ORAL B brand.

Board of Directors**Chairman & Managing Director**

Mr. Suresh Bhojwani

Whole Time Director

Smt. Hira T. Bhojwani

Directors

Mr. Byram Jeejeebhoy

Mr. K. P. Rao

Dr. T. S. Sethurathnam

**Chief Financial Officer and
Company Secretary**

Mr. Tushar Naik

Banker

Bank of Baroda

Auditors

M/s. Desai Saksena & Associates

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 : Monday, 12th August, 2013

Time : 11.30 a.m.

Factories:

Plant I and II

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 66th 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 Monday, 12th day, of August 2013 at 11.30 a.m. to transact the following businesses:-

ORDINARY BUSINESS:

1. To consider the Statement of Profit and Loss Account for the financial year ended on 31st March, 2013 and Balance Sheet as at that date, the Report of the Board of Directors and the Report of the Auditors.
2. To declare a dividend on equity shares for the financial year ended 31st March, 2013.
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 M/s. Desai Saksena & Associates, Chartered Accountants, Mumbai, (Firm Registration 102358W) as Statutory Auditors of the Company to hold office till the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

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 in accordance with the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") read with Schedule XIII of the Act, (including any amendments, statutory modification(s), re-enactment thereof for the time being in force), and in partial modification of resolution passed at 65th Annual General Meeting, the consent of the Company be and is hereby accorded to the remuneration payable to Mr. Suresh Bhojwani w.e.f. 1st February, 2012 as per the limits set out in Schedule XIII of the Act in the event of loss or inadequacy of profit in any financial year during the tenure of office for a period of three financial years."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to make such changes in remuneration to the extent of any increase in remuneration without seeking any further consent of members in case of any modification in the limits setout in the Schedule."

"RESOLVED FURTHER THAT the Board or Committee thereof authorized to exercise its power including the power conferred by this resolution be and is hereby authorised to take all such steps as may be necessary, proper or expedient 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(1)(b) and other applicable provisions, if any, of Companies Act 1956 (including any statutory modification or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded for the re-appointment of Ms. Ruchika Bhojwani for a further period of three years to hold and continue to hold an office or place of profit under the Company as 'Chief Operating Officer – Consumer Products' w.e.f. 01-04-2013 on such terms and conditions and on such remuneration as may be decided by the Board of Directors from time to time provided that the aggregate remuneration payable to her shall not exceed ₹ 2,50,000/- p.m."

"RESOLVED FURTHER THAT the consent of the Company be and is hereby given to amend the remuneration w.e.f. 1st April, 2013."

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary and/or expedient for implementing and giving effect to the aforesaid resolution on behalf of the Company.”

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 314(1)(b) and other applicable provisions, if any, of Companies Act 1956 (including any statutory modification or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded for the re-appointment of Mr. Karan Bhojwani for a further period of three years to hold and continue to hold an office or place of profit under the Company as ‘Vice-President - Operations’ w.e.f. 01-04-2013 on such terms and conditions and on such remuneration as may be decided by the Board of Directors from time to time provided that the aggregate remuneration payable to him shall not exceed ₹ 2,50,000/- p.m.”

“RESOLVED FURTHER THAT the consent of the Company be and is hereby given to amend the remuneration w.e.f. 1st April, 2013.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary and/or expedient for implementing and giving effect to the aforesaid resolution on behalf of the Company.”

8. 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 (including any amendment thereto or re-enactment thereof) the Articles of Association of the Company (the Articles) be altered by inserting the following Article 89A after Article 89(3).”

89A: Participation in General Meeting(s) of the Members through electronic mode:

- (1) Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of and subject to compliance, with the provisions of applicable rules, regulations, circulars, guidelines, notifications, etc. as may be specified by the Ministry of Corporate Affairs (MCA), Securities and Exchange Board of India (SEBI), Stock Exchanges or any competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Companies Act, 1956 or by the rules, regulations made thereunder or the Listing Agreement with Stock Exchange, from time to time, allow the member(s) of the Company to participate in the General Meeting(s) of the members through any type of electronic mode like video conferencing etc. as may be permitted from time to time and the members so participating shall be deemed to be present in such General Meeting(s) for the purpose of the quorum, voting, recording and all other relevant provisions in this regard.
- (2) For conducting the aforesaid meetings, the Company shall follow the procedure specified under the applicable laws for the time being in the force and the rules, regulations, circulars, notifications, guidelines, etc. issued/to be issued from time to time by MCA, SEBI, Stock Exchanges or any other competent authority(ies) in this regard.

**By Order of the Board of Directors,
For Bright Brothers Ltd.**

TUSHAR NAIK

Chief Financial Officer and Company Secretary

Place : Mumbai

Date : 31st May, 2013.

NOTES:

- (1) Explanatory Statement under Section 173(2) of the Companies Act, 1956, in respect of Item No. 5 to 8 to be transacted at the meeting is annexed.

- (2) **A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXY/IES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY AND PROXY NEED NOT BE A MEMBER.**

The proxy form appointing a proxy in order to be valid should be duly stamped, completed, signed and should be lodged at the Registered Office of the Company not less than forty-eight hours before the scheduled time of the Annual General 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 will remain closed from Monday, 5th August, 2013 to Monday, 12th August, 2013 (both days inclusive).

- (4) Payment of Dividend:

Dividend recommended by Board, if declared at the Annual General Meeting, will be payable:

- (a) To all the shareholders of the Company holding shares in electronic form whose name appears in the (BENPOS) at the close of business hours on 2nd August, 2013 as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd.
 - (b) To all Members or their mandates in respect of shares held in physical mode whose name appears on the Register on 12th August, 2013.
 - (c) 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.
 - (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 remained 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 after seven years after the date of declaration, as per Section 205(A)(5) read with Section 205C of the Companies Act, 1956, will be transferred to the "Investor Education and Protection Fund" (IEPF) of the Central Government. 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 with them at the Annual General Meeting.
- (8) Members desirous of obtaining any information concerning accounts shall write to the Company Secretary at the Registered Office of the Company at least seven clear days in advance so that information required can be made available 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 forms and willing to avail this facility may make nomination in Form 2B, which may be sent 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 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,
For Bright Brothers Ltd.**

TUSHAR NAIK
Chief Financial Officer and Company Secretary

Place : Mumbai
Date : 31st May, 2013.

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 the Companies Act, 1956:

Item No 5:

The Members of the Company at the 65th Annual General Meeting held on 3rd August, 2012, had approved the remuneration payable to Managing Director.

As per Part II Section II (B) of Schedule XIII of the Companies Act, notwithstanding anything contained in this part, where in any financial year during the currency of tenure of the managerial person, a Company has no profits or its profits are inadequate, it may pay remuneration to a managerial person as specified in part B of the Section II, by passing a special resolution and giving information to the members as mentioned therein.

As the Company has incurred loss during the year, the remuneration payable shall be restricted to limit setout in Schedule XIII of the Act. The remuneration payable shall be subject to passing of Special Resoulution.

The following information has been setout as required under Schedule XIII.

I. General Information:

- (1) **Nature of Industry:** Manufacturing and Marketing of Injection Moulded Plastics Products.
- (2) **Date of Commencement of Commercial Production:** The Company is a running Company and was incorporated in the year 1946.
- (3) **Financial Performance for the past three financial years based on the given indicators:**

₹ in Cr.

Particulars	2011-12	2010-11	2009-10
Total Income	124.02	131.27	98.92
Profit before Tax	2.96	5.00	3.22
Dividend on Equity (%) ₹ 10/- paid up.	20	20	20

- (4) **Export performance and net Foreign Exchange Collaborations:** Presently, the Company does not export any of the products and there are no significant foreign exchange earnings.
- (5) **Foreign Investment or collaboration :** Nil

II. Information about Mr. Suresh Bhojwani

- (1) **Background Details:**

Age: 65 years

Qualifications: Bachelor of Science - Engineering

- (2) **Past Remuneration:**

(a)	Basic Salary	₹ 1,50,000/- p.m. (One lakh fifty thousand only)
	Perquisites as under:	
(b)	House Rent Allowance	₹ 90,000/- p.m.
(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 a 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)	PF 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 Section 349 and 350 of the Companies Act, 1956.

- (3) **Recognition and awards:** Under the leadership of Mr. Suresh Bhojwani, the Company has won Best Supplier Awards from Whirlpool of India Ltd. and Shriram Piston Ltd.
- (4) **Job Profile and Suitability:** Executive Chairman cum Managing Director of Bright Brothers Ltd. 41 years of experience in the plastic industry. He looks after the overall business and is having a very sound technical and administrative background.

In the past, he was associated with The Automotive Component Manufacturers' Association (ACMA). Currently, he is associated with The Organisation of Plastic Processors of India (OPPI), The Indian Centre for Plastics and the Environment (ICPE), The Society of Plastics Engineers (SPE) USA, The Indian Plastics Institute (IPI) and The World Presidents Organisation.

He was the promoter of Brite Automotive & Plastics Ltd. which got amalgamated with Bright Brothers Ltd. in the year 2000-2001.

It is also agreed between the parties hereto that apart from remuneration as mentioned above, Mr. Suresh Bhojwani shall be entitled to reimbursement of expenses incurred in connection with the business of the Company. However, no sitting fees will be paid to him for attending the meetings of the Board of Directors or Committees thereof.

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.

- (5) **Comparative Remuneration profile with respect to Industry, size of the Company, profile of the position and persons:** The proposed remuneration is comparable with the Industry Standards.
- (6) **Pecuniary relationship directly/indirectly with the Company or managerial personnel, if any:** Mr. Suresh Bhojwani is a promoter Director and to the extent of his shareholding in the Company he has a pecuniary relationship. Mr. Suresh Bhojwani is the son of Smt. Hira Bhojwani, a Whole Time Director.

III. Other Information:

- (1) **Reasons of Loss:** The Company has inadequate profit during the year 2012-13 due to certain adverse factors such as fluctuations in raw material prices, increased operational cost which was not compensated by customers, higher interest cost, negative growth in consumer durable industry, which has indirectly affected the profit.
- (2) **Steps taken or proposed to be taken for improvement:** The Company has initiated several actions to accelerate the growth and the results of these new initiatives would be visible in the years to come. Some of these initiatives are:
 - Implementation of Total Productivity Maintenance (TPM) for improvement of operational efficiency.
 - Increased focus on Material Handling Products.
 - Driving the growth of the existing products and diversification in other product line to reduce the dependence on single customers.
 - Launching new products and line extensions: New products have been introduced in Material Handling Segment and new manufacturing plant has been set up at Puducherry for mass manufacturing product line in FMCG segments.
 - Strong Expense Management.
 - Prioritizing the Investments.
- (3) **Expected increase in productivity and profits in measurable terms:** The Management is cautiously optimistic about 2013-14 and is taking steps to improve its profitability and operational performance during the year.

Memorandum of Interest:-

Mr. Suresh Bhojwani and Smt. Hira T. Bhojwani are concerned or interested in the said resolution.

Item No. 6 and 7

Section 314(1) (b) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2003 requires approval of the members by way of Special Resolution in case a relative of the Director is holding office or place of profit carrying a 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 63rd 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.

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, her designation was changed as Chief Operating Officer – Hair Care Division w.e.f. 1st April, 2011.

In order to make her remuneration commensurate with the responsibilities being handled by her, the Board of Directors at its meeting held on 31st May, 2013 has recommended increase in her salary w.e.f. 1st April, 2013 up to ₹ 2,50,000/- p.m. with such increments from time to time as may be permissible within the limit fixed under the Act.

Members of the Company had in the 63rd AGM accorded approval to the appointment of Mr. Karan Bhojwani as "Manager-Brite Branded Products" w.e.f. 1st September, 2006 to look after the activity of "Brite" Branded Division. This Division comprises of Household Consumer Articles and Material Handling Crates and Pallets.