

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 set out 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.

In order to take this Division to new heights and to look after the overall operation of all the manufacturing units Mr. Karan Bhojwani has been given additional responsibility to expand the business. Considering the additional responsibility and progress achieved under his leadership the Board has re-designated him as Vice President – Operations w.e.f. 1st April, 2011. In the year 2012-13, under his leadership the Company started a new unit at Puducherry for manufacturing tooth brush handles to supply for a multinational brand.

In order to make his remuneration commensurate with the responsibilities being handled by him, the Board of Directors at its meeting held on 31st May, 2013 has recommended increase in his 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.

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

Item No. 8

In view of the Circular No. 27/2011 dated May 20, 2011 issued by the Ministry of Corporate Affairs regarding participation by shareholders in general meetings through electronic mode, it is recommended to insert the said provision of attending the general meetings through video conferencing with a view to widen the participation by a large number of shareholders even from remote areas.

To enable the same, a new provision in that regard to be inserted by altering existing Articles of Association of the Company.

Board of your Company recommends the said amendment.

No director is concerned or interested in the said resolution.

**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.

PROFILE OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING.

(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Name of the Director	Dr. T. S. Sethuratnam
Date of Birth	11th April, 1929
Qualifications	B.A., M.COM., LL.B., ACA, IA & AS (Retd.)
Expertise	Past Chairman of M.P. Electricity Board, BSES Ltd., Power Finance Corporation Ltd. and Arbitrator in the Power Sector.
Directorship held in other Public Ltd. companies as on 31st March, 2013	Oil Country Tubular Ltd.
Membership/Chairperson of Committee in other Companies as on 31st March, 2013	Chairperson of Audit Committee and Remuneration Committee of Oil Country Tubular Ltd.
Shareholding in the Company	Nil

DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present the 66th Annual Report with the audited accounts for the year ended 31st March, 2013.

The Year in Reprospect:

The year under review was a challenging year; the Indian economy continued to face serious domestic as well as external challenges. The decline in the growth rate of Gross Domestic Product (GDP), as also in industrial activity and investments, continued. Apart from overall growth slippage, inflation remained a major concern leading to higher input cost, putting pressure on margins. The Fiscal Deficit is likely to be lower due to reduction in the oil subsidy and reduction in Government Expenditure. However, the Current Account Deficit is likely to be 5.2% of the GDP, which is a major threat to the economy. The major factors which have led to the above situation includes policy and executional bottlenecks, rise in oil, coal and gold imports, deceleration of export and profit repatriation surge by MNC's.

Indian industry has been in turmoil over the past few years. Bureaucratic hurdles to industrial projects such as delays in grant of approval, a down beat business environment due to slow policy reforms, and a restrictive monetary policy have contributed to a collapse in investment dragging down economic growth to its lowest level in a decade.

Factors like higher interest rates, reduction in rural spending by Government, high inflation and lower discretionary spending have resulted in negative growth in the Consumer Durable Industry. For the Indian economy, bringing down inflation without hurting growth remains a major challenge.

Outlook for the Current Year:

With Government pursuing fiscal consolidation, non food inflation pressures are finally moderating. With the expected reduction in interest rates by RBI, it is expected that growth will bounce back and the economy will achieve the growth rate of 6% in the year 2013-14.

Financial Performance:

A snapshot of your Company's financial performance for the year ended 31st March, 2013 vis-à-vis performance for the previous year ended 31st March, 2012 is as under:

(₹ in Lakhs)

Particulars	Year Ended March-2013	Year Ended March-2012
Net sales and operating income	14712.59	12044.03
Less: Expenses	14160.27	11466.37
Earning before depreciation and finance costs	552.32	577.66
Other non-operational Income	334.27	358.23
Finance costs	471.46	312.60
Depreciation and amortization expenses	448.42	326.84
Profit/(loss) before tax	(33.29)	296.45
Tax expenses	(43.58)	67.34
Profit/(loss) after tax	(76.87)	229.11
Profit brought forward from previous years	1478.92	1401.84
Profit available for appropriation	1402.05	1630.95
APPROPRIATIONS :		
General reserve	-	20.00
Proposed dividend	113.60	113.60
Corporate tax on dividend	18.43	18.43
Balance carried forward	1270.02	1478.92

Dividend:

The Board of Directors have recommended a dividend of ₹ 2/- per Equity Share for the year ended 31st March, 2013 on 56,80,235 Equity Shares of ₹ 10/- each subject to the approval of the members at the ensuing Annual General Meeting even in the absence of profit for the year, from and out of the balance available in Profit & Loss account for appropriation both as an investor friendly measure and to reflect a measure of confidence in the future. The said Dividend, if approved by the Members, would involve a cash flow of ₹ 132.03 lakhs including tax on dividend. (PY ₹ 132.03 lakhs).

Operational and Financial Highlights:

The operational and financial working of the Company and units are discussed in detail in the Management Discussion and Analysis forming part of this report.

Fixed Deposit:

The Company has no unpaid/unclaimed deposits on 31st March, 2013. The amount of fixed deposits held by the Company as on 31st March, 2013 was ₹ 291.30 lakhs of which ₹ 154.90 lakhs are from Directors.

Directorate:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Dr. T. S. Sethurathnam, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The brief resume of the Director and other connected information have been detailed in the notice convening this Annual General Meeting. The Board recommends his appointment as a Director of the Company.

Corporate Governance:

A separate report on Corporate Governance is set out in Annexure II.

Insurance:

All the assets of the Company are fully insured against major risks.

Directors' Responsibility Statement:

The Directors, based on the representation received from the operating management and in accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, hereby confirm that:

- (a) in the preparation of the annual accounts for the year ended 31st March, 2013, the applicable Accounting Standards have been followed and that there are no material departures from the same.
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at 31st March, 2013 and of the loss of the Company for year ended on that date.
- (c) 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.
- (d) the Directors have prepared the annual accounts of the Company on a "going concern basis".

Auditors:

M/s. Desai Saksena and Associates , Chartered Accountants, hold office until the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from the Auditors to the effect that their re-appointment, if made, would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956 and is not disqualified for re-appointment within the meaning of Section 226 of the said Act.

The Board recommends their re-appointment.

Cost Audit:

The Ministry of Corporate Affairs, Cost Audit Branch, Government of India has issued an Order on 24th January, 2012. In terms of this order, Companies whose shares are listed on the Stock Exchange or whose turnover is more than ₹ 100 crs in the immediately preceding financial year and engaged in specific industries are required to have the cost accounting records audited by a Cost Accountant or a firm of Cost Accountants effective 1st April, 2012.

Accordingly, the Board at their meeting held on 31st May, 2013 had on the recommendation of Audit Committee appointed M/s. S. R. Singh & Company, Mumbai as Cost Auditors. They will audit the cost records for the year 2013-14.

Particulars of Employees:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the name and other particulars of the employees are set out in the annexure to the Directors' Report. Having regard to the provision of Sections 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company and other entitled thereto. Any member interested in obtaining a copy of the statement may write to the Company Secretary at Registered Office of the Company.

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.

Acknowledgements:

Your Directors would like to express their appreciation of the contribution made by the employees at all levels and for their dedication and commitment to the Company. The Directors also acknowledge and are grateful to its customers, members, suppliers, bankers, business partners and Central and State Governments for their valuable support and co-operation. The Directors specially thank the shareholders for the confidence reposed by them in the Company.

**On behalf of the Board of Directors,
For Bright Brothers Ltd.**

SURESH BHOJWANI
Chairman & Managing Director

Place : Mumbai

Date : 31st May, 2013

ANNEXURE TO THE REPORT OF THE DIRECTORS'

Annexure I

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2013.

A. Conservation of Energy:

Continuous monitoring and awareness amongst employees has helped avoid wastage of energy. Various investments in reducing the consumption of energy has helped the Company to reduce the overall power consumption.

Continuous study and analysis for energy conservation, installation of energy efficient equipments has resulted into lower units of power consumption per kg production of finished products.

Energy Conservation measures taken:

- Installation of Variable Frequency Drives (VFD) to reduce the power consumption of old machines.
- Energy efficient pump for cooling tower.
- Installation of servo drive in injection molding machines to reduce power consumption.
- Installation of new machinery servo drive..

B. Technology Absorption, Adaptation and Innovation

N. A.

On behalf of the Board of Directors,
For Bright Brothers Ltd.

SURESH BHOJWANI
Chairman & Managing Director

Place : Mumbai
Date : 31st May, 2013

Annexure-I

MANAGEMENT DISCUSSION AND ANALYSIS

Economic and Business Overview:

Growth in global economic output remained patchy and uneven during 2012. The Advanced Economies remained in a declining growth trajectory recording only 1.2% growth in 2012 as against 1.6% in 2011. Among advanced economies during Q1 of 2013, growth in US and Japan improved while that in the euro area contracted. The Emerging Market and Developing Economies, as a group, saw a marked decline in growth rates from 6.4% in 2011 to 5.1% in 2012 with the major constituents countries viz China, Brazil, Russia and India all recording significant deceleration due to sluggish external demand and stalled domestic investment dragging down economic activity.

India's 'twin deficit' challenge also came under the spotlight during the year. The Current Account Deficit widened to an all-time high at 5.4% of GDP during the first 9 months of 2012-13 Vs. 4.1% during the same period last year, mainly contributed by high oil prices, increase in gold import and subdued merchandise exports coupled with a marginal decline in net services exports. On the other hand, the Fiscal Deficit, which seemed like heading towards 6% of GDP in the middle of the year, was reined in by the Government to 5.2% of GDP (Budget 2013 Estimates) through aggressive compression in expenditure.

For the last couple of years, the Indian economy continued to remain under pressure. The slowdown in the pace of growth was mainly attributable to slowdown in the growth of manufacturing which recorded a dismal 1.9% growth during the year. The growth in Agriculture has slowed down during the year partly due to sub normal rainfall. Service sector growth has also decelerated to 6.6% due to weak demand in the advanced economies. Overall, the economy will end the year with below 5% growth during the year 2012-13.

For India, weak external demand conditions have been exacerbated by the internal factors that included persistently high and sticky inflation level in the economy which lead to the RBI adopting a tight monetary policy with a tilt towards controlling inflation rather than growth. Other factors included a marked slowdown in capital formation under the backdrop of a sluggish global economy, delay in the reform agenda and inability of Parliament to implement political reforms. The RBI has also refrained from reducing the interest rates due to its own economic logic. All these have caused a slowing of growth for the last year, which has been the lowest rate of growth @ 5% during the last decade.

In the Consumer Durable Industry, where your Company's presence is prominent, the demand scenario remains volatile due to weak demand both from rural and urban segment. The inflationary conditions prevailing in the economy has reduced the discretionary spending along with cut throat competition. The major concern was the spiralling increase in the cost of production especially in areas like power and labour cost which was not compensated by customers. The Company was able to partly recover its margins by implementation of productivity improvement programme and cost cutting.

On the positive side as per the projection of the IMF, the world economy will grow at 3% in 2013, which is a transitory phase and will achieve pre-crisis trend rate of growth. Inflation has been easing in the Advanced Economies due to weak demand conditions. Inflation remains elevated in the BRICS countries except China. Globally, the Commodity prices of manufactured items other than the price of crude oil have generally softened in recent months.

Industry Structure and Development

The growth of Plastic Industry is dependent upon the growth of the economy. As your Company is dependent upon Consumer Durable Industry, the growth is directly dependent upon the growth of Consumer Durable Industry especially product group comprising of Refrigerators and Washing Machine. The positive trend in the first quarter of the financial year 2012-13 taper off during the rest of the period and from the third quarter, the Durable Industry was in the grip of a severe recessionary trend which has affected the growth of your Company. Factors such as high inflation,

high input cost, low disposable income and high finance cost has affected the growth of Consumer Durables which in turn has affected the result of your Company.

The below mentioned table gives the present composition of business.

Category	Percentage Share in Total Turnover
CONSUMER DURABLE COMPONENTS	89.00%
BRITE BRANDED PRODUCTS	11.00%

OVERALL FINANCIAL PERFORMANCE:

Financial performance of the Company has been summarised in the table below followed by explanatory remarks for significant changes in 2012-13 compared to previous year.

(₹ in lakhs)

	2012-13	2011-12	Change*	% Change	Remarks
Tonnage processed (in tons)	9040	7911		14	
Total operational income (net)	14712.59	12044.03	2668.56	22	1
Changes in finished goods inventory	64.92	(31.56)			
Consumption of material	10680.46	8621.78			
Purchase of traded goods	103.38	107.95			
Employee cost	1038.48	907.84	(130.64)	(14)	2
Operating and other expenses	2273.03	1860.36	(412.67)	(22)	
Earning before depreciation and finance cost	552.32	577.66	25.34	4	3
Other non-operational income	334.27	358.23			
Depreciation and amortisation expenses	448.42	326.84	(121.58)	(37)	4
Finance costs	471.46	312.60	(158.86)		
Profit/(loss) before tax	(33.29)	296.45			
Tax expenses	43.58	67.34			
Profit/(loss) after tax	(76.87)	229.11			
Earning per share ₹	(1.35)	4.03			
Reserves & surplus	5312.79	5521.69			
Current liabilities	2099.88	2369.00	(269.12)	11	5
Net fixed assets (Incl. CWIP)	3876.52	3600.51			
Current assets	3040.32	4535.42	(1495.10)	(34)	6

- The tonnage processed during the year has increased partly due to commencement of new units and partly on account of increase in tonnage at our Faridabad unit which caters to the requirement of Refrigerator business of Whirlpool of India Ltd. The tonnage has increased by 14%.
- In value terms due to higher raw material cost, the production value has increased by 22%.
- Employee cost has increased due to hike in minimum wage and settlement of wage with Trade Union at Puducherry unit. It is partly due to commencement of new units.
- The gross contribution has reduced during the year on account of change in product mix and profile of the customers.

- The increase in the cost of production on account of power, contract labour and other operational cost was partly absorbed through efficiency improvement programme.
- During the year due to efficient management of working capital the Company has reduced its working capital requirements.
- The funding of the new project has been partly financed through Bank term loan.
- During the year, due to judicious reshuffling of portfolio, the other income remains on higher side.
- Finance cost is higher due to prevailing high discounting rate.

		2012-13	2011-12
Net cash flow from/(used in) operating activities	(A)	792.36	251.26
Net cash flow from/(used in) investing activities	(B)	325.88	343.35
Net cash from/(used in) financing activities	(C)	(401.27)	(493.16)

Puducherry Unit I:

The product mix comprises of 15% of MHD and 85% of Whirpool of India Limited (WOIL) business.

During the year under review, though the turnover remained the same due to higher raw material prices there was a drop in the volume by 543 tons. This was due to higher price of raw material prevalent during the year. The unit has shown increased contribution at gross level, but due to rise in operating cost, it has impacted its margin during the year. The main area where cost has gone up substantially comprises of power cost, labour and personnel cost.

Due to lower capacity utilization, the higher depreciation has resulted in lower net profit.

Puducherry Unit II:

The plant was inaugurated in the month of April - 2012 but the operation got streamlined in the month of September -12 with a good order flow from the customer which has made the unit self-sufficient for servicing its bank debt.

The Management expects the operation to improve in the current year with a steady flow of orders from the customers. The Management expects operating margin to improve due to improvement in operational efficiency.

Faridabad Unit:

During the year, our top line has gone up by 40%. The tonnage processed has increased by 928 tons which reflects a 28% increase. In spite of increase in turnover our operational performance has suffered badly due to change in product mix which has resulted in reduction in contribution at gross level. In addition to this, due to power shortage in Northern states, our dependency on generated power has gone up substantially which has increased our power cost. The implementation of Minimum Wages which is substantially higher than the previous year, has resulted in higher cost in respect of contract labour and personnel cost.

At net profit level, there was a reduction in the profit due to higher finance cost and depreciation.

Bhimtal Unit:

During the year under review, in spite of increase in top line due to change in product mix, the margin has reduced. Due to competitive scenario, the Company had to offer discount on the existing price to the customers which is reflected in reduction in contribution at gross level. It was only because of higher volume and control on operational expenditure, that the unit was able to show reasonable performance.

Consumer Division:

The Division continue to carry the fixed cost of past operations which has resulted in higher operational cost. Part of the fixed costs will be discontinued in the current year.

Hair Care Division:

In respect of this division, there was substantial improvement in top line, but the operational cost is higher which has resulted in loss during the year. The Division is working on getting bulk orders from organized retail and corporate which will help in reducing the loss.

Growth Driver:

Taking into consideration the estimates made by RBI and other credit rating agencies, the economy is projected to grow by 5% in the current year. But considering the volatility in demand and time lag between the reforms and results from the same, the Management is taking a cautious view and not projecting any turnover increase.

During the current year, the main growth focus will be to widen the product portfolio particularly in Plastic Crates Division and customer base.

With the availability of trained man power and infrastructure facility at Faridabad Unit, the Management has identified an area of opportunity in Mould Development segment to boost the turnover and profitability.

OPPORTUNITIES:

- Considering the demographic size there exist enough potential to tap the unexplored market particularly in Consumer Durable Segment.
- Changing life style, rise in disposable income and a young demography in our country offers immense growth.
- Considering the rising cost particularly in China and recent devaluation of rupee, MNC are considering the shifting of base and to make India as a base for export market.
- Wider application of products and mass requirement of crates in variety of application, MHD offers enormous potential for growth.
- With the stability in the price of raw materials, the Management is considering the opportunity to fill the in house capacity with consumer products.

THREAT:

- In order to save their market shares by the Original Equipment Manufacturers (OEM's), there has been a continuous pressure from their side to reduce the margin which has resulted in non-compensation of statutory increase in respect of certain utilities especially labour and power cost.
- Recent devaluation in rupee will lead to price increase in input cost which will increase the price of finished product, which may affect the demand of products.
- Sticky inflation and devaluation of rupee will further add pressure on margin.
- RBI Monetary policy which tint towards controlling inflation has resulted in much awaited delay in reduction of interest rate.
- Due to inflation, it will lead to increase in cost of production which will add pressure on margin unless it accompanied with volume increase.
- With other emerging economies becoming competitive, due to devaluation of their currencies there is a threat of shifting of production base to those countries.
- Delay in implementation of GST is hurting the growth of the economy. Continuation of multiple taxation is hurting the demand due to higher price of the finished goods.
- Due to currency war by emerging economies, Country may be forced to further devalue rupee in order to become competitive which will add pressure on import cost and will lead to higher inflation.

OUTLOOK

Considering the present economic condition and present macro economic scenario, the outlook remains very cautious on account of uncertainty. For an emerging economy, the main threat remains on account of rising current account deficit and the way to fund the same. With the sign of improvement in US economy and statement by Fed, there are chances of flight of capital from Emerging economies to US, which will lead to liquidity crisis.

With the competition heating up with the entry of new players especially multinationals, the focus will be to fully exploit the area of material handling crates so that capacity get utilised.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal thereof. All transactions are authorized, recorded and reported correctly. The internal controls and systems are checked by Internal Auditors. The observation made by them, Management action and time frame are reviewed by the Audit Committee of the Board of Directors. Concerns, if any are reported to the Board.

Cautionary Statement

Statement in the Management Discussion and Analysis Report describe the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic operations markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Annexure-II
REPORT ON CORPORATE GOVERNANCE
(Clause 49 of the Listing Agreement)

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

Transparency and accountability are the basic tenets of Corporate Governance. Bright is proud to belong to a group whose founder lived his life with ethical values and built the business enterprise on a foundation of good governance. The Company firmly believes that Management must have executive freedom and this freedom must be exercised within the framework of accountability to meet stakeholder's aspirations and society expectations. The Company has always upheld the core values of integrity, responsibility, empowerment and accountability. The Company is committed to conducting business in the right way which means taking decisions and acting in a way that is ethical and compliant with the legal requirements. The Company would constantly endeavor to improve on these aspects.

2. Board of Directors:

1.1 Composition and category of directors:

The Board of Directors provides leadership, guidance to the Company's Management and directs, supervises and controls performance of the Company. The Composition of the Board of Directors is in conformity with Clause 49 of the Listing Agreement with Stock Exchange. There are three Non-Executive Independent Directors and two Executive Directors. Chairman is a Managing Director and a member of the Promoter Group. The details of the Directors seeking re-appointment have been attached alongwith the notice of the Annual General Meeting.

1.2 During the year 2012-13, the Board met four times on 24-05-2012, 03-08-2012, 10-11-2012, and 08-02-2013 and the gap between two meetings did not exceed four months. The Agenda for the Board Meeting containing relevant information and supporting data as may be required, are circulated at least seven days in advance to take informed decisions.

When deemed expedient, the Board also approves by Circular Resolution in respect of important urgent items of business as permitted under the Companies Act, 1956, which cannot be deferred till the next Board Meeting.

1.3 Attendance and other directorship:

Names and categories of Directors on the Board, their attendance at the Board Meetings held during the year and at the last Annual General Meeting held on 3rd August, 2012, and the number of other directorship and Chairmanship/Membership of committee in other Companies as on 31st March, 2013 are given below:

Name of the Director	No. of Meetings held & attended during the year	Category of Directorship	Attendance at last AGM	No. of Directorship(s) in other public companies	No. of Committee positions held in other public companies	
					Chairman	Member
	Attended			Member	Chairman	Member
Mr. Suresh Bhojwani (Chairman & Managing Director)	4	Promoter Executive	Yes	Nil	Nil	Nil
Smt. Hira T. Bhojwani (Whole-time Director)	4	Promoter Executive	Yes	Nil	Nil	Nil
Mr. K. P. Rao	4	Non Executive & Independent	Yes	Nil	Nil	Nil
Dr. T. S. Sethurathnam	4	Non Executive & Independent	Yes	1	2	2
Mr. Byram Jeejeebhoy	2	Non Executive & Independent	No	Nil	Nil	Nil

1.4 Board's functioning and Procedure:

The Board of Directors being an apex body constituted by the Shareholders, play an important role in ensuring good governance and functioning of the Company. The detailed Agenda and background Notes/papers are sent to each Director in advance of Board and Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director apprises the Board at every Meeting of the overall performance of the Company, followed by presentations by the Chief Financial Officer. The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussions.

The Board reviews the declarations made by the Company Secretary of the Company regarding compliances of all applicable laws on quarterly basis.

3. Committees of the Board of Directors

The Board has constituted the following Committees of Directors to deal with matters and to monitor the activities falling within the terms of reference as follows:

(i) Audit Committee:

The Audit Committee comprises of three directors, Mr. K. P. Rao, Dr. T. S. Sethurathnam and Mr. Suresh Bhojwani as its members. Mr. K. P. Rao, Chartered Accountant, Independent Director is the Chairman of the Committee. The composition of the Committee is in accordance with the requirements of Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956. The Company Secretary acts as the Secretary to the Committee.

During the financial year 2012-13, four Audit Committee meetings were held on 24-05-2012, 03-08-2012, 10-11-2012, and 08-02-2013.

All the Members of the Audit Committee attended all the four meetings. The Chairman of the Committee Mr. K. P. Rao was present at the Annual General Meeting of the Company held on 03-08-2012.

• Terms of Reference:

The Terms of Reference of the Audit Committee have been reviewed from time to time and is in accordance with Section 292A of the Companies Act, 1956, which briefly are as follows:

- (a) Oversight of the Company's financial reporting process and the disclosure of its financial information.
- (b) Reviewing with the Management, quarterly and annual financial statements before submission to the Board for approval, with particular reference to the matter specified in the Listing Agreement:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by Management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.

- (c) To consider the appointment or re-appointment of the statutory auditors, the audit fee, any questions of resignation or dismissal and payment to statutory auditors for any other services rendered by them;
- (d) Reviewing, with statutory and internal auditors adequacy of internal control systems.
- (e) Reviewing findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (f) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (g) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (h) In addition, review of such other functions as envisaged under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchange.

(ii) **Remuneration Committee:**

The Board has constituted the Remuneration Committee, which has been mandated to recommend to the Board, salary (including annual increments), perquisites and commission to be paid to the Company's Executive Directors and other senior personnel.

Mr. K. P. Rao acts as the Chairman of the Committee with Mr. Byram Jeejeebhoy and Dr. T. S. Sethurathnam being the other members. All three members of the Committee are Non-Executive Independent Directors.

- Remuneration of Managerial Personnel:

Details of remuneration paid/payable to Managing Director and Whole-time Director for the financial year ended 31st March, 2013 are as follows:

(₹ in lakhs)

Particulars	Managing Director	Wholetime Director
Salary	25.20	8.52
Perquisites & Allowances	2.46	0.72
Contribution to PF	2.16	0.72
Commission	—	—
Total	29.82	9.96

The Remuneration Committee decides on the commission payable to the Managing Directors.

The additional information in respect of Executive Directors is as under:

	Mr. Suresh Bhojwani	Smt. Hira T. Bhojwani
Service contract	Three years	Three years
Notice period	Six months	Six months
Severance fees	Not applicable	Not applicable

- Independent and Non-Executive Directors are paid sitting fees of ₹ 15,000/- per Board Meeting, ₹ 5,000/- per Audit Committee Meeting and ₹ 1,000/- for every other Committee Meeting. No sitting fees is payable to Executive Directors.
- In addition to this, Non-Executive Directors are paid commission collectively up to 1% of the net profits computed in the manner provided in Section 309(5) of the Companies Act, 1956. The amount of Commission payable is determined after assigning weightage to the attendance at the Board Meeting and contribution made at the Board Meeting.
- Presently, the Company has no stock option scheme.

Details of Sitting fees and Commission paid to Independent and Non-Executive Directors for attending Board/Committee Meetings for the period 01/04/2012 to 31/03/2013 are as follows:

(₹)

Sr. No.	Name of the Non-Executive Director	Board Meetings	Committee Meetings
1.	Mr. K. P. Rao	60,000.00	29,000
2.	Dr. T. S. Sethurathnam	60,000.00	20,000
3.	Mr. Byram Jeejeebhoy	30,000.00	—

- Mr. Byram Jeejeebhoy – Non-Executive Director of the Company holds 12,500 Equity Shares of the Company. None of the other Non-Executive Directors hold any shares of the Company.

(iii) **Share Transfer and Investors' Grievance Committee:**

The Board has constituted Share Transfer and Investors' Grievance Committee for redressal of Shareholders complaints like transfer/transmission of shares, duplicate issue of share certificates, non-receipt of annual report, dividends, notices etc.

The Composition of Committee is as follows:

Name of the Director	Designation	Category
Mr. K. P. Rao	Chairman	Independent, Non-Executive
Mr. Suresh Bhojwani	Member	Non-Independent, Executive
Smt. Hira T. Bhojwani	Member	Non-Independent, Executive

The Company Secretary acts as the Secretary to the Committee.

Name, designation and address of the Compliance Officer:

Mr. Tushar Naik 610/611 Nirman Kendra,
Famous Studio Lane,
Dr. E. Moses Road,
Mahalaxmi, Mumbai 400 011
e-mail id : invcom@brightbrothers.co.in

There were no complaints received during the year 2012-13.

4. General Body Meetings:

Particulars of last three AGMs.

AGM	Year	Location of the Meeting	Date	Time	Special Resolution
65 th AGM	2011-12	Walchand Hirachand Hall IMC, 4th floor, IMC Marg, Churchgate, Mumbai 400 020	03/08/2012	3.00 p.m.	Payment of commission to directors (other than whole time and Managing Director)
64 th AGM	2010-2011	Walchand Hirachand Hall IMC, 4th floor, IMC Marg, Churchgate, Mumbai 400 020	04/08/2011	3.00 p.m.	Nil
63 rd AGM	2009-2010	Walchand Hirachand Hall IMC, 4th floor, IMC Marg, Churchgate, Mumbai 400 020	29/07/2010	11.30 a.m.	<ol style="list-style-type: none"> 1. For re-appointment of Ms. Ruchika Bhojwani as "Manager Hair Care Division." 2. For re-appointment of Mr. Karan Bhojwani as "Manager Brite Branded Products" 3. For Alteration of Articles of Association.

No resolution was passed by Postal Ballot during the Financial Year.

Extra-Ordinary General Meeting:

No Extra-Ordinary General Meeting was held during the year 2012-13.

5. Disclosures:

Compliance with Mandatory Requirements

- **Related Party Transaction:**

Details of related party transactions entered into by the Company are included in the notes accompanying to the Financial Statements.

All the transactions covered under the related party transaction are fair, transparent and at arms length. No significant material transactions have been made with the directors, their relatives or management which is in conflict with the interest of the Company.

- **Risk Management:**

The Company has laid down the procedures for informing the Board about risk assessment and minimization. The risk minimization procedures have been reviewed periodically to ensure that risks are controlled through properly defined management process.

- **Disclosure of Accounting Standards:**

The Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India and Company (Accounting Standards) Rules, 2006.

Others

- The Company does not have any subsidiaries.
- The Company has complied with the requirements of Listing Agreement/Regulations/Guidelines/Rules of the Stock Exchanges/SEBI and other Statutory Authorities. Consequently, there have been no strictures/penalties imposed on the Company during the last three years.

6. Compliance with Non-Mandatory requirements:

Adoption of non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time and implemented as per the need of the Company.

7. Means of Communication:

- The quarterly, half yearly and annual results are generally published in “The Free Press Journal” (English) and “Nav-Shakti” (Marathi) in Mumbai edition. The results are also submitted on a timely basis in such a form to the Stock Exchange where the Equity Shares of the Company are listed so as to enable it to put it on its website.
- A Management Discussion and Analysis Report is being presented as a part of the Annual Report.

8. General Shareholders Information:

Annual General Meeting		
• Date and Time	:	12th August, 2013 at 11.30 a.m.
• Venue	:	Walchand Hirachand Hall, 4th Floor IMC Bldg., IMC Marg, Churchgate, Mumbai- 400 020
• Dividend Payment date	:	5th September, 2013
Date of Book Closure	:	5th August, 2013 to 12th August, 2013.
Financial Calendar for 2013-14		
Reporting for June 2013 quarter	:	On or before 15th August, 2013
Reporting for September 2013 quarter	:	On or before 15th November, 2013
Reporting for December 2013 quarter	:	On or before 15th February, 2014
Reporting for quarter & year ended March 2014	:	On or before 31st May, 2014

Listing :

The equity shares of the Company are listed on BSE Limited.

The Company has paid the Annual Listing Fee for the year 2013-14.

• Stock Code	:	526731
• ISIN No. for NSDL and CDSL	:	INE630D01010
• Scrip ID	:	BRIGHTBR
• CIN No.	:	L25209MH1946PLC005056

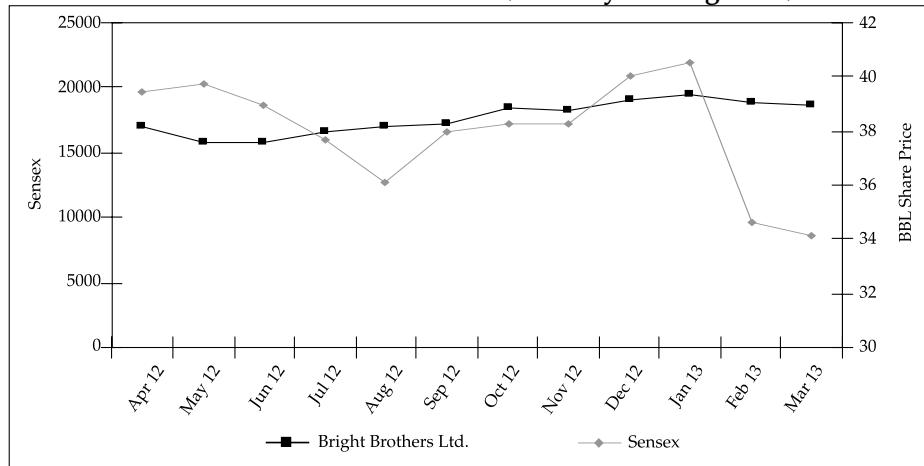
- Stock Market Data (BSE):**

Monthly high and low quotations of shares and volume of Equity Shares traded on BSE Limited are follows:

Month	High (in ₹)	Low (in ₹)	Closing (in ₹)	Volume (in Nos.)	Sensex (Closing)
April 2012	44.20	39.45	39.45	34172	17010.16
May 2012	40.50	35.20	39.75	20070	15809.71
June 2012	40.45	36.00	39.00	6079	15748.98
July 2012	43.75	37.65	37.65	12429	16598.48
August 2012	39.90	36.05	36.05	7544	17026.97
September 2012	38.40	36.00	38.00	6121	17250.80
October 2012	41.00	37.00	38.30	5235	18393.42
November 2012	42.00	37.05	38.25	6358	18255.69
December 2012	42.00	38.10	40.00	9802	19149.03
January 2013	41.45	38.00	40.50	13278	19508.93
February 2013	42.00	34.60	34.60	25921	18793.97
March 2013	39.85	33.60	34.15	9312	18568.43

Share Performance of the Company in Comparison to BSE Sensex

BSE Sensex Vs BBL Share Price (Monthly Closing Price)



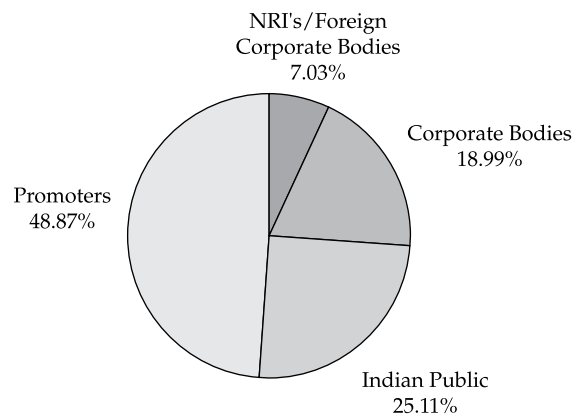
Pattern of Shareholding as on 31st March, 2013:

Category	No. of Shares	%
** Promoters	27,75,861	48.87
Non Promoters	29,04,374	51.13
a. NRIs/Foreign Nationals/Foreign Corporate Bodies	3,98,994	7.02
b. Mutual Funds/Banks/Financial Institutions	350	0.01
c. Private Corporate Bodies	9,86,534	17.37
d. General Public	15,18,496	26.73
Grand Total	56,80,235	100.00

Note: None of the Promoters have pledged their shares as on 31st March, 2013.

**Promoter holdings comprised in "Promoter and Promoter Group" as defined in Clause 40A of the Listing Agreement are as follows:

Sr. No.	Name of the shareholder	No. of Shares
1	M/s. T. W. Bhojwani Leasing Pvt. Ltd.	7,85,653
2	Mr. Suresh Bhojwani	12,83,418
3	Smt. Hira T. Bhojwani	3,70,310
4	T. W. Bhojwani – HUF	2,40,430
5	Mrs. Devika S. Bhojwani	41,050
6	S. T. Bhojwani – HUF	20,000
7	Ms. Ruchika S. Bhojwani	17,500
8	Mr. Karan S. Bhojwani	17,500
		27,75,861



Distribution of Shareholding as on 31st March, 2013:

Range of Shares held	No. of Folios	No. of Shares held	% Total Shares
1 to 500	4067	4,83,558	8.51
501-1000	129	1,04,214	1.83
1001-2000	64	95,567	1.68
2001-3000	20	53,105	0.94
3001-4000	10	35,906	0.63
4001-5000	14	68,141	1.20
5001-10000	16	1,19,446	2.10
10001 and above	55	47,20,298	83.10
Grand Total	4,375	56,80,235	100.00

Share Transfer System:

The Company has appointed M/s. Sharepro Services (India) Private Limited as its Registrar and Share Transfer Agents to process all the matters related to transfers in physical form. The share transfers are processed within a period of 15 days from the date of receipt of the transfer documents if the documents are complete in all respects. All requests for dematerialization of shares, which are in order, are processed within 7 days from the receipt of request and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Dematerialisation and Liquidity:

The shares of the Company are required to be compulsorily traded in dematerialised form. 54,03,409 Equity Shares representing 95.13% of the total Equity Capital of the Company are held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 31st March, 2013.

Outstanding GDRs/ADRs/Warrants or any convertible instrument, conversion date and likely impact on equity:

The Company has not issued any of these instruments so far.

Plant locations:

Puducherry: Plant I and II, Plot No. 1/1 to 1/4, Thirubhuvanai, Mannadipet Commune, Puducherry – 605 107. Phone No: 0413 2640105 0413 2640368	Faridabad : Plot No. 16-17, Sector 24, Faridabad – 121 005 Phone No.: 0219 2232049 0219 5021455
Bhimtal: Hiltron Electronic Complex, Plot No. C,D,E,F & G Mallittal, Bhimtal Nainital – 263136 Telephone No: 05942 247219/212	

Address for Investor's correspondence:

For all matters relating to shares, dividends, Annual Reports:	M/s. Sharepro Services (India) Pvt. Ltd. Samhita Warehousing Complex, 13AB, Gala No. 52, 2nd Floor, Nr. Sakinaka Telephone Exchange, Off. Kurla Andheri Road, Sakinaka, Mumbai 400 072 Contact person: Mr. Laxman Poojary. Email: laxmanp@shareproservices.com	Phone : 022 67720300 Fax : 022 28375646
For any other general matters	Company Secretary Bright Brothers Limited 610/611, Nirman Kendra, Famous Studio Lane, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011 Email: tusharnaik@brightbrothers.co.in	Phone : 022 25828486 Fax : 022 25837051

9. CEO/CFO Certification:

The Managing Director (CEO) and Chief Financial Officer (CFO) have in respect of the financial year ended 31st March, 2013 certified to the Board regarding compliances of covenants contained in Clause 49(V) of the Listing Agreement.

10. Compliance Certificate of the Auditors:

The Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. The Certificate is annexed hereto.

11. Compliance with the Code of Conduct:**DECLARATION**

As provided under Clause 49I(D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March, 2013.

**On behalf of the Board of Directors,
For Bright Brothers Ltd.**

SURESH BHOJWANI
Chairman & Managing Director

Place : Mumbai

Date : 31st May, 2013

12. Request to shareholders:

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to serve them efficiently and avoid risks while dealing in securities of the Company.

Demat of Shares:

Shareholders are requested to convert their physical holding to demat/electronic form through any of the depository participants (DPs) to avoid any possibility of loss, mutilation etc. of physical share certificates and also to ensure safe and speedy transaction in securities.

Registration of Electronic Clearing Service (ECS) Mandate:

ECS helps in quick remittance of dividend without possible loss/delay in postal transit. Shareholders, who have not earlier availed this facility, are requested to register their ECS details with the STA or their respective DPs.

Transfer of shares in physical mode:

Shareholders should fill in complete and correct particulars in the transfer deed, for expeditious transfer of shares. Wherever applicable, registration number of power of attorney should also be quoted in the transfer deed at the appropriate place.

Shareholders, whose signatures have undergone any change over a period of time, are requested to lodge their new specimen signature duly attested by a bank manager to the STA.

Shareholders are requested to note that as per SEBI circular no. MRD/DoP/Cir -05/1009 dated 20th May 2009, it is mandatory for transferees to furnish a copy of Permanent Account Number (PAN) for registration of transfer of shares to be held in physical mode.

In case of loss/misplacement of share certificates, Shareholders should immediately lodge a FIR/Complaint with the police and inform the Company/STA with original or certified copy of FIR/acknowledged copy of complaint for marking stop transfer of shares.

Consolidation of Multiple Folios:

Shareholders, who have multiple folios in identical names, are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.

Registration of Nominations:

Nomination in respect of shares – Section 109A of the Companies Act, 1956 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his/her nominee without having to go through the process of obtaining succession certificate/probate of the Will etc.

It would, therefore, be in the best interests of the shareholders holding shares in physical form registered as a sole holder to make such nominations. Investors, who have not availed nomination facility, are requested to avail the same by submitting the nomination in Form 2B. This form will be made available on request. Investors holding shares in demat form are advised to contact their DPs for making nominations.

Updation of address:

Shareholders are requested to update their address registered with the Company, directly through the RTA located at the address mentioned above, to receive all communications promptly.

Shareholders, holding shares in electronic form, are requested to deal only with their depository participant (DP) in respect of change of address and furnishing bank account number, etc.

SMS Alerts:

Investors are requested to note that National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have announced the launch of SMS alert facility for demat account holders whereby investors will receive alerts for debits/credits (transfers) to their demat accounts a day after the transaction. These alerts will be sent to those account holders who have provided their mobile numbers to their Depository participants (DPs). No charge will be levied by NSDL/CDSL on DPs providing this facility to investors. This facility will be available to investors who request for the same and provide their mobile numbers to the DPs. Further information is available on the website of NSDL and CDSL namely www.nsdl.co.in and www.cdslindia.com, respectively.

Timely encashment of dividends:

Shareholders are requested to encash their dividends promptly to avoid hassles of revalidation/losing your right of claim owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund.

As required by SEBI, shareholders are requested to furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons.

Shareholders who have not encashed their dividend warrants in respect of dividends declared for the year ended 31st March, 2008 and for any financial year thereafter may contact the Company and surrender their warrants for payment.

**On behalf of the Board of Directors,
For Bright Brothers Ltd.**

SURESH BHOJWANI
Chairman & Managing Director

Place : Mumbai
Date : 31st May, 2013

**CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED
UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK
EXCHANGE IN INDIA**

Auditor's Certificate on Corporate Governance

TO THE MEMBERS OF
BRIGHT BROTHERS LIMITED

We have examined compliance of the conditions of Corporate Governance by **Bright Brothers Limited** ('the Company') as stipulated in Clause 49 of the Listing Agreement entered into, with the Stock Exchanges for the year ended on 31st March, 2013.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for review, and the information and explanations given to us by the Company.

In our opinion, and to the best of our information and according to the explanations given to us, the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DESAI SAKSENA & ASSOCIATES**

Chartered Accountants

DR. S. N. DESAI

Partner

M. No. 32546

Place : Mumbai

Date : 31st May, 2013

Independent Auditors' Report For the year ended 31st March 2013

TO THE MEMBERS OF,
BRIGHT BROTHERS LIMITED
610-611, Nirman Kendra, Famous Studio Lane,
Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.

Report on the Financial Statements

We have audited the accompanying financial statements of Bright Brothers Limited ("the Company") which comprise of the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss for the year ended on that date, Cash Flow Statement and a summary of Significant Accounting Policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
 - (e) on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **Desai Saksena & Associates**
Chartered Accountants
Firm's Registration No.: 102358W

DR. S. N. DESAI
Partner
Membership No.: 32546

Place : Mumbai
Date : 31st May, 2013

Annexure to Auditor's Report:

Annexure referred to an our report on the accounts for the year ended 31st March 2013.

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements."

- (i) In respect of its fixed assets:
 - (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) The assets disposed off during the year are not substantial therefore do not affect the going concern status of the Company.
- (ii) In respect of its inventories:
 - (a) The inventories have been physically verified at reasonable interval during the year by the management. The frequency of such verification is adequate.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) In our opinion the Company has maintained proper records of inventories. There was no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:
 - (a) During the year, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted any loans, secured or unsecured to the parties listed in the Register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii) (b), (c) and (d) of the Order are not applicable.
 - (b) According to the information and explanations given to us, the Company has not taken any loans secured or unsecured from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (b), (c), and (d) of the Companies (Auditors' Report) order 2003 are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanation given to us, having regard to the explanation, except that some of the items purchased are of a special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods services. During the course of our audit, no major weaknesses has been noticed in the internal control systems.
- (v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956;
 - (a) In our opinion and according to the information and explanations given to us, we are of the opinion that the particulars of contract or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been entered.
 - (b) The transaction made in pursuant of such contract or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ five lakhs in respect of any part during the have been made at price which are reasonable having regard to the prevailing price at the relevant time.
- (vi) According to the information and explanations given to us, in our opinion the Company has complied with the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under. To the best of our knowledge and according to the information and explanations given to us, the Company has not received any order under above-mentioned sections from the Company Law Board, National Company Law Tribunal, Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion the Company has an internal audit system which in our opinion commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie accounts and cost records have been made and maintained. We have, however, not made a detailed examination of books of accounts and cost records with a view to determine whether they are accurate or complete.

(ix) In respect of statutory dues :

- (a) According to the information, explanations and records of the Company in respect of statutory and other dues, In our opinion the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Sales Tax, Custom Duty, Excise Duty, Cess, Service Tax, Wealth Tax and any other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2013 for a period more than six months from the date they became payable. However, there have been marginal delays in respect of Income tax deducted at source.
- (b) According to the information and explanation given to us, the following are the details of disputed statutory dues that were not deposited with the authorities concerned:

Sr. No.	Name of the Statute	Nature of dues	Financial Year to which it pertains	Forum where dispute is pending	Amount (₹ in lakhs)
1.	Service Tax under the Finance Act, 1994	Disallowance of Input credit (service tax) and penalty	2007-08	The Commissioner of Central Excise Puducherry	51.50
2.	Bombay Sales Tax Act	Duty, Interest and Penalty	1987-1989, 1992-1993, 1998-1999, 1999-2000	Maharashtra Sales Tax Tribunal	39.04
3.	Bombay Sales Tax Act	Duty, Interest and Penalty	1992-1993, 2001-2002, 2003-2004, 2004-2005, 2006-2007	Joint Commissioner (Appeal-Sales Tax)	69.10
4.	Maharashtra VAT	Taxes and Interest	2005-2006	Deputy Commissioner	508.70
5.	Maharashtra VAT	Taxes and Interest	2008-2009	Deputy Commissioner	32.13
6.	The Central Excise Act, 1944	Duty and Penalty	1996-1997 to 1998-1999 and 1998-1999 to 2002-2003	CESTAT	124.92

- (x) The Company neither has accumulated losses as at the end of the financial year nor has incurred cash losses during the financial year in the immediately preceding financial year.
- (xi) Based on our verification and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to its banks.
- (xii) In our opinion and according to the explanations given to us and based on the information available, loans and advances have been granted by the Company on the basis of security by way of pledge of shares and other securities.
- (xiii) In our opinion, the Company is not a chit fund/nidhi/mutual benefit fund/society and as such this clause of the orders is not applicable.
- (xiv) In our opinion the Company is not a dealing or trading in securities. The Company has invested surplus funds in marketable securities and mutual funds. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities and other investments and timely entries have been made therein. All shares, securities and other investments have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) The term loan availed by the Company were utilised for the purpose for which the loan were obtained.
- (xvii) On the basis of our examination of the Balance Sheet of the Company, *prima facie*, we report that the Company has not used short-term funds for long-term investments.
- (xviii) During the year, the Company has not made preferential allotment of shares to parties and companies covered under the register maintained under Section 301 of the Companies Act, 1956.
- (xix) During the year, the Company has not issued any secured debentures.
- (xx) During the year Company has not raised any money by public issue.
- (xxi) Based on the audit proceeding adopted and information and explanations given to us, we have neither come across any instances of material fraud on or by the Company has been noticed or reported during the year.

For **Desai Saksena & Associates**
Chartered Accountants
Firm's Registration No.: 102358W

DR. S. N. DESAI
Partner

Membership No.: 32546

Place : Mumbai
Date : 31st May, 2013

Balance Sheet as at 31st March, 2013

	Note No.	As at 31st March, 2013	(₹ in Lakhs) As at 31st March, 2012
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2	567.60	567.60
(b) Reserves and surplus	3	5312.79	5521.69
2. Non-current liabilities			
(a) Long-term borrowings	4	417.51	126.43
(b) Deferred tax liabilities (net)	5	213.05	122.31
3. Current liabilities			
(a) Short-term borrowings	6	121.93	210.79
(b) Trade payables		776.23	1193.37
(c) Other current liabilities	7	876.14	651.74
(d) Short-term provisions	8	325.58	313.10
Total		8610.83	8707.03
II. ASSETS			
1. Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		3864.74	3178.92
(ii) Intangible assets		—	—
(iii) Capital work-in-progress		11.78	421.59
(b) Non-current investments	10	186.06	164.53
(c) Long-term loans and advances	11	1468.12	366.76
(d) Other non-current assets	12	39.81	39.81
2. Current assets			
(a) Current investments	13	813.91	—
(b) Inventories	14	1028.53	1311.09
(c) Trade receivables	15	793.59	951.38
(d) Cash and bank balances	16	232.75	329.69
(e) Short-term loans and advances	17	171.54	1943.26
Total		8610.83	8707.03
Significant accounting policies	1		

The accompanying notes referred to herein form an integral part of financial statements

As per our Report annexed
For Desai Saksena & Associates
Firm Registration No.: 102358W
Chartered Accountants

Dr. S. N. Desai
Partner
Membership No. 32546
Mumbai, 31st May, 2013.

Tushar B. Naik
Chief Financial Officer and
Company Secretary

Mr. Suresh Bhojwani *Chairman &
Managing Director*
Smt. Hira T. Bhojwani *Whole-time Director*
Mr. K. P. Rao
Dr. T. S. Sethurathnam *Directors*

Statement of Profit and Loss for the year ended 31st March, 2013

		(₹ in Lakhs)	
	Note No.	2012-13	2011-12
INCOME			
1. Sales and services (gross)	18	16262.79	13038.75
<i>Less: Excise duty</i>		1550.20	994.72
Revenue from operations (net)		<u>14712.59</u>	<u>12044.03</u>
2. Other income	19	334.27	358.23
3. Total revenue		<u>15046.86</u>	<u>12402.26</u>
4. Expenses:			
Cost of materials consumed	20	10680.46	8621.78
Purchases of traded goods	21	103.38	107.95
Changes in inventories of finished goods work-in-progress and stock-in-trade	22	64.92	(31.56)
Other operating expenses	23	1468.78	1176.85
Employee benefits	24	1038.48	907.84
Finance costs	25	471.46	312.60
Depreciation and amortization expenses		448.42	326.84
Other expenses	26	804.25	683.51
Total expenses		<u>15080.15</u>	<u>12105.81</u>
5. Profit/(loss) before tax (3-4)		<u>(33.29)</u>	296.45
6. Tax expense:		<u>(43.58)</u>	(67.34)
7. Profit/(loss) for the year after tax		<u>(76.87)</u>	<u>229.11</u>
Earning per equity share in (₹)			
Face value		10.00	10.00
Basic and diluted		(1.35)	4.03
Significant accounting policies	1		

The accompanying notes referred to herein form an integral part of financial statements

As per our Report annexed
For Desai Saksena & Associates
Firm Registration No.: 102358W
Chartered Accountants

Dr. S. N. Desai
Partner
Membership No. 32546
Mumbai, 31st May, 2013.

Tushar B. Naik
Chief Financial Officer and
Company Secretary

Mr. Suresh Bhojwani *Chairman &
Managing Director*
Smt. Hira T. Bhojwani *Whole-time Director*
Mr. K. P. Rao
Dr. T. S. Sethurathnam } *Directors*

Cash Flow Statement for the year ended 31st March, 2013

	(₹ in Lakhs)	
	2012-13	2011-12
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(loss) before tax	(33.29)	298.39
Depreciation/amortization	448.42	326.84
Finance cost	471.46	312.59
Loss/(gain) on sale of fixed assets	(6.12)	(0.50)
Bad debts	—	1.44
Insurance claim-fixed assets	—	(32.08)
Interest (income)	(249.01)	(317.11)
Dividend (income)	(17.57)	(6.94)
Net gain/loss on sale of investments	(43.63)	—
Mutual fund dividend	(14.99)	(12.71)
Operating profit before working capital changes	555.27	569.92
Movements in working capital:		
Increase/(Decrease) in trade payables and other current liabilities	(192.74)	(219.64)
Increase/(Decrease) in long-term and short-term provisions	12.48	—
(Increase)/Decrease in trade receivables	157.79	—
(Increase)/Decrease in inventories	282.56	(3.77)
(Increase)/Decrease in long-term and short-term loans and advances	(70.15)	—
Income tax paid	47.15	(95.25)
Net cash flow from/(used in) Operating Activities (A)	792.36	251.26
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets, including capital work in progress and capital advances	(726.43)	(1055.97)
Proceeds from sale of fixed assets	8.12	85.72
Interest (income)	249.01	317.11
Dividend (income)	17.57	464.19
Purchase of investment	(38.67)	12.71
(Increase)/Decrease in inter-corporate deposits	740.51	229.09
Proceeds from sale of investments	60.78	283.56
Mutual fund dividend	14.99	6.94
Net cash flow from/(used in) investing activities (B)	325.88	343.35
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term borrowings	291.08	—
Proceeds from short-term borrowings	(88.86)	(48.11)
Interest expense	(471.46)	(312.59)
Dividend paid	(113.60)	(113.60)
Corporate Dividend Tax paid	(18.43)	(18.86)
Net Cash From (Used) In Financing Activities (C)	(401.27)	(493.16)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	716.97	101.45
Cash and cash equivalents at the beginning of year	329.69	228.24
Cash and cash equivalents at the end of the year	1046.66	329.69

(1) The Cash flow statement has been prepared in indirect method.

(2) Previous year's figures have been reclassified to conform to current year's presentation.

This is the Cash Flow Statement referred to in our report of even date.

As per our Report annexed

For Desai Saksena & Associates

Firm Registration No.: 102358W

Chartered Accountants

Dr. S. N. Desai

Partner

Membership No. 32546

Mumbai, 31st May, 2013.

Tushar B. Naik

Chief Financial Officer and
Company Secretary

Mr. Suresh Bhojwani

Chairman &

Managing Director

Smt. Hira T. Bhojwani

Whole-time Director

Mr. K. P. Rao

Dr. T. S. Sethurathnam

Directors

Notes accompanying the Financial Statements

Note 1:

SIGNIFICANT ACCOUNTING POLICIES

OVERVIEW:

The Company is engaged in the business of manufacturing injection of moulded plastics products for supplies to Original Equipment Manufacturers for Consumer Durable Industry and market its own products under "Brite" brand for material handling crates.

The Company has hair care division which market hair brushes under "DIVO" brand.

(A) Basis of Preparation of Financial Statements:

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting in accordance with the Companies Act, 1956, and comply with the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and issued by the Institute of Chartered Accountants of India (ICAI). The accounting policies adopted in the preparation of the financial statements are consistent with those follow in the previous years.

(B) Use of Estimates:

The presentation of financial statements is in conformity with generally accepted accounting principles requires the management to make judgement, estimates and assumption that affects the reported amount of assets and liabilities, revenue and expenses, disclosure of contingent liabilities at the end of reporting period. Although such estimates and assumptions are based on the management evaluation of relevant facts and circumstances as on the date of financial statements, the actual amounts (crystallization after preparation of financial statements) may differ from this estimate.

(C) Fixed Assets and Depreciation:

- (i) All the fixed assets, other than certain revalued land, are stated at cost, net of Cenvat and Value added tax less accumulated depreciation including impairment loss. All direct cost including financing cost till commencement of commercial production are capitalized as part of fixed assets.
- (ii) Cost of land includes lands acquired under lease.
- (iii) Cost of building includes buildings constructed on leasehold lands.
- (iv) Depreciation on Fixed Assets has been provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
- (v) Intangible Assets are amortised for a period not exceeding three years.

(D) Foreign Currency Transactions:

- (i) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- (ii) Foreign currency monetary assets and liabilities are translated at year end exchange rates. Any income or expense on account of exchange differences arising on either on settlement or on translation of monetary items at the year end are recognised as income or expenses in the year in which they arise.

(E) Inventories:

- (i) Raw Materials are valued at cost or net realisable value, whichever is lower.
- (ii) Finished stock and work in progress stock are valued at cost or net realisable value, whichever is lower.
Finished goods (Trading), at cost or realisable value.
- (iii) Stores, spares and packing materials are valued at cost.

Notes accompanying the Financial Statements

(F) Investments:

Trade investments comprise investments in which the Company has strategic business interest.

Investments, which are readily realizable and are intended to be held for not more than one year from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried at lower of cost or realizable value.

(G) Employee Benefits:

Defined contribution Plan:

Gratuity:

In accordance with applicable laws, the Company provides for gratuity benefit retirement plan (Gratuity Plan) covering all staff, workers and officers. The Gratuity plan provides for, at retirement or termination of employment, an amount based on the respective employees last drawn salary and the years of employment with the Company. The Company provides the Gratuity benefits through annual contribution to a Gratuity Trust which in turn mainly contributes to Life Insurance of Corporation of India (LIC) for this purpose. Under this plan, the settlement obligation remains with the Gratuity trust. Life Insurance Corporation of India administers the plan and determines the contribution premium to be paid by the trust.

Superannuation:

Defined contribution plan wherein contributions are made to a Trust which in turn contributes to LIC. Apart from being covered under the Gratuity plan described above, the employee of the Company who are Manager and above have the options to participate in a defined contribution superannuation plan maintained by the Company. The Company has no further obligation under the plan except making annual contribution based on a specified percentage of each covered employees.

Provident Fund:

In addition to the above benefits, all employees are entitled to provided benefits as per the law. For this Company makes contribution to Regional provident fund commissioner and there is no further obligation on the Company in future.

(H) Impairment of Assets:

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- (i) the provision for impairment loss, if any; and
- (ii) the reversal of impairment loss recognised in previous periods, if any, Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use;
- (ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life).

(I) Taxes on Income:

- (i) Provision for Current tax including Minimum Alternative Tax (MAT) is made on based on taxable income in accordance with relevant tax rates and laws. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal tax during the specified period.

Notes accompanying the Financial Statements

- (ii) Deferred Tax, being tax on “timing differences” between accounting income and taxable income that originate in one year and capable of reversal in one or more subsequent years has been recognized accounted by using the tax rates and laws that have been substantively enacted as on the Balance Sheet date.
- (iii) Deferred tax assets, excluding assets arising from loss/depreciation carried forward are not recognized unless there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In case of carried forward loss/depreciation, it is recognized only if virtual certainty exists.

(J) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- (a) the Company has a present obligation as a result of a past event,
- (b) a probable outflow of resources is expected to settle the obligation and
- (c) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- (a) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- (b) A present obligation when no reliable estimate is possible;
- (c) A possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognised, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

(K) Leased Assets:

Operating Leases: Assets acquired on lease where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease Rentals are charged to the Profit and Loss account on an accrual basis.

(L) Extraordinary and Exceptional Items:

- (i) Extraordinary items:

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expenses, is classified as an extraordinary items and disclosed as such.

- (ii) Exceptional items:

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to ordinary activities of the Company is such that its disclosure improves an understanding of performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

(M) Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use or sale. All other borrowing costs are charged to revenue.

Notes accompanying the Financial Statements

(N) Segment Accounting:

(a) Segment accounting policies

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- (i) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
 - (ii) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. Expenses, which relate to the Group as a whole and not allocable to segments, are included under “unallocable corporate expenditure”.
- (b) The Company’s reporting segments are identified based on activities/products, risk and reward structure, organization structure and internal reporting systems.

(O) Revenue Recognition:

- (i) Sales are net of sales return and trade discounts and excludes all taxes and levies.
- (ii) Revenue from the sale of goods is recognized in the statement of profit and loss account when the significant risk and reward of ownership have been transferred to the buyer.
- (iii) Income from services is recognized upon completion of the contract, in accordance with the specific terms of the contract with the customer.
- (iv) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (v) Dividend Income has been accounted on receipt basis

(P) Excise Duty:

Excise duty has been accounted on the basis of payments made in respect of goods cleared. No excise duty provision has been made on closing inventory of finished goods. However, it does not have impact on the profits of the Company.

(Q) Earnings per share:

Earning per share is calculated by divided the profit attributable to the shareholders by the number of equity shares outstanding at the close of the year. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The weighted diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

(R) Earnings per share as per Accounting Standard “Earnings Per Share”, AS-20 is as follows:

(₹ in Lakhs).

	2012-13	2011-12
Net profit after tax	(76.87)	229.11
Weighted average number of equity shares	5680235	5680235
Basic and diluted Earning per share	(1.35)	4.03
Face value per equity share (₹ 10/- paid-up)		

(S) Cash Flow Statement:

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

- I. transactions of a non-cash nature
- II. any deferrals or accruals of past or future operating cash receipts or payments and
- III. items of income or expense associated with investing or financing cash flows.

Notes accompanying the Financial Statements

	(₹ in Lakhs)	
	As at 31st March, 2013 Amount	As at 31st March, 2012 Amount
Note 2		
SHARE CAPITAL		
Equity share capital		
Authorised share capital		
7,000,000 equity shares of ₹ 10/- each	700.00	700.00
3,000,000 Cumulative redeemable preference shares of ₹ 10/- each	300.00	300.00
Issued, subscribed and paid up		
5,680,235 equity shares of ₹ 10/- each paid-up	568.02	568.02
Less: Calls in arrears	0.42	0.42
Total	567.60	567.60

2,95,295 Shares were bought back and extinguished in the last five years. (Amount ₹ 29.53 lakhs).

(Terms/rights and restriction attached to shares):

The Company has one class of shares i.e equity shares having a par value of ₹ 10/- per share. Every shareholder has a right to attend the meeting of the shareholders, to receive the dividend distributed and also a right residual interest of the assets of the Company.

Each Shareholder is eligible for one vote per share held. In the event of liquidation, equity shareholders will be eligible to receive the assets of the Company after distribution of all preferential amounts, in proportion to their share holding.

The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting except in the case of Interim Dividend.

Preference Shares:

The Company has the power to issue cumulative redeemable preference shares. In the event of liquidation, the Preference shareholders of the Company have the preference over equity shares when it comes to payment of dividend and return of capital.

Reconciliation of the number of equity shares.

	(₹ in Lakhs)			
	2012-13		2011-12	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	5,680,235	568.02	5,680,235	568.02
Shares outstanding at the end of the year	5,680,235	568.02	5,680,235	568.02

Details of shareholders holding more than 5 percent shares.

Name of Shareholder	As at 31-3-2013		As at 31-3-2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Suresh Bhojwani	1,283,418	22.59%	1,283,418	22.59%
Smt. Hira T. Bhojwani	3,70,310	6.52%	3,70,310	6.52%
M/s. T. W. Bhojwani Leasing Pvt. Ltd	7,85,653	13.83%	7,85,653	13.83%
M/s. Patton International Limited	3,20,000	5.63%	3,20,000	5.63%

	2012-13	2011-12
Unpaid Calls		
By Directors	Nil	Nil
By Others	42,000	45,000

Notes accompanying the Financial Statements

	As at 31st March, 2013	(₹ in Lakhs) As at 31st March, 2012
Note 3		
RESERVES AND SURPLUS		
Reserves		
a. Capital reserves		
As per last balance sheet	156.83	156.83
b. Capital redemption reserve		
As per last balance sheet	229.53	229.53
c. Securities premium account		
As per last balance sheet	967.00	967.00
d. Revaluation reserve		
As per last balance sheet	84.79	84.79
e. General reserve		
As per last balance sheet	2465.62	2445.62
<i>Add: Amount transferred from surplus in the statement of profit and loss</i>	—	20.00
Closing balance	2465.62	2465.62
f. Amalgamation reserve		
As per last balance sheet	139.00	139.00
Surplus		
Opening balance	1478.92	1401.84
<i>Add/less: Net profit/(loss) transferred from statement of profit and loss</i>	(76.87)	229.11
<i>Less: Appropriations</i>		
(a) Proposed dividends	113.60	113.60
(b) Tax on dividends	18.43	18.43
(c) Transfer to general reserve	—	20.00
Closing balance	1270.02	1478.92
Total	5312.79	5521.69

Notes accompanying the Financial Statements

	As at 31st March, 2013	(₹ in Lakhs) As at 31st March, 2012
Note 4		
LONG TERM BORROWINGS		
SECURED		
Term loans		
Finance company	0.57	7.35
Banks	238.68	—
(Term loan from Bank of Baroda is secured against first charge of equitable mortgage of land and hypothecation of plant & machinery and other movable assets both present and future situated at Puducherry)		
	<u>239.25</u>	<u>7.35</u>
UNSECURED		
Deposits	178.26	119.08
	<u>178.26</u>	<u>119.08</u>
Total	<u><u>417.51</u></u>	<u><u>126.43</u></u>

Note 5

DEFERRED TAX LIABILITY (NET)

(a) Deferred tax liabilities (net)

- (i) Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting.

380.34 202.94

Gross deferred tax liability

(A) 380.34 202.94

(b) Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis

- (i) Other item giving rise to timing difference

26.67 47.13

- (ii) Unaborsed business loss

140.62 33.50

Gross deferred tax assets

(B) 167.29 80.63

Net deferred tax liabilities

(A-B) 213.05 122.31

Notes accompanying the Financial Statements

	(₹ in Lakhs)	
	As at 31st March, 2013	As at 31st March, 2012
Note 6		
SHORT TERM BORROWINGS		
Deposits (unsecured)	121.93	210.79
Total	<u>121.93</u>	<u>210.79</u>

Note 7

OTHER CURRENT LIABILITIES

Unpaid dividends	17.75	15.14
Current maturities of long-term borrowings	120.00	—
Other liabilities	738.39	636.60
Total	<u>876.14</u>	<u>651.74</u>

Note 8

SHORT TERM PROVISIONS

Proposed equity dividend	113.60	113.60
Corporate dividend tax	18.43	18.43
Provision for employees benefits (leave encashment)	36.17	34.78
Provision for taxation (income tax and wealth tax)	157.38	146.29
Total	<u>325.58</u>	<u>313.10</u>

Notes accompanying the Financial Statements

Note 9

FIXED ASSETS

	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	Opening Balance as at 1 April 2012	Additions	(Disposals)	Balance as at 31 March 2013	Opening Balance as at 1 April 2012	Depreciation charge for the year	On disposals	Balance as at 31 March 2013	Balance as at 31 March 2012
a. Tangible assets									
Land - Leasehold	125.22	—	—	125.22	—	—	—	125.22	125.22
Land - Freehold	209.69	—	—	209.69	—	—	—	209.69	209.69
Buildings	747.24	222.38	—	969.62	186.44	31.79	—	751.38	560.79
Plant and equipment	3896.81	810.51	(4.23)	4703.09	1962.83	349.66	(2.22)	2392.84	1933.97
Furniture and fixtures	167.61	8.29	—	175.90	99.18	9.74	—	66.98	68.43
Vehicles	159.42	—	—	159.42	62.72	15.00	—	81.70	96.70
Office equipment	58.09	9.76	—	67.85	40.28	2.78	—	24.80	17.82
Moulds	431.83	50.97	—	482.81	327.15	23.74	—	131.91	104.68
Computers	109.98	3.75	—	113.73	76.13	11.80	—	25.80	33.85
Electric installation	152.39	30.59	—	182.98	124.63	3.91	—	54.42	27.75
Total	6058.28	1136.25	(4.23)	7190.31	2879.36	448.42	(2.22)	3325.56	3178.92
Previous year	5276.63	916.74	(135.09)	6058.28	2641.79	319.52	(81.95)	2879.36	2634.84
b. Intangible assets									
Brands /trademarks	21.96	—	—	21.96	21.96	—	—	21.96	—
Total	21.96	—	—	21.96	21.96	—	—	21.96	—
Previous year	21.96	—	—	21.96	14.64	7.32	—	21.96	7.32
c. Capital work-in-progress (Tangible assets)	—	11.78	—	11.78	—	—	—	11.78	421.59

Notes accompanying the Financial Statements

	(₹ in Lakhs)	
	As at 31st March, 2013	As at 31st March, 2012
Note 10		
NON-CURRENT INVESTMENTS		
A. Non-current investments (trade)		
(a) Investment in equity shares (quoted)	82.76	76.16
B. Non-current investments (non-trade)		
(a) Investment in equity shares (unquoted)	5.10	5.10
(b) Other non-current investments (units of venture fund)	98.20	83.27
Total	186.06	164.53
Market value of quoted investments	120.52	134.99

	No. of Shares		Amount (₹ in Lakhs)	
	2012-13	2011-12	2012-13	2011-12
A. Non-current investments (trade)				
(a) Investment in equity instruments (Quoted)				
Indusind Bank Ltd.	12,100	22,100	2.57	3.05
Ashok Leyland Ltd.	10,000	10,000	2.47	2.47
Bannari Amman Spinning Ltd	1,500	1,500	1.75	1.75
Bharat Electronics Ltd.	150	150	2.94	2.94
TVS Motors Company Ltd.	8,000	8,000	3.16	2.87
Rama Phosphates Ltd.	2,000	2,000	1.40	1.40
International Travel Ltd.	1,100	1,100	2.63	2.63
Sundaram Fastener Ltd.	10,000	10,000	5.11	5.11
Rane Holdings Ltd.	500	500	1.15	1.15
Sona Koyo Steering Ltd.	5,000	5,000	0.95	0.95
Banco Products Ltd.	500	500	0.52	0.52
Tata Sponge Iron Ltd.	1,000	1,000	3.76	3.76
Sundaram Clayto Ltd.	2,500	2,500	5.11	5.11
Moil Ltd.	94	94	0.35	0.35
Lakshmi Machine Works Ltd.	225	225	5.10	5.10
Eid Parry (India) Ltd.	2,000	2,000	4.78	4.78

Notes accompanying the Financial Statements

	No. of Shares		Amount (₹ in Lakhs)	
	2012-13	2011-12	2012-13	2011-12
A. Non-current investments (trade) (Contd.)				
(a) Investment in equity instruments (Quoted) (Contd.)				
Bharat Forge Ltd.	2,300	2,100	7.64	7.09
Sarda Energy & Minerals Ltd.	62	62	0.13	0.13
Dolphin Offshore Enterprises (India) Ltd.	2,500	2,500	3.56	3.56
Jindal Southwest Holdings Ltd.	380	200	3.53	2.53
Indian Hotels Co. Ltd.	1,000	1,000	0.89	0.89
JSW Steel Ltd.	775	900	5.01	6.80
Carborundum Universal Ltd.	—	4,000	—	4.85
Fulford (India) Ltd.	5	5	0.05	0.05
Finolex Industries Ltd.	2,200	1,200	1.35	1.25
Asahi India Glass Ltd.	—	1,200	—	1.24
State Bank of India	100	100	1.96	1.95
Atul Ltd.	1,250	1,250	1.88	1.88
Thomas Cook	1,000	—	0.73	—
MRF Ltd.	27	—	2.73	—
Kewal Kiran Clothing Ltd	400	—	2.03	—
Orissa Minerals Development Company Ltd	24	—	0.92	—
Tube Investments of India Ltd	1,350	—	2.27	—
Wabco India Ltd.	67	—	1.02	—
Mindtree Ltd.	325	—	2.41	—
Muthoot Capital Services Ltd.	750	—	0.90	—
			<u>82.76</u>	<u>76.16</u>
B. Non-current investments (non-trade)				
(a) Investment in equity instruments (at cost) – Unquoted				
The Saraswat Co-op. Bank Ltd.	1,000	1,000	0.10	0.10
Shalimar Infotech Ltd.	1,666	1,666	5.00	5.00
			5.10	5.10
(b) Other non-current investments (units of venture fund)				
Ambit Pragma Fund Scheme I	9,819	8,324	98.20	83.27
Total			<u>186.06</u>	<u>164.53</u>

Notes accompanying the Financial Statements

	(₹ in Lakhs)	
	As at 31st March, 2013	As at 31st March, 2012
Note 11		
LONG TERM LOANS AND ADVANCES		
Inter corporate loans	985.67	—
Security and other deposits	90.29	82.71
Advance tax	268.93	167.29
MAT credit	87.77	80.41
Advances recoverable in cash or in kind or for value to be received (Unsecured, considered good)	35.46	36.35
Total	1468.12	366.76

Note 12		
OTHER NON-CURRENT ASSETS		
Advance deposit against disputed stamp duty	39.81	39.81
Total	39.81	39.81

Note 13		
CURRENT INVESTMENTS		
Investments in mutual funds (trade)	813.91	—
Total	813.91	—

Details of Current Investments

Name of the body corporate	No. of Units	Amount (₹ in Lakhs)
	2012-13	2012-13
Investments in Mutual Funds (trade)		
Kotak bond short term plan	2,316,326	512.31
Birla dynamic bond fund	209,192	41.50
Kotak floater short term-daily dividend (253)	2,421	24.49
Kotak flexi debt scheme plan a-direct plan-daily dividend (199D)	2,344,894	235.61
		813.91

Notes accompanying the Financial Statements

	As at 31st March, 2013	(₹ in Lakhs) As at 31st March, 2012
Note 14		
INVENTORIES		
Raw materials	397.02	616.18
Finished goods/work in progress	258.36	355.15
Stock-in-trade	258.68	226.81
Stores, spares and components	102.61	72.16
Packing materials	11.86	40.79
Total	<u>1028.53</u>	<u>1311.09</u>

Note 15		
TRADE RECEIVABLES		
Unsecured debt		
Outstanding for a period less than six months	640.21	821.99
Outstanding for a period exceeding six months	153.38	129.39
Total	<u>793.59</u>	<u>951.38</u>

Note 16		
CASH AND BANK BALANCES		
a. Cash and cash equivalents		
i. Cash on hand	4.50	3.77
ii. Balances with banks in current accounts	179.84	285.02
b. Other bank balances	30.66	25.76
Balances with banks held as margin money – Fixed deposit.		
Unpaid dividend accounts	17.75	15.14
Total	<u>232.75</u>	<u>329.69</u>

Note 17		
SHORT-TERM LOANS AND ADVANCES		
Unsecured considered good, unless otherwise stated		
Deposits	10.50	10.50
Inter corporate deposits	—	1726.18
Prepaid expense	27.54	26.18
Advances recoverable in cash or in kind or for value to be received	38.45	31.84
Loan and advances to employees	9.37	10.76
Balance with central excise and service tax authorities	85.68	137.80
Total	<u>171.54</u>	<u>1943.26</u>

Notes accompanying the Financial Statements

	(₹ in Lakhs)	
	Year ended 31st March, 2013	Year ended 31st March, 2012
Note 18		
REVENUE FROM OPERATIONS		
Sale of products (gross)	15879.77	12961.78
Job work	340.12	37.79
Other operating revenues	42.90	39.18
	<u>16262.79</u>	<u>13038.75</u>
<i>Less:</i>		
Excise duty	1550.20	994.72
Total	<u>14712.59</u>	<u>12044.03</u>
Note 19		
OTHER INCOME		
Interest	249.01	317.12
Dividend	17.57	6.94
Net gain on sale of investments	61.57	12.48
Profit/(loss) sale of assets	6.12	—
Other non-operating income	—	21.69
Total	<u>334.27</u>	<u>358.23</u>
Note 20		
COST OF MATERIALS CONSUMED		
A. Cost of raw material consumed		
Opening stock of raw materials	616.18	630.34
Add : Purchases	8636.49	7246.36
Less : Closing stock of raw materials	397.02	616.18
(A)	<u>8855.65</u>	<u>7260.52</u>
B. Details of Components, packing and paints consumed		
Consumption of components	1201.36	883.01
Consumption of packing	326.80	226.79
Consumption of paints and plating charges	296.65	251.46
(B)	<u>1824.81</u>	<u>1361.26</u>
Total (A+B)	<u>10680.46</u>	<u>8621.78</u>

Notes accompanying the Financial Statements

	Year ended 31st March, 2013	(₹ in Lakhs) Year ended 31st March, 2012
Note 21		
PURCHASES OF TRADED GOODS		
Purchases	103.38	107.95
Total	103.38	107.95
Note 22		
CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening stock :		
Finished goods/work-in-process/stock-in-trade	581.96	550.40
Closing stock :		
Finished goods/work-in-process/stock-in-trade	517.04	581.96
Total	64.92	(31.56)
Note 23		
OTHER OPERATING EXPENSES		
Consumption of stores and spare parts	87.23	58.91
Power and fuel	618.87	474.06
Contract labour and sub-contract charges	625.84	525.27
Repairs to machinery	104.27	93.37
Repairs to mould	32.57	25.24
Total	1468.78	1176.85
Note 24		
EMPLOYEE BENEFITS		
(a) Salaries, wages, bonus, contribution to P.F, gratuity and super annuation fund	987.03	865.31
(b) Staff welfare	51.45	42.53
Total	1038.48	907.84

Notes accompanying the Financial Statements

	(₹ in Lakhs)	
	Year ended 31st March, 2013	Year ended 31st March, 2012
Note 25		
FINANCE COSTS		
Interest and discounting charges	427.13	312.60
Interest on term loan	44.33	—
Total	471.46	312.60

Note 26

OTHER EXPENSES

Security charges and other contract charges	61.86	49.30
Rent rates and taxes	161.19	94.67
Printing and stationery	17.48	13.29
Communication expenses	17.22	16.64
Insurance	12.28	15.31
Repairs and maintenance building	7.90	10.22
Repairs and maintenance others	18.26	30.61
Legal and professional fees	48.44	36.52
Directors sitting fees and commission	3.00	4.92
Audit fees	3.60	3.60
Travelling and conveyance	129.06	115.48
Sales Promotion and commission	74.25	71.46
Freight and forwarding charges	85.61	60.96
Advertisement and sales promotions	54.94	76.75
Miscellaneous expenses	109.16	83.78
Total	804.25	683.51

Notes accompanying the Financial Statements

(27) Contingent Liabilities not provided for:

(₹ in Lakhs)

Sr. No.	Particulars	2012-13	2011-12
1.	Sales tax	648.97	73.60
2.	Service tax	51.50	51.50
3.	Stamp duty	36.75	36.75
4.	Excise duty	114.92	114.92

Note: Demand notice received from sales tax department under Maharashtra VAT in respect of financial year 2005-06 and 2008-09 has been subsequently cancelled after balance sheet date.

(28) Commitments:

Estimated value of contracts remaining to be executed on capital account and not provided for in the accounts as at 31st March, 2013 is ₹ Nil (P.Y. ₹ 61.18 lakhs).

(29) The details in respect of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are not available with the Company. Hence the details of the principal amounts and interest, if any, payable to the suppliers as on 31st March, 2013 have not been furnished.

(30) The values of Current assets, loans and advances are stated at realisable in ordinary course of the business, as stated in balance sheet as per the opinion of the Management of the Company.

(31) Auditors Remuneration:

(₹ in Lakhs)

Sr. No.	Particulars	2012-13	2011-12
1.	Audit fees	3.60	3.60

(32) As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below:

Defined Contribution Plans:

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

(₹ in Lakhs)

Sr. No.	Particulars	2012-13	2011-12
1.	Employer's Contribution to Provident Fund and Pension Scheme	57.16	43.56
2.	Gratuity Contribution	23.40	23.03

Notes accompanying the Financial Statements

(33) Details of expenditure and income in foreign currency:

(a) C. I. F. Value of Imports {Para 4D (a)}

Particulars	2012-2013	2011-2012
	(₹ in Lakhs)	(₹ in Lakhs)
Raw Materials	39.93	245.61
Traded Goods	33.87	26.95
Machinery & Spares	401.20	421.45

(b) Expenditure in Foreign Currency {Para 4 (D) (b)}

Particulars	2012-2013	2011-2012
Foreign Travel	2.30	4.94

(c) Raw Materials Consumed:

Particulars	Raw Materials	
	2012-2013	2011-2012
Imported	42.08	245.61
Percentage to Total Consumption	0.48%	3.38%
Indigenous	8813.57	7014.91
Percentage to Total Consumption	99.52%	96.62%
Total	8855.65	7260.52
	100%	100%

(34) (i) The business segment has been considered as the primary segment. The Company is operating under only one segment namely a process plastic perfumery chemical. Accordingly disclosure as required by Accounting Standard "Segment Reporting" AS-17 is not applicable. Hence; primary disclosure as required by Accounting Standard "Segment Reporting" AS-17 has not been furnished.

(ii) The Company do not have export turnover. Accordingly, the Secondary disclosure as required by Accounting Standard "Segment Reporting" AS-17 is not applicable to the Company.

(35) The disclosure as required by Accounting Standard "Related Party Disclosure", AS-18 is as follows:

(a) Names of Related parties are as under.

(i) **Associate Concerns:**

M/s. Quality Plastics

M/s. T.W. Bhojwani Leasing Pvt. Ltd.

(ii) **Key Management Personnel:**

Smt. Hira T. Bhojwani – Whole Time Director

Mr. Suresh Bhojwani – Managing Director

Notes accompanying the Financial Statements

(iii) Relatives of Key Management Personnel

Mrs. Devika S. Bhojwani
 Mr. Karan Bhojwani
 Ms. Ruchika Bhojwani
 M/s. T. W. Bhojwani HUF
 Late Mr. V. W. Bhojwani

(b) Transaction during the year with the related parties:

Particulars	Associate Concerns		Key Management Personnel		Relatives of Key Management Personnel	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
(a) Remuneration	Nil	Nil	53.78	47.53	33.06	33.66
(b) Rent	14.40	14.40	Nil	Nil	Nil	Nil
(c) Royalty	2.96	3.24	Nil	Nil	Nil	Nil
(d) Purchase	26.10	15.01	Nil	Nil	Nil	Nil
(e) Loans Accepted/ (Repaid)	Nil	Nil	Nil	4.45	(13.00)	(0.20)
(f) Financial Expenses	Nil	Nil	15.74	15.28	14.70	15.90
(g) Year End Balances						
(i) Receivable	2.96	3.24	Nil	Nil	Nil	Nil
(ii) Payable	3.23	7.24	172.91	151.69	131.71	155.35

- (36) The Company has taken various factory premises, office premises under operating lease agreement. These are generally cancellable and are renewable on mutually agreed terms. Operating lease payments are recognized as an expense proportionately during the lease or lease period respectively.

Future minimum lease payments under:

Particulars	2012-13	2011-12
Not later than one year	76.10	46.32
Later than one year but not later than five years	Nil	4.10

- (37) The Company has recognized ₹ 7.36 lakhs as at 31st March, 2013 as Minimum Alternate Tax Credit Entitlement (Previous Year ₹ 80.41 lakhs), which represents the credit of MAT liability which would be available based on the provisions of Section 115JAA of the income Tax Act, 1961. The Management based on the future profitability projections is confident that there would be sufficient taxable profit available in future which will enable the Company to utilize the above MAT Credit Entitlement.

Notes accompanying the Financial Statements

- (38) The unsold portion of Freehold land at Bhandup was revalued on 30th June, 1993 on the Market Value/Replacement basis using the standard indices as assessed by the approved valuer. The revalued amount of freehold land remains substituted for the historical cost in the gross block of fixed assets amounting to ₹ 150.39 lakhs. In respect of the said land, Memorandum of Understanding (MOU) entered by the company in the past had expired with the efflux of time and has become null and void. The other party to MOU had filed a case against the company which is contested by the Company and the matter is pending with Bombay High Court.
- (39) The Company has made a provision of managerial remuneration as per the limit prescribed in Schedule XIII which is subject to approval by shareholders by way of special resolution in ensuing annual general meeting.
- (40) Amount of Foreign Currency Differences accounted in different heads of Profit & Loss Account under different heads as under:

		(₹ in Lakhs)	
Sr. No.	Particulars	2012-2013	2011-2012
1.	Raw Material-Purchase	Nil	2.91

- (41) The Previous year figures are regrouped and reclassified to make comparable with current year classification.

As per our Report annexed
For Desai Saksena & Associates
Firm Registration No.: 102358W
Chartered Accountants

Dr. S. N. Desai
Partner
Membership No. 32546
Mumbai, 31st May, 2013.

Tushar B. Naik
Chief Financial Officer and
Company Secretary

Mr. Suresh Bhojwani *Chairman &
Managing Director*

Smt. Hira T. Bhojwani *Whole-time Director*

Mr. K. P. Rao
Dr. T. S. Sethurathnam } *Directors*

DIVO





Exterior view of New Manufacturing Unit II at Puducherry.

Bright Brothers Limited

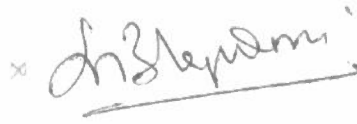


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Email : ho@brightbrothers.co.in
Website : http://www.brightbrothers.co.in

Brite

CIN: L25100MH1993PLC005056

Covering Letter of the Annual Audit Report to be filed with the Stock Exchange

Name of the Company	Bright Brothers Ltd.
Annual Financial Statements for the year ended	31 st March, 2013
Type of Audit Observation	Un-qualified / Matter of Enterprises
Frequency of observation	Not Applicable
To be signed by –	
CEO / Managing Director Mr. Suresh Bhojwani	
CFO Mr. Tushar Naik	
Auditor of the Company Desai Saksena & Co.	
Audit Committee Chairman Mr. K.P. Rao	