

# BRIGHT BROTHERS LIMITED

CIN: L25209MH1946PLC005056

Registered Office : 610-611, Nirman Kendra, Famous Studio Lane, Dr. E'Moses Road, Mahalaxmi, Mumbai - 400011.

• Tel.: 91 22 24905324 • E-mail: invcom@brightbrothers.co.in • Website: www.brightbrothers.co.in

## NOTICE

Notice is hereby given that the 73rd Annual General Meeting of BRIGHT BROTHERS LIMITED will be held on Thursday (day), 12th November, 2020 (date) at 11.00 a.m. (time) IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company at 610-611, Nirman Kendra, Famous Studio Lane, Dr. E'Moses Road, Mahalaxmi, Mumbai - 400011.

### ORDINARY BUSINESS:

**1. Adoption of Accounts**

To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2020 together with the Report of the Board of Directors and the Auditor's Report thereon.

**2. Confirmation of the payment of Interim Dividend, as the final dividend, on equity shares for the financial year 2019-20**

To confirm the payment of Interim Dividend declared on 9th March, 2020, as the final dividend, on equity shares for the financial year 2019-20.

**3. Re-appointment of Mr. Suresh Bhojwani, Chairman and Managing Director (DIN: 00032966), Director who is liable to retire by rotation**

Mr. Suresh Bhojwani, Chairman and Managing Director of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

**4. Payment of Remuneration to Cost Auditors for the financial year 2020-21.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 75,000/- plus tax as applicable and reimbursement of out of pocket expenses as recommended by Audit Committee, considered and approved by the Board of Directors of the Company and set out in the statement annexed to the Notice, to be paid to M/s. S. R. Singh and Co. as Cost Accountants for conducting the audit of the cost records of the Company for the financial year ending 31st March, 2021 be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

**5. Payment of Commission to Directors**

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 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and Regulation 17(6) of the Securities and Exchange Board of India ('Listing Obligations and Disclosure Requirements') Regulations, 2015, as amended from time to time, and the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded for the payment of commission to the Directors of the Company, (other than Managing Director and the Whole Time director) being such sum as the Board of Directors may determine on the basis of the recommendation of the Nomination and Remuneration Committee (to be divided in such proportion as may be determined by the Board of Directors from time to time) provided that such commission shall not exceed one percent of

the net profits of the Company as determined in accordance with the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Act for a period of five years commencing from 1st April, 2020.

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

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

**6. Appointment of Mr. Anil Kumar Bhandari (DIN: 00031194) as an Independent Director for a period of five years**

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 Sections 149, 150, 152, read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee, Mr. Anil Kumar Bhandari (DIN: 00031194), who was appointed as an Additional Director of the Company in terms of Section 161 of the Act by the Board of Directors with effect from 9th September, 2020 and who holds office upto the date of this Annual General Meeting (AGM) and being eligible, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years from the date of this AGM upto the conclusion of the 78th AGM of the Company to be held in respect of Financial Year ending 31st March, 2025 and to whom remuneration shall be paid in the form of sitting fees for attending meetings and profit-related commission, if any, as approved by the members of the Company."

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

**7. Approve payment of remuneration to Mr. Suresh Bhojwani (DIN: 00032966) Chairman and Managing Director of the Company for remaining period of his term of 5 years**

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 Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel ) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the members be and is hereby accorded for payment of remuneration to Mr. Suresh Bhojwani (DIN: 00032966) on the same terms and conditions as approved by the members at the Annual General Meeting held on 10th August, 2017, for the remaining period of his term of five years beginning from 1st February, 2021 to 31st January, 2023.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Suresh Bhojwani, Chairman and Managing Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate subject to the overall limits specified by this resolution and provisions of the Companies Act, 2013 and the Rules made thereunder.

**RESOLVED FURTHER THAT** any Director of the Company or Company Secretary be and are hereby severally authorised to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution, to remove any difficulty in implementation of this resolution.”

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

**Suresh Bhojwani**  
*Chairman & Managing Director*  
DIN: 00032966

*Place* : Mumbai

*Date* : 9th September, 2020

**Registered office:**

610-611, Nirman Kendra,  
Famous Studio Lane,  
Dr. E'Moses Road,  
Mahalaxmi, Mumbai – 400011.

## ANNEXURE TO THE NOTICE

### DETAILS OF DIRECTOR RETIRING BY ROTATION AND SEEKING APPOINTMENT AT THE 73<sup>rd</sup> ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

Particulars	Mr. Suresh Bhojwani	Mr. Anil Kumar Bhandari
DIN	00032966	00031194
Designation	Chairman and Managing Director	Additional Director (proposed to be appointed as Independent Director)
Date of Birth and age	16th April, 1948	18th June, 1944
Date of Appointment	1st February, 2001	9th September, 2020
Qualifications	Graduate in Engineering and Management (Boston University)	Graduate in Economics from Madras University
Experience in specific functional area	<ul style="list-style-type: none"> <li>i. More than four decades of experience in Plastics Industry.</li> <li>ii. Past Elected Member of Automotive Component Manufacturers Association (ACMA) Executive Committee.</li> <li>iii. Past Chairman of ACMA Raw Materials Committee.</li> <li>iv. Past President and Elected Member of the Organisation of Plastic Processors of India (O.P.P.I.) Executive Committee</li> </ul>	<ul style="list-style-type: none"> <li>i. Coffee Plantation Owner in Coorg, Karnataka for more than 50 years.</li> <li>ii. Member of the Managing Committee of Karnataka Planters &amp; Association and has served the Indian Plantation Industry in various capacities since then.</li> <li>iii. Nominated to the Coffee Board of India by the Ministry of Commerce and has served as its Vice Chairman.</li> </ul>
Number of equity shares held in the Company as on 31st March, 2020	12,83,418 equity shares	1,000 equity shares
List of Public Companies in which Directorships held as on 31.03.2020 (other than Bright Brothers Limited)	Nil	<ul style="list-style-type: none"> <li>i. Kirloskar Electric Company Limited</li> <li>ii. The Waterbase Limited</li> </ul>
Chairman/member of the Committees of the Board of the Companies in which he is a Director (other than Bright Brothers Limited)	Nil	<ul style="list-style-type: none"> <li>i. In Kirloskar Electric Company Limited, he is the Chairman of Stakeholders Committee and a member of Audit Committee.</li> <li>ii. In Waterbase Limited, he is the Chairman of Audit Committee and Nomination and Remuneration Committee.</li> </ul>
Remuneration Last Drawn in the year 2019-20	₹ 91.91 lakhs	Not applicable
Remuneration proposed to be paid	As per details given in the Explanatory Statement under Item no. 7	Sitting fees and profit related Commission, if any.
Relationship with other Director/ Key Managerial Personnel	Spouse of Mrs. Devika Bhojwani (Whole-time Director) and son of Smt. Hira Bhojwani (Non-Executive Director)	No relationship with any other Director/ Key Managerial Personnel
Number of meetings of the Board attended during the year 2019-20	5 meetings	Not applicable

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020, 13th April, 2020, 21st April, 2020, 15th June, 2020 and 17th August, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the 73rd Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Further, as per the MCA's circular dated 17th August, 2020, the Company had filed an application for extension of time for holding AGM and the same was approved.
2. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013.
3. Link Intime India Private Limited, Registrar & Transfer Agent of the Company, ("Link Intime") shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained in this Notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company by email through its registered email address to [invcom@brightbrothers.co.in](mailto:invcom@brightbrothers.co.in).
5. In compliance with the Circulars, the Annual Report 2019-20, the Notice of the 73rd AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depositories. Members may note that the Notice and Annual Report 2019-20 are also available on the Company's website [www.brightbrothers.co.in](http://www.brightbrothers.co.in) and on the website of the Stock Exchange, i.e. BSE Limited, [www.bseindia.com](http://www.bseindia.com).
6. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
7. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 with respect to the special business set out in Item Nos. 4, 5, 6 and 7 above, is annexed hereto.
8. The Register of Members and Share Transfer Books of the Company will be closed from Friday, 6th November, 2020 to Thursday, 12th November, 2020 (both days inclusive) for the purpose of the AGM.
9. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director retiring by rotation and seeking appointment at this AGM is annexed.
10. Members are permitted to join the AGM through VC/OAVM, 15 minutes before and after the scheduled time of commencement of meeting and during the meeting, by following the procedure mentioned in this Notice.
11. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, dividend which remain unpaid/unclaimed for a period of 7 years from the date of transfer of the same to the Company's Unpaid Dividend Account will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. The following are the details of the dividends paid by the Company and respective due dates for claim by the members:

Financial Year	Date of Declaration of Dividend	Date of transfer to unpaid Dividend Account	Last date for claim
2012-13	12/08/2013	18/09/2013	17/09/2020
2013-14	04/09/2014	10/10/2014	09/10/2021
2014-15	16/09/2015	23/10/2015	22/10/2022
2015-16	03/08/2016	09/09/2016	08/09/2023
2016-17	10/08/2017	16/09/2017	15/09/2024
2017-19	22/09/2018	25/10/2018	24/10/2025
2018-19	13/08/2019	18/09/2019	17/09/2026
2019-20	09/03/2020	15/04/2020	14/04/2027

The Company has uploaded the information of unclaimed/unpaid dividend in respect of the financial years from 2012-13, on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under “Download ➔ Investors” Section on the Website of the Company viz. [www.brightbrothers.co.in](http://www.brightbrothers.co.in).

After the last date of claim, the company shall transfer the unpaid dividend and the underlying shares (whose dividend has not been claimed for a period of seven consecutive years) to IEPF, including all benefits accruing on such shares, if any, and the same can be claimed only from the IEPF Authority by making a separate application to the IEPF Authority in Form IEPF-5 as prescribed under the Rules and the same is made available at IEPF website i.e. [www.iepf.gov.in](http://www.iepf.gov.in). In view of the above, the members are advised to send a written request for claiming unpaid dividend pertaining to the above years to M/s Link Intime India Private Limited, Registrar and Transfer Agent (RTA) for crediting unpaid dividend directly in your bank account through NEFT.

12. To promote green initiative, members holding demat accounts are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
13. Members desirous of obtaining any information as concerning Accounts shall email to the Company Secretary at [invcom@brightbrothers.co.in](mailto:invcom@brightbrothers.co.in) at least seven clear days in advance so that the information required can be made available at the meeting.
14. Pursuant to the provisions of Section 72 of Companies Act, 2013, facility for making nomination is available for individual members. Therefore, the shareholders holding shares in physical forms and willing to avail this facility may make nomination in the prescribed Form No. SH-13 duly filled in to Link Intime India Pvt. Ltd. However, in case of demat holding the shareholders should approach their respective depository participants for making nominations.
15. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the members during the AGM.
16. All documents referred to in the accompanying Notice and Explanatory Statement are available for inspection up to and during the AGM in electronic form. Members seeking to inspect such documents can send an email to [invcom@brightbrothers.co.in](mailto:invcom@brightbrothers.co.in).
17. Mr. Abhishek Prakash, Practising Company Secretary (C. P. No. 13269) has been appointed as the Scrutinizer to scrutinize the entire e-voting process i.e. remote e-voting and e-voting during the AGM in a fair and transparent manner.
18. **VOTING THROUGH ELECTRONIC MEANS:**
  - i. In compliance with the provisions of Section 108 of the Act, and Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide the members holding shares either in physical form or in dematerialised form, the facility to exercise their right to vote on the resolutions set forth in the Notice by electronic means and the business may be transacted through e-voting services provided by Link Intime.

- ii. The members may cast their votes using an electronic voting system from a place other than the venue of the AGM (remote e-voting). The Resolutions passed by remote e-voting are deemed to have been passed as if they have been passed at the AGM.
- iii. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date i.e. 5th November, 2020 may cast their vote by remote e-Voting. The remote e-Voting period commences on 7th November, 2020 (9.00 a.m. IST) and ends on 11th November, 2020 (5.00 p.m. IST). The remote e-Voting module shall be disabled by Link Intime for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- iv. Members will be provided with the facility for voting through electronic voting system during the video conferencing proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote during such proceedings of the AGM.
- v. Members who have cast their vote by remote e-Voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again.
- vi. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on 5th November, 2020 being the cut-off date. Members are eligible to cast vote only if they are holding shares as on that date. A person who is not a Member as on 5th November, 2020 should treat this Notice for information purposes only.
- vii. The instructions for Members for remote e-Voting are as under:
  - a. Visit the e-voting system of Link Intime India Private Limited (LIPL). Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>. Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details:

- A. User ID: Enter your User ID
  - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
  - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
  - Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company
- B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
- C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/ Company - in DD/MM/YYYY format).
- D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
  - Shareholders/ members holding shares in CDSL demat account shall provide either ‘C’ or ‘D’, above
  - Shareholders/ members holding shares in NSDL demat account shall provide ‘D’, above
  - Shareholders/ members holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above



E. Password: Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\* etc.), at least one numeral, at least one alphabet, at least one capital letter and at least one small letter).

F. Click “confirm” (Your password is now generated).

NOTE: If Shareholders/members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

- b. Click on ‘Login’ under ‘SHARE HOLDER’ tab.
- c. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’.
- d. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon.
- e. E-voting page will appear.
- f. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour /Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
- g. After selecting the desired option i.e. Favour/Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.
- h. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘Custodian/Mutual Fund/Corporate Body’. They are also required to upload a scanned certified true copy of the board resolution/authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian/Mutual Fund/Corporate Body’ login for the Scrutinizer to verify the same.
- i. If you have forgotten the password:
  - Click on ‘Login’ under ‘SHARE HOLDER’ tab and further Click ‘forgot password?’
  - Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on ‘Submit’.
- j. In case shareholders/members is having valid email address, Password will be sent to his/her registered e-mail address.
- k. Shareholders/members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- l. The password should contain minimum 8 characters, at least one special character (@!#\$%&\* etc.), at least one numeral, at least one alphabet, at least one capital letter and at least one small letter.
- m. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. For Members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice. During the voting period, Members can login any number of time till they have voted on the resolution(s) for a particular “Event”. Members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case Members have any queries or have any grievances regarding e-voting, they may refer the Frequently Asked Questions (‘FAQs’) and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or can contact Mr. Rajiv Ranjan | Assistant Vice President - e-Voting, Link Intime India Pvt. Ltd, C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083, at +91 22 49186000 | Extn-2540 or at +91 22 49186000 | Extn-2505 or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in).



## 19. INSTRUCTIONS FOR ATTENDING AGM THROUGH VIDEO- CONFERENCING (VC) / OTHER AUDIO-VISUAL MEANS (OAVM)

Members are entitled to attend the AGM through VC/OAVM provided by Link Intime by following the below mentioned process:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
2. Select the “Company” and ‘Event Date’ and register with your following details: -
  - A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No.
    - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
    - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
    - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
  - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.
  - C. Mobile No.: Enter your mobile number.
  - D. Email ID: Enter your email id, as recorded with your DP/Company.
3. Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Note: Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

## 20. INSTRUCTIONS FOR MEMBERS TO SPEAK DURING THE ANNUAL GENERAL MEETING

- (a) Members of the Company who would like to speak or express their views or ask question during the AGM may register themselves as a speaker by sending their request mentioning their name, demat account number/ folio number, email id, mobile number at least 3 days in advance with the Company at [invcom@brightbrothers.co.in](mailto:invcom@brightbrothers.co.in).
- (b) Members will get confirmation on first cum first basis depending upon the availability of time for the AGM.
- (c) Members will receive “speaking serial number” once they mark attendance for the meeting.
- (d) Other Members may ask questions to the panellist, via active chat-board during the meeting.
- (e) Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/ folio number, email id, mobile number at [invcom@brightbrothers.co.in](mailto:invcom@brightbrothers.co.in). The same will be replied by the Company suitably.
- (f) Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

- (g) For a smooth experience of viewing the AGM proceedings, Members who are registered as speakers for the event are requested to download and install the 'Webex Meetings' application by clicking on the link: <https://www.webex.com/downloads.html/>
- (h) Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Note: Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

## **21. INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING**

Once the electronic voting is activated by the scrutinizer during the meeting, members who have not exercised their vote through the remote e-voting can cast the vote as under:

- a) On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
- b) Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
- c) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- d) Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
- e) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
- f) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

## **22. PROCEDURE FOR REGISTERING THE EMAIL ADDRESSES BY THE MEMBERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES (IN CASE OF MEMBERS HOLDING SHARES IN DEMAT FORM) OR WITH LINK INTIME (IN CASE OF MEMBERS HOLDING SHARES IN PHYSICAL FORM):**

Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

- a) Members who have not registered their email address and in consequence could not receive the Notice may temporarily get their email registered with the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, by clicking the link: [https://linkintime.co.in/EmailReg/email\\_register.html](https://linkintime.co.in/EmailReg/email_register.html) and following the registration process as guided thereafter. After successful registration of the email address, Link Intime will email a copy of this AGM Notice along with the e-voting user ID and password.
- b) Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited.

### 23. OTHER INSTRUCTIONS

The Scrutinizer will, immediately upon conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and within a period of forty eight hours from the conclusion of the meeting, make and submit a consolidated Scrutinizer's Report to the Chairman or a person authorised by Chairman in writing who shall countersign the same.

The voting results shall be declared not later than forty-eight hours from the conclusion time of the Meeting. The results declared along with the Scrutinizer's Report will be placed on the website of the Company at [www.brightbrothers.co.in](http://www.brightbrothers.co.in) and the website of Link Intime at <https://instavote.linkintime.co.in> immediately after the result is declared by the Chairman or any other person authorised by the Board in this regard and will simultaneously be sent to BSE Limited, where equity shares of the Company are listed.

The resolutions shall be deemed to be passed on the date of the AGM, subject to receipt of requisite votes through a compilation of Voting results (i.e. remote e-Voting and the e-Voting held at the AGM).

Members are requested to send their queries to [invcom@brightbrothers.co.in](mailto:invcom@brightbrothers.co.in), if any, relating to the Annual Report on or before 5th November, 2020 in order to enable the Company to respond suitably.

### 24. GENERAL INFORMATION TO SHAREHOLDERS:

- i. Updation of bank account details is mandatory for all members as per SEBI's circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018. These details will be printed on the dividend warrants issued to the members. Therefore, the members who have not updated their bank details are requested to provide original cancelled cheque bearing the member's name and account number pre-printed on the cheque or Bank passbook / statement duly attested by branch manager to Link Intime India Pvt. Ltd. The members who are holding shares in their demat account are requested to approach their depository participants for updation of bank details. The members can also opt for receiving dividend directly to their bank account by submitting ECS Mandate letter to Link Intime India Pvt. Ltd.
- ii. Members who are holding shares in physical form are requested to dematerialize the same to ensure safe and speedy transaction in securities.
- iii. Members are requested to register nomination in respect of their holdings in 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.

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

**Suresh Bhojwani**  
*Chairman & Managing Director*  
DIN: 00032966

*Place : Mumbai*  
*Date : 9th September, 2020*

**Registered office:**  
610-611, Nirman Kendra,  
Famous Studio Lane,  
Dr. E'Moses Road,  
Mahalaxmi, Mumbai – 400011.

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 4: Payment of Remuneration to Cost Auditors for the financial year 2020-21

The Company is directed, under Section 148 of Companies Act, 2013 to have the audit of its cost records conducted by a Cost Accountant in practice. The Board of your Company at its meeting held on 29th June, 2020 and 9th September, 2020 has, on the recommendation of the Audit Committee, approved the appointment of M/s. S. R. Singh and Co. as the Cost Auditors of the Company to conduct Cost Audits for the year ending 31st March, 2021 at a remuneration of ₹ 75,000 p.a. plus tax as applicable and out of pocket expenses.

M/s. S. R. Singh and Co. has furnished a certificate regarding its eligibility for appointment as Cost Auditors of the Company. M/s. S. R. Singh & Co. has vast experience in the field of cost audit.

The Board commends the remuneration of ₹ 75,000 plus tax and out-of-pocket expenses to M/s. S. R. Singh & Co. as the Cost Auditors and the approval of the members is sought for the same by an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

### Item no. 5: Payment of Commission to Directors

The Members of the Company at their Annual General Meeting held on 16th September, 2015 had approved, the payment of remuneration by way of commission to the Directors of the Company (other than Managing Director and Whole-time Director), a sum not exceeding 1% of the net profit of the Company computed in accordance to Section 198 of the Companies Act, 2013 ("Act") to be determined and distributed among the aforesaid Directors of the Company for a period of five years commencing from 1st April, 2015, in addition to fee payable to the Director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings which each of the aforesaid Directors may be entitled to receive.

The Board of Directors of the Company consists of 2 Executive and 4 Non- Executive Directors including 3 Independent Directors. The Non-Executive Directors which includes Independent Directors bring relevant knowledge and expertise and provide required diversity in the Board's decision-making process. The role played by the Independent Directors in the Company's governance and performance is very important for sustainable growth of the Company. With the enhanced Corporate Governance requirements under the Act and the SEBI Listing Regulations, the role and responsibilities of the Board, particularly Independent Directors has become more onerous, requiring greater time commitments and attention.

Pursuant to Section 197(1)(ii)(a) of the Act, the remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed one percent of the net profits of the company, if there is a managing or whole-time director or manager except with the approval of the company in general meeting.

In accordance with Regulations 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all fees or compensation, if any, paid to Non-Executive Directors, including Independent Directors (except sitting fees) requires approval of members of the Company.

In view of the above, the Board of Directors, on the recommendations of Nomination and Remuneration Committee, subject to approval of the Members, approved the payment of commission to Independent Directors, not exceeding 1 % of the net profits of the Company for Financial Year 2020-21 and onwards, in terms of Section 197 of the Act, computed in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified from time to time.

The commission will be distributed amongst the Non-executive Directors after taking into consideration parameters such as attendance at Board and Committee meetings, contribution at the meetings, etc.

Except the Non-executive Directors of the Company, none of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financially or otherwise, in the resolution set out at Item No. 5.

The Board recommends the Ordinary Resolution as set out at Item No. 5 of the Notice for approval of the Members of the Company.

**Item no. 6: Appointment of Mr. Anil Kumar Bhandari (DIN: 00031194) as an Independent Director for a period of five years**

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (the Act) and the Articles of Association of the Company, the Board of Directors (the Board) has appointed, Mr. Anil Kumar Bhandari as an Additional Director of the Company with effect from 9th September, 2020 who would hold office upto the date of the ensuing Annual General Meeting. Mr. Anil Kumar Bhandari is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Nomination and Remuneration Committee has recommended the appointment of Mr. Anil Kumar Bhandari as an Independent Director for a period of five consecutive years.

The Company has also received:

- i. consent in writing to act as an Independent Director;
- ii. intimation that he is not disqualified under section 164(2) of the Companies Act, 2013;
- iii. declaration that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations;
- iv. a declaration to the effect that he is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI);
- v. registration certificate for Independent Director's Databank registration.

Mr. Anil Kumar Bhandari possesses appropriate skills, experience and knowledge, inter alia, in the field of business and finance. Brief profile of Mr. Anil Kumar Bhandari as stipulated under Regulation 36(3) of the Listing Regulations is given as an annexure to this Notice. In the opinion of the Board, he fulfills the conditions for his appointment as an Independent Director as specified in the Act. Keeping in view his expertise and vast knowledge, it will be in the interest of the Company to appoint him as an Independent Director, not liable to retire by rotation.

In the opinion of the Board, Mr. Anil Kumar Bhandari fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations. Details pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are provided in the "Annexure" to the Notice.

Except Mr. Anil Kumar Bhandari, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested (financially or otherwise), in this resolution.

The Board recommends the special resolution as set out at Item no. 6 of the Notice for approval by the members.

**Item no. 7: Approve payment of remuneration to Mr. Suresh Bhojwani (DIN: 00032966) Chairman and Managing Director of the Company for remaining period of his term of 5 years**

Mr. Suresh Bhojwani was appointed as a Chairman and Managing Director of the Company for a period of 5 years from 1st February, 2018 to 31st January, 2023 by the members at the 70th Annual General Meeting held on 10th August, 2017. In the said meeting, the members had approved payment of remuneration for a period of three years i.e. from 1st February, 2018 to 31st January, 2021. Therefore, in the present Annual General Meeting the Company is seeking approval for payment of remuneration on the same terms and conditions as approved by the members at the Annual General Meeting held on 10th August, 2017 for the remaining period of his term beginning from 1st February, 2021 to 31st January, 2023.

The terms and conditions for payment of remuneration are enumerated below:

Remuneration:

Salary: Basic Pay shall be ₹ 5,50,000/- p.m.

Perquisites and other allowances: The House Rent Allowance, Medical Allowance, Medical/Personal Accident Premium and other benefits and amenities restricted to a sum not exceeding ₹ 18 lakhs p.a.

Other Terms & Conditions:

- i. For the purposes of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable; in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost or hire charges.
- ii. Expenses incurred for travelling, boarding and lodging including attendants during business trips and provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- iii. The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to the Chairman and Managing Director in accordance with Schedule V to the Act or any amendments thereto made hereinafter in this regard, as may be agreed by the Board and Mr. Suresh Bhojwani.
- iv. If at any time the Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall also cease to be a Managing Director of the Company. Minimum Remuneration: In the event of inadequacy or absence of profit in any financial year of the Company during the terms of Managing Director, the minimum remuneration payable to Managing Director shall be by way of salary, House rent allowance, Medical allowance, and other allowance as set above subject to the provision of Section 197 of the Companies Act, 2013 and compliances as required under Section II of Part II of Schedule V of the Companies Act, 2013.

Except Mr. Suresh Bhojwani and his relatives (including Smt. Hira Bhojwani, Non-Executive Director and Mrs. Devika Bhojwani, Whole-time Director) no other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the said resolution. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval of the shareholders.



# 73rd Annual Report 2019-2020

Bright Brothers Limited



# Our Valued Customers

**EUREKA FORBES**  
Your friend for life



## COMPANY INFORMATION

### Board of Directors

Mr. Suresh Bhojwani – *Chairman & Managing Director*

Mrs. Devika Bhojwani – *Whole-time Director*

Smt. Hira Bhojwani – *Non-executive Director*

Mr. K. P. Rao – *Independent Director*

Dr. T. S. Sethurathnam – *Independent Director*

Mr. Byram Jeejeebhoy – *Independent Director*  
(upto 9th June, 2020)

Mr. Anil Kumar Bhandari – *Additional Independent Director*  
(w.e.f. 9th September, 2020)

### Board Committees

#### Audit Committee

Mr. K. P. Rao – *Chairman*

Dr. T. S. Sethurathnam

Mr. Suresh Bhojwani

#### Stakeholders Relationship Committee

Mr. K. P. Rao – *Chairman*

Mr. Suresh Bhojwani

Mrs. Devika Bhojwani

Smt. Hira Bhojwani

#### Nomination and Remuneration Committee

Mr. K. P. Rao – *Chairman*

Dr. T. S. Sethurathnam

Mr. Anil Kumar Bhandari

#### Chief Financial Officer

Mr. Chirag Shah

#### Company Secretary & Compliance Officer

Mrs. Sonali Pednekar

#### Banker

Kotak Mahindra Bank Ltd., Bank of Baroda

#### Auditors

M/s. Desai Saksena & Associates,  
Chartered Accountants

#### Registrar and Transfer Agent

Link Intime India Private Limited  
C 101, 247 Park, L. B. S. Marg,  
Vikhroli West, Mumbai- 400 083

#### 73rd Annual General Meeting

[Through Video conferencing / Other Audio Visual Means]

**Day and Date** : Thursday 12<sup>th</sup> November, 2020

**Time** : 11.00 a.m. (IST)

#### Deemed Venue of the meeting:

Registered office of the company

#### Registered Office

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

Tel.: 022 2490 5324

E-Mail: [invcom@brightbrothers.co.in](mailto:invcom@brightbrothers.co.in)

CIN: L25209MH1946PLC005056

ISIN: INE630D01010

Website: [www.brightbrothers.co.in](http://www.brightbrothers.co.in)

#### Corporate Office

B-54, Road No. 33,  
Gyaneshwar Nagar,  
Wagle Industrial Estate,  
Thane-West,  
Maharashtra-400 604.

#### Factories:

- Plant I, II and III,  
Plot No. 1/1 to 1/4,  
Thirubhuvanai,  
Mannadipet Commune,  
Puducherry-605 107.
- Plot No. 16-17, Sector 24,  
Faridabad, Haryana-121 005.
- Hiltron Electronic Complex,  
Plot No. C, D, E, F & G,  
Mallital, Bhimtal, Nainital  
Uttarakhand-263 136.
- Khasara No. 3962, 3963, 3946 & 3947,  
Lal Tapper Industrial Area,  
Majri Grant, Dehradun,  
Uttarakhand-248 140.

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## DIRECTORS' REPORT

Dear Shareholders (Members),

On behalf of the Board of Directors, it is our pleasure to present the 73rd Annual Report together with the Audited Statement of Accounts of **Bright Brothers Limited** ("the Company") for the year ended 31st March, 2020.

### Financial Performance:

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Net Sales and Operating Income</b>	<b>21,787.11</b>	23,078.64
Less: Expenses	<b>20,208.43</b>	21,711.35
<b>Operating Profit</b>	<b>1,578.68</b>	1,367.29
Add: Other Income	<b>14.68</b>	41.24
<b>Profit before Depreciation, Finance Cost and Tax</b>	<b>1,593.36</b>	1,408.53
Finance Costs	<b>542.15</b>	621.67
Depreciation and amortization expenses	<b>590.45</b>	576.75
<b>Profit before tax</b>	<b>460.76</b>	210.11
Less: Tax expense	<b>115.21</b>	9.80
<b>Profit after tax</b>	<b>345.55</b>	200.31
Other comprehensive income	<b>(34.89)</b>	(7.59)
<b>Total Comprehensive Income</b>	<b>310.66</b>	192.72

### Summary of Operations

The total operational income of your company for the year ended 31st March, 2020 stood at ₹ 1,578.68 lakhs as against ₹ 1,367.29 lakhs in the previous year resulting in an increase of ₹ 211.39 lakhs as compared to the previous year.

The Operating Profit before Depreciation, Finance Cost and Tax for the year ended 31st March, 2020 amounted to ₹ 1,593.36 lakhs as against ₹ 1,408.53 lakhs in the previous year.

### The Year in Retrospect and impact of Global health pandemic due to COVID-19

During the first three quarters of the financial year 2019-20, your Company has recorded increase in profits as compared to the previous financial year. However, during the last quarter, the spread of COVID-19 in our country had affected the functioning of the manufacturing units located at different places in India. The nationwide lockdown in the last week of March had put a major roadblock before the economy. The coronavirus pandemic is not the only trouble behind the country's growth, instead, it is superimposed on the previous trouble of a longer-than-anticipated slowdown in the country.

### Outlook for the Current Year

A major fall in economic activities due to the coronavirus-led nationwide lockdown in the first quarter of the current financial year caused the quarterly GDP to nosedive. Two out of three months of the first quarter had witnessed a nationwide lockdown and the slight hopes of recovery were for June, 2020 as

the Government had decided to lift the lockdown by the end of May, 2020. Even as the Government had partially allowed economic activities from 20th April 2020, disruption in overall businesses and supply chains did not let the economy rebound.

Though the outlook for the first quarter was highly pessimistic, expectations from the second quarter are giving some relief. As the coronavirus pandemic had brought businesses to a standstill, various States came forward with amendments in labour laws and industrial policies to keep the wheels of the economy moving.

**Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year till the date of report**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2019-20 and the date of this report. However, due to the outbreak of COVID-19, the Government of India had declared a lockdown and there was a resultant impact on the Company's operations. These operations were resumed gradually after seeking required permissions. The Company has also performed a sensitivity analysis on the assumptions used and based on current indicators of future economic conditions; the Company expects to recover the carrying amount of these assets. As per the prevailing market conditions, the Company expects that the financial position would be normal after improvement of the business cycle.

There has been no change in the nature of business of the Company.

**Dividend and Reserves**

Your Directors had declared an Interim Dividend for the financial year 2019-20 at its Board Meeting held on 9th March, 2020. The said dividend has been paid to the shareholders of the Company whose names were appearing in the Register of Members as on 18th March, 2020. This dividend shall be considered as the Final Dividend for the financial year 2019-20.

**Share Capital**

The paid up Equity Share Capital as on 31st March, 2020 was ₹ 567.60 lakhs. During the year, the Company has not issued any shares.

**Loans, guarantees or investments**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes accompanying the financial statements.

**Fixed Deposits**

Your Company has not accepted any deposits from public and its members during the financial year 2019-20. There has been no deposit which was unpaid or unclaimed as at the end of the year. There has not been any default in repayment of deposits or payment of interest thereon during the year. The Company is holding deposits of ₹ 318 lakhs from its Directors as on 31st March, 2020.

**Related party transactions**

All transactions entered with related parties for the year under review were on arm's length basis and in the ordinary course of business and the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus, disclosure in AOC-2 is not required. The details of transactions are provided in Note No. 42 of the Notes to Accounts. Further, there are no material related party transactions during the year under review with the Promoters, Directors, and Key Managerial Personnel.

All Related Party Transactions are placed before the Audit Committee as also before the Board for approval. Omnibus approval was obtained for transactions which are repetitive in nature. A statement giving details of all the transactions entered into pursuant to omnibus approval are placed before the Audit Committee and Board for a review.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. None of the Directors have any pecuniary relationships or transactions vis-a-vis the Company.

#### **Insurance**

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

#### **Unsecured Loan**

The company has obtained unsecured loan from the following Director to meet the short term requirements of the Company:

- i. ₹ 460 lakhs from Smt. Hira Bhojwani, Non-Executive Director and
- ii. ₹ 10 lakhs from Mrs. Devika Bhojwani, Whole-time Director

The total outstanding loan as on 31st March, 2020 is ₹ 470 lakhs.

#### **Internal financial controls**

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company. The Company has appointed Internal Auditors who periodically audit the adequacy and effectiveness of the internal controls laid down by the management and suggest improvements. The Audit Committee periodically approves the audit reports, implementation of audit recommendations, if any and adequacy of internal controls. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2019-20.

#### **Significant and material orders passed by the Regulators**

During the year under review, no significant and material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations.

#### **Directors' Responsibility Statement**

Pursuant to the requirement of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



### **Management Discussion and Analysis**

Management Discussion and Analysis of the financial conditions and result of operations of the Company for the period under review as required under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in a separate statement in the Annual Report as Annexure I.

### **Corporate Governance**

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

### **Meetings of the Board and its Committees**

The details of the Board meetings and various Committee meetings have been mentioned in the Report of Corporate Governance annexed as Annexure II.

### **Extract of Annual Return**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the annual return in the form of MGT-9 is available on Company weblink: [www.brightbrothers.co.in](http://www.brightbrothers.co.in) [Downloads → Investors → Annual Report → MGT-9 (FY 2019-20)].

### **Report of the Statutory Auditors and Notes to Financial Statements**

At the 70th Annual General Meeting held on 10th August, 2017, the members had appointed M/s. Desai Saksena & Associates, Chartered Accountants as Statutory Auditors of the Company from the conclusion of the 70th Annual General Meeting till the conclusion of the 75th Annual General Meeting. As per the Companies (Amendment) Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

Further, the Report of the Statutory Auditors alongwith notes to Schedules is enclosed to this report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. The observations made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments.

### **Cost Audit**

As per the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company needs to conduct a Cost Audit for the financial year ending on 31st March, 2021.

The Board of Directors, on recommendation of the Audit Committee, has appointed M/s. S. R. Singh & Co., Cost Accountants, as Cost Auditor to audit the cost accounts of the Company for the financial year 2020-21 at a remuneration of ₹ 75,000/- plus tax as applicable and reimbursement of out of pocket expenses. As required under Companies Act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening Annual General Meeting.

### **Secretarial Audit**

In terms of Section 204 of the Act and Rules made there under, Ms. Purnima Shetty, Practicing Company Secretary has been appointed Secretarial Auditor of the Company. The report of the Secretarial Auditor for the financial year 2019-20 is enclosed as Annexure III to this Report.

The Report is self-explanatory and does not call for any further comments.

### **Whistle Blower Policy**

Pursuant to the requirement of the Act, the Company has approved its Whistle Blower Policy which is also called as vigil mechanism. It is uploaded on website of the company.

This mechanism enables directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

### **Risk Management Policy**

The Company has developed and implemented the Risk Management Policy.

The Company considers ongoing risk management to be a core component of the Management of the Company and understands that the Company's ability to identify and address risk is central to achieving its corporate objectives.

The policy is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 hereinafter referred to as "Listing Regulations" and provisions of the Companies Act, 2013 which requires the Company to lay down procedures about risk assessment and risk minimization.

### **Change in Directorate**

On 9th June, 2020, Late Mr. Byram Jeejeebhoy (DIN: 00033204), Independent Director of the Company left for heavenly abode due to cardiac arrest. He was associated with the Company since April, 2001. During his tenure as a Director, the Company had immensely benefitted from his wide experience and expertise in the field of business and finance. The Board places on record his invaluable guidance and contribution that the Company received during his tenure.

### **Declaration by Independent Directors**

Mr. K. P. Rao and Dr. T. S. Sethurathnam are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in Section 149 of the Act and the Rules made thereunder and Regulations 16(1)(b) of Listing Regulations about their status as Independent Directors of the Company.

There has been no change in the circumstances affecting their status as Independent Directors of the Company. During the year under review, the Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

### **Company's Policy on Appointment and Remuneration**

The objective of Remuneration Policy is to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing interest of stakeholders.

### **Formal Annual Evaluation by the Board of its own performance and that of its Committees and individual Directors**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees. The evaluation process inter alia considers attendance of Directors at Board and Committee meetings, participation at meetings, domain knowledge, cohesion the Board's meetings, awareness and observance of governance, etc.

The Board carried out performance evaluation of the Board, Board committees, individual Directors and Chairperson.

### **Familiarisation programme**

The Company has put in place an induction and familiarization programme for all its Directors including the Independent Directors. The familiarization programme for Independent Directors in terms of provisions of Regulation 46(2) of Listing Regulations is uploaded on the website of the company.

### **Transfer of Unclaimed dividend and underlying shares to Investor Education and Protection Fund (IEPF)**

In accordance with the applicable provisions of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund ) Rules, 2016 ("IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority. During the financial year 2019-20, the Company had transferred ₹ 2,55,738/- to IEPF as unclaimed dividend relating to financial year 2011-12. Further, the Company has transferred 4,550 equity shares of the Company to IEPF as the shareholders had not claimed dividend on those shares for the consecutive period of seven years.

Pursuant to the provisions of IEPF Rules, the Company has filed the necessary forms and uploaded the aforesaid details on IEPF website ([www.iepf.gov.in](http://www.iepf.gov.in)).

### **Compliance with Secretarial Standards issued by the Institute of Company Secretaries of India**

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

### **Particulars of Employees**

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure forming part of the Annual Report.

Having regard to the provisions of Section 136(1) read with its relevant proviso of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary.

None of the employees of the Company is falling under the criteria as set out in Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 regarding remuneration.

### **Human Resources**

Your Company treats its "human resources" as one of its most important assets.

Your Company is focused on the promotion of talent internally through job rotation and job enlargement.

### **Prevention, Prohibition and Redressal of Sexual Harassment at Workplace**

The Company has formulated a policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. It has also formulated Internal Complaints Committee under the Act. During the year under review, no complaints were filed under the said Act.

### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

Information given as required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

#### **A. Conservation of Energy:**

Continuous monitoring and awareness amongst employees has helped to 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 drives in injection moulding machines to reduce power consumption.
- Replacement of higher HP motor with lower HP motor.
- Replacement of CFL with LED lights

**B. Technology Absorption, Adaptation and Innovation:**

NOT APPLICABLE

**C. Foreign Exchange Earnings and Outgo:**

Foreign Exchange Earnings: ₹ Nil

Foreign Exchange Outgo: ₹ 118.41 lakhs

**Acknowledgement**

Your Directors place on record their appreciation for employees at all levels who have contributed to the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support.

Your Directors also thank the Central and State Government and other statutory authorities for their continued support.

For and on behalf of the Board,  
BRIGHT BROTHERS LIMITED

**Suresh Bhojwani**  
*Chairman & Managing Director*  
DIN: 00032966

*Place* : Mumbai

*Date* : 29th June, 2020

## Annexure-I

# MANAGEMENT DISCUSSION AND ANALYSIS

## ECONOMIC AND BUSINESS OVERVIEW

The global economy grew at a modest pace of 2.4% in the financial year 2019-20 due to global trade war concerns, tariff related uncertainties, and Brexit. Chinese growth moderated but held up at 6.1% despite escalation of trade tensions with the United States (US). Amidst trade tensions and Brexit related uncertainty, European growth also weakened to 1.1%. However, with talks of trade resolution in the second half of 2019, Europe started to see some recovery in growth. Brexit, which was a key uncertainty for Europe over the last two years, also saw resolution towards the end of 2019. The US economy remained relatively strong growing at 2.3%. The Global trade environment remained challenging due to heightened trade tensions. However, negotiations between the US and China since mid-October resulted in Phase One agreement.

Global growth outlook has changed since the outbreak of COVID-19. There has been coordinated global monetary policy easing and fiscal support from governments. These policy support measures would act as cushions offsetting weakness in growth to some extent. However, global economic activity is likely to contract in 2020 and global growth environment will remain challenging during the financial year 2020-21.

## INDUSTRY STRUCTURE AND DEVELOPMENT

The plastic industry is one of the most evolving businesses in recent times. The application of plastics can be found in almost every sector such as medical, aerospace, automotive, packaging, household appliances, construction and many more. Injection molding is the most universally used manufacturing process to produce plastic parts. A large variety of plastic goods that greatly vary in their size, complexity, and application are manufactured using injection molding.

Your Company uses the Injection molding process to manufacture plastic components. It is used for manufacturing everyday products like toothbrushes, plastic components used for household appliances like water purifiers, washing machines, refrigerator, microwaves, etc. Plastic injection molding is a very versatile method of manufacturing parts and products. It is extremely simple, reliable, and an efficient method over other methods of plastic molding. With abundant Research & Development in this space, plastic injection molding today is an environment-friendly process. The scrap plastic generated during the production process is reground and re-used, ensuring that the process generates very little waste.

India's Plastic Industry is one of the oldest. It commenced in 1945 and has now entered the Platinum Jubilee in 2020. India is the 5th largest producer of Polypropylene (raw material used for manufacturing plastic products) in the world. The current Polymer consumption in India is 18.45 MMT and is projected to exceed 20 MMT by 2021. The import duties on Polymer raw materials is on the lower side thereby reducing the manufacturing cost. The Government of India has also proposed the introduction of a Technology Upgradation Fund Scheme and development of Plastic Parks to help the growth of the plastic industry.

The below mentioned table gives the present composition of business of your Company.

Category	Percentage Share in Total Turnover
Consumer durable components	95%
Brite branded products	5%

**OVERALL FINANCIAL PERFORMANCE**

The financial performance of the Company has been summarised in the table below followed by explanatory remarks for significant changes in 2019-20 compared to the previous year.

(₹ in lakhs)

	2019-20	2018-19	Change	% Change	Remarks
Tonnage processed including job work (In Tons)	12,914.92	12,553.32	361.60	2.88	1
Total operational income (net)	21,787.11	23,078.64	(1,291.53)	(5.60)	1
Changes in finished goods inventory	122.68	(81.47)			
Consumption of material	14,368.70	16,159.15			
Purchase of traded goods	168.93	166.75			
Employee cost	1,911.31	1,773.42			
Operating and other expenses	3,636.81	3,693.50			
Earnings before depreciation and finance cost	1,578.68	1,367.29	211.39	15.46	2
Other non-operational income	14.68	41.24			
Depreciation and amortization expenses	590.45	576.75			
Finance costs	542.15	621.67			
Profit/(loss) before tax	460.76	210.11			
Tax expenses	115.21	9.80			
Profit/(loss) after tax	345.55	200.31			
Other Comprehensive income	(34.89)	(7.59)			
Total Comprehensive income	310.66	192.72			
EPS	6.09	3.53			
Reserves and Surplus	3,821.04	3,795.05			
Current liabilities	6,610.09	3,846.63	2,763.46	71.84	3
Net fixed assets	4,373.86	4,533.27			
Current assets	6,931.07	3,875.44	3,055.63	78.85	3

1. The tonnage processed during the year has increased partly due to the increase in tonnage at our Puducherry unit which caters to the requirement of the washing machine business of Whirlpool of India Ltd. The tonnage has increased by 2.88%. However, there is decrease in operational income because of reduction in raw material prices.
2. EBDITA for the year 2019-20 is ₹ 1,578.68 lakhs as compared to ₹ 1,367.29 lakhs in the previous year.
3. As on 31st March, 2020, Current Assets and Current Liabilities both have increased by ₹ 3,055.63 lakhs and ₹ 2,763.46 lakhs respectively.
4. During the year, Company has invested ₹ 284.34 lakhs in Plant and Equipment.

(₹ in lakhs)

	2019-20	2018-19
Net cash flow from/(used in) operating activities (A)	1,538.03	1,053.20
Net cash flow from/(used in) investing activities (B)	(730.31)	(666.84)
Net cash from/(used in) financing activities (C)	(685.67)	(323.86)



## REVIEW OF OPERATIONS

During the year 2019-2020, our customer Whirlpool of India (WOIL) has shown continued growth in both the refrigerator and washing machine segment. This is despite the uncertain market sentiment due to COVID-19 Pandemic which had started to affect globally from Q3 and Q4. Our business with Rialto, for whom we are manufacturing toothbrush handles, has seen a steady increase. This growth has been accommodated in Puducherry Unit III which was set up in 2018. Our customer CMI (Carrier Midea India Private Limited) has been expanding its presence in the AC segment. Our business with Eureka Forbes is marginally reduced due to stiff market competition from unorganized sector.

The Divo brand has been focusing on expanding its product range to help boost their sales and has started leveraging its strong sourcing and trading for other brands.

Seeing the above our capacity utilisation in our Faridabad plant remains stagnant as compared to last year. However, our capacities in Puducherry unit I and Puducherry unit II and III have seen good utilisation of capacity and steady growth as compared to the previous year. Our capacities in Dehradun and Bhimtal remain occupied however with marginal reduction.

## GROWTH DRIVER

Our major customer WOIL has gained market share in the washer segment which has boosted our demand and capacity utilization in the current year. The consumer preference is moving from Semi Auto washers to Fully Auto washers in which your company has a majority share.

The company has expanded its technical capability of its tool room and is now able to take on bigger tool profiles for manufacturing.

Divo has been marketing its strong sourcing network and leveraging the same for supply to other brands giving a good boost to sales.

## OPPORTUNITIES

- Due to COVID-19 many multinational and domestic companies who source from China are looking to de-risk their buying and dependency. They are looking to indigenize various products and sourcing to and Indian supply base. Your company has seen various enquiries and this will help with future growth.
- The change in consumer habits due to COVID-19 has seen a boost to certain consumer durable segments.
- De-risking from China will see more multinational companies expand their manufacturing presence in India. This will help create a stronger export base out of India.

## THREAT

- The primary business of the company is supplying the consumer durable industry, the nature of which is highly competitive and price revisions are hard to come by, due to which margins remain tight.
- The hair care and beauty care division is based on trading and imports and hence any depreciation in Indian currency can have an adverse impact on margins.
- The volatility in the oil sector has had an adverse impact to our Raw Material pricing.

## OUTLOOK

The outlook is positive for India. Despite COVID-19, the segments your company is catering to are seeing marginal growth.

The push for indigenization and de-risking from China are bringing fresh inquiries and opportunity for growth. Your company has been focusing on cost optimization and lean manufacturing which will improve the profitability.

## FINANCIAL RATIOS

The significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year are summarized below:

Ratio	F.Y. 2019-20	F.Y. 2018-19	Change (%)	Reason for change
Debtors Turnover Ratio	6.95	12.85	46%	The Company was availing Sales Invoice Financing facility from its customer. However, from the financial year 2019-20, the Company availed the said facility from Kotak Bank Ltd. On account of that Debtor Turnover ratio was impacted.
Interest Coverage Ratio	1.85	1.34	(38)%	This is due to decrease in finance cost, which has resulted in improvement in the said ratio over the Previous year.
Debt Equity Ratio	1.71	1.03	65%	This is due to increase in debt due to availment Sales Invoice Financing Facility from M/S Kotak Bank Ltd.
Operating Profit Margin (%)	4.60%	3.60%	(28)%	Various measures taken by the Company to reduce power, labour and other operational cost.
Net Profit Margin (%)	1.58%	0.87%	83%	Increasing operation margin coupled with reducing in finance cost has resulted in improving the net profit ratio.

## INTERNAL CONTROL SYSTEMS

The Company has adequate internal audit and control systems. Internal auditors comprising of professional firms of Chartered Accountants have been entrusted the job to conduct regular internal audits at all units and report the lapses, if any, to the management. Both internal auditors and statutory auditors independently evaluate the adequacy of internal control system. Based on the audit observations and suggestions, follow up and remedial measures are being taken including review and increase in the scope of coverage, wherever necessary. The Audit Committee of Directors in its periodical meetings, review the adequacy of internal control systems and procedures and suggest areas of improvements.

The Company has undertaken a detailed exercise to revisit its control systems in technical and other non financial areas to align them properly with Management Information Systems (MIS) to make MIS more efficient and result oriented. Information technology base created by the Company over the period is providing a very useful helping hand in the process. Needless to mention that ensuring maintenance of proper accounting records, safeguarding assets against loss and misappropriation, compliance of applicable laws, rules and regulations and providing reasonable assurance against fraud and errors will continue to remain the central point of the entire control system.

#### **CAUTIONARY STATEMENT**

Statements in this “Management Discussion and Analysis” describing the Company’s projections, expectations or predictions may be “forward looking statements within the meaning of applicable Securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could make a difference to the Company’s operation include cyclic demand and pricing of raw materials, changes in Government regulations, tax regimes, cost of power and interest cost and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events or otherwise.

For and on behalf of the Board,  
**BRIGHT BROTHERS LIMITED**

**Suresh Bhojwani**  
*Chairman & Managing Director*  
DIN: 00032966

*Place : Mumbai*  
*Date : 29th June, 2020*

## Annexure - II

### REPORT ON CORPORATE GOVERNANCE

[Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

Your Company firmly believes in effective corporate governance practices and ethical conduct. Transparency and accountability are the basic tenets of Corporate Governance. Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to ethical principles in all its dealings. It helps the Company to achieve its objectives, enhance stakeholders' value and discharge its social responsibility. It, therefore, continues to lay great emphasis on integrity, fairness, empowerment and responsibility for efficient and ethical conduct of its business.

Your Company 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. Your Company firmly believes that Management must have freedom of execution and this freedom must be exercised within the framework of accountability to meet stakeholders' aspirations and society expectations.

Your Company consistently meets commitment towards continuous upgradation of Corporate Governance Standards. It has complied with the requirements of Corporate Governance stipulated in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 2. Board of Directors:

##### 1.1 Composition and category of directors:

The Board of Directors provides leadership, strategic guidance and objective judgement 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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. The composition of the Board ensures a judicious mix of Executive and Non- Executive directors as well as Independent and Non-Independent Directors. There were three Independent Directors, two Executive Directors and one Non-executive Director on the Board of the Company as on 31<sup>st</sup> March, 2020. The Chairman is the Managing Director and a member of the Promoter Group. The Independent Directors provide their independent judgment, external perspective and objectivity on the issues placed before them.

1.2 During the year 2019-20, the Board met five times on 21<sup>st</sup> May, 2019, 12<sup>th</sup> August, 2019, 11<sup>th</sup> November, 2019, 5<sup>th</sup> February, 2020 and 9<sup>th</sup> March, 2020. The gap between two meetings did not exceed 120 days. The Agenda for the Board meeting were circulated in advance to take informed decisions.

### 1.3 Attendance of the Directors and directorship in other companies as on 31st March, 2020:

Names and categories of Directors on the Board, their attendance at the Board Meetings held during the year and at the previous Annual General Meeting held on 13th August, 2019 and the number of other directorships and Chairmanship / Membership of Committee /s in other public companies as on 31st March, 2020 are given below. Based on intimations / disclosures received from the Directors periodically, none of the Directors of the Company hold memberships / Chairmanships more than the prescribed limits.

Name of the Director	No. of Board Meetings held & attended during the year	Category of Directorship	Attendance at previous AGM	No. of Directorship(s) in other public companies		No. of Committee positions held in other public companies	
				Chairman	Member	Chairman	Member
Mr. Suresh Bhojwani (Chairman & Managing Director) DIN: 00032966	5(5)	Promoter Executive	Yes	Nil	Nil	Nil	Nil
Mrs. Devika Bhojwani (Whole-time Director) DIN: 08355381	5(4)	Promoter Executive	Yes	Nil	Nil	Nil	Nil
Smt. Hira Bhojwani (Non-Executive Director) DIN: 00032997	5(4)	Promoter Non-Executive	No	Nil	Nil	Nil	Nil
Mr. K. P. Rao (Independent Director) DIN: 00027577	5(5)	Non-Executive	Yes	Nil	Nil	Nil	Nil
Dr. T. S. Sethurathnam (Independent Director) DIN: 00042704	5(5)	Non-Executive	Yes	Nil	Nil	Nil	Nil
Mr. Byram Jeejeebhoy (Independent Director) DIN: 00033204	5(2)	Non-Executive	Yes	Nil	Nil	Nil	Nil

None of the directors are holding directorship in any other listed company as on 31st March, 2020.

### 1.4 Board's functioning and Procedure:

The Board of Directors, being an apex body constituted by the Shareholders, plays an important role in ensuring good governance and functioning of the Company. The detailed Agenda 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. The members of the Board have a complete freedom to express their opinion and decisions are taken after detailed discussions.

Evolving strategy, annual business plan, review of actual business plan and course correction as deemed fit, constitute the primary business of the Board. The Board reviews the certificate issued by Chief Financial Officer and Company Secretary of the Company regarding compliances of all the applicable laws on quarterly basis.

### 1.5 Independent Directors:

Schedule IV of the Companies Act, 2013 and Secretarial Standard - 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of non – Independent Directors. During the financial year 2019-20, the Independent Directors met on 24th March, 2020 and *inter alia* reviewed the performance of the Chairman and Managing Director, the Executive Director and senior officials of the Company who are in-charge of the management and administration of the business of the Company.

There have been no pecuniary or business relationship between the Non-Executive Directors and the Company, except for the sitting fees and commission payable to them annually in accordance with the applicable laws and with the approval of the shareholders. A declaration to this effect is also submitted by all the Independent Directors at the beginning of each financial year.

The Independent Directors have submitted declaration(s) that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations. The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfill the conditions of independence specified in the Listing Regulations and are independent of the management of the Company. The terms and conditions of their appointment, sitting fees payable to them and familiarization programme provided by the company is available on the Company's website at the following link: [http://www.brightbrothers.co.in/pdf/pdf\\_185.pdf](http://www.brightbrothers.co.in/pdf/pdf_185.pdf)

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

#### 1.6 Core skills/ expertise/ competencies of the Board:

- i. Sales & Marketing: Experience in sales and marketing management based on understanding of the customer's requirements.
- ii. General management/Governance: Strategic thinking, decision making and protect interest of all stakeholders.
- iii. Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc.
- iv. Technical skills and professional skills and knowledge including legal and regulatory aspects.

### 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 was constituted to review the financial statements, annual budget, accounting policies and practices and internal audit process.

The composition of Audit Committee as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 is as follows:

Name of the Director	Designation	Category	Number of meetings held and attended during the year	
			Held	Attended
Mr. K. P. Rao	Chairman	Independent, Non-Executive	4	4
Dr. T. S. Sethurathnam	Member	Independent, Non-Executive	4	4
Mr. Suresh Bhojwani	Member	Non-Independent, Executive	4	4



Mrs. Sonali Pednekar acts as Secretary to the Committee

During the financial year 2019-20, four Audit Committee meetings were held on 21st May, 2019, 12th August, 2019, 11th November, 2019 and 5th February, 2020 and the gap between two meetings did not exceed 120 days. The Chairman of the Committee Mr. K. P. Rao attended the Annual General Meeting of the Company held on 13th August, 2019.

- Terms of Reference:

The terms of reference of the Audit Committee have been further enhanced/modified to be in line with the enhanced scope for the Committee as laid down under Section 177 of the Companies Act, 2013 which are briefly 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 matters specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:
    - Matters required to be included in the Director's Responsibility Statement and to be included in the Board's Report in terms of Section 134 of the Companies Act, 2013.
    - 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.
    - Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same
  - (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 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.
  - (e) 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.
  - (f) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Other Details:
    - (a) The Committee invites representatives of Statutory Auditors to be present at the meetings whenever it considers appropriate.
    - (b) Mrs. Sonali Pednekar is the Compliance Officer, to ensure compliance and effective implementation of the Insider Trading Code. The disclosure under the Insider Trading Code filed with the Stock Exchange are reported to the Committee on Quarterly basis.

(ii) **Nomination and Remuneration Committee:**

The Board has constituted the Nomination and 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 employees. Under the enhanced terms of reference, the scope of the Committee, in addition to the above, includes formulation of criteria for performance evaluation of Independent Directors and the Board, policy on Directors' appointment and remuneration and remuneration policy relating to Key Managerial Personnel and other employees.

The composition of the Committee (as on 31st March, 2020):

Name of the Director	Designation	Category	Number of meetings held and attended during the year	
			Held	Attended
Mr. K. P. Rao	Chairman	Independent, Non-Executive	1	1
Dr. T. S. Sethurathnam	Member	Independent, Non-Executive	1	1
Mr. Byram Jeejeebhoy	Member	Non-Independent, Executive	1	0

During the financial year 2019-20, 1 meeting of the Committee was held on 21st May, 2019.

- **Remuneration of Managerial Personnel:**

Details of remuneration paid/payable to Managing Director and Whole-Time Director for the financial year ended 31st March, 2020 are as follows:

(₹ in lakhs)

Particulars	Managing Director	Whole Time Director
Salary & Allowances	80.99	9.52
Perquisites	3.00	0.00
Contribution to PF	7.92	0.72
<b>Total</b>	<b>91.91</b>	<b>10.24</b>

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

	Mr. Suresh Bhojwani	Mrs. Devika Bhojwani
Service contract	Five 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 ₹ 20,000/- per Board meeting, ₹ 10,000/- per Audit Committee meeting and ₹ 1,000/- for every other Committee meeting. No sitting fee is payable to Executive Directors.
- 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 1st April, 2019 to 31st March, 2020:

(₹ in lakhs)

Sr. No.	Name of the Director	Board Meetings	Committee Meetings	Independent Directors Meeting	Commission
1.	Mr. K. P. Rao	1.00	0.45	0.20	1.60
2.	Dr. T. S. Sethurathnam	1.00	0.41	0.20	1.60
3.	Mr. Byram Jeejeebhoy	0.40	NIL	NIL	0.80
4.	Smt. Hira Bhojwani	0.80	0.03	Not applicable	0.80

The shareholding details of the aforesaid Directors in the Company as on 31st March, 2020 are provided below:

Sr. No.	Name of the Director	Category	Number of shares held
1.	Mr. K. P. Rao	Independent, Non-Executive	651
2.	Dr. T. S. Sethurathnam	Independent, Non-Executive	NIL
3.	Mr. Byram Jeejeebhoy	Independent, Non-Executive	5,000
4.	Smt. Hira Bhojwani	Non-Independent, Non-Executive Director	3,70,310

(iii) **Stakeholders Relationship Committee:**

The Committee is constituted to redress Shareholders' complaints like transfer/transmission of shares, duplicate issue of share certificates, non-receipt of annual report, dividends, notices etc.

The composition of the Committee is as follows:

Name of the Director	Designation	Category	Number of meetings held and attended during the year	
			Held	Attended
Mr. K. P. Rao	Chairman	Independent, Non-Executive	4	4
Mr. Suresh Bhojwani	Member	Non-Independent, Executive	4	4
Mrs. Devika Bhojwani	Member	Non-Independent, Executive	4	4
Smt. Hira T. Bhojwani	Member	Non-Independent, Non-Executive	4	3

The Company Secretary acts as the Secretary to the Committee.

There were no complaints pending as on 31st March, 2020.

**4. General Body Meetings:**

Particulars of previous three Annual General Meetings.

AGM	Year	Location of the Meeting	Date	Time	Special Resolutions
72nd AGM	2018-19	Walchand Hirachand Hall, IMC, 4th floor, IMC Marg, Churchgate, Mumbai 400020	13th August, 2019	11.30 a.m.	<ul style="list-style-type: none"> <li>– Payment of remuneration to Cost Auditors for the financial year 2019-20</li> <li>– Re-appointment of Mr. K. P. Rao as Independent Director for a period of five years</li> <li>– Re-appointment of Dr. T. S. Sethurathnam as an Independent Director for the period of five years</li> <li>– Re-appointment of Mr. Byram Jeejeebhoy as an Independent Director for the period of five years</li> <li>– Appointment of Smt. Hira Bhojwani as Non-Executive Non-Independent Director of the Company</li> <li>– Appointment of Mrs. Devika Bhojwani as Whole-time Director of the Company</li> <li>– Re-appointment of Mr. Karan Bhojwani, Vice President- Operations for a period of five years</li> </ul>

AGM	Year	Location of the Meeting	Date	Time	Special Resolutions
71st AGM	2017-18	M. C. Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Fort, Mumbai- 400001	22nd September, 2018	3.00 p.m.	<ul style="list-style-type: none"> <li>– Payment of remuneration to Cost Auditors for the financial year 2018-19</li> <li>– Continuation of appointment of Mr. K. P. Rao, Dr. T. S. Sethurathnam and Mr. Byram Jeejeebhoy as Independent Directors as per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015</li> </ul>
70th AGM	2016-17	Walchand Hirachand Hall, IMC, 4th floor, IMC Marg, Churchgate, Mumbai 400020	10th August, 2017	11.00 a.m.	<ul style="list-style-type: none"> <li>– Re-appointment of Mr. Suresh Bhojwani as Chairman and Managing Director</li> <li>– Approval of remuneration to Mr. Karan Bhojwani - Vice President (Operations)</li> <li>– Payment of remuneration to Cost Auditors for the financial year 2017-18</li> </ul>

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

#### Extraordinary General Meeting:

No Extraordinary General Meeting was held during the year 2019-20.

#### 5. Disclosures under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations):

Particulars	Regulation	Details
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	Details of related party transactions entered into by the Company are included in the notes to the Financial Statements. All the transactions covered under the related party transaction are fair, transparent and at arms length. No significant material transaction has been made with the directors, their relatives or management which is in conflict with the interest of the Company. The Board's approved policy for related party transactions is available on the website of the Company at the following link: <a href="http://www.brightbrothers.co.in/pdf/pdf_105.pdf">http://www.brightbrothers.co.in/pdf/pdf_105.pdf</a>
Credit Ratings and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad	Schedule V (c) 9(q) to the SEBI Listing Regulations	The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March, 2020. The ratings given by ICRA for Term Loan and Sales invoice finance facility is BB(Stable) and A4+ respectively. These ratings were assigned on 28th January, 2020 pursuant to the Term Loan and Sales invoice finance Facility availed from Kotak Mahindra Bank Limited.
Details of Regulatory compliance	Schedule V (c) 10(b) to the SEBI Listing Regulations	There were no cases of non-compliance during the last three financial years. No penalty or strictures have been imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital Markets.
Commodity price risk and hedging activities	Schedule V (c) 10(g) of the SEBI Listing Regulations	The activities carried out by the Company are not prone to commodity price risk. Hence, the Company has not undertaken commodity hedging positions during the financial year.
Compliance with the Code of Conduct	Regulation 34 (3) of the SEBI Listing Regulations	The declaration signed by the Chairman and Managing Director stating that the members of Board of Directors and Senior Management personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management forms part of the Annual Report.
CEO/CFO Certification	Regulation 17(8) of SEBI Listing Regulations, 2015	The Chairman and Managing Director and Chief Financial Officer have in respect of the financial year ended 31st March, 2020 certified to the Board regarding compliances of covenants contained in the Regulation. The Certificate forms part of the Annual Report.

Particulars	Regulation	Details
Compliance Certificate from the Auditors	Regulation 34(3) of SEBI Listing Regulations, 2015	The Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Certificate forms part of the Annual Report.
Certificate regarding directors qualifications	Schedule V (c)10(i) to the SEBI Listing Regulations	The Company has obtained a certificate from a Company Secretary in practice that none of the Directors on the board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee.
Policy on Determination of Materiality for Disclosures	Regulation 30 of SEBI Listing Regulations	The Company has adopted a Policy on Determination of Materiality for Disclosures. The Board's approved policy is available on the website of the Company at the following link: <a href="http://www.brightbrothers.co.in/pdf/pdf_103.pdf">http://www.brightbrothers.co.in/pdf/pdf_103.pdf</a>
Discretionary requirements	Schedule II Part E of the SEBI Listing Regulations	The auditors' report on financial statements of the Company are unqualified. Internal auditors report of the manufacturing units of the Company is submitted to the Audit Committee on quarterly basis.

**6. Disclosures in relation to the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as at the end of the financial year
NIL	NIL	NIL

**7. Fees to statutory auditors:**

M/s. Desai Saksena and Associates, Chartered Accountants (Firm Registration No. 102358W) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, given below:

(₹ in lakhs)

Particulars	2019-20	2018-19
Audit fees	6.00	6.00
Others	0.09	0.06
Reimbursement of expenses	0.14	0.10
Total Payment to Auditors	6.23	6.16

**8. Disclosure of Accounting Standards:**

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

**9. Others**

The Company does not have any subsidiaries.

**10. Compliance with non-mandatory requirements:**

Adoption of non-mandatory requirements under Regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being reviewed by the Board from time to time and implemented as per the requirements of the Company.

**11. 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 (i.e. BSE Limited) where the Equity shares of the Company are listed so as to enable it to put it on its website viz. [www.bseindia.com](http://www.bseindia.com). The results are also uploaded on the website of the Company viz. [www.brightbrothers.co.in](http://www.brightbrothers.co.in).

- A Management Discussion and Analysis is being presented as a part of the Annual Report as required under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**12. General Shareholders Information:**

<b>Annual General Meeting</b>	
• <b>Date and Time</b>	: Thursday, 12th November, 2020. 11.00 a.m. (IST)
• <b>Venue</b>	: The meeting will be held through Video Conferencing/ Other Audio Visual Means. The venue of the meeting shall be deemed to be the Registered Office of the Company at 610-611, Nirman Kendra, Famous Studio Lane, Dr. E'Moses Road, Mahalaxmi, Mumbai – 400011.
• <b>Dividend Payment date</b>	: The interim dividend declared on 9th March, 2020 shall be confirmed as Final dividend for the year 2019-20.
<b>Financial Year</b>	2019-20
<b>Date of Book Closure</b>	: 6th November, 2020 - 12th November, 2020
<b>Financial Calendar for 2020-21</b>	
Reporting for June, 2020 quarter	: On or before 15th September, 2020.
Reporting for September, 2020 quarter	: On or before 14th November, 2020.
Reporting for December, 2020 quarter	: On or before 14th February, 2021.
Reporting for quarter & year ended March, 2021	: On or before 30th May, 2021.

**Listing:**

The Equity shares of the Company are listed on Bombay Stock Exchange Limited.

The Company has paid the Annual Listing Fee for the year 2019-20.

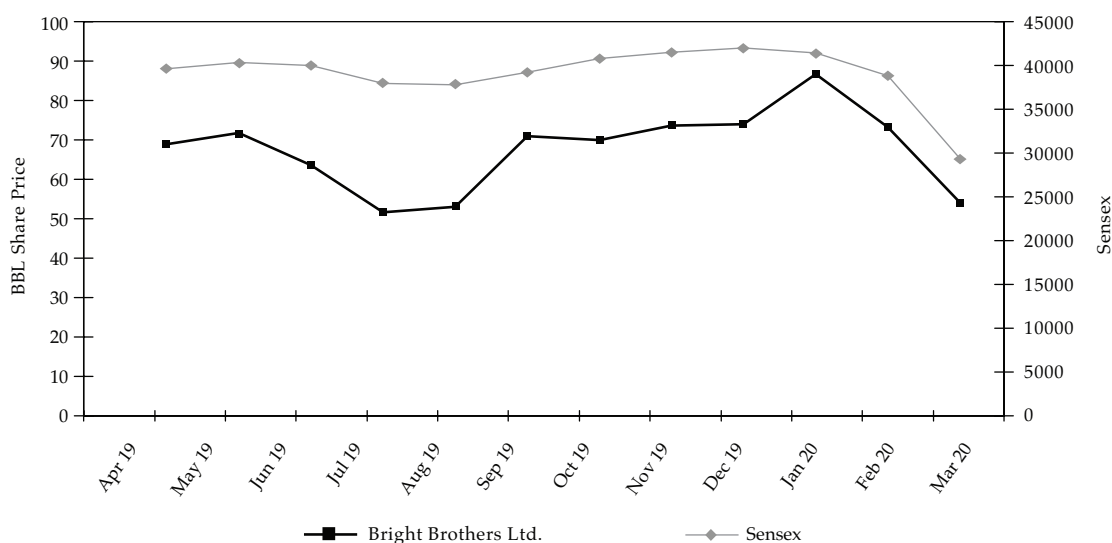
• <b>Stock Code</b>	: 526731
• <b>ISIN No. for NSDL and CDSL</b>	: INE630D01010
• <b>Scrip ID</b>	: BRIGHTBR
• <b>CIN</b>	: L25209MH1946PLC005056

- Stock Market Data (BSE):**

Monthly high and low quotations of shares and volume of Equity shares traded on Bombay Stock Exchange Limited is as follows.

Month	High Price	Low Price	Close Price	No. of Shares	Sensex
Apr-19	75.00	66.00	69.00	14186	39031.55
May-19	77.90	57.55	71.70	17411	39714.20
Jun-19	73.95	61.00	64.00	40535	39394.64
Jul-19	71.90	48.45	52.70	22886	37481.12
Aug-19	63.80	46.00	54.00	58829	37332.79
Sep-19	73.70	52.00	70.90	66410	38667.33
Oct-19	77.85	62.30	69.95	41356	40129.05
Nov-19	83.00	64.00	73.45	79117	40793.81
Dec-19	83.00	69.00	73.75	32497	41253.74
Jan-20	97.00	69.15	85.75	118809	40723.49
Feb-20	91.00	73.05	73.05	32484	38297.29
Mar-20	82.00	44.20	55.00	74642	29468.49

**Share Performance of the Company in Comparison to BSE Sensex**  
**BSE Sensex Vs BBL Share Price (Monthly Closing Price)**

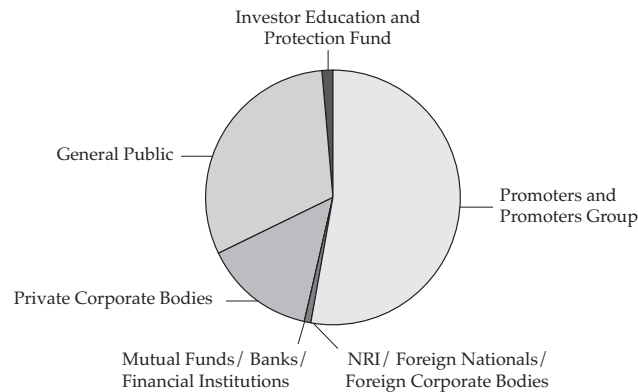




**Pattern of Shareholding as on 31st March, 2020:**

Category	No. of Shares	%
<b>* Promoters and Promoter Group</b>	<b>3,004,947</b>	<b>52.90</b>
<b>Non Promoters</b>		
a. NRIs/Foreign Nationals/Foreign Corporate Bodies	43,634	0.77
b. Mutual Funds/Banks/Financial Institutions	50	0.00
c. Private Corporate Bodies	8,14,019	14.33
d. General Public	17,43,265	30.69
e. Investor Education and Protection Fund	74,320	1.31
<b>Grand Total</b>	<b>56,80,235</b>	<b>100.00</b>

\* Note: None of the Promoters have pledged their shares as on 31st March, 2020.



\*\* Promoter holdings comprised in “Promoter and Promoter Group” as defined in Regulation 2(w) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

Sr. No.	Name of the shareholder	No. of Shares held as on 31st March, 2020	% of total shareholding
1.	M/s. T. W. Bhojwani Leasing Pvt. Ltd.	10,14,489	17.86
2.	Mr. Suresh Bhojwani	12,83,418	22.59
3.	Smt. Hira Bhojwani	3,70,310	6.52
4.	M/s. T. W. Bhojwani – HUF	2,40,430	4.23
5.	Mrs. Devika Bhojwani	41,300	0.73
6.	M/s. S. T. Bhojwani – HUF	20,000	0.35
7.	Ms. Ruchika Bhojwani	17,500	0.31
8.	Mr. Karan Bhojwani	17,500	0.31
	<b>Total</b>	<b>30,04,947</b>	<b>52.90</b>

**Distribution of shareholding (shares)**

Sr. No.	Shareholding of Shares			Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1	1	to	500	3,126	88.86	3,88,719	6.84
2	501	to	1000	174	4.94	1,45,423	2.56
3	1001	to	2000	87	2.47	1,30,108	2.29
4	2001	to	3000	32	0.91	79,524	1.40
5	3001	to	4000	19	0.54	65,574	1.15
6	4001	to	5000	22	0.63	1,04,315	1.84
7	5001	to	10000	20	0.57	1,64,447	2.90
8	10001	to	9999999999	38	1.08	46,02,125	81.02
<b>Total</b>				<b>3,518</b>	<b>100.00</b>	<b>56,80,235</b>	<b>100.00</b>

**Share Transfer System:**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. 1st April, 2019, except in case of request received for transmission or transposition of securities and issue of duplicate share certificates. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

The aforesaid requests are processed by Link Intime India Pvt. Ltd. All the documents received from shareholders are scrutinized by the Company's RTA. The shares lodged for transmission, etc. are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects.

SEBI, vide its Circular No. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20th April, 2018, introduced a documented framework for streamlining and strengthening the systems and processes of RTAs, Issuer Companies and Bankers to an Issue with regards to handling and maintenance of records, transfer of securities and payment of dividend, as may be applicable. In the said Circular, SEBI has suggested measures to make the systems and processes among the RTAs, Issuer Companies and Bankers, more robust and transparent. The said SEBI Circular, *inter alia*, provides for some key requirements like maintenance of dividend master file, reconciliation of dividend account(s), Updation of PAN and Bank mandates by the Shareholders, wherever not available, System-Log(s), enhanced due diligence, etc. The Company and its RTA are in compliance with the applicable requirements of the set framework.

**Dematerialisation and Liquidity:**

The shares of the Company are required to be compulsorily traded in dematerialised form. 55,16,759 Equity Shares representing 97.12% 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, 2020.

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

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on 31st March, 2020, the Company does not have any outstanding DRs/ADRs/Warrants or any convertible instruments.

**Plant Locations:**

<b>Puducherry:</b> Plant I, II and III Plot No. 1/1 to 1/4, Thirubhuvanai, Mannadipet Commune, Puducherry – 605 107. Phone No. : 0413 2640246	<b>Faridabad:</b> Plot No. 16-17, Sector 24, Faridabad, Haryana – 121 005. Phone No. : 0129 2232049
<b>Bhimtal:</b> Hiltron Electronic Complex, Plot No. C,D,E,F & G Mallital, Bhimtal, Nainital, Uttarakhand – 263136 Phone No. : 05942 247212	<b>Dehradun:</b> Khasara No. 3962,3963,3946 & 3947 Lal Tapper Industrial Area, Majri Grant Dehradun, Uttarakhand – 248140. Phone No: 0135-2499973

**Address for Investor's correspondence:**

For all matters relating to shares, dividends, Annual Reports	M/s. Link Intime India Pvt Ltd. C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai- 400083  Contact person: Mr. Ganapati Haligouda Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>	Phone : 022 4918 6000 Fax : 022 4918 6060
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: <a href="mailto:invcom@brightbrothers.co.in">invcom@brightbrothers.co.in</a>	Phone : 8828204635

For and on behalf of the Board,  
**BRIGHT BROTHERS LIMITED**

**Suresh Bhojwani**  
Chairman & Managing Director  
DIN: 00032966

Place : Mumbai  
Date : 29th June, 2020

## Annexure to Corporate Governance Report

### I. Declaration of Compliance with the Code of Conduct

I hereby confirm that:

the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2020.

**Suresh Bhojwani**

*Chairman & Managing Director*

DIN: 00032966

Place : Mumbai

Date : 29th June, 2020

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### II. CEO-CFO CERTIFICATE under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors,

BRIGHT BROTHERS LIMITED

- (a) We have reviewed financial statements and the cash flow statement of Bright Brothers Limited for the year ended on 31st March, 2020 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
  - (i) that there are no significant changes in internal control over financial reporting during the year;
  - (ii) that there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Mr. Suresh Bhojwani**

*Chairman & Managing Director*

DIN 00032966

**Mr. Chirag Shah**

*Chief Financial Officer*

Place : Mumbai

Date : 29th June, 2020

### III. Independent Auditors' Certificate on Corporate Governance

To,  
The Members of  
**Bright Brothers Limited**

We have examined the compliance of conditions of Corporate Governance by **Bright Brothers Limited** ('the Company'), for the financial year ended 31st March, 2020 as stipulated and as required under Regulation 15(2) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company is generally in compliance with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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  
Firm's registration No.: 102358W

**Dr. S. N. Desai**  
Partner  
M.N.32546

UDIN: 20032546AAAAAW5994

Place: Mumbai  
Date: 29th June, 2020

**Annexure - III**  
**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2020**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
Bright Brothers Limited  
CIN: L25209MH1946PLC005056  
610-611, Nirman Kendra,  
Famous Studio Lane,  
Mahalaxmi, Mumbai 400 011.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bright Brothers Limited, (hereinafter called as the 'Company'). This Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other returns maintained by the Company for the financial year ended March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company for the period under review)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with amendments from time to time **(Not applicable as the Company has not issued any further share capital during the period under review)**;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable as the Company has not issued any stock options during the period under review)**;

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable as the Company has not issued and listed any debt capital during the period under review);**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 read with Amendments, regarding the Companies Act and dealing with client **(Not applicable as the Company is not registered as Registrar to Issue & Share Transfer Agent during the period under review);**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable as there was no reportable event during the period under review);**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable as there was no reportable event during the period under review);**
- (vi) The other laws that are applicable specifically to the Company are as follows:
  - a) Maharashtra Shops and Establishments (Regulation of employment and conditions of service) Act, 2017, Rules thereunder and other State Acts and Rules thereunder, including statutory amendments made thereto
  - b) Factories Act, 1948 and applicable State Rules;
  - c) Contract Labour (Regulation and Abolition) Act, 1970, Contract Labour (Regulation and Abolition) Central Rules, 1971 and applicable State Rules.
  - d) Industrial Disputes Act, 1947, Industrial Disputes (Central) Rules, 1957 and applicable State Rules
  - e) Industrial Employment (Standing Orders) Act, 1946, Industrial Employment (Standing Orders) Central Rules, 1946 and applicable State Rules
  - f) Employee Compensation Act, 1923, Workmen Compensation Rules, 1924 and applicable State Rules.
  - g) Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Employees' Provident Fund Scheme, 1952, Employees' Pension Scheme, 1995 and Employees' Deposit Linked Insurance Scheme, 1976.
  - h) Equal Remuneration Act, 1976 and Equal Remuneration Rules, 1976.
  - i) Maternity Benefit Act, 1961 and applicable State Rules.
  - j) Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975.
  - k) Payment of Wages Act, 1936, Payment of Wages (Nomination) Rules, 2009 and applicable State Rules.
  - l) Minimum Wages Act, 1948, Minimum Wages Rules, 1950 and applicable State Rules.
  - m) Payment of Gratuity Act, 1972 and applicable State Rules.
  - n) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013
  - o) Environment Protection Act, 1986 and other applicable environmental laws;
  - p) Air (Prevention and Control of Pollution) Act, 1981 and Air (Prevention and Control of Pollution) Rules 1982 and applicable State rules;
  - q) Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975 and applicable State Rules.
  - r) Hazardous Waste (Management and Handling) Rules, 1989 and Amendment Rules, 2003;
  - s) The Trademark Act, 1999



I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board meetings and Committee meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board as the case may be.
- Company is generally regular in compliance with the filing of e-forms with the Ministry of Corporate Affairs as required under the Companies Act, 2013 and the Rules framed thereunder and where in few instances not filed within the prescribed time limit, the same was filed with payment of additional fees.
- There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and as informed, the Company has responded appropriately to notices received from statutory / regulatory authorities including initiating immediate corrective measures, where necessary.

I further report that during the audit period, the Company has no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

This Report is to be read with my letter of even date which forms an integral part of this Report.

**Purnima Shetty**  
*Practicing Company Secretary*  
 FCS No. 9089  
 C.P. No. 14933  
 UDIN No. F009089B000371781

*Place: Mumbai*  
*Date: 26<sup>th</sup> June, 2020*

**‘Annexure A’**

**(To the Secretarial Audit Report of M/s. Bright Brothers Limited  
for the financial year ended 31<sup>st</sup> March, 2020)**

To,  
The Members,  
Bright Brothers Limited  
CIN: L25209MH1946PLC005056  
610-611, Nirman Kendra,  
Famous Studio Lane,  
Mahalaxmi, Mumbai 400 011.

My Secretarial Audit Report of even date, for the F.Y. 2019-2020 is to be read along with this letter:

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and rules and regulations and to ensure that the systems are adequate and operate effectively. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about correctness of the contents of the secretarial records. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of the corporate and other laws, rules, regulations, norms and standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
5. Wherever required, I obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Purnima Shetty**  
*Practicing Company Secretary*  
FCS No. 9089  
C.P. No. 14933  
UDIN No. F009089B000371781

*Place: Mumbai*  
*Date: 26<sup>th</sup> June, 2020*

## Independent Auditors' Report

**TO THE MEMBERS OF,  
BRIGHT BROTHERS LIMITED**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Bright Brothers Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter:

1. The Company has an internal control system. However, the same needs to be strengthened.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sn.	The Key Audit Matters	How our audit addressed the key audit matter
1	<b>Evaluation of Contingent Liabilities</b>	
	The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business regarding Disputed Statutory Liabilities and Contingent Liabilities. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the financial statements.	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> <li>➤ Read and analysed documents provided by the management for key uncertain tax positions;</li> <li>➤ Discussed with appropriate senior management and evaluated management's underlying key assumptions in disclosure of disputed statutory liabilities; and</li> <li>➤ Assessed management's estimate of the possible outcome of the disputed cases.</li> </ul>

#### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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. In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the

key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  - (A) As required by Section 143(3) of the Act, we report that:
    - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
    - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
    - (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
    - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note No. 34 (Sn 1 to 5) to the financial statements;
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
    - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.
  - (C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:
 

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

**Dr. S. N. Desai**  
Partner  
M.N. 32546

UDIN: 20032546AAAAAW5994

Place: Mumbai  
Date: 29th June 2020

### **Annexure – A to the Independent Auditors’ Report**

With reference to the “Annexure A” referred to in the Independent Auditors’ Report to the members of the Company on the financial statements for the year ended 31 March 2020, we report the following:

- (i) In respect of Company’s property, plant and equipment:
  - (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment
  - (b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) In respect Company’s inventories:
 

The inventory, except goods-in-transit and inventory lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In our opinion and according to information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured or provided any guarantees or security to parties covered under section 185 of the Act. The Company has not granted any loans, no investments has been made, no guarantees or security are given to parties covered section 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with directives issued by Reserve Bank of India and the provision of sections 73 to 75 or any other applicable provisions of the Act and the (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal. In our opinion and according to explanation given to us, the Company has not accepted deposit from non-members.
- (vi) We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the Rules prescribed by the Central Government under sub section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) In respect of statutory dues:
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, duty of customs, service tax, goods and professional tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, duty of customs, goods and service tax, professional tax, cess and other material statutory dues were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, other than the following dues of duty of excise, sales tax, value added tax and provident fund:



Sr. No.	Name of the Statute	Nature of dues	Financial Year to which it Pertains	Forum where dispute is Pending	*Amount (₹ in Lakhs)
1	Bombay Sales Tax Act, 1959 and Central Sales Tax Act, 1956	Sales tax, Interest and Penalty	1998-99 2001-02	Sales Tax Appellate Tribunal	6.80
2	Bombay Sales Tax Act,	Sales tax, Interest and Penalty	1987-89	Joint Commissioner (Appeals-Sales Tax)	16.86
3	The Central Excise Act, 1944	Duty and Penalty	1996-1997 to 1998-1999	CESTAT	89.78
4	Provident Fund Act, 1952	P.F. dues	2010-2011, 2011-2012, 2012-2013	Commissioner (PF)	8.66
5	Uttarakhand Value Added Tax, 2005	Sales tax	2011-12, 2012-13, 2013-14, 2014-15	Assessing Officer**	331.97

\* Interest and Penalty as per the orders received.

\*\* The assessing officer had issued a preliminary notice. However, as per the explanation given by the Company, it will be treated as fresh assessment and hence not required to file any appeal.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loan raised during the year has been applied for the purpose for which it was raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting standard (IND AS) 24, Related Party Disclosure specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

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

**Dr. S. N. Desai**  
Partner  
M.N. 32546

UDIN: 20032546AAAAAW5994

Place: Mumbai  
Date: 29th June 2020



## **Annexure – B to the Independent Auditors’ Report**

(Referred to in paragraph 1(A)(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to financial statements of **Bright Brothers Limited** (“the Company”) as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management

and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting, however, the same needs to be strengthen and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

**Dr. S. N. Desai**  
Partner  
M.N. 32546

Place: Mumbai  
Date: 29th June 2020  
UDIN: 20032546AAAAAW5994

## Balance Sheet As at 31st March, 2020

	Note No.	As at 31st March, 2020	(₹ in Lakhs) As at 31st March, 2019
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, Plant and Equipment	2	4,373.86	4,512.50
(b) Capital work-in-progress	3	—	20.77
(c) Other intangible assets	4	—	—
(d) Financial assets			
(i) Investments	5	59.51	59.50
(ii) Deposits	6	141.38	106.24
(iii) Loans	7	—	—
(iv) Other financial assets	8	161.26	201.71
(e) Deferred tax assets	20B	153.38	32.82
(f) Other non-current assets	9	62.70	56.51
<b>Total non-current assets</b>		<b>4,952.09</b>	<b>4,990.05</b>
<b>2. Current assets</b>			
(a) Inventories	10	1,225.44	1,510.99
(b) Financial assets			
(i) Investments	11	671.90	367.98
(ii) Trade receivables	12	4,597.84	1,671.45
(iii) Cash and cash equivalents	13	307.10	185.05
(iv) Other bank balances	14	29.67	69.54
(c) Other current assets	15	99.12	70.43
<b>Total current assets</b>		<b>6,931.07</b>	<b>3,875.44</b>
<b>TOTAL ASSETS</b>		<b>11,883.16</b>	<b>8,865.49</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	567.60	567.60
Other equity	17	3,821.04	3,795.05
<b>Total Equity</b>		<b>4,388.64</b>	<b>4,362.65</b>
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	480.88	370.72
(ii) Deposits	19	180.00	138.00
(b) Deferred tax liabilities	20A	223.55	147.49
<b>Total non-current liabilities</b>		<b>884.43</b>	<b>656.21</b>
<b>2. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	608.00	630.00
(ii) Trade payables	22		
Micro, small and medium enterprises		219.83	352.32
Others		1,602.95	2,089.54
(iii) Other financial liabilities	23	3,809.53	569.62
(b) Other current liabilities		181.23	107.70
(c) Provisions	24	122.97	79.78
(d) Income tax liabilities (Net)		65.58	17.67
<b>Total current liabilities</b>		<b>6,610.09</b>	<b>3,846.63</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,883.16</b>	<b>8,865.49</b>
<b>Significant Accounting Policies</b>	1		

The accompanying notes referred to herein form an integral part of the 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  
UDIN: 20032546AAAAAW5994  
Mumbai, 29th June, 2020.

Mr. Chirag Shah  
Chief Financial Officer

Mrs. Sonali Pednekar  
Company Secretary &  
Compliance Officer

Mr. Suresh Bhojwani  
DIN: 00032966

Mrs. Devika Bhojwani  
DIN: 08355381

Mr. K. P. Rao  
DIN: 00027577

Dr. T. S. Sethurathnam  
DIN: 00042704

Chairman &  
Managing Director

Whole Time Director

Independent Directors

## Statement of Profit and Loss for the year ended 31st March, 2020

			(₹ in Lakhs)
	Note No.	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>INCOME</b>			
Revenue from operations	25	21,787.11	23,078.64
Other income	26	14.68	41.24
<b>Total Revenue</b>		<b>21,801.79</b>	<b>23,119.88</b>
<b>EXPENSES</b>			
Cost of materials consumed	27	14,368.70	16,159.15
Purchases of traded goods	28	168.93	166.75
Changes in inventories of finished goods, work-in-progress and traded goods	29	122.68	(81.47)
Other operating expenses	30	2,486.87	2,492.14
Employee benefits expenses	31	1,911.31	1,773.42
Finance costs	32	542.15	621.67
Depreciation and amortization expenses	2,4	590.45	576.75
Other expenses	33	1,149.94	1,201.36
<b>Total Expenses</b>		<b>21,341.03</b>	<b>22,909.77</b>
<b>Profit before Tax</b>		<b>460.76</b>	<b>210.11</b>
<b>TAX EXPENSES</b>			
		115.21	9.80
(1) Current Tax		47.91	9.80
(2) MAT Credit		111.80	—
(3) Deferred Tax		(44.50)	—
<b>Profit after Tax</b>		<b>345.55</b>	<b>200.31</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans (Net of tax)		(34.89)	(7.59)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>310.66</b>	<b>192.72</b>
<b>EARNING PER EQUITY SHARE IN (₹)</b>			
	45		
<b>Basic and diluted (Face Value ₹ 10/- paid-up)</b>		<b>6.09</b>	<b>3.53</b>
<b>Significant Accounting Policies</b>	1		

The accompanying notes referred to herein form an integral part of the 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  
UDIN: 20032546AAAAAW5994  
Mumbai, 29th June, 2020.

Mr. Chirag Shah  
Chief Financial Officer

Mrs. Sonali Pednekar  
Company Secretary &  
Compliance Officer

Mr. Suresh Bhojwani  
DIN: 00032966

Mrs. Devika Bhojwani  
DIN: 08355381

Mr. K. P. Rao  
DIN: 00027577

Dr. T. S. Sethurathnam  
DIN: 00042704

Chairman &  
Managing Director

Whole Time Director

Independent Directors

## Cash Flow Statement for the year ended 31st March, 2020

	(₹ in Lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before Tax	460.76	210.11
Adjustments for :		
Depreciation and amortization	590.45	576.75
Finance cost	542.15	621.67
Loss/(gain) on sale of property, plant & equipment	2.70	—
Interest (income)	(15.40)	(5.11)
Dividend from non current investment (income)	(1.39)	(1.54)
Net (gain)/loss on sale of investments	9.43	(18.27)
<b>Operating profit before working capital changes</b>	<b>1,588.70</b>	<b>1,383.61</b>
Adjustments for :		
Movements in working capital :		
Increase/(Decrease) in trade payables	(619.08)	(314.87)
Increase/(Decrease) in other current financial liabilities	3,239.91	(139.00)
Increase/(Decrease) in other current liabilities	73.53	(108.22)
Increase/(Decrease) in provisions	(2.69)	30.38
(Increase)/Decrease in trade receivables	(2,926.39)	249.63
(Increase)/Decrease in other bank balances	39.87	(3.64)
(Increase)/Decrease in inventories	285.55	(35.36)
(Increase)/Decrease in other financial assets	(52.49)	(39.30)
(Increase)/Decrease in other assets	(34.88)	20.17
<b>Working capital changes :</b>	<b>3.33</b>	<b>(340.21)</b>
Cash flow from/(Used In) Operating Activities	1,592.03	1,043.40
Income tax Refund/(Paid)	(54.00)	9.80
<b>Net Cash flow from/(Used In) Operating Activities (A)</b>	<b>1,538.03</b>	<b>1,053.20</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of property, plant & equipments, including capital		
Work in progress-tangible assets and capital advances	(435.72)	(1,019.36)
Proceeds from sale of property, plant & equipments	1.98	19.09
Interest Income	15.40	5.11
Dividend from non current investment income	1.39	1.54
Purchase of investment	(1,024.78)	(879.73)
Proceeds from sale of investments	711.42	1,206.51
<b>Net cash flow from/(Used in) Investing Activities (B)</b>	<b>(730.31)</b>	<b>(666.84)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES :</b>		
Proceeds from long-term borrowings	322.06	525.64
Repayment of long term borrowing	(169.90)	(282.08)
Increase/(Decrease) in short-term borrowings	(22.00)	191.21
Finance Cost	(542.15)	(621.67)
Final Dividend paid (including dividend distribution tax)	(136.72)	(136.96)
Interim Dividend paid (including dividend distribution tax)	(136.96)	—
<b>Net Cash flow from/(Used in) Financing Activities (C)</b>	<b>(685.67)</b>	<b>(323.86)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT (A+B+C)</b>	<b>122.05</b>	<b>62.50</b>
Cash and cash equivalents at the beginning of year	185.05	122.55
Cash and cash equivalents at the end of the year	307.10	185.05
(1) The above statement has been prepared in indirect method.		
(2) Previous year's figures have been reclassified to conform to current year's presentation.		
(3) Figures in the bracket indicate out go.		

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  
UDIN: 20032546AAAAW5994  
Mumbai, 29th June, 2020.

Mr. Chirag Shah  
Chief Financial Officer

Mrs. Sonali Pednekar  
Company Secretary &  
Compliance Officer

Mr. Suresh Bhojwani  
DIN: 00032966

Mrs. Devika Bhojwani  
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Dr. T. S. Sethurathnam  
DIN: 00042704

Chairman &  
Managing Director

Whole Time Director

Independent Directors

## Statement of Changes in Equity for the year ended 31st March, 2020

Statement of Changes in Equity for the year ended 31st March, 2020									
EQUITY SHARE CAPITAL :			(₹ in Lakhs)						
	Balance as at 1st April 2019	Changes in equity share capital during the year						Balance as at 31st March 2020	
Paid up capital (Refer Note 16)		567.60						567.60	
OTHER EQUITY :									
Particulars	Reserves and Surplus								
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Amalgamation Reserve	Retained Earnings	Revaluation Reserve	Other Comprehen- sive Income	Total
Balance as at 1st April 2019	156.83	967.00	229.53	1,933.17	139.00	281.33	84.79	3.40	3,795.05
Profit/(Loss) for the year						345.55			345.55
Remeasurements of net defined benefit plans (Net of tax)									
Final dividend F.Y. 2018-19 paid including corporate dividend tax								(45.88)	(45.88)
Interim Dividend F.Y. 2019-20 paid including corporate dividend tax						(136.72)			(136.72)
Balance as at 31st March 2020	156.83	967.00	229.53	1,933.17	139.00	353.20	84.79	(42.48)	3,821.04

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

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

Dr. S. N. Desai

Partner

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Chairman &  
Managing Director

Whole Time Director

Independent Directors

## Notes accompanying the Financial Statements

### Note 1

#### SIGNIFICANT ACCOUNTING POLICIES

##### COMPANY INFORMATION:

The Bright Brothers Limited ("the Company") is public limited Company incorporated and domiciled in India and has registered office at 610-611, Nirman Kendra, Famous Studio Lane, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011. It is incorporated under the Indian Companies Act, 1913 and its shares are listed on the Bombay Stock Exchange Limited.

The Company is engaged in the business of manufacturing injection 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 and beauty products under "DIVO" brand.

##### (A) Basis of Preparation of Financial Statements:

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under the Companies (Indian Accounting standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules 2016 prescribed under section 133 of the Companies Act, 2013.

The financial statements of the Company are prepared and presented on accrual basis and under the historical cost convention, except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities are measured at Fair value (refer accounting policy on financial instruments – note (H) below.
- Defined Benefit and other Long term Employee Benefits - Refer note (J) below.

##### (B) Use of Estimates:

The presentation of financial statements requires the management to make certain judgments, estimates and assumption that affects the reported amounts reported under the financial statements and notes thereto. 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 these estimates.

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

##### (C) Property, Plant and Equipment:

- (i) Property, plant and equipment other than certain revalued land, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.
- (ii) Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.
- (iii) Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.
- (iv) Cost of land includes lands acquired under lease.
- (v) Cost of building includes buildings constructed on leasehold lands.

##### (D) Depreciation on Property, Plant and Equipment:

- (i) Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, which are equal to the life prescribed under the Schedule II to the Companies Act, 2013.  
Depreciation on assets added/sold or discarded during the year is being provided on pro-rata basis up to the date on which such assets are added/sold or discarded.  
Gains/Losses on disposals/de-recognition of property, plant and equipment are determined by comparing proceeds with carrying amount and these are recognized in statement of profit & Loss.
- (ii) Premium on leasehold land is amortized over the period of lease.

##### (E) Intangible Assets:

Intangible assets, which are acquired, are capitalized and amortized on a straight-line basis over their useful lives of four years.

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment losses.



## Notes accompanying the Financial Statements

### (F) 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. Exchange differences arising 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.

### (G) Inventories:

Inventories includes Raw Material, Work-in-Progress, Finished goods, Stores & spares, Consumables, Packing Materials.

- (i) Raw Material and Components – Cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using identified lot basis/First in first out (FIFO) basis.
- (ii) Finished stock, Traded goods and work in progress stock – Cost includes cost of direct material, labor, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average cost basis.
- (iii) Stores, Spare Parts, Consumables, Packing Materials etc. – Cost is determined on FIFO basis.

Adequate allowance is made for obsolete and slow moving items.

### (H) Financial Instruments:

#### Financial assets - Initial recognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss. Subsequent measurement Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (i) the entity's business model for managing the financial assets and;
- (ii) the contractual cash flow characteristics of the financial asset.

#### (a) Measured at amortised cost:

A financial asset is measured at amortised cost, if it is held under the hold to collect business model i.e. held with an objective of holding the assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal outstanding. Amortised cost is calculated using the effective interest rate ("EIR") method by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, gain or loss, if any, is recognised to Statement of Profit and Loss.

#### (b) Measured at fair value through other comprehensive income (FVOCI):

A financial asset is measured at FVOCI, if it is held under the hold to collect and sell business model i.e. held with an objective to collect contractual cash flows and selling such financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding. It is subsequently measured at fair value with fair value movements recognised in the OCI, except for interest income which recognised using EIR method. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in the OCI is reclassified from the equity to Statement of Profit and Loss.

#### (c) Measured at fair value through profit or loss (FVTPL):

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVOCI is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

#### Equity Instruments:

All investments in equity instruments classified under financial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL.

For all other equity instruments, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument shall be recognised in Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in the OCI. Amounts recognised in Other Comprehensive Income (OCI) are not subsequently transferred to Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in Statement of Profit and Loss.

#### Impairment:

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

## Notes accompanying the Financial Statements

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL.

The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

### De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### **Financial Liabilities**

#### Initial Recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities include trade and other payables, loans and borrowings.

#### Subsequent measurement:

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

#### Loans & Borrowings:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

#### Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative adjustments.

### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **(I) Fair Value measurement:**

The Company measures financial instruments, at fair value at each balance sheet date.

## Notes accompanying the Financial Statements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### (J) Employee Benefits:

The Company has following post-employment plans:

- (a) Defined benefit plans such as gratuity and;
- (b) Defined contribution plans such as Provident fund & Superannuation fund

#### (a) Defined-benefit plan:

The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and
- (ii) Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising

- (i) Re-measurement of Actuarial(gains)/losses
- (ii) Return on plan assets, excluding amount recognized in effect of asset ceiling
- (iii) Re-measurement arising because of change in effect of asset ceiling

are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

#### (b) Defined-contribution plan:

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

## Notes accompanying the Financial Statements

### (c) Other employee benefits:

- (i) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.
- (ii) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

### (K) Impairment of Non Financial Assets:

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets are impaired. If any such indication exists, the Company estimates the amount of impairment loss. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

### (L) Taxes on Income:

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items, that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-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 Company will pay normal income-tax during the specified period.

### (M) Provisions, Contingent Liabilities and Contingent Assets:

#### Provisions:

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

#### Contingent Liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that can't be recognised because it can't be measured reliably. The Company does not recognise the contingent liability but disclose its existence in its financial statements.

#### Contingent assets:

Contingent assets are neither recognised, nor disclosed.

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

## Notes accompanying the Financial Statements

### (N) Leased Assets:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 "Leases" which replaces the existing lease standard, Ind AS 17 "Leases" and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

Effective 01 April, 2019, the Company has adopted Ind AS 116 "Leases". The Company's lease assets class consist of leases of factory premises and office premises. These leases were earlier classified as "Operating Leases" under Ind AS 17.

On transition to Ind AS 116 "Leases", the Company has determined these as short term leases.

- \* The company didn't recognised the Right to Use and Lease liabilities for lease for which the leases are classified as short term on the date of initial transition.
- \* All the lease transactions entered by the company are deemed as short term leases.

Considering the above criteria, all the leases previously classified as operating leases under Ind AS 17 are to be deemed as short term leases and hence no further adjustments to its carrying value is required to be made in this financial statements.

Rental expense recorded for short-term leases was ₹ 187.66 lakhs for the year ended 31 March, 2020 (Previous Year ₹ 170.82 lakhs)

### (O) Exceptional Items:

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.

### (P) Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized 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.

### (Q) Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is recognised only if following conditions are satisfied:

- (i) The Company has transferred risks and rewards incidental to ownership to the customer;
- (ii) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (iii) It is probable that the economic benefit associated with the transaction will flow to the Company; and
- (iv) It can be reliably measured and it is reasonable to expect ultimate collection.

Revenue from sale of services are recognized when the services are rendered.

Dividend income is recognised when the right to receive payment is established.

### (R) Earnings Per Share:

Earnings 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.

### (S) Cash and Cash Equivalents:

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

### (T) Cash Flow Statement:

The 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.

### (U) Cash Dividend:

The Company recognizes a liability to pay dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company i.e. when the dividend distribution is being approved by the shareholders. A corresponding amount is recognized directly in equity.

## Notes accompanying the Financial Statements

### Note 2

#### PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT									
Particulars	Gross Block			Accumulated Depreciation			Net Block		
	Opening Balance as at 1 April, 2019	Additions	(Disposals)	Balance as at 31st March, 2020	Opening Balance as at 1 April, 2019	Depreciation charge for the year	(On disposals/ Adjustments during the year)	Balance as at 31st March, 2020	Balance as at 31 March, 2019
Land - Leasehold	125.22	—	—	125.22	11.95	1.20	—	13.15	113.27
Land - Freehold	209.69	2.82	—	212.51	—	—	—	—	209.69
Buildings	1,438.22	15.93	—	1,454.15	437.53	52.13	—	489.66	1,000.69
Plant and Equipment	7,282.71	284.34	(1.80)	7,565.25	4,434.59	453.13	(0.35)	4,887.37	2,848.12
Furniture and Fixtures	242.39	2.98	—	245.37	181.57	7.95	—	189.52	60.82
Vehicles	195.23	85.89	(9.80)	271.32	142.20	12.58	(6.80)	147.98	53.03
Office equipment	102.31	29.48	—	131.79	77.94	9.14	—	87.08	24.37
Moulds	653.04	8.97	—	662.01	523.75	30.29	—	554.04	129.29
Computers	175.70	22.57	(0.37)	197.90	162.79	13.79	(0.14)	176.44	12.91
Electric Installation	247.91	3.51	—	251.42	187.60	10.24	—	197.84	60.31
<b>Total</b>	10,672.42	456.49	(11.97)	11,116.94	6,159.92	590.45	(7.29)	6,743.08	4,512.50
Previous Year	9,653.71	1,022.43	(3.72)	10,672.42	5,586.90	573.99	(0.97)	6,159.92	4,066.81



## Notes accompanying the Financial Statements

	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Note 3</b>		
<b>CAPITAL WORK-IN-PROGRESS</b>		
<b>Assets under installation</b>		
Buildings	—	9.61
Plant and Equipment	—	11.16
<b>Total</b>	<u>—</u>	<u>20.77</u>

### Note 4

#### OTHER INTANGIBLE ASSETS

##### Gross carrying amount

Balance as at 1st April 2019	20.73
Additions	—
(On disposals/ Adjustments during the year)	—
Balance as at 31st March 2020	<u>20.73</u>

##### Accumulated Depreciation

Balance as at 1st April 2019	20.73
Depreciation charge for the year	—
(On disposals/ Adjustments during the year)	—
Balance as at 31st March 2020	<u>20.73</u>

##### Net carrying amount as at 1st April 2019

##### Net carrying amount as at 31st March 2020

### Note 5

#### NON CURRENT INVESTMENTS

	Quantity		Amount (₹ in Lakhs)	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
(A) <b>Investment in equity instruments (at cost) - Unquoted</b>				
The Saraswat Co-op. Bank Ltd. (Share of ₹ 10/- each, fully paid up)	1,000	1,000	0.10	0.10
Shalimar Infotech Ltd. (Share of ₹ 300.12/- each, fully paid up)	1,666	1,666	5.00	5.00
(A)			<u>5.10</u>	<u>5.10</u>
(B) <b>Other non-current investments (units of venture fund)</b>				
Ambit Pragma Fund Scheme I	6208	6208	54.41	54.40
(B)			<u>54.41</u>	<u>54.40</u>
<b>Total [A + B]</b>			<u>59.51</u>	<u>59.50</u>



## Notes accompanying the Financial Statements

	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Note 6</b>		
<b>DEPOSITS</b>		
(Unsecured, Considered good unless otherwise stated)		
Security and other deposits	141.38	106.24
<b>Total</b>	<b>141.38</b>	<b>106.24</b>
<b>Note 7</b>		
<b>LOANS</b>		
(Unsecured, Considered good unless otherwise stated)		
Inter corporate loans	660.00	660.00
Less: Provisions	660.00	660.00
<b>Total</b>	<b>—</b>	<b>—</b>
<b>Note 8</b>		
<b>OTHER FINANCIAL ASSETS</b>		
(Unsecured, Considered good unless otherwise stated)		
Advance tax	161.26	89.91
MAT credit	—	111.80
<b>Total</b>	<b>161.26</b>	<b>201.71</b>
<b>Note 9</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
(Unsecured, Considered good unless otherwise stated)		
Deposit against disputed stamp duty	39.85	39.81
Balances/Deposits with Govt. & Statutory Authorities	22.85	16.70
<b>Total</b>	<b>62.70</b>	<b>56.51</b>
<b>Note 10</b>		
<b>INVENTORIES</b>		
Raw materials	654.73	775.80
Finished goods/work in progress	321.66	454.93
Traded goods	60.38	49.79
Stores, spares and components	132.27	168.88
Packing materials	56.40	61.59
<b>Total</b>	<b>1,225.44</b>	<b>1,510.99</b>

## Notes accompanying the Financial Statements

### Note 11

#### CURRENT INVESTMENTS

	Quantity		Amount (₹ in Lakhs)	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
<b>(A) Investment in equity instruments (quoted)</b>				
(No. of equity shares of face value of ₹ 10 each fully paid-up unless otherwise specified)				
Bharat Forge Ltd. (Face value of ₹ 2 each)	—	3,575	—	18.32
JSW Steel Ltd. (Face value of ₹ 1 each)	5,169	10,514	7.56	30.81
Finolex Industries Ltd.	—	2,500	—	12.23
Atul Ltd.	629	1,335	25.09	47.87
Suven Life Sciences Ltd. (Face value of ₹ 1 each)	—	2,869	—	7.49
Jsw Energy Ltd.	13,000	25,000	5.55	18.15
Nava Bharat Ventures Ltd. (Face value of ₹ 2 each)	—	12,200	—	12.60
EID Parry (India) Ltd. (Face value of ₹ 1 each)	3,000	3,000	4.17	6.14
Steel Authority Of India Ltd.	—	14,787	—	7.95
Astrazeneca Pharma India Ltd. (Face value of ₹ 2 each)	850	1,350	20.43	26.85
Dishman Carbogen Amcis Ltd. (Face value of ₹ 2 each)	—	4,984	—	10.37
HDFC Bank Ltd. (Face value of ₹ 1 each)	271	—	2.33	—
Sun Pharmaceuticals Industries Ltd. (Face value of ₹ 1 each)	3,188	—	11.23	—
Grasim Industries Ltd. (Face value of ₹ 2 each)	688	—	3.28	—
Wockhardt Ltd. (Face value of ₹ 5 each)	2,182	—	3.77	—
<b>(A)</b>			<b>83.41</b>	<b>198.78</b>
<b>(B) Investments in Mutual Funds (trade)</b>				
HDFC Equity Savings Fund - Regular Plan - Growth	123,415	123,415	40.69	45.41
Kotak Liquid - Regular Plan Growth	7,664	3,281	306.58	123.79
Kotak Savings Fund - Regular Plan - Growth	634,488	—	203.63	—
Kotak Overnight Fund - Regular Plan - Growth	3,529	—	37.59	—
<b>(B)</b>			<b>588.49</b>	<b>169.20</b>
<b>Total [A + B]</b>			<b>671.90</b>	<b>367.98</b>

(₹ in Lakhs)

As at 31st March, 2020      As at 31st March, 2019

### Note 12

#### TRADE RECEIVABLES

(Unsecured, Considered good)

Outstanding for a period less than six months from the date they are due for payment

Unsecured, considered good      4,532.39      1,521.09

Outstanding for a period exceeding six months from the date they are due for payment

Unsecured, considered good      65.45      150.36

**Total**      **4,597.84**      **1,671.45**

## Notes accompanying the Financial Statements

	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Note 13</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash on hand	8.68	5.35
Balances with Banks in current accounts	298.42	179.70
<b>Total</b>	<b>307.10</b>	<b>185.05</b>

<b>Note 14</b>		
<b>OTHER BANK BALANCES</b>		
Earmarked deposits	2.74	46.28
Unpaid dividend accounts	26.93	23.26
<b>Total</b>	<b>29.67</b>	<b>69.54</b>

<b>Note 15</b>		
<b>OTHER CURRENT ASSETS</b>		
(Unsecured, Considered good unless otherwise stated)		
Prepaid Expenses	41.43	29.66
Advances recoverable in cash or in kind or for value to be received	40.98	22.19
Loan and advances to employees	15.87	17.36
Balance with government authorities	0.84	1.22
<b>Total</b>	<b>99.12</b>	<b>70.43</b>

<b>Note 16</b>		
<b>EQUITY SHARE CAPITAL</b>		
<b>Authorised :</b>		
7,000,000 (previous year 7,000,000) Ordinary Shares of ₹ 10/- each	700.00	700.00
3,000,000 (previous year 3,000,000) Cumulative redeemable preference shares of ₹ 10/- each	300.00	300.00
<b>Issued, Subscribed and Paid up :</b>		
5,680,235 (previous year 5,680,235) Ordinary Shares of ₹ 10/- each paid up	568.02	568.02
Less: Calls in arrears	0.42	0.42
<b>Total</b>	<b>567.60</b>	<b>567.60</b>

## Notes accompanying the Financial Statements

### The Reconciliation of the number of shares outstanding

(₹ in Lakhs)

Particulars	2019-20		2018-19	
	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

#### (Terms/Rights and Restriction attached to shares) :

The Company has one class of shares i.e. Ordinary shares having a par value of ₹ 10/- per share. Each holder of Equity shares is entitled to one vote per share and are subject to the preferential rights as prescribed under law.

Each Shareholder is eligible for one vote per share held. In the event of liquidation, Ordinary shareholders will be eligible to receive the assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

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.

### The details of shareholders holding more than 5 percent shares

Name of Shareholder	2019-20		2018-19	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Suresh Bhojwani (DIN: 00032966)	1,283,418	22.59%	1,283,418	22.59%
Smt. Hira T. Bhojwani (DIN: 00032997)	370,310	6.52%	370,310	6.52%
M/s. T. W. Bhojwani Leasing Pvt. Ltd	1,014,489	17.86%	877,237	15.44%
M/s. Patton International Limited	358,802	6.32%	358,802	6.32%
M/s. Beeline Impex Private Ltd.	191,877	3.38%	280,389	4.94%

Unpaid Calls	2019-20	2018-19
By Directors	Nil	Nil
By Others	42,000	42,000

(₹ in Lakhs)

As at  
31st March, 2020      As at  
31st March, 2019

#### Note 17

#### OTHER EQUITY

a. Capital Reserve	156.83	156.83
b. Securities Premium Reserve	967.00	967.00
c. Capital Redemption Reserve	229.53	229.53
d. General Reserve	1,933.17	1,933.17
e. Amalgamation Reserve	139.00	139.00
f. Retained Earnings	353.20	281.33
g. Revaluation Reserve	84.79	84.79
h. Other Comprehensive Income	(42.48)	3.40
<b>Total</b>	<b>3,821.04</b>	<b>3,795.05</b>

## Notes accompanying the Financial Statements

### Nature & Purpose of the Reserve:

- Capital Reserve** : Capital reserve created at the time of acquisition. The reserve will be utilised in accordance with the provisions of the Act.
- Securities Premium Reserve** : Securities premium reserve is credited when shares are issued at premium. The reserve will be utilised in accordance with the provisions of the Act.
- Capital Redemption Reserve** : Capital redemption reserve is being created by transfer from Retained earnings at the time of buy back of equity shares in accordance with the Act. The reserve will be utilised in accordance with the provisions of the Act.
- General Reserve** : The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.
- Amalgamation Reserve** : The Amalgamation reserve is created for amalgamation of Brite Automotive and Plastics Limited with Bright Brothers Limited pursuant to the Scheme of amalgamation being sanctioned by the High Court. This reserve is utilised in accordance with the provisions of the Act.
- Retained Earnings** : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- Revaluation Reserve** : Revaluation reserve represents the revalued of certain fixed assets as on 30.06.1993 as per the Valuation report dated 16.11.1993 submitted by Professional Valuers, appointed for the purpose by the Company. The reserve will be utilised in accordance with the provisions of the Act.

(₹ in Lakhs)

As at  
31st March, 2020      As at  
31st March, 2019

### Note 18

#### NON CURRENT BORROWINGS

##### SECURED

##### Term loans from banks

Car Loan	75.77	3.57
Banks	405.11	367.15
(Refer Note 44)		
<b>Total</b>	<b>480.88</b>	<b>370.72</b>

### Note 19

#### DEPOSITS

##### UNSECURED

##### Fixed Deposits

Related parties	180.00	138.00
Others	—	—
<b>Total</b>	<b>180.00</b>	<b>138.00</b>

### Note 20

#### DEFERRED TAX

##### (A) Deferred Tax Liabilities

- Property, Plant and Equipment: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting.

<b>Gross deferred tax liability</b>	<b>(A)</b>	<b>223.55</b>	<b>147.49</b>
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##### (B) Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis

- Other item giving rise to timing difference/Unabsorbed business loss

<b>Gross deferred tax assets</b>	<b>(B)</b>	<b>153.38</b>	<b>32.82</b>
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## Notes accompanying the Financial Statements

	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Note 21</b>		
<b>CURRENT BORROWINGS</b>		
<b>UNSECURED</b>		
Loans repayable on demand	470.00	460.00
	<u>470.00</u>	<u>460.00</u>
<b>Fixed Deposits</b>		
Related parties	138.00	170.00
Others	—	—
<b>Total</b>	<u><u>608.00</u></u>	<u><u>630.00</u></u>

<b>Note 22</b>		
<b>TRADE PAYABLES</b>		
<b>Due to:</b>		
Micro, small and medium enterprises	219.83	352.32
Others	1,602.95	2,089.54
<b>Total</b>	<u><u>1,822.78</u></u>	<u><u>2,441.86</u></u>

Notes:

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act, to the extent information available to the Company are as follows:

	As at 31st March, 2020	As at 31st March, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	220.00	352.00
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	—	—
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	—	—
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	—	—
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	—	—
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	—	—
Further interest remaining due and payable for earlier years	—	—

<b>Note 23</b>		
<b>OTHER FINANCIAL LIABILITIES</b>		
Unpaid dividends	26.93	23.26
Current maturities of long term borrowings	208.29	236.22
Sales Invoice Finance	3,262.52	—
Other liabilities	311.79	310.14
<b>Total</b>	<u><u>3,809.53</u></u>	<u><u>569.62</u></u>

<b>Note 24</b>		
<b>PROVISIONS</b>		
Provision for employees benefits	122.97	79.78
<b>Total</b>	<u><u>122.97</u></u>	<u><u>79.78</u></u>

## Notes accompanying the Financial Statements

	(₹ in Lakhs)	
	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Note 25</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Sale of Goods</b>		
Sale of Plastic Components	20,348.71	21,793.38
Hair Care and Beauty Products	329.17	349.24
Sale of Moulds	145.40	174.42
	<u>20,823.28</u>	<u>22,317.04</u>
<b>Sale of services</b>		
Job Work	963.83	761.60
<b>Total</b>	<u><u>21,787.11</u></u>	<u><u>23,078.64</u></u>
<b>Note 26</b>		
<b>OTHER INCOME</b>		
Interest	15.40	5.11
Dividend	1.39	1.54
Net gain on sale of investments	(9.43)	18.27
Profit/(loss) sale of assets	(2.70)	—
Other non-operating income	10.02	16.32
<b>Total</b>	<u><u>14.68</u></u>	<u><u>41.24</u></u>
<b>Note 27</b>		
<b>COST OF MATERIALS CONSUMED</b>		
<b>Cost of raw material consumed</b>		
Opening stock of raw materials	775.80	835.28
Add : Purchases	11,565.42	12,773.69
Less : Closing Stock of raw materials	654.73	775.80
<b>(A)</b>	<u><u>11,686.49</u></u>	<u><u>12,833.17</u></u>
<b>Cost of components, packing, paints and plating charges consumed</b>		
Consumption of components	2,006.52	2,675.95
Consumption of packing	535.13	523.39
Consumption of paints and plating charges	140.56	126.64
<b>(B)</b>	<u><u>2,682.21</u></u>	<u><u>3,325.98</u></u>
<b>Total [A+B]</b>	<u><u>14,368.70</u></u>	<u><u>16,159.15</u></u>
<b>Note 28</b>		
<b>PURCHASES OF TRADED GOODS</b>		
Hair Care and Beauty products	168.93	166.75
<b>Total</b>	<u><u>168.93</u></u>	<u><u>166.75</u></u>
<b>Note 29</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS</b>		
<b>Inventories at the beginning of the year</b>		
Finished goods/work-in-process/traded goods	504.72	423.25
<b>Inventories at the end of the year</b>		
Finished goods/work-in-process/traded goods	382.04	504.72
<b>Total</b>	<u><u>122.68</u></u>	<u><u>(81.47)</u></u>



## Notes accompanying the Financial Statements

	(₹ in Lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Note 30</b>		
<b>OTHER OPERATING EXPENSES</b>		
Consumption of stores and spare parts	133.89	212.29
Power and fuel	933.84	908.96
Contract labour and sub-contract charges	1,197.64	1,152.92
Repairs to machinery	174.27	179.65
Repairs to mould	47.23	38.32
<b>Total</b>	<b>2,486.87</b>	<b>2,492.14</b>
<b>Note 31</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages, bonus and superannuation fund	1,699.87	1,573.77
Contribution to Provident fund and pension scheme	68.79	67.67
Gratuity contribution	42.77	43.94
Staff welfare expenses	99.88	88.04
<b>Total</b>	<b>1,911.31</b>	<b>1,773.42</b>
<b>Note 32</b>		
<b>FINANCE COSTS</b>		
Interest and discounting charges	480.48	597.79
Interest on term loan	61.67	23.88
<b>Total</b>	<b>542.15</b>	<b>621.67</b>
<b>Note 33</b>		
<b>OTHER EXPENSES</b>		
Security charges and other contract charges	113.85	107.05
Rent rates and taxes	205.07	184.03
Printing and stationery	22.34	28.89
Communication expenses	13.68	12.05
Insurance	24.78	18.13
Repairs and maintenance - building	16.02	33.88
Repairs and maintenance - others	54.10	52.84
Legal and professional fees	108.27	77.33
Directors sitting fees	9.29	5.42
Audit fees	6.00	6.00
Travelling and conveyance	133.42	156.55
Sales promotion and commission	20.05	16.49
Freight and forwarding charges	267.81	340.57
Advertisement and sales promotions	25.42	29.86
Miscellaneous expenses	129.84	132.27
<b>Total</b>	<b>1,149.94</b>	<b>1,201.36</b>

## Notes accompanying the Financial Statements

### 34. Contingent Liabilities not provided for:

(₹ in Lakhs)

Sr. No.	Particulars	2019-2020	2018-2019
1	Sales Tax, VAT and CST (including Interest and Penalty wherever applicable.)	355.63	386.77
2	Service Tax	—	6.46
3	Stamp Duty	36.75	36.75
4	Excise Duty	89.78	89.78
5	Employees Provident Fund	8.66	8.66
6	Bank Guarantee	—	11.73

#### Notes:

- Most of the issues of litigation pertaining to Central Excise/Service Tax/Income Tax are based on interpretation of the respective Law & Rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgments of respective judicial authorities which supports its contention. As such no material impact on the financials of the Company is envisaged.
- Sales Tax and Entry Tax related litigation/demand primarily pertains to non-submission of required declaration forms in time due to non- receipt of the same from customers and/or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.
- Other issues are either in ordinary course of business or not of substantial nature and management is reasonably confident of their positive outcome. Management shall deal with them judiciously and provide for appropriately, if any such need arises.

### 35. Commitments:

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) is ₹ 37.73 lakhs (Previous year ₹ 11.95 lakhs)

### 36. Payments to Auditors:

(₹ in Lakhs)

Particulars	2019-2020	2018-2019
Audit fees	6.00	6.00
Others	0.09	0.06
Reimbursement of expenses	0.14	0.10
<b>Total Payment To Auditors</b>	<b>6.23</b>	<b>6.16</b>

### 37. Financial Instruments:

The details of significant accounting policies, including criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the respective Notes to Financial Statements.

#### Financial assets and liabilities

The accounting classification of each category of financial instruments, and their carrying amounts are set out as below:

#### a. Financial assets

Instruments carried at fair value

(₹ in Lakhs)

Particulars	FVOCI (Equity instruments)	FVOCI (Other instruments)	Fair value through profit and loss	Instruments carried at amortized cost	Total carrying value	Total fair value
<b>As at 31 March, 2019</b>						
Investments	—	—	427.48	—	427.48	427.48
Trade receivables	—	—	—	1,671.45	1,671.45	1,671.45
Cash and cash equivalents	—	—	—	185.05	185.05	185.05
Other bank balances	—	—	—	69.54	69.54	69.54
Deposits	—	—	—	106.24	106.24	106.24
Other financial assets	—	—	—	201.71	201.71	201.71
<b>Total</b>	<b>—</b>	<b>—</b>	<b>427.48</b>	<b>2,233.99</b>	<b>2,661.47</b>	<b>2,661.47</b>

## Notes accompanying the Financial Statements

Particulars	FVOCI (Equity instruments)	FVOCI (Other instruments)	Fair value through profit and loss	Instruments carried at amortized cost	Total carrying value	Total fair value
<b>As at 31 March, 2020</b>						
Investments	—	—	731.41	—	731.41	731.41
Trade receivables	—	—	—	4,597.84	4,597.84	4,597.84
Cash and cash equivalents	—	—	—	307.10	307.10	307.10
Other bank balances	—	—	—	29.67	29.67	29.67
Deposits	—	—	—	141.38	141.38	141.38
Other financial assets	—	—	—	161.26	161.26	161.26
<b>Total</b>	<b>—</b>	<b>—</b>	<b>731.41</b>	<b>5,237.25</b>	<b>5,968.66</b>	<b>5,968.66</b>

### b. Financial liabilities

(₹ in Lakhs)

Particulars	Fair value through profit and loss	at amortized cost	Total carrying value	Total fair value
<b>As at 31 March, 2019</b>				
Borrowings	—	1,000.72	1,000.72	1,000.72
Trade payables	—	2,441.86	2,441.86	2,441.86
Deposits	—	138.00	138.00	138.00
Other financial liabilities	—	569.62	569.62	569.62
<b>Total</b>	<b>—</b>	<b>4,150.20</b>	<b>4,150.20</b>	<b>4,150.20</b>
<b>As at 31 March, 2020</b>				
Borrowings	—	1,088.88	1,088.88	1,088.88
Trade payables	—	1,822.78	1,822.78	1,822.78
Deposits	—	180.00	180.00	180.00
Other financial liabilities	—	3,809.53	3,809.53	3,809.53
<b>Total</b>	<b>—</b>	<b>6,901.19</b>	<b>6,901.19</b>	<b>6,901.19</b>

### c. Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The categories used are as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The below table summarises the categories of financial assets and liabilities as at March 31, 2020, and March 31, 2019 measured at fair value

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31 March, 2019</b>				
<b>Equities</b>				
Equity Instruments	198.78	—	59.50	258.28
<b>Debt</b>				
Real Estate Fund	—	—	—	—
Structured Products	—	—	—	—
Liquid Mutual Funds	169.20	—	—	169.20
FMP Mutual fund	—	—	—	—
Preference Shares	—	—	—	—
Government Bonds	—	—	—	—
Bonds	—	—	—	—
Non-Convertible Debentures	—	—	—	—
<b>Total</b>	<b>367.98</b>	<b>—</b>	<b>59.50</b>	<b>427.48</b>

## Notes accompanying the Financial Statements

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31 March, 2020</b>				
<b>Equities</b>				
Equity Instruments	83.41	—	59.51	142.92
<b>Debt</b>				
Real Estate Fund	—	—	—	—
Structured Products	—	—	—	—
Liquid Mutual Funds	588.49	—	—	588.49
FMP Mutual fund	—	—	—	—
Preference Shares	—	—	—	—
Government Bonds	—	—	—	—
Bonds	—	—	—	—
Non Convertible Debentures	—	—	—	—
<b>Total</b>	<b>671.90</b>	<b>—</b>	<b>59.51</b>	<b>731.41</b>

Fair value of financial assets and liabilities measured at amortised cost:-

(₹ in Lakhs)

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Trade receivables	4,597.84	4,597.84	1,671.45	1,671.45
Cash and cash equivalents	307.10	307.10	185.05	185.05
Other bank balances	29.67	29.67	69.54	69.54
Deposits	141.38	141.38	106.24	106.24
Other financial assets	161.26	161.26	201.71	201.71
<b>Total</b>	<b>5,237.25</b>	<b>5,237.25</b>	<b>2,233.99</b>	<b>2,233.99</b>
<b>Financial liabilities</b>				
Borrowings	1,088.88	1,088.88	1,000.72	1,000.72
Trade payables	1,822.78	1,822.78	2,441.86	2,441.86
Deposits	180.00	180.00	138.00	138.00
Other financial liabilities	3,809.53	3,809.53	569.62	569.62
<b>Total</b>	<b>6,901.19</b>	<b>6,901.19</b>	<b>4,150.20</b>	<b>4,150.20</b>

The Management assessed that fair value of cash and cash equivalents, trade receivables, investments in term deposits, loans, other financial assets (except derivative financial instruments, if any), trade payables, and other financial liabilities (except derivative financial instruments, if any) is considered to be equal to the carrying amount of these items due to their short-term nature. There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.

### 38. Risk Management:

#### Financial risk management objective and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The risk management policies aim to mitigate the following risks arising from the financial instruments: (a) Liquidity risk ;(b) Market risk and (c) Credit risk.

## Notes accompanying the Financial Statements

### A. Financial risk factors

The Company's principal financial liabilities comprise borrowings, deposits from dealers and trade and other payables. The purpose of these financial liabilities is to finance the Company's operations and to provide to support its operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to the following risk arising from the financial instruments: (a) Liquidity risk ;(b) Market risk and (c) Credit risk.

Risk	Exposure arising from	Measurement	Management
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities; working capital management
Market Risk - Foreign exchange	Financial assets and liabilities denominated in Foreign Currencies.	Cash flow forecasting; Sensitivity analysis	Hedging Forex planning
Market Risk - Interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market Risk - Price risk	Investments in Equities, Bonds, debentures, Mutual Funds	Sensitivity analysis; market fluctuations; credit rating	Continuous monitoring, Diversification
Credit risk	Cash and cash equivalents, trade receivables, investments, loans and other financial assets measured at fair/ amortised cost.	Ageing analysis/ Credit ratings/ Assets Coverage	Diversification in various class of assets, credit limits

#### (a) Liquidity risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintaining sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows, undrawn committed credit facilities are expected to be sufficient to meet the liquidity requirements of the Company.

#### (i) Financing arrangements

The Company has access to the following undrawn borrowing facilities as at the end of the reporting period:

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Secured working capital credit facility from Banks	1237.48	—

#### (ii) The following is the contractual maturities of the financial liabilities:

(₹ in Lakhs)

Particulars	Total Liability (undiscounted)	Less than 1 year	1-3 years	more than 3 years	Carrying amount per Books
<b>As at 31 March, 2019</b>					
<b>Non-derivative liabilities</b>					
Borrowings	1,000.72	630.00	338.88	31.84	1,000.72
Trade payables	2,441.86	2,409.33	32.53	—	2,441.86
Deposits	138.00	—	138.00	—	138.00
Other financial liabilities	569.62	569.62	—	—	569.62
<b>As at 31 March, 2020</b>					
<b>Non-derivative liabilities</b>					
Borrowings	1,088.88	608.00	466.66	14.23	1,088.88
Trade payables	1,822.78	1,800.30	22.48	—	1,822.78
Deposits	180.00	—	180.00	—	180.00
Other financial liabilities	3,809.53	3,809.53	—	—	3,809.53

## Notes accompanying the Financial Statements

### (b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include investment, deposits, foreign currency receivables and payables. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The Company's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

#### (i) Foreign currency risk

Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's functional and presentation currency is INR. The Company has not entered into any transaction, in currency other than functional currency, for purchase of raw material or capital assets nor availed any foreign currency loans, which remains outstanding as at year end. Similarly, the Company does not have any assets/liabilities receivable/payable in foreign currency as at year end date. The Company is not exposed to any foreign currency.

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's entire borrowings, Long term as well as short term, have fixed rate of interest and carried at amortized costs. The Company did not have any borrowings bearing variable rate of interest.

#### Exposure to Interest rate risk - Financial liabilities

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Total borrowings	1,088.88	1,000.72
% of borrowings out of above bearing variable rate of interest		
1. Short term in nature	0.00%	0.00%
2. Long term in nature	0.00%	0.00%

Hence, the Company is not exposed to any interest rate risk.

#### (iii) Price Risk

The Company's exposure to price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit and loss. To manage its price risk arising from its investments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company in accordance with the guidelines provided by the Board of directors of the Company.

#### Exposure

(₹ in Lakhs)

Nature of Investments	As at 31 March, 2020		As at 31 March, 2019	
	Amount	%	Amount	%
<b>Equities</b>				
Quoted Equity Instruments	83.41	11.41%	198.78	46.50%
Other Equity Instruments	5.10	0.70%	5.10	1.19%
<b>Mutual Funds</b>				
Savings, Liquid & Other Fund Instruments	642.90	87.90%	223.60	52.31%
<b>Total</b>	<b>731.41</b>	<b>100.00%</b>	<b>427.48</b>	<b>100.00%</b>

#### Investments in Equity Instruments and Mutual funds (including investment through Venture funds)

The Company's quoted equity instruments and in mutual funds are subject to the market price risk arising from the fluctuation in the market price of those instruments. This risk arises from instruments which are classified as Fair value through P&L wherein the price fluctuations, based on the historical trends, are not very significant.

#### Sensitivity

The table below summarises the impact of Increase/decrease of the BSE index on the Company's investments in quoted equity instruments and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5% or decrease by 5 % with all other variables held constant and that all the Company's investments in equity instruments and mutual funds moved in line with the index.

(₹ in Lakhs)

Impact on profit before tax	For the year ended 31 March, 2020	For the year ended 31 March, 2019
BSE Sensex - Increase 5% -Gain/(loss)	4.17	9.94
BSE Sensex - Decrease 5% -Gain/(loss)	(4.17)	(9.94)

## Notes accompanying the Financial Statements

### (c) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of counter party, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an on-going basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as;

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
- (iv) Significant increase in credit risk on other financial instruments of same counterparty.

The company categorises financial assets based on the assumptions, inputs and factors specific to the class of financial assets into High-quality assets, negligible credit risk; Quality assets, low credit risk; Standard assets, moderate credit risk; Substandard assets, relatively high credit risk; Low quality assets, very high credit risk; Doubtful assets, credit-impaired.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than one year past due. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

#### Provision for expected credit losses:

		Basis for recognition of expected credit loss provision		
Description of category	Category	Investments	Loans and deposits	Trade Receivables
Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	High-quality assets, negligible credit risk	12 month expected credit losses	12 month expected credit losses	Life time expected credit losses (simplified approach)
Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past	Quality assets, low credit risk			
Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong	Standard assets, moderate credit risk			
Assets where there has been a significant increase in credit risk since initial recognition. Assets where the payments are more than 180 days past due	Substandard assets, relatively high credit risk	Life-time expected credit losses	Life-time expected credit losses	Life time expected credit losses (simplified approach)
Assets where there is a high probability of default. In general, assets where contractual payments are more than 180 days past due are categorised as low quality assets. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due	Low quality assets, very high credit risk			
Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company. The company categorises a loan or receivable for write off when a debtor fails to make Contractual payments greater than 365 days past due. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Doubtful assets, credit-impaired	Asset is written off		



## Notes accompanying the Financial Statements

### Expected credit loss for loans, security deposits and investments:

As at 31st March' 2020

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	660.00	-	660.00	-
		Security and other deposits	-	-	-	-
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired or credit impaired	NA	-	-	-	-

As at 31st March' 2019

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	660.00	-	660.00	-
		Security and other deposits	-	-	-	-
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired or credit impaired	NA	-	-	-	-

### Expected credit loss for trade receivables under simplified approach

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Not Due	4,178.50	1,142.05
Due for not more than 3 months	276.72	324.64
Due for more than 3 months or but less than 6 months	77.17	54.40
Due for more than 6 months	65.45	150.36
<b>Total</b>	<b>4,597.84</b>	<b>1,671.45</b>

#### B. Commodity Risk

The Company is exposed to the risk of price fluctuation of raw materials proactively managed through forward booking, inventory management and proactive vendor development practices.

#### C. Capital risk management

##### (a) The Company's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

## Notes accompanying the Financial Statements

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which includes capital and other strategic investments. The Company's intention is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Total equity	4,388.64	4,362.65
Net Debt	700.07	729.89
<b>Total Capital (Borrowings and Equity)</b>	<b>5,088.71</b>	<b>5,092.54</b>
<b>Gearing Ratio</b>	<b>13.76%</b>	<b>14.33%</b>

- (i) Net debt represents total borrowings (non-current & current) as reduced by cash and cash equivalents.
- (ii) Equity comprises of all components including other comprehensive income.

**(b) Dividend:**

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Equity Shares:</b>		
Final dividend for the year ended March 31, 2019 of ₹ 2.00 per shares (March 31, 2018 - (₹ 2.00) per fully paid share	113.60	113.60
Interim dividend for the year ended March 31, 2020 of ₹ 2.00 per shares (March 31, 2019 - (₹ NIL) per fully paid share	113.60	—

Since year end, the Board of Directors has not recommended any further dividend on equity shares for the Financial Year 2019-20.

### 39. Disclosure Pursuant to Ind AS – 19 “Employee Benefits”:

**(a) Defined contribution plan**

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12 % of basic salary and other allowances as per regulations. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expenses recognised during the year towards defined contribution plan is ₹ 68.79 lakhs (March 31, 2019 ₹ 67.67 lakhs).

**(b) Defined benefit plan**

**(i) Gratuity:**

In accordance with applicable laws, the company provides for gratuity, a defined benefit retirement plan (“The Gratuity Plan”) covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employee on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by Life Insurance Corporation of India under their respective Group Gratuity Schemes.

(₹ in Lakhs)

Particulars	Present Value of Obligation	Fair Value of plan assets
<b>As at March 31, 2018</b>	<b>181.09</b>	<b>195.88</b>
Current service cost	23.94	—
Interest expense/(income)	13.79	16.79
<b>Total amount recognised in profit or loss</b>	<b>37.73</b>	<b>16.79</b>
<b>Remeasurements</b>		
Return on plan assets, excluding amounts included in interest expense/(income)	—	(0.71)
Net actuarial (gain)/loss	—	—
Change in experience	0.56	—
Change in demographic assumptions	—	—
Change in financial assumptions	6.32	—
<b>Total amount recognised in other comprehensive income</b>	<b>6.88</b>	<b>(0.71)</b>

Particulars	Present Value of Obligation	Fair Value of plan assets
Employer Contribution	—	48.54
Benefits payment	(2.49)	(2.49)
<b>As at 31 March, 2019</b>	<b>223.21</b>	<b>258.01</b>
<b>The net liability as at 31 March, 2019</b>	<b>34.80</b>	
<b>As at 31 March, 2019</b>	<b>223.21</b>	<b>258.01</b>
Current service cost	21.69	—
Interest expense/(income)	16.64	20.02
<b>Total amount recognised in profit or loss</b>	<b>38.33</b>	<b>20.02</b>
<b>Remeasurements</b>		
Return on plan assets, excluding amounts included in interest expense/(income)	—	(19.00)
Net actuarial (gain)/loss	—	—
Change in experience	17.96	—
Change in demographic assumptions	—	—
Change in financial assumptions	(2.07)	—
<b>Total amount recognised in other comprehensive income</b>	<b>15.89</b>	<b>(19.00)</b>
Employer Contribution	—	18.83
Benefits payment	(10.73)	(10.73)
<b>As at 31 March, 2020</b>	<b>266.70</b>	<b>267.13</b>
<b>The net liability as at 31 March, 2020</b>	<b>0.43</b>	

The net liability disclosed above relates to funded/unfunded plans are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded obligations	(266.70)	(223.21)
Fair value of plan assets	267.13	258.01
<b>(Deficit)/Surplus of funded plan</b>	<b>0.43</b>	<b>34.80</b>
<b>Significant estimates: actuarial assumptions and sensitivity</b>		
<b>Financial assumption:</b>		
Discount rate	6.80%	7.64%
Salary escalation rate	4.00%	4.00%
<b>Demographic assumption:</b>		
Mortality rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Employee Attrition rate		
0 to 40 Years	3.00%	3.00%
41 to 50 Years	2.00%	2.00%
51 to 58 Years	1.00%	1.00%
Retirement age	58 Years	58 Years
<b>Sensitivity analysis</b>		
The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:		
<b>Discount rate</b>		
a) Discount rate - 100 basis points	290.92	243.41
b) Discount rate + 100 basis points	245.54	205.53
<b>Salary escalation rate</b>		
a) Rate - 100 basis points	245.99	205.84
b) Rate + 100 basis points	290.02	242.77

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

Particulars	As at March 31, 2020	As at March 31, 2019
The major categories of plan asset are as follows:		
Equities	0.00%	0.00%
Bonds	0.00%	0.00%
Gilts	0.00%	0.00%
Pooled assets with an insurance company	100.00%	100.00%
Other	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

The defined benefit obligations shall mature after year end March 31, 2020 as follows:

Year 1	16.13	11.67
Year 2	12.01	15.60
Year 3	20.49	10.78
Year 4	11.62	18.47
Year 5	24.33	10.24
Year 6-10	121.90	123.62

The weighted average duration of the defined benefit obligation is 9.38 years (Previous Year : 9.61 years).

**(ii) Compensated Absences:**

The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as at the balance sheet date performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences.

**Risk exposure:**

Through its defined benefit plans, Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk/ Interest risk:	The Company is exposed to Investment/Interest risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.
Longevity risk:	The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason
Salary risk:	The Company is exposed to higher liability if the future salaries rise more than assumption of salary escalation

**40. Income Taxes:**

**A. Components of Income Tax Expense.**

(₹ in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
<b>(a) Tax expense recognised in the Statement of Profit and Loss</b>		
<b>i) Current tax</b>		
Current year	159.71	9.80
Tax provision of earlier years	—	—
<b>Total current tax</b>	<b>159.71</b>	<b>9.80</b>
<b>ii) Deferred tax</b>		
Relating to origination and reversal of temporary difference	(44.50)	—
<b>Total deferred income tax expense/(credit)</b>	<b>(44.50)</b>	<b>—</b>
<b>Total i) + ii)</b>	<b>115.21</b>	<b>9.80</b>
<b>(b) Tax on Other Comprehensive Income</b>		
<b>i) Tax relating to items that will not be reclassified to profit or loss</b>		
Tax on realized gain of equity instruments	—	—
Tax on re-measurements of net defined benefit plans	—	—
Tax on equity instrument through other comprehensive income	—	—
<b>ii) Income tax on items that will be reclassified to profit or loss</b>		
Tax on debt instrument through other comprehensive income	—	—
<b>Total i) + ii)</b>	<b>—</b>	<b>—</b>

**B. Reconciliation of tax expenses and the accounting profit for the year.**

(₹ in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:		
Profit before tax	460.76	210.11
Enacted income tax rate in India	27.82%	27.82%
Expected income tax expense during the year at statutory rate	128.18	58.45
Differences due to:		
Expenses not deductible for tax purposes	7.28	(28.57)
Exempt Income	—	—
Tax of earlier years reversed	—	—
Impact of Minimum alternate tax	47.91	9.80
Adjustment of C/F Losses/Difference in Tax Rate etc..	(135.46)	(29.88)
Effective tax expenses	47.91	9.80

**C. The movement in deferred tax assets and liabilities.**

(₹ in Lakhs)

Movement during the year ended March 31, 2019	As at 31 March, 2018	Credit/(charge) in statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March, 2019
Deferred tax assets/(liabilities)				
On expenses allowable for tax purposes when paid	32.82	—	—	32.82
On depreciation	(147.49)	—	—	(147.49)
On fair valuation of financial assets	—	—	—	—
<b>Total</b>	<b>(114.67)</b>	<b>—</b>	<b>—</b>	<b>(114.67)</b>
Movement during the year ended March 31, 2020	As at 31 March, 2019	Credit/(charge) in statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March, 2020
Deferred tax assets/(liabilities)				
On expenses allowable for tax purposes when paid	32.82	120.56	—	153.38
On depreciation	(147.49)	(76.06)	—	(223.55)
On fair valuation of financial assets	—	—	—	—
<b>Total</b>	<b>(114.67)</b>	<b>44.50</b>	<b>—</b>	<b>(70.17)</b>

41. The Company is engaged in the activities relating to manufacture and sale of process plastics and the Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for the purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment, namely process plastics. The geographical segments considered for disclosure are India and Rest of the World. All the manufacturing facilities are located in India.

- (i) The Product wise break up – Please refer Note 25.  
(ii) Geographical information.

(₹ in Lakhs)

Particulars	Revenue from external Customers		Non-Current Assets*	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
India	21,787.11	23,078.64	4,373.86	4,533.27
Rest of World	—	—	—	—
<b>Total</b>	<b>21,787.11</b>	<b>23,078.64</b>	<b>4,373.86</b>	<b>4,533.27</b>

\* Non-Current Assets are used in the operations of the Company to generate revenues both in India and outside India

## (iii) Information about major customers

Revenue from sale of products to largest customers (greater than 10% of total sales) is ₹ 17,758.25 lakhs (March 31, 2019 ₹ 19,038.44 lakhs)

## 42. The disclosure as required by Ind AS 24 "Related Parties Disclosures", is as follows:

Names of related parties are as under:

## (a) Associate Concerns:

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

## (b) Key Managerial Personnel:

Mrs. Devika Bhojwani - Whole Time Director DIN: 08355381  
Mr. Suresh Bhojwani - Chairman & Managing Director DIN: 00032966  
Mr. Chirag Shah - Chief Financial Officer  
Mrs. Sonali Pednekar - Company Secretary & Compliance Officer

## (c) Relatives of Key Managerial Personnel:

Smt. Hira Bhojwani - Non-executive Director DIN: 00032997  
Mr. Karan Bhojwani, Vice President - Operations  
Ms. Ruchika Bhojwani, Chief Operating Officer  
M/s. T.W. Bhojwani HUF  
M/s. S. T. Bhojwani HUF

## (d) Other Related Parties:

Mr. K. P. Rao - Independent Director DIN: 00027577  
Dr. T. S. Sethurathnam - Independent Director DIN: 00042704  
Mr. Byram Jeejeebhoy - Independent Director DIN: 00033204

Smt. Hira Bhojwani has been appointed as Non-executive Director w.e.f. 1st April, 2019. Hence the figures for the financial years 2019-20 and 2018-19 are not comparable.

(₹ in Lakhs)

Particulars	Associate Concerns		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>(a) Remuneration</b>								
i) Smt. Hira Bhojwani DIN : 00032997	—	—	—	10.02	—	—	—	—
ii) Mrs. Devika Bhojwani DIN: 08355381	—	—	10.24	—	—	—	—	—
iii) Mr. Suresh Bhojwani DIN : 00032966	—	—	91.91	91.91	—	—	—	—
iv) Mr. Karan Bhojwani	—	—	—	—	45.00	34.50	—	—
v) Ms. Ruchika Bhojwani	—	—	—	—	24.01	17.01	—	—
vi) Others	—	—	67.31	55.71	—	—	—	—
	—	—	169.46	157.64	69.01	51.51	—	—
<b>(b) Warehousing Charges</b>								
i) Quality Plastics	14.40	14.40	—	—	—	—	—	—
	14.40	14.40	—	—	—	—	—	—
<b>(c) Royalty</b>								
i) Quality Plastics	3.50	4.26	—	—	—	—	—	—
	3.50	4.26	—	—	—	—	—	—
<b>(d) Purchase</b>								
i) Quality Plastics	9.31	11.75	—	—	—	—	—	—
	9.31	11.75	—	—	—	—	—	—
<b>(e) Loans Accepted/(Repaid)</b>								
i) Smt. Hira Bhojwani DIN : 00032997	—	—	—	250.00	—	—	—	—
ii) Mr. Suresh Bhojwani DIN : 00032966	—	—	—	—	—	—	—	—

(₹ in Lakhs)

Particulars	Associate Concerns		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
iii) Mrs. Devika S. Bhojwani DIN: 08355381	—	—	10.00	—	—	(21.00)	—	—
iv) Mr. Karan Bhojwani	—	—	—	—	—	(25.00)	—	—
v) Ms. Ruchika Bhojwani	—	—	—	—	(5.00)	(43.00)	—	—
vi) Mr. K. P. Rao DIN: 00027577	—	—	—	—	—	—	15.00	—
	—	—	10.00	250.00	(5.00)	(89.00)	15.00	—
<b>(f) Interest Paid</b>								
i) Smt. Hira Bhojwani DIN : 00032997	—	—	—	52.78	61.56	—	—	—
ii) Mr. Suresh Bhojwani DIN : 00032966	—	—	1.80	1.83	—	—	—	—
iii) Mrs. Devika Bhojwani DIN: 08355381	—	—	4.82	—	—	5.13	—	—
iv) Mr. Karan Bhojwani	—	—	—	—	—	1.91	—	—
v) Ms. Ruchika Bhojwani	—	—	—	—	—	3.87	—	—
vi) Mr. K. P. Rao DIN: 00027577	—	—	—	—	—	—	5.69	4.63
	—	—	6.62	54.60	61.56	10.91	5.69	4.63
<b>(g) Dividend Paid</b>								
i) Smt. Hira Bhojwani DIN : 00032997	—	—	—	7.41	7.41	—	—	—
ii) Mr. Suresh Bhojwani DIN : 00032966	—	—	25.67	25.67	—	—	—	—
iii) Mrs. Devika S. Bhojwani DIN: 08355381	—	—	0.83	—	—	0.83	—	—
iv) Mr. Karan Bhojwani	—	—	—	—	0.35	0.35	—	—
v) Ms. Ruchika Bhojwani	—	—	—	—	0.35	0.35	—	—
vi) Mr. K. P. Rao DIN : 00027577	—	—	—	—	—	—	0.01	0.01
vii) Mr. Byram Jeejeebhoy DIN : 00033204	—	—	—	—	—	—	0.10	0.10
viii) Mr. Chirag Shah	—	—	0.08	0.01	—	—	—	—
ix) M/s. T.W. Bhojwani Leasing Pvt. Ltd.	19.76	17.41	—	—	—	—	—	—
x) M/s. T.W. Bhojwani HUF	—	—	—	—	4.81	4.81	—	—
xi) M/s. S. T. Bhojwani HUF	—	—	—	—	0.40	0.40	—	—
	19.76	17.41	26.58	33.08	13.32	6.74	0.11	0.11
<b>(h) Sitting Fees &amp; Commission</b>								
i) Smt. Hira Bhojwani DIN : 00032997	—	—	—	—	1.63	—	—	—
ii) Mr. K. P. Rao DIN : 00027577	—	—	—	—	—	—	3.25	2.31
iii) Dr. T. S. Sethurathnam DIN : 00042704	—	—	—	—	—	—	3.21	2.28
iv) Mr. Byram Jeejeebhoy DIN : 00033204	—	—	—	—	—	—	1.20	0.83
	—	—	—	—	1.63	—	7.66	5.42
<b>(i) Year End Balances</b>	<b>31.03.20</b>	<b>31.03.19</b>	<b>31.03.20</b>	<b>31.03.19</b>	<b>31.03.20</b>	<b>31.03.19</b>	<b>31.03.20</b>	<b>31.03.19</b>
<b>i) Receivable</b>								
1) Quality Plastics	3.78	4.60	—	—	—	—	—	—
	3.78	4.60	—	—	—	—	—	—



(₹ in Lakhs)

Particulars	Associate Concerns		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>ii) Trade Payable</b>								
1) Quality Plastics	12.13	3.69	—	—	—	—	—	—
	<b>12.13</b>	3.69	—	—	—	—	—	—
<b>iii) Unsecured Loans Payable</b>								
1) Smt. Hira Bhojwani DIN : 00032997	—	—	—	660.00	660.00	—	—	—
2) Mr. Suresh Bhojwani DIN : 00032966	—	—	18.00	18.00	—	—	—	—
3) Mrs. Devika S. Bhojwani DIN: 08355381	—	—	50.00	—	—	40.00	—	—
4) Ms. Ruchika Bhojwani	—	—	—	—	—	5.00	—	—
5) Mr. K. P. Rao DIN : 00027577	—	—	—	—	—	—	60.00	45.00
	—	—	<b>68.00</b>	678.00	<b>660.00</b>	45.00	<b>60.00</b>	45.00
<b>iv) Commission Payable</b>								
1) Smt. Hira Bhojwani DIN : 00032997	—	—	—	—	0.80	—	—	—
2) Mr. K. P. Rao DIN : 00027577	—	—	—	—	—	—	1.60	0.84
3) Dr. T. S. Sethurathnam DIN : 00042704	—	—	—	—	—	—	1.60	0.84
4) Mr. Byram Jeejeebhoy DIN : 00033204	—	—	—	—	—	—	0.80	0.42
	—	—	—	—	0.80	—	4.00	2.10
<b>v) Remuneration Payable</b>								
1) Smt. Hira Bhojwani DIN : 00032997	—	—	—	1.21	—	—	—	—
2) Mrs. Devika Bhojwani DIN: 08355381	—	—	0.71	—	—	—	—	—
3) Mr. Suresh Bhojwani DIN : 00032966	—	—	6.90	7.90	—	—	—	—
4) Mr. Karan Bhojwani	—	—	—	—	3.21	2.49	—	—
5) Ms. Ruchika Bhojwani	—	—	—	—	1.78	1.26	—	—
6) Others	—	—	4.65	4.02	—	—	—	—
	—	—	<b>12.26</b>	13.13	<b>4.99</b>	3.75	—	—

- (i) No amount pertaining to related parties has been provided for as doubtful debts. Also no amount has been written off/back.
- (ii) The related parties are as identified by the Company and relied upon by the Auditors.

43. Trade Payables includes amount payable to related Party ₹ 12.13 lakhs (Previous Year ₹ 3.69 lakhs)

**44. Assets provided as security**

- (a) Vehicle loans are taken from the banks against hypothecation of the vehicles purchased, repayable in 60 monthly installments with interest rates ranging from 8.40% to 12.00%.
- (b) Term loan and sales Invoice Finance from Kotak Mahindra Bank under the loan against Primary Security (Applicable for both facilities) exclusive charge on all existing and future receivables/current assets/movable assets/moveable fixed assets with the term loan of ₹ 7.50 Cr carry interest at 1.25% p.a. over and above the 3 months MCLR payable in monthly basis and Sales Invoice Finance of ₹ 45.00 Cr carry interest at 0.85% p.a. over and above the 3 months MCLR. The term loan monthly installment payable @ ₹ 19.98 lakhs, last installment due in June 2023 and collateral security (Applicable for both facilities) secured by way of Mortgage over Puducherry and Bhimtal properties.

## 45. Earnings Per Share (EPS) :

(₹ in Lakhs)

Particulars	2019-2020	2018-2019
Profit after tax(PAT) available for equity shareholders (before exceptional items)	345.55	200.31
Profit after tax(PAT) available for equity shareholders (after exceptional items)	345.55	200.31
Weighted average number of equity Shares (In nos.)	5,680,235	5,680,235
Nominal value of equity Shares (In ₹.)	10.00	10.00
Basic & diluted earning per share (Before exceptional Income/Loss)	6.09	3.53
Basic & diluted earning per share (After exceptional Income/Loss)	6.09	3.53

46. The Company had earlier given Inter Corporate Loans. The company has provided ₹ 660 lakhs from Financial Year 2012-13 to 2015-16 towards doubtful loans. The Company has filed legal suit for recovery of the loan in respect of the same.
47. 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 property, plant and equipment amounting to ₹ 150.39 lakhs. In respect of the said land, 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 the MOU had filed a case against the Company which is contested by the Company and the matter is pending with Bombay High Court.
48. Balances of trade receivables and trade payables are subject to confirmations and reconciliations.
49. The previous period's figures have been re-grouped/re-classified wherever required to conform to current year's classification. All figures of financials have been rounded off to nearest lakhs rupees.

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The accompanying notes referred to herein form an integral part of the 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  
UDIN: 20032546AAAAAW5994  
Mumbai, 29th June, 2020.

Mr. Chirag Shah  
Chief Financial Officer

Mrs. Sonali Pednekar  
Company Secretary &  
Compliance Officer

Mr. Suresh Bhojwani  
DIN: 00032966

Mrs. Devika Bhojwani  
DIN: 08355381

Mr. K. P. Rao  
DIN: 00027577

Dr. T. S. Sethurathnam  
DIN: 00042704

Chairman &  
Managing Director

Whole Time Director

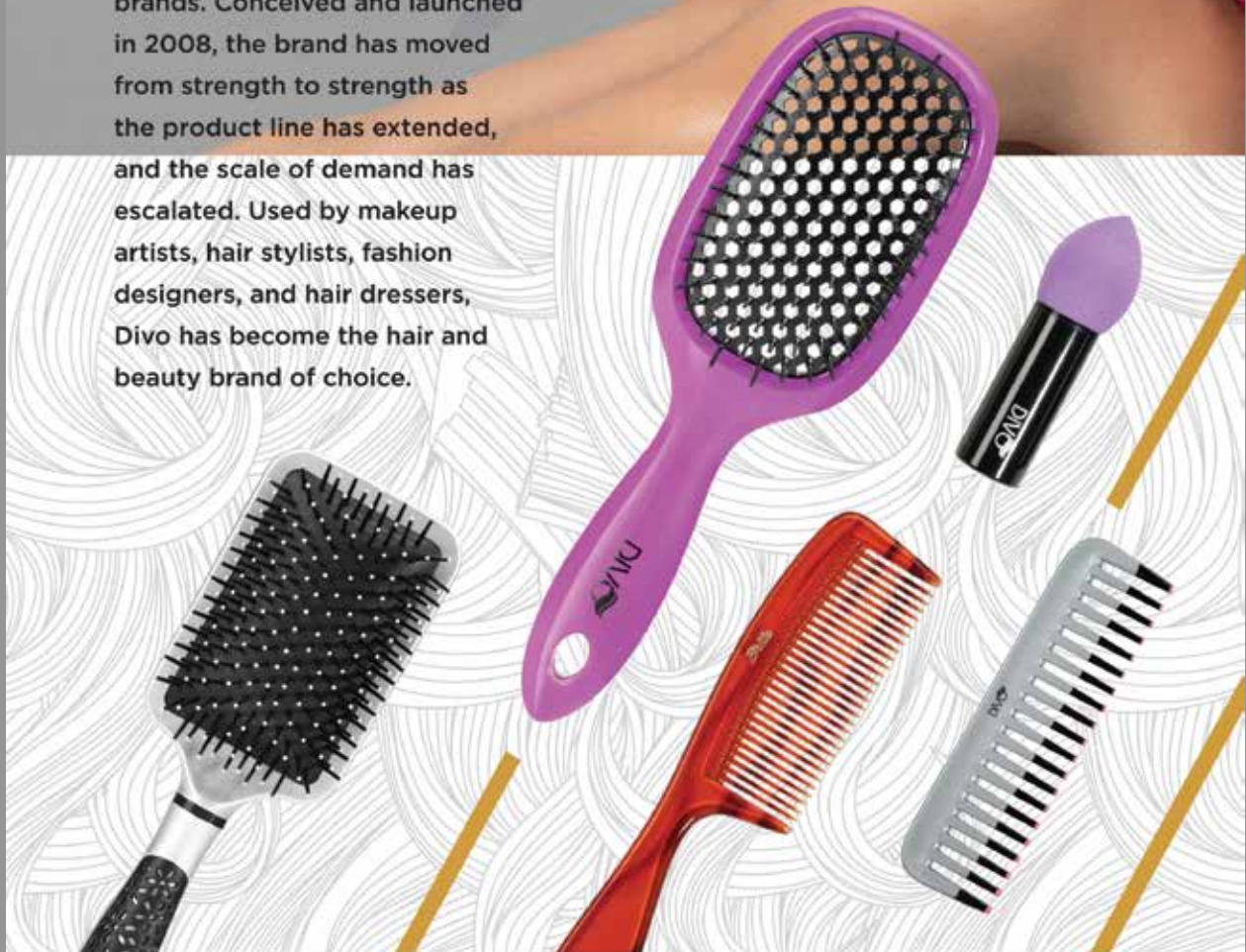
Independent Directors



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