

# PURNIMA SHETTY

B.Com, FCS, LLB, FIII, MBA(Finance)  
Practicing Company Secretary & Insolvency Professional

Dx-6, Om Woods, Plot No.144, Badam Lane,  
Sector 21, Near DMart, Nerul (East),  
Navi Mumbai- 400706  
(M): 9920100695  
Email: pcsurnima@gmail.com

To,  
The Members,  
Bright Brothers Limited  
CIN: L25209MH1946PLC005056  
2-91, Floor-9, Plot 225,  
2, Jolly Maker Chambers,  
Vinayak Kumar Shah Marg,  
NCPA, Nariman Point, Mumbai 400021

Dear Sir/ Madam,

## **Annual Secretarial Compliance Report for the Financial Year 2022-23**

I have been engaged by Bright Brothers Limited (hereinafter referred to as 'the Company') bearing CIN: L25209MH1946PLC005056 whose Equity Shares are listed on BSE Limited to conduct an audit in terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended read with SEBI's Circular No. CIR/CFD/CMD1/27/2019 dated 08<sup>th</sup> February, 2019 and further amended by BSE Notice and NSE circular dated 16<sup>th</sup> March, 2023 and 10<sup>th</sup> April, 2023 to issue the Annual Secretarial Compliance Report thereon.

It is the responsibility of the management of the Company to maintain records, devise proper systems to ensure compliance with provisions of all applicable SEBI Regulations and circulars/ guidelines issued there under from time to time and to ensure that the systems are adequate and are operating effectively.

My responsibility is to verify compliances by the Company with provisions of all applicable SEBI Regulations and circulars/ guidelines issued there under from time to time and issue a report thereon.

My audit was conducted in accordance with Guidance Note on Annual Secretarial Compliance Report issued by the Institute of Company Secretaries of India and in a manner which involved such examinations and verifications as considered necessary and adequate for the said purpose.

Annual Secretarial Compliance Report is enclosed.

Purnima Shetty  
Practicing Company Secretary  
FCS-9089, COP-14933  
**UDIN:** F009089E000408488  
Peer Review Certificate No. 1887/ 2022

Place: Navi Mumbai  
Date: 29<sup>th</sup> May 2023

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## Secretarial Compliance Report of Bright Brothers Limited For the Financial Year Ended 31<sup>st</sup> March, 2023

I have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by M/s Bright Brothers Limited (CIN:L25209MH1946PLC005056) (hereinafter referred as 'the listed entity'), having its Registered Office at 2-91, Floor-9, Plot 225,2, Jolly Maker Chambers, Vinayak Kumar Shah Marg, NCPA, Nariman Point, Mumbai 400021. The Secretarial Review of the aforesaid Company was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide my observations thereon.

Based on my verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, I hereby report that the listed entity has, during the review period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

I have examined:

- a) all the documents and records made available to us and explanation provided by M/s Bright Brothers Limited ("the listed entity"),
- b) the filings/ submissions made by the listed entity to the stock exchange,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2023 ("Review Period") in respect of compliance with the provisions of:

- a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018(**Not Applicable for the period under Review**);
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018(**Not Applicable for the period under Review**);
- e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021(**Not Applicable for the period under Review**);
- f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021(**Not Applicable for the period under Review**);
- g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review period:

- I. (a) (\*\*) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No	Compliance Requirement Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No	Deviations	Actions Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks by Practicing Company Secretary	Management Response	Remarks
NIL										

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Compliance Requirement Regulations / circulars/ guidelines including specific clause)	Regulation/ Circular No	Deviations	Actions Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks by Practicing Company Secretary	Management Response	Remarks
Refer Annexure 1										

II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/ No/ NA)	Observation/ Remarks by PCS*
1	Compliances with the following conditions while appointing/re-appointing an auditor		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	NA	Not Applicable as the auditor has not resigned during the period under review
	ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	NA	
	iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	
2	Other conditions relating to resignation of statutory auditor		

	<p>i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee</p> <p>a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings</p> <p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor</p> <p>ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor</p>	<p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p>	<p>None</p>
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3	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019	NA	Not Applicable
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III. I hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/ No/ NA)	Observation/ Remarks by PCS*
1	<b>Secretarial Standards:</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable	Yes	None
2	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities.</li> <li>• All the policies are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations/circulars/guidelines issued by SEBI</li> </ul>	Yes	None
3	<b>Maintenance and disclosures on Website:</b> <ul style="list-style-type: none"> <li>• The Listed entity is maintaining a functional website</li> <li>• Timely dissemination of the documents/ information under a separate section on the website</li> <li>• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website</li> </ul>	Yes	None
4	<b>Disqualification of Director:</b> None of the Director(s) of the Company is/ are disqualified under Section 164 of	Yes	None

	Companies Act, 2013 as confirmed by the listed entity.		
5	<b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b> (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	Not Applicable	There was no subsidiary in the immediately preceding accounting year. The Company has during the year under review formed a WOS in the State of Delaware, USA which is yet to commence its commercial operations
6	<b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	None
7	<b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations	Yes	None
8	<b>Related Party Transactions:</b> (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or  (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes  Not Applicable	None
9	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	None
10	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	None
11	<b>Actions taken by SEBI or Stock</b>		

	<b>Exchange(s), if any:</b> No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein (**)	NA (Not Applicable)	No such actions in the Review period.
12	<b>Additional Non-compliances, if any:</b> No additional non-compliance observed for any SEBI regulation/circular/guidance note etc	NA (Not Applicable)	None observed during the period under review

**Assumptions & Limitation of scope and Review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Purnima Shetty  
Practicing Company Secretary  
FCS-9089, COP-14933  
**UDIN: F009089E000408488**  
Peer Review Certificate No. 1887/ 2022

Place: Navi Mumbai  
Date: 29<sup>th</sup> May 2023



## ANNEXURE 1

1. This is pertaining to the imposition of fine by BSE for non-compliance of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements), 2015 in the FY 2020-2021 in the matter of appointment of Non-executive Independent Director, Mr. Anil Kumar Bhandari (whose age exceeded 75 years of age) on 9<sup>th</sup> September 2020 without prior approval of the Shareholders in the General Meeting.

BSE had imposed an fine of Rs. 1,84,000 (excluding GST) vide its email dated 17<sup>th</sup> November 2020.

### Management Response and Actions:

- a) Due to sad demise of the existing Independent Director on June 2020, the Company had to appoint a suitable person to fill up the casual vacancy within a period of 3 months from the date of demise of the existing director as per the Companies Act, 2013 and the Rules prescribed therein.
- b) Considering the pandemic situation prevailing at that time, Management faced considerable difficulty in identifying a suitable candidate for the position of the independent director and further practically difficult to hold the General meeting or postal ballot prior to the appointment of the director. The appointment was subject to the approval of the shareholders and the said approval was subsequently obtained on the AGM held on 12<sup>th</sup> November 2020.
- c) The company sought waiver of fine setting out the exceptional circumstances; and BSE vide its email dated 23<sup>rd</sup> July 2021 informed the company that the case will be presented before the committee. The Company officials are following up personally and on email seeking an opportunity of personal hearing.
- d) The Company is in compliance of Section 161(4) of Companies Act, 2013 ('Act') read with Rule 4(1) of Companies (Appointment and Qualification of Directors) Rules, 2014 ('Rules') dealing with intermittent vacancy of the Independent Director and such appointment is further approved by the members in the next annual general meeting. On a personal hearing being granted the Company is confident of getting this fine waived off by BSE.

### Observations/ Remarks by PCS:

The facts of this case is similar to the recent case decided by the Hon'ble Securities Appellate Tribunal (SAT) vide its order dated 27<sup>th</sup> April 2023 in the matter of Nectar Life Sciences Ltd. Vs. SEBI and National Stock Exchange Ltd., wherein the SAT has clearly bought out the differences in Section 152 (2) and Section 161(4) of the Act and stated that casual vacancy in the office of the Director can only be filled in by the Board of Directors and subsequently approved by members in the immediate next general meeting as per Section 161(4) of the Act. (*Refer para 13 of the order of even date*)

Further in *para 24 of the order it has stated* that there is no provision in LODR Regulations for filling up the casual vacancy of a Director in a Company. Also, Regulation 17(1A) is not applicable for purpose of filling up casual vacancy under Section 161(4) of the Act and the same is covered under Regulation 17(1C) of the LODR Regulations read with proviso to the Rule 4 of the Rules.

The Hon'ble SAT has further stated *in para 24(ix)* that there should be harmonious reading of Section 17(1A) with the provisions of Sections 152, 161(4) of Act read with Rule 4 and Regulation 17(1C) of the LODR Regulations which makes it clear that even if a person above the age of 75 years is appointed by the Board of Directors to fill up a casual vacancy, such appointment is required to be approved subsequently within the prescribed period by a special resolution in the next general meeting by the members of the Company and the word "unless" depicted in Regulation 17(1A) does not mean "prior approval" nor the requirement of passing a special resolution is a qualification condition for appointment of a person as a Director.

In view of the above, and considering the facts and circumstances of the instant case, the management decision to seek waiver of fine seems appropriate and likely to be considered favourably by BSE on proper presentation of facts.

Purnima Shetty  
Practicing Company Secretary  
FCS-9089, COP-14933  
**UDIN: F009089E000408488**  
Peer Review Certificate No. 1887/ 2022

Place: Navi Mumbai  
Date: 29<sup>th</sup> May 2023