

BOMBAY POTTERIES & TILES LIMITED

65th ANNUAL REPORT 1998-99



BOMBAY TILES

ANNUAL REPORT 1998-99 BOMBAY POTTERIES & TILES LIMITED

Directors

Shri Vijay V. Wadhwa (Chairman)
Shri Deepak V. Wadhwa
Shri Manoj V. Wadhwa
Shri Nandu Poddar

Auditors

Messrs. Lodha & Company
Chartered Accountants

Solicitors & Advocates

Messrs. M.T. Miskita & Co.

Bankers

Indian Bank
ANZ Grindlays Bank

Registered Office

United India Building,
2nd Floor,
Sir P.M. Road,
Mumbai - 400 001.

BOMBAY POTTERIES & TILES LIMITED**NOTICE**

NOTICE is hereby given that the 65th Annual General Meeting of the Company will be held on Thursday the 30th September, 1999 at 2.00 p.m. at CLUB AQUARIA, CONFERENCE ROOM, DEVIDAS EXTENSION ROAD, NEAR ST. LAWRENCE SCHOOL, LIC COLONY, BORIVALI WEST, MUMBAI 400 092 to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Directors Report and the Audited Accounts of the Company for the year ended 31st March, 1999.
2. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution :

"Resolved that the vacancy caused by the retirement of Mr. Nandu Poddar who does not seek re-election at this meeting be not filled up"
3. To appoint the Auditors and to fix their remuneration.

BY ORDER OF THE BOARD

VIJAY V. WADHWA
CHAIRMAN

Place : Mumbai

Dated : 27th August 1999

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be valid must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer books of the Company will remain closed from 28th September, 1999 to 30th September, 1999 (both days inclusive)

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

Shri Nandu Poddar who retires by rotation at the ensuing Annual General Meeting has declined to offer himself for re-appointment. Shri Nandu Poddar was associated with the Company since December 1989 and has helped the Company by his valuable guidance to the Company from time to time. The directors have placed on record their sincere appreciation of the services rendered by Mr. Nandu Poddar. Since he has indicated his decision not to seek re-appointment at this meeting and the directors have decided not to fill up the vacancy on the board so caused, a resolution is proposed at Item No.2 of the notice for the said purpose.

None of the director is interested or concern in the said resolution.

By Order of the Board,

VIJAY V. WADHWA
CHAIRMAN

BOMBAY POTTERIES & TILES LIMITED

DIRECTORS' REPORT

Your directors are pleased to place before you the 65th Annual Report together with Audited Accounts for the financial year ended 31st March, 1999.

OPERATIONS:

The Company has continued to sell marble tiles etc., during the year under report. Besides this the 2nd phase of construction was also continued during the year under report. Your Company has spent an amount of Rs.1,83,60,723 on the said construction during the current year resulting in the total expenditure of Rs.3,51,07,143 upto 31.03.1999. The operations of the Company have resulted into loss of Rs.10,65,789. The income tax of Rs.37,267 of earlier years paid during the year under report has been added to the above loss resulting in the total loss of Rs.11,03,056/- which has been carried to the balance sheet. Thus the accumulated loss of Rs.3,91,02,300 appear in the balance sheet as on 31.03.1999.

DIVIDEND:

In view of the loss for the year under report your directors have not recommended any dividend for the year.

DIRECTORS:

Shri Nandu Poddar who retire by rotation at the ensuing Annual general Meeting has declined to offer himself for re-appointment. Thus the resolution for not filling the vacancy caused by such retirement has been proposed in the notice convening the Annual General Meeting.

AUDITORS:

Messrs. Lodha & Co., Chartered Accountants retire as Auditors of the Company and being eligible offer themselves for re-appointment.

PERSONNEL:

Not a single employee was in receipt of remuneration of Rs.25,000/- or more during the whole or part of the year. Thus the information as required under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 is NIL.

PARTICULARS REGARDING CONSERVATION OF ENERGY, ETC.:

Particulars relating to the Conservation of Energy, Technology Absorption is not applicable to the Company.

The Company does not have any Foreign Exchange Earnings nor there is any Foreign Exchange outgo.

AUDITORS REPORT:

The Auditors observation are self-explanatory and do not require any comments or clarifications.

FOR AND ON BEHALF OF THE BOARD

VIJAY V. WADHWA
CHAIRMAN

Place : Mumbai
Dated : 27th August 1999

AUDITORS' REPORT

To,
The Members of
BOMBAY POTTERIES & TILES LIMITED

We have audited the attached balance sheet of BOMBAY POTTERIES & TILES LIMITED as at 31st March, 1999 and also the attached Profit & Loss Account of the Company for the year ended on that date annexed thereto and report that:-

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 (hereinafter referred to as the 'Act') and on the basis of such checks as were considered appropriate and according to the information and explanations given to us during the course of audit, we annexe hereto a statement on matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph (1) above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) No accounting entry has been passed in respect of transfer of a portion of free hold land from Fixed Assets to stock-in-trade, pending valuation/ascertainment of the fair market value of said land at the time of conversion (Refer note no.9(a) in Schedule 'P')
 - c) Subject to the matter referred to at paragraph (b) above, In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books.
 - d) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account and also comply with the Accounting Standards as referred under sub section (3C) of section 211 of the Act.
 - e) Subject to the matter referred to at paragraph (b) above and note 4 in Schedule 'P' regarding non-provision of bad and doubtful capital advances aggregating to Rs.1,64,638 and note no.9(b) regarding encroachment on land and building costing Rs.5,18,543 and non-provision / write-off thereof in Schedule 'P' having consequential impact on the loss, assets and liabilities, where applicable and read together with Significant Accounting Policies and other notes thereon and elsewhere, in the accounts, the said accounts give the information required by the 'Act' in the manner so required and give a true and fair view:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1999 and
 - ii) In the case of the Profit & Loss Account, of the Loss of the Company for the year ended on that date.

For **LODHA & COMPANY**
Chartered Accountants

N.KISHORE BAFNA
PARTNER

Place : Mumbai
Date : 27th August, 1999

ANNEXURE TO THE AUDITORS' REPORT (REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE)

1. The Company is in the process of updating its records to show full particulars including quantitative details and situation of fixed assets. As explained, physical verification of fixed assets was carried out by the management at reasonable intervals during the year. As informed, discrepancies noticed on such verification though not material will be adjusted in the course of updating the said records. (Refer Note no.9(a) and 9(b) in Schedule 'P').
2. None of the Fixed Assets have been revalued during the year.
3. The stocks of raw materials, work-in-progress and finished goods have been physically verified by the management at reasonable intervals.
4. In our opinion, the procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
5. No discrepancies were noticed on physical verification of stocks as compared to book records.
6. In our opinion, valuation of stocks is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The rate of interest and other terms and conditions of unsecured loans taken from Companies listed in the register maintained under section 301 of the Act and Companies under the same management as defined under section 370(1-B) of the Act and directors are prima-facie not prejudicial to the interest of the Company.
8. No loan has been granted during the year to Companies and other parties listed in the register maintained under Section 301 of the Act and to Companies under the same management as defined under section 370(1-B) of the Act.
9. Employees to whom interest free loans and advances in nature of loans given are generally been recovered regularly.
10. In our opinion, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of raw materials and construction materials and for the sale of goods.
11. According to the information and explanations given to us, the Company has not entered into any transactions for purchase of goods and materials and for sale of goods, materials and services, in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and aggregating during the year to Rs.50,000 or more in respect of each party.
12. The Company has a regular procedure for determining unserviceable or damaged raw materials and finished goods and, as informed, there are no such items in the closing stock and accordingly no provision for any loss was considered necessary.
13. The Company has not accepted any deposits within the meaning of section 58A of the Act and the Companies (Acceptance of deposits) Rules 1975.
14. The Company has maintained reasonable records for the sale and disposal of realisable scrap. The Company has no by-products.
15. No internal audit has been carried out during the year. However, as explained to us, effective internal control is being exercised departmentally.
16. No undisputed amounts payable in respect of Income tax, Sales tax, Wealth tax, Customs duty and Excise duty were outstanding as at 31st March, 1999 for a period of more than six months from the date they became payable.