BOMBAY POTTERIES & TILES LIMITED

88th ANNUAL REPORT 2001-2002

ANNUAL REPORT 2001-2002
BOMBAY POTTERIES & TILES LIMITED

Directors

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

Auditors

Messrs. Lodha & Co.
Chartered Accountants

Solicitors & Advocates

Messrs. M. T. Mighla & Co.

Bankers

Indian Bank
Standard Chartered Grindlays Bank

Registered Office

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

[illegible] LIMITED

NOTICE

NOTICE is hereby given that the [illegible] Annual General Meeting of the Company will be held on Monday, the 30th September, 2002 at 2.00 p.m. at CLUB AQUARIA, CONFERENCE ROOM, DEVIDAS EXTENSION ROAD, NEAR ST. LAWRENCE SCHOOL, LIC COLONY, BORIVLI 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, 2002.
2. To appoint a director in place of Mr. Vijay V. Wadhwa who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the Auditors and to fix their remuneration.

BY ORDER OF THE BOARD

VIJAY V. WADHWA
CHAIRMAN

PLACE : MUMBAI
DATED : 2nd September, 2002

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and 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 27th September, 2002 to 30th September, 2002 (both days inclusive).

[illegible] LIMITED

DIRECTORS' REPORT

Your Directors are pleased to place before you the 45th Annual Report together with Audited Accounts for the financial year ended 31st March, 2003.

OPERATIONS:

Your Company has to state that during the year under report while continuing the 2nd phase of construction and has [illegible] a sum of Rs. 2,70,19,400 as against the sale value of Rs. 17,19,200 during last year. Though the property market is facing recession, yet the company has been able to sell the flats. The operation of the company has resulted into profit of Rs. 4,20,921 during the year under report as against the loss of Rs. 13,93,376 during last year. Deferred tax of Rs. 7,50,173 has been provided resulting in the loss of Rs. 3,22,102. An amount of Rs. 9000 towards Income Tax of earlier year has been adjusted resulting into loss of Rs. 3,13,102 which has been set off against the Revaluation Reserve of Rs. 59,23,726 leaving balance of Rs. 56,10,624 which has been set off against the brought forward loss of Rs. 2,91,42,893 resulting in the loss of Rs. 2,35,32,269. A sum of Rs. 7,50,173 on account of deferred tax asset for earlier year has been deducted from the above loss of Rs. 2,35,32,269 leaving balance loss of Rs. 2,27,82,096 which have been carried to the balance sheet.

DIVIDEND:

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

DIRECTORS:

Mr. Vijay V. Wadhwa retire by rotation and being eligible offer himself for re-appointment.

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 the limit prescribed u/s. 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

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 Earnings nor there is any Foreign Exchange outgo.

DIRECTORS RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to director's responsibility statement, it is hereby confirmed :-

(i) that in the preparation of the accounts for the financial year ended 31st March, 2003, the applicable accounting standards have been followed;

(ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 loss of the Company for the year under review;

(iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguard of the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the directors have prepared the accounts for the financial year ended 31st March, 2003 on a 'going concern' basis.

AUDITORS' REPORT:

The Auditors observations 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 : 2nd Sept. 2003

AUDITORS' REPORT

To,
The Members of
BOMBAY POTTERIES & TILES LIMITED

1. We have audited the attached Balance Sheet of Bombay Potteries & Tiles Limited as at 31st March, 2001 and the Profit and Loss Account of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Manufacturing and Other Companies (Auditor's 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"), we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.

4. Further to our comments in the Annexure referred to in paragraph (3) 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) In our opinion, *subject to the matter referred at paragraph (f) below,* 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 and the Profit & Loss Account dealt with by this report are in agreement with the books of account.

   d) In our opinion, the Balance Sheet and the Profit & Loss Account have been prepared in compliance with the Accounting Standards referred to in Section 211 (3C) of the Act, to the extent applicable.

   e) On the basis of the written representations received from the Directors as on 31st March, 2002 and taken on record by the Board of Directors,none of the Directors is disqualified as on 31st March, 2002 from being appointed as a Director in terms of Section 274 (1)(g) of the Act.

f) No [illegible] ascertainment of the fair market value thereof at the time of conversion (Refer note 8(a) in Schedule "N")

g) *The Company has not complied with the provisions of section 295 of the Act inasmuch as a loan of Rs 1100000 (maximum amount outstanding during the year) was given to a director without prior approval of the Central Government. (Refer note no 10 in Schedule 'N' to the Accounts).*

h) *Subject to the matter referred to in paragraph 4(f) and (g) above and note no 5(e) in schedule 'N' regarding encroachment on land and building costing Rs 518543 (Net block Rs 305243, Previous year Rs. 400185) and non provision / write off thereof and having consequential impact (presently not determinable) on the loss for the year, accumulated losses and assets of the Company and our comments in the annexure referred to in para 3 above and read together with* Significant Accounting Policies and other notes appearing in Schedule "N" 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 in conformity with accounting principles generally accepted in India :

a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31[st] March, 2002 and:

b) In the case of the Profit & Loss Account, of the Loss of the Company for the year ended on that date.

For LODHA & CO.
Chartered Accountants

(N. KISHORE BAFNA)
Partner

Place: MUMBAI.
Dated: 2[nd] September, 2002

ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 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 to us, the fixed assets have been physically verified by the Management at reasonable intervals during the year and discrepancies noticed on such verification though not material will be adjusted in the course of updating the said records (Refer Note No. 8(a) and (c) in Schedule "N").

2. A portion of the freehold land has been revalued and recorded in the accounts during the year, revaluation being effective from 1st February, 1997, on the basis of report of approved valuer considering market value as on that date and using standard indices.

3. The stocks of construction materials, work-in-progress and finished goods (flats) have been physically verified by the management at reasonable intervals during the year.

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. The discrepancies noticed on physical verification of the above referred stocks as compared to the book records were not material considering the operations of the Company and have been properly dealt with in the books of account.

6. In our opinion, valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.

7. In our opinion, the terms and conditions of interest free unsecured loans taken from companies and other parties listed in the register maintained under Section 301 of the Act and / or from companies under the same management as defined under Section 370(1-B) (non-operative) of the Act are, prima-facie, not prejudicial to the interest of the Company.

8. In our opinion, the terms and conditions of unsecured loan granted to a director are, prima-facie, not prejudicial to the interest of the company. The company has not granted any loans, secured or unsecured, 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) (non-operative) of the Act.

9. Employees and the director to whom interest free loans and advances in nature of loans have been given are generally repaying the principal amounts as stipulated.

10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of construction materials and for the sale of flats.

11. According to the information and explanations given to us, there were no transactions for purchase of goods and materials and for sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and aggregating during the year to Rs 50000 or more in respect of each party.

12. The Company has a regular procedure for determination of unserviceable or damaged construction materials 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 Rules framed thereunder during the year.

14. The Company has maintained reasonable records for the sale and disposal of realisable scrap from the construction activity. The Company does not have by-products.