

BOMBAY POTTERIES & TILES LIMITED

69th ANNUAL REPORT 2002-2003

ANNUAL REPORT 2002-2003 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. Miskita & Co.



Bankers

Indian Bank
Standard Chartered Bank

Registered Office

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

BOMBAY POTTERIES & TILES LIMITED

N O T I C E

NOTICE is hereby given that the 69th Annual General Meeting of the Company will be held on Tuesday the 30th September, 2003 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, 2003.
2. To appoint a director in place of Mr. Manoj 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: 3rd September, 2003

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 26th September, 2003 to 30th September, 2003 (both days inclusive).

BOMBAY POTTERIES & TILES LIMITED**DIRECTORS REPORT**

Your Directors are pleased to place before you the 69th Annual Report together audited accounts for the financial year ended 31st March, 2003.

OPERATIONS:

Your Directors are pleased to report that the 2nd phase of construction was continued during the year under report. Besides the company was able to sell the flats and generate cash, which was utilized in the operations of the company.

Your company has realized a sum of Rs. 82,95,700/- in selling the flats during the year under report as against the sale value of Rs. 2,30,35,400/- during last year. The operations of the company have resulted into loss of Rs. 5,81,532/- after providing for income tax of Rs. 1,50,000/- as against the loss of Rs. 3,22,102/- during last year. The income tax of earlier years of Rs. 19,634/- has been provided resulting in the loss of Rs. 6,01,166/-, which has been set off against the sum of Rs. 21,09,429/- transferred from Revaluation Reserve on sale of flats resulting into surplus of Rs. 15,08,263/-. The said surplus of Rs. 15,08,263/- has been deducted from balance of loss of Rs. 2,27,82,096/- brought forward from previous year leaving balance of loss of Rs. 2,12,73,833/-, which has 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. Manoj 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 directors' 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

PLACE: MUMBAI

DATE: 3rd September, 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, 2003 and also the Profit and Loss Account of the Company for the year ended on that date and the Cash Flow Statement 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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) *Subject to the matter referred at paragraph 4 (f) below*, 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 the books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement 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, 2003 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2003 from being appointed as a director of the Company in terms of Section 274 (1) (g) of the Act.
 - f) *No accounting entry has been passed in respect of transfer of a portion of freehold land from fixed assets to stock-in-trade pending valuation / 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 the interest free loans for a short period amounting to Rs. 908052(maximum amount outstanding at any time during the year) were given to private companies in which directors of the Company are interested as director, without prior approval of the Central Government (Refer Note no. 9 in Schedule 'N' to the Accounts).*
- h) *Subject to the matter referred to at paragraph 4 (f) and 4 (g) and our comments in the annexure referred to in paragraph 3 above and note no. 8 (b) in Schedule 'N' regarding encroachment on land and building costing Rs. 518543(Net block Rs. 390316) 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 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:*
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2003,
- ii) in the case of the Profit & Loss Account, of the loss of the Company for the year ended on that date and ;
- iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report

Junction

For LODHA & CO.
Chartered Accountants

Place : MUMBAI
Dated: 3rd September, 2003

(R. P. BARADIYA)
Partner

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of audit, we state that:

1. *The Company is in the process of updating its Fixed Assets register to show full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the Management and the discrepancies, if any, as may be noticed would be adjusted on the updation of said records.*
2. None of the fixed assets have been revalued during the year.
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 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 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 interest free unsecured loan granted to parties listed in the register maintained under Section 301 and /or to the 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.
9. The parties (including employees) 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.