

BOMBAY POTTERIES & TILES LIMITED

71ST ANNUAL REPORT 2004-2005

ANNUAL REPORT 2004-2005

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 71st Annual General Meeting of the Company will be held on Friday the 30th September, 2005 at 3:30 p.m. at SHEETAL ARCH, OPP. SHOPPERS STOP, 230, LINKING ROAD, BANDRA (WEST), MUMBAI – 400 050 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, 2005.
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: 29th August, 2005

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, 2005 to 29th September, 2005 (both days inclusive).

BOMBAY POTTERIES & TILES LIMITED**DIRECTORS REPORT**

Your Directors are pleased to place before you the 71st Annual Report together with the audited accounts for the financial year ended on 31st March, 2005.

OPERATIONS:

Your Directors are pleased to report that the 2nd phase construction has been completed.

The operations of the company have resulted into net profit of Rs. 50,64,079/- after providing for depreciation and income-tax for the current year as well as the deferred tax during the year under as against the profit of Rs. 11,55,841/- during the last year. The excess provision of tax of Rs. 6,296/- has been written back resulting into profit of Rs. 50,70,375/-. A sum of Rs. 57,25,748/- has been transferred from Revaluation Reserve & thus an amount of Rs. 1,07,96,123/- is available for appropriation which has been set off against the accumulated loss of Rs. 1,62,00,559/- resulting into balance loss of Rs. 54,04,436/- as on 31/03/2005. The said balance loss of Rs. 54,04,436/- has been carried to the balance sheet.

DIVIDEND:

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

Your directors are assessing and analysing the various options for the business of the company, which would certainly require finance. Thus the options have to be worked out properly which could be implemented. Thus the company has to run the show and make required expenses.

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 directors' responsibility statement, it is hereby confirmed:

- (I) that in the preparation of the accounts for the financial year ended 31st March, 2005 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 profit 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, 2005 on a 'going concern' basis.

AUDITORS' REPORT:

The Auditors observations except item no. 4(g) relating to preference shares are self-explanatory and do not require any comments or clarifications. As regards the observation of the auditors regarding the provision of Section 80 of the Act, the directors explain that due to non-availability of finance neither the preference shares could be redeemed nor the dividend has been paid. As regards the observation relating to provision of Section 295 of the Act in the matter of loan to one director, the directors have to explain that the said director was advancing finance & taking back the finance for short periods and thus the amount shown became due & payable by the said director at certain time which has been already paid after some time and nothing is outstanding as on 31/03/2005.

FOR AND ON BEHALF OF THE BOARD

VIJAY V. WADHWA
CHAIRMAN

PLACE: MUMBAI,
DATE: 29th August, 2005

Report  junction.com

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, 2005, the Profit and Loss Account and also the Cash Flow Statement 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 the 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 Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (hereinafter referred to as the "Act"), we annex hereto 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, 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 dealt with by this report comply 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, 2005 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2005 from being appointed as a director of the Company in terms of Section 274 (1) (g) of the Act.

- f) The Company has not complied with the provisions of the Section 295 of the Act inasmuch as that the interest free loan amounting to Rs. 73,10,000 (Maximum amount outstanding at any time during the year) was given to a director, for about two months without prior approval of the Central Government. (Refer Note No. 8 in Schedule 'N' to the Accounts).*
- g) The Company has not complied with the provisions of Section 80 of the Act inasmuch as that it has neither redeemed the 12% Cumulative Preference Shares amounting to Rs.19,00,000 (cumulative dividend thereon: Rs.22,80,000), nor taken approval from National Company Law Tribunal to extend the period of redemption. (Refer Note No. 2 below Schedule 'A' to the Financial Accounts).*
- h) Subject to the matters referred to at paragraph 4 (f) and (g) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and other notes appearing in Schedule 'N' and those appearing elsewhere in the accounts, give the information required by the Act in the manner so required and give a true and fair view in conformity with the 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, 2005;
- ii) in the case of the Profit & Loss Account, of the profit 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.

For LODHA & CO.
Chartered Accountants

R. P. BARADIYA
Partner
(Membership No. 44101)

Place : Mumbai,
Dated: 29th August, 2005

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2005 OF BOMBAY POTTERIES & TILES LIMITED.

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. (i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (ii) The physical verification of fixed assets was carried out during the year, which, in our opinion, is reasonable considering the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (iii) No fixed assets has been disposed off during the year.
2. (i) The inventory (flats) has been physically verified by the management at reasonable intervals during the year.
- (ii) In our opinion, the procedures of physical verification of inventory (flats) followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (iii) On the basis of examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. No discrepancies noticed on physical verification between the physical stocks and the book records.
3. a) (i) During the year, the Company has taken an interest free unsecured loan from a company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs. 1,38,25,154 and Rs. 58,04,140 payable to four companies and two directors, respectively and the year end balances of loan taken from such companies and directors were Rs. Nil.
- (ii) 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 are, prima-facie, not prejudicial to the interest of the Company. The Company repaid the loans as stipulated.
- b) (i) The Company has granted interest free unsecured loans to a director covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 73,10,000 and the year-end balance is Rs. Nil.
- (ii) In our opinion, the terms and conditions of interest free unsecured loans granted to a director covered in the register maintained under section 301 of the Act are, prima-facie, not prejudicial to the interest of the Company. The Company recovered the loans as stipulated, before the close of the year.