

CERTIFIED TRUE COPY

*For Bombay Talkies Limited*

*Adur*  
*Director / Auth. Signatory*

# BOMBAY TALKIES LIMITED

Annual Report

2004

# **BOMBAY TALKIES LIMITED**

**Regd. Office: Cama Building, Ground Floor, 24/26, Dalal Street, Fort, Mumbai-400 023.**

## **NOTICE**

**NOTICE** is hereby given that the Twentieth Annual General Meeting of **M/s BOMBAY TALKIES LIMITED** will be held on Thursday, the 30<sup>th</sup> day of September, 2004 at its registered office at 3.00 P.M. to transact the following business:-

### **AS ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2004 and Profit & Loss Account for the year ended on that date together with the report of the Directors and Auditors thereon.
2. To appoint the Auditors to hold office from the conclusion of this ensuing Annual General Meeting until the conclusion of the next Annual General Meeting.

### **AS SPECIAL BUSINESS:**

3. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:-

**“RESOLVED THAT Ms. Mamta S. Chopra** who was appointed an additional director of the Company by the Board of Directors in their Meeting held on 16.01.2004 and who holds office up to the date of the ensuing Annual General Meeting in terms of Section 260 of the Companies Act, 1956, being eligible herself for reappointment and in respect of whom the Company has received notices from a few members proposing her candidature for the office of the director, be appointed a Director of the Company

**By order of the Board**

Sd/

**(Arun Poddar)**  
Director

**Place: Mumbai**

**Date: 10<sup>th</sup> August 2004**

### **Notes:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
2. Proxies in order to be effective should be lodged with the company at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Members are requested to notify the change, if any, in their address quoting their folio numbers.

**Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956 with regard to Special Business as set out in the accompanying notice.**

**Item No. 3**

Ms.Mamta S. Chopra was appointed Additional Directors by the Board of Directors of the Company in their meeting held on 16.01.2004. Pursuant to Section 260 of the Companies Act, 1956, Ms.Mamta S. Chopra shall hold office of Additional Director up to the date of the ensuing Annual General Meeting. Notices have been received under Section 257 of the Companies Act, 1956 from some members of your Company signifying their intention proposing the appointment of Ms. Mamta S. Chopra as Director of your Company as set out in the accompanying notice under agenda number no.3.

The Board recommends the proposed Resolution No. 3 for your approval. None of the Director except whose name is proposed for the office of the director, is directly or indirectly concerned or interested in the resolutions.

**By order of the Board**

Sd/

**(Arun Poddar)**  
Director

**Place: Mumbai**

**Date: 10<sup>th</sup> August 2004**

# **BOMBAY TALKIES LIMITED**

**Regd. Office: Cama Building, Ground Floor, 24/26, Dalal Street, Fort, Mumbai-400 023.**

## **Report of the Directors to the members of the Company**

To  
The Members,

Your Directors have pleasure in presenting the Twentieth Annual Report on the business and operations of your Company and the Audited Financial Results for the year ended 31<sup>st</sup> March, 2004

<b>Financial Results</b>	<b>Y.E. 31.03.2004</b>	<b>Y.E. 31.03.2003</b>
	<b>(Rs. In lakhs)</b>	<b>(Rs. In lakhs)</b>
Income from operations	<b>39.56</b>	312.35
Net Profit/(Loss)(before depreciation)	<b>5.85</b>	4.53
Less: Depreciation	<b>5.23</b>	4.29
Profit/(Loss) before tax	<b>0.62</b>	0.24
Less: Taxation	<b>0.06</b>	0.16
Profit /(Loss) after Tax	<b>0.56</b>	0.08

### **Dividend**

In view of the smallness of profits for the year under review your Directors do not recommend any dividend.

### **Fixed Deposits**

During the year under the review, the Company did not accept or invite any deposit from the public under the provisions of section 58A of the Companies Act, 1956 and the rules made thereunder and therefore the question of compliance or otherwise does not arise.

### **Directors**

Ms. Mamta S. Chopra was appointed an Additional Director by the Board of Directors of the Company u/s. 260 of the Companies Act. 1956.

Mr. Prakash Setty, Mr. Manohar T. Rachwani, Mr. Wolfram Wordemann and Mr. Andreas Buchholz resigned from the office of the Director of the Company and the same has been notified to the Registrar of Companies u/s. 303 of the Companies Act, 1956. Your Directors convey their deep appreciation of the sincere services rendered by the aforesaid Director in an able and efficient manner during their tenure of office as Directors.

**Directors' Responsibility Statement**

In accordance with the requirements of Section 217 (2AA) of the Companies Act, 1956, your Board of Directors wish to confirm the following:

i) that the applicable accounting standards have been followed in the preparation of the annual accounts;

ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs 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, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) that the Directors have prepared the annual accounts on a 'going concern' basis

**Other Aspects**

Provisions relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are not applicable to your Company.

**Particulars of Employees**

The particulars as required u/s. 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, do not apply to your company as there was no employee drawing remuneration in excess of the amount prescribed under Section 217(2A) of the Companies Act, 1956 during the year ended 31<sup>st</sup> March, 2004.

**Auditors & Auditors Report**

The statutory Auditors of the Company M/s. Oza Kishor & Co., Chartered Accountants, Mumbai, hold office until the conclusion of the forthcoming Annual General Meeting of the company and being eligible offer themselves for reappointment.

**Corporate Governance**

The Auditors M/s. Oza Kishor & Co. have certified the Company's compliance of the requirements of Corporate Governance in terms of clause 49 of the Listing Agreement. The said certificate together with the management's discussion and analysis report, is attached which forms part of this report.

**Acknowledgement**

Your Directors wish to place on record their appreciation for the support of members of your company, the customers, clients and constituents and the staff members of your company at all levels.

By order of the Board

Sd/

(Arun Poddar)  
Director

Place: Mumbai

Date: 10<sup>th</sup> August 2004

# **OZA KISHOR & CO.**

**Chartered Accountants**

102, Kartikya Palace, S.N.Dube Road, Rawal Pada, Dahisar (E), Mumbai-400 0068 Tel.No. 28972468

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## **BOMBAY TALKIES LIMITED**

### **CORPORATE GOVERNANCE REPORT**

This report on Corporate Governance forms part of the report of the Directors to the members. This report complies with the requirements of Clause 49 of the Listing Agreement entered into with the Stock Exchanges and also provides a window through which one can view the constitution and functioning of the organization in its march to achieve its stated objectives.

#### **Company's Philosophy on Corporate Governance:**

The Company's philosophy on Corporate Governance envisages the attainment of the highest level of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including members, employees, the government and lenders. Your company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time. The Company's Corporate Governance policies recognize the Company's commitment to good and efficient Corporate Governance. The Board of Directors - the Company's highest policy making body, is committed in its responsibility for all decisions to all constituents, including investors, employees and regulatory authorities. The Company recognizes that the members are ultimately the persons who are catalyst to the economic activities and also the ultimate beneficiaries thereof.

#### **Composition of Board**

The Board, currently has, four members (who are suitably qualified, experienced, and competent), and periodically reviews the need for its expansion. As per the current Articles of Association of the Company, the Board can have a maximum up to 12 (Twelve) Directors.

The Board has been constituted in a manner, which will result in appropriate mix of executive and independent directors. This has been done to preserve the independence of the Board and to separate the board functions of policy decisions and governance and the day-to-day management. The board functions either as a full-fledged board or through committee. Policy formulation, setting up of the goals, and evaluation of the performance and control functions vest with the board, while the committee oversees operational issues. The current Board has three independent directors and two executive directors.

Twenty-two meetings of the Board of Directors were held during the year under review i.e. on 12<sup>th</sup> April, 2003, 22<sup>nd</sup> April, 2003, 12<sup>th</sup> May, 2003, 27<sup>th</sup> May, 2003, 03<sup>rd</sup> June, 2003, 24<sup>th</sup> June, 2003, 11<sup>th</sup> July, 2003, 25<sup>th</sup> July, 2003, 05<sup>th</sup> August, 2003, 25<sup>th</sup> August, 2003, 8<sup>th</sup> September, 2003, 24<sup>th</sup> September, 2003, 4<sup>th</sup> October, 2003, 23<sup>rd</sup> October, 2003, 04<sup>th</sup> November, 2003, 12<sup>th</sup> December, 2003, 09<sup>th</sup> January, 2004, 28<sup>th</sup> January, 2004, 12<sup>th</sup> February, 2004, 28<sup>th</sup> February 2004, 13<sup>th</sup> March 2004, and 30<sup>th</sup> March 2004.

The name of members of the Board of Directors, their attendance at twenty two board meetings and the number of their directorship are set out below:

<b>Name of the Board Member</b>	<b>Board meeting attended during the year</b>	<b>Attendance at Last AGM</b>	<b>Number of other directorship (Indian &amp; foreign)</b>
Mr. Arun Poddar	22	Present	2
Mr. Rajesh Kothari	22	Present	1
Mr. Sanjay S. Seksaria	22	Present	2
Ms. Mamta S. Chopra	04	Present	1

### **Committee of Directors**

The board of Directors provides guidance to operating management on policy matters as well as in the monitoring of the action of operating management. This involvement is formalized through the constitution of designated committee of Board. The committees are intended to provide regular exchange of information and ideas between the Board and operating management.

### **Appointment of Directors, Re-appointment of directors at the forthcoming Annual General Meeting**

Ms. Mamta S. Chopra was appointed an Additional Director u/s 260 of the Companies Act, 1956 who holds office of such Additional Director upto the date of the ensuing Annual General Meeting. A few members have signified their intention proposing the candidature of Ms. Mamta S. Chopra for the post of a Director to be appointed on regular basis and liable to retire by rotation u/s 257 of the Companies Act, 1956 after making the necessary and requisite deposit with the company. Therefore Ms. Mamta S. Chopra who will cease to be a director in the ensuing Annual General Meeting is eligible for reappointment.

### **Audit Committee**

To provide assistance to the Board of Directors of the Company the Audit committee was constituted. It consists of Chairman and two other members. The Chairman of the Audit Committee is independent Non-Executive Director. The Audit Committee provides direction to and oversees the Audit and the Risk Management functions, reviews the financial accounts, interacts with statutory auditors and reviews matters of special interest.

### **Composition, Name of Members, Chairman and other Details \***

1. Mr. Arun Poddar, Chairman
2. Mr. Rajesh Kothari
3. Mr. Sanjay S. Seksaria
4. Ms. Mamta S. Chopra

### **Meeting and Attendance during the Year**

<b>Members</b>	<b>Meeting Held During the Tenure of Directors</b>	<b>Meetings Attended</b>
Mr. Arun Poddar	4	4
Mr. Rajesh Kothari	4	4
Mr. Sanjay S. Seksaria	4	4
Ms. Mamta Chopra	4	1

### **General Body Meeting**

Location and time for the last three Annual General Meetings:

<b>Description of Meeting</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
17 <sup>th</sup> AGM	B.S.S. Cross Road, Headavakar No.3,Dadar(W). Mumbai-400 028	28 <sup>th</sup> September, 2001	11.30 A.M
18 <sup>th</sup> AGM	349,Business Point, Western Express High Way, Andheri(W) , Mumbai-400 069	30 <sup>th</sup> September, 2002	11.30 A.M
19 <sup>th</sup> AGM	Cama Building, Ground Floor, 24/26, Dalal Street, Fort, Mumbai-400 0023.	30 <sup>th</sup> September, 2003	11.00 A.M.



No postal ballots were used / invited for voting at the above meetings. There were no special resolutions to be passed. There is no proposal to pass any special resolution by Postal Ballots at the ensuing Annual General Meeting.

**Location and time for the last three Extra-ordinary General Meetings:**

Date	Time	Venue
08.08.02	10.30 A.M.	B.S.S. Cross Road, Headavakar No.3,Dadar(W). Mumbai-400 028
23.07.02	11.00 A.M.	B.S.S. Cross Road, Headavakar No.3,Dadar(W). Mumbai-400 028
08.03.02	11.00 A.M.	B.S.S. Cross Road, Headavakar No.3,Dadar(W). Mumbai-400 028

**General shareholder Information**

**Compliance Officer :** Ms. Swati Uttekar

**(a) Twentyth Annual General Meeting**

**Date :** 30<sup>th</sup> September, 2004  
**Time :** 11.30 A.M.  
**Venue** Cama Building, Ground Floor,  
 24/26, Dalal Street,  
 Fort, Mumbai –400 001.

**(b) Financial Calendar**

**Publication of Unaudited Results:**

<b>Quarter ending</b>	<b>3<sup>rd</sup> / 4<sup>th</sup> week of</b>
June 30, 2003	July, 2003
September 30, 2003	October, 2003
December 31, 2003	January, 2004
March 31, 2004	April, 2004

**(c) Book Closure Date :** 28<sup>th</sup> September 2004 to 30<sup>th</sup> September, 2004  
 (Both days inclusive)

**(d) Listing on Stock Exchanges**

The Equity Shares of the Company are listed on the Stock Exchange, Mumbai. The Company confirms that it has paid annual listing fees to the Stock Exchange, Mumbai for the year 2003-04.

**(e) Stock Code**

The stock code of the shares listed at the Stock Exchanges, where the shares of the Company are listed below:

<b>Name of the Company</b>	<b>Code</b>
(i) The Stock Exchange, Mumbai	511246

**(f) Market Price Data**

The high & low of the share price of the Company during each month in the last financial year at the Stock Exchange, Mumbai are as follows:

<b>Month</b>	<b>High</b>	<b>Low</b>
April 2003	5.00	2.85
May 2003	2.80	2.25
June 2003	1.90	2.40
July 2003	2.78	1.13
August 2003	6.36	3.33
September 2003	6.00	3.69
October 2003	2.96	2.50
November 2003	-	-
December 2003	-	-
January 2004	4.80	3.00
February 2004	7.92	3.76
March 2004	7.00	5.61

**(g) Name of depository with whom the Company has entered into Agreement**

The Company has signed the Agreement with National Securities Depository Limited and Central Depository Services (India) Limited.

**(h) Registrar and Transfer Agents:**

**For Physical Shares:**

Adroit Corporate Services Private Limited.  
19' Jaferbhoy, Industrial Estate,  
Makwana Road, Marol Naka, Andheri(E),  
Mumbai – 400 059.

**(i) Share Transfer System**

Transfer of Shares, splitting/consolidation of share certificates and issue of duplicate shares is delegated to a Share Transfer Committee consisting of Mr. Arun Poddar (Chairman), Mr Rajesh Kothari (Director) and Jai Singh Daga, members. During the year Share Transfer Committee met 6(Six) Times

**(j) Distribution of Shareholding**

The Distribution of shareholding as on 31<sup>st</sup> March, 2004, is as follows:

No. of Shares From To		No. of Shareholders	%	No. of Shares	%
0	5000	122	16.42	91026	0.17
5001	10000	13	1.75	95945	0.18
10001	20000	5	0.67	60961	0.11
20001	30000	361	48.59	9476050	17.55
30001	40000	0	0.00	0	0.00
40001	50000	219	29.48	9851580	18.24
50001	100000	1	0.13	100000	0.19
100001	Above	22	2.96	34324438	63.56
Total		743	100.00	54000000	100.00

**(k) Shareholding pattern as on 31<sup>st</sup> March, 2004:**

Category	No. of Shares	%
Nationalized Banks		
Mutual Funds	-	-
NRIs / OCBs	-	-
Directors & Relatives and Bodies Corporate	33810248	62.61
Other Bodies Corporate		
Public	20188952	37.39
Pool	800	0.00
Total	54000000	100.00

**(l) Dematerialisation of Shareholding**

As per the direction of SEBI the company's shares are compulsory dematerialised form. So the shareholders have the option to hold/ trade their shares in the electronic mode. To enable the shareholders have an easy access to the demat system, the company has executed agreements with National securities depository Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL).

**(m) Address for Correspondence**

**Registered Office:**

Cama Building,  
Ground Floor,  
24/26, Dalal Street,  
Fort, Mumbai –400 023.

**Disclosures**

The Company has entered into certain transaction with Companies in which the Directors or the Management or their relatives, etc., have interest. However, these transactions are of routine nature and do not have any potential conflict with the interest of the Company at large.

There is neither any non-compliance with any of the legal provision of law by the Company nor any penalty or stricture imposed by the Stock Exchange / SEBI / any other statutory authority, on matter related to the capital markets, during the last three years.

**Means of communication**

Information like Quarterly Financial Results and press releases on significant developments in the Company have been made available from time to time to the press and have also been submitted to the Stock Exchanges to enable them to put on their Web Sites. The quarterly Financial Results are published in English and Vernacular newspapers.

# **OZA KISHOR & CO.**

**Chartered Accountants**

102, Kartikya Palace, S.N.Dube Road, Rawal Pada, Dahisar (E), Mumbai-400 0068 Tel.No. 28972468

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## **AUDITORS' CERTIFICATE TO THE MEMBERS OF BOMBAY TALKIES LIMITED.**

We have examined the compliance of conditions of Corporate Governance by Bombay Talkies Limited, for the year ended 31<sup>st</sup> March 2004, as stipulated in clause 49 of the listing agreement of the said company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the company has complied with the conditions of corporate governance as stipulated in the aforesaid Listing Agreement.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March 2004 no investor grievances are remaining unattended / pending against the Company for a period exceeding one month as per the records maintained by the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For Oza Kishor & Co.**

Chartered Accountants

**Sd/**

**Kishor Oza**

Proprietor

Mumbai,  
10<sup>th</sup> Day of August 2004

# OZA KISHOR & CO.

Chartered Accountants

102, Kartikya Palace, S.N.Dube Road, Rawal Pada, Dahisar (E), Mumbai-400 006 Tel.No. 28972468

## AUDITOR'S REPORT

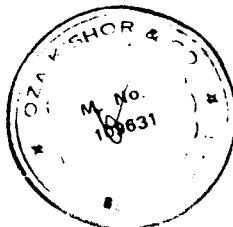
To  
The Members,  
M/s. BOMBAY TALKIES LIMITED

We have audited Balance Sheet of M/s. **BOMBAY TALKIES LIMITED** as at March 31, 2004 and also the Profit and Loss Account for the year ended on that date annexed there to. These financial statements are the responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.

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.

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India terms of Section (4A) of the Companies Act, 1956, we enclose, in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 3 above, we state that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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 and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion Profit and Loss Account & the Balance Sheet comply with the mandatory accounting Standards referred to in sub-section (3C) of Section 211 of the Companies act, 1956.
  - e) On the basis of the written representations received from the Directors as on March 31, 2004, and taken record by the Board of Directors, we report that none of them is disqualified as on March 31, 2004 from being appointed as a Director in terms of clause (g) of sub-section 274 of the Companies Act, 1956.

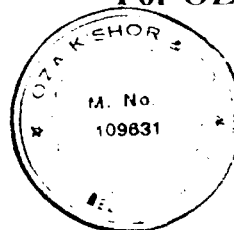
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- viii.) As informed to us no cost audit under section 209(1)(d) of the companies Act, 1956 have been prescribed.
- ix.) The company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, custom duty, excise duty, cess and other statutory dues with the appropriate authorities if any
- x.) The company has not incurred cash loss in the current year and in the immediately preceding financial year and there are accumulated losses in the balance sheet as on 31<sup>st</sup> March 2004, but net worth of the company has not been eroded by more than 50%.
- xi.) The company has not defaulted during the year in repayment of dues to any financial institutions, banks.
- xii.) No loans and advances given against pledge of share, debenture and other securities.
- xiii.) As the company is not a chit fund, nidhi, mutual benefit fund or society the provisions of clause 4(xiii) of the companies (Auditors report) order, 2003 is not applicable to the company.
- xiv.) Adequate documents are maintained for transaction and contracts in shares / securities and shares and securities are held by the company in its own name unless exempted under section 49 of the companies Act
- xv.) The company has not given any guarantee for loans to others
- xvi.) According to the information and explanations received, the company has not applied short terms borrowings for long term use and vice versa.
- xvii.) The company has not made any preferential allotment of shares during the year.
- xviii.) The company has not issued any debentures during the year.
- xix.) The company has not raised any money by way of public issue during the year.
- xx.) As per the information and explanation given to us, no material fraud on or by the company has been noticed during the year

**For OZA KISHOR & Co**

Chartered Accountants

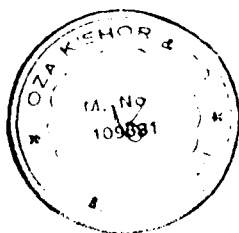


*Kishor*  
**KISHOR OZA**  
Proprietor  
M No 109631

Place Mumbai  
Date 10/08/2004

**ANNEXURE REFERRED TO IN PARAGRAPH 4 OF THE AUDITOR'S REPORT TO  
THE MEMBERS OF M/s. BOMBAY TALKIES LIMITED FOR THE YEAR ENDED 31<sup>ST</sup>  
MARCH 2004**

- i. In respect of fixed assets :
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Fixed assets of the company have been physically verified by the management at the end of the year and we are informed that no discrepancies between book records and the physical Inventory has been noticed.
  - c) In our opinion, and according to the information and explanation given to us, the company has not made any substantial disposals during the year Concern assumption.
- ii. (a). Inventories have been physically verified during the year by the management and in our opinion, the frequency of verification is reasonable.
  - (b). The Procedure of physical verification of stock followed by the management are adequate in relation to the size of the company and the nature of its business.
  - (c). The company is maintaining proper record of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account
- iii. (a). The company has not accepted / granted any loans, during the year from the parties covered in the register maintained under section 301 of the companies Act, 1956.
  - (b). It is not prejudicial to the interest of the Company.
  - (c). There is regularity in the terms of payment of interest and principals.
- iv.) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- v.) As the information received from management, there are no transactions with the parties covered under section 301 of the companies Act 1956.
- vi.) In our opinion as per the explanation given to us the Company has not complied with the provisions of section 58A and 58AA of the companies Act, 1956 and The Companies (Acceptance of deposits) rules, 1975 with regards to the deposits accepted from the shareholders, friends, relatives of directors and business associates.
- vii.) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.






- f) In our opinion; and to the best of our information and according to the explanation given to us. the said accounts, and read together with other notes there on give the information required by the Companies Act, 1956 in manner so requires 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 on March 31<sup>st</sup>, 2004
- ii. In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.

**For OZA KISHOR & Co.**  
Chartered Accountants



  
**KISHOR OZA**  
Proprietor  
M.No 109631

Place. Mumbai  
Date : 10.08.2004

# BOMBAY TALKIES LIMITED

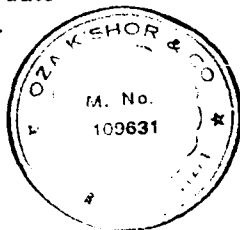
## BALANCE SHEET AS AT 31ST MARCH, 2004

	SCH NO	Rupees As at March 31, 2004	Rupees As at March 31, 2003
<b>SOURCES OF FUNDS</b>			
<b>1 Shareholders' Funds</b>			
Share Capital	A	54,000,000.00	54,000,000.00
Reserves & Surplus	B	130,625.94	74,490.68
		<u>54,130,625.94</u>	<u>54,074,490.68</u>
<b>APPLICATION OF FUNDS</b>			
<b>1 Fixed Assets</b>	C		
Gross Block		5,186,915.00	4,636,468.00
Less : Depreciation		<u>2,103,370.45</u>	<u>1,580,555.45</u>
Net Block		3,083,544.55	3,055,912.55
<b>2 Investments</b>	D	22,741,320.50	24,641,320.50
<b>3 Current Assets, Loans and Advances</b>	E		
Inventories		25,287,272.71	25,287,272.71
Sundry Debtors		43,750.00	43,750.00
Cash & Bank Balances		168,205.76	171,631.59
Other Current Assets, Loans and Advances		<u>7,194,915.00</u>	<u>4,592,810.00</u>
		<u>32,694,143.47</u>	<u>30,095,464.30</u>
Less : Current Liabilities and Provisions	F		
Liabilities		4,458,127.58	3,832,396.67
Provisions		<u>212,700.00</u>	<u>206,000.00</u>
		<u>4,670,827.58</u>	<u>4,038,396.67</u>
Net Current Assets		28,023,315.89	26,057,067.63
<b>4 Miscellaneous Expenditure</b> (To the extent not written off)		<u>282,445.00</u>	<u>320,190.00</u>
		<u>54,130,625.94</u>	<u>54,074,490.68</u>
Accounting Policies & Notes to Accounts	L	-	-

Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date  
For **OZA KISHOR & Co.**  
Chartered Accountants

**KISHOR OZA**  
Proprietor  
Membership No. 109631  
Place : Mumbai  
Date : 10th day of August, 2004



For and on behalf of the Board of Directors

*Arun Poddar*  
**Arun Poddar**  
Chairman

*Rajesh Kothari*  
**Rajesh Kothari**  
Director

# BOMBAY TALKIES LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004

	SCH NO	Rupees For the year ended March 31, 2004	Rupees For the year ended March 31, 2003
<b>INCOME</b>			
Income from Operations	G	3,737,250.00	31,067,750.00
Other Income	H	219,018.00	167,800.20
		<u>3,956,268.00</u>	<u>31,235,550.20</u>
<b>EXPENDITURE</b>			
Cost of Goods Consumed/Sold	I	2,755,500.00	30,482,750.00
Development, Production & Execution	J	41,368.00	39,715.00
Administrative and Other expenses	K	573,749.74	259,469.61
		<u>3,370,617.74</u>	<u>30,782,134.61</u>
<b>Operating Profit</b>		<b>585,650.26</b>	<b>453,415.59</b>
Depreciation		522,815.00	429,299.00
<b>Profit before Taxation</b>		<b>62,835.26</b>	<b>24,116.59</b>
Provision for Taxation		6,700.00	15,900.00
<b>Profit after Taxation</b>		<b>56,135.26</b>	<b>8,216.59</b>
<b>Previous year Adjustments</b>			18,682.93
		<u>56,135.26</u>	<u>(10,466.34)</u>
Balance brought forward from previous year		74,490.68	84,957.02
<b>Balance carried to Balance Sheet</b>		<b><u>130,625.94</u></b>	<b><u>74,490.68</u></b>

Accounting Policies & Notes to Accounts L

Schedules referred to above form an integral part of the Profit & Loss Account

As per our report of even date

**For OZA KISHOR & Co.**

Chartered Accountants

**KISHOR OZA**

Proprietor

Membership No. 109631

Place : Mumbai

Date : 10th day of August, 2004



For and on behalf of the Board of Directors

*Arun Poddar*  
**Arun Poddar**  
Chairman

*Rajesh Kothari*  
**Rajesh Kothari**  
Director

**BOMBAY TALKIES LIMITED**

**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2004**

	Rupees March 31, 2004	Rupees March 31, 2003
<b>SCHEDULE A : SHARE CAPITAL</b>		
<b>Authorised</b>		
5,40,00,000 (10,00,000) Equity Shares of Re 1/-(10/-) each.	<u>54,000,000.00</u>	<u>54,000,000.00</u>
<b>Issued, Subscribed &amp; Paid up</b>		
5,40,00,000 Equity Shares of Re. 1/-	<u>54,000,000.00</u>	<u>54,000,000.00</u>
	<u>54,000,000.00</u>	<u>54,000,000.00</u>
<b>SCHEDULE B : RESERVES &amp; SURPLUS</b>		
<b>Profit and Loss Account</b>	<b>130,625.94</b>	<b>74,490.68</b>
<b>Total</b>	<u><b>130,625.94</b></u>	<u><b>74,490.68</b></u>

**SCHEDULE C : FIXED ASSETS**

Rupees

Particulars	Gross Block			Depreciation			Net Block	
	As at April 01, 2003	Additions/ Deletion	As at March 31, 2004	Upto March 31, 2003	For the year	Upto March 31, 2004	As at March 31, 2004	As at March 31, 2003
Furniture & Fixture	902,874	-	902,874	301,890	57,152	359,042	543,832	600,984
Computer	1,304,077	111,300	1,415,377	739,046	229,433	968,479	446,898	565,031
Office Equipments	164,690	64,111	228,801	53,236	10,389	63,625	165,176	111,454
Telephone Epbx	100,000	-	100,000	70,560	5,280	75,840	24,160	29,440
Air Conditioner	69,000	-	69,000	9,745	3,643	13,388	55,612	59,255
Motor Car	2,095,827	375,036	2,470,863	406,079	216,918	622,997	1,847,866	1,689,748
<b>Total</b>	<b>4,636,468</b>	<b>550,447</b>	<b>5,186,915</b>	<b>1,580,556</b>	<b>522,815</b>	<b>2,103,371</b>	<b>3,083,544</b>	<b>3,055,912</b>
<b>Previous Year</b>	<b>3,458,218</b>	<b>1,178,250</b>	<b>4,636,468</b>	<b>1,151,257</b>	<b>429,299</b>	<b>1,580,556</b>	<b>3,055,912</b>	



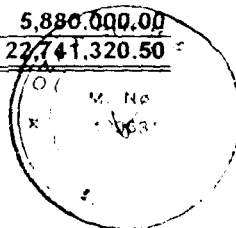
**BOMBAY TALKIES LIMITED**  
**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2004**

Rupees  
**March 31, 2004**

Rupees  
**March 31, 2003**

**SCHEDULE D : INVESTMENTS**

<b>Equity Shares - Quoted :</b>	<b>No. of Shares</b>		
Asian Alloys Ltd	4,000	140,000.00	140,000.00
Bombay Suburban Elect. Supply Ltd.	100	21,000.00	21,000.00
Bombay Talkies Entertainment Ltd	7000	70,000.00	70,000.00
Cadila Hospital Ltd	500	16,625.00	16,625.00
Darolia Organics Ltd	300	9,600.00	9,600.00
GEPC	500	40,000.00	40,000.00
Global Industries Ltd	2,000	27,000.00	27,000.00
Guj State Fert. Company Ltd	100	24,875.00	24,875.00
Guj. Telephone Cable Ltd	100	39,750.00	39,750.00
ICICI Ltd	20	26,000.00	26,000.00
ICICI Ltd - Debenture	10	12,150.00	12,150.00
Mansarovar Beverages Ltd	4,000	60,000.00	60,000.00
Motorola Ltd	500	47,000.00	47,000.00
N.B. Footware Ltd	7,700	308,000.00	308,000.00
Oscar Global Ltd	600	16,800.00	16,800.00
Patel Eide Comm. Ltd	200	3,450.00	3,450.00
Pitambar Coated Paper Ltd	2,000	27,000.00	27,000.00
Reliance Petro Ltd - New	100	889.00	889.00
Reliance Petro Ltd - PC	1,600	21,307.56	21,307.56
Reliance Petro Ltd - Shares	300	5,191.37	5,191.37
H Lon Hosiery Ltd	13,200	309,110.00	309,110.00
R. N. Paper Ltd	7,100	124,448.00	124,448.00
SBI Magnum Multiplier Ltd	300	3,529.57	3,529.57
Shivalik Loha Ltd	4,000	191,250.00	191,250.00
S. K. N. Industries Ltd	400	6,400.00	6,400.00
Shree Simadari Cement Ltd	500	14,250.00	14,250.00
State Bank of India Ltd	300	72,350.00	72,350.00
Subros Ltd	200	31,000.00	31,000.00
Trina Quebec Gears Ltd	500	14,000.00	14,000.00
Unlive Foods Ltd	6,000	131,500.00	131,500.00
Vamoti Chemicals Ltd	1,000	29,895.00	29,895.00
Welcure Drugs Ltd	2,500	79,000.00	79,000.00
		<b>1,923,370.50</b>	<b>1,923,370.50</b>
<b>Equity Shares - Unquoted :</b>			
Pansoft Technologies Ltd	100,000	10,000,000.00	10,000,000.00
Sincere Exports Pvt. Ltd	50,000	500,000.00	500,000.00
Mansula Properties Ltd	4,500	225,000.00	225,000.00
Swapna Sundari Hsg. & Dev. (P) Ltd	35,000	-	350,000.00
Jaycee Real Estate Pvt. Ltd	7,500	375,000.00	375,000.00
Tao Builders Pvt. Ltd (Partly Paid)	10,000	1,500,000.00	-
Kurule Paper Mills Ltd	20,000	2,000,000.00	2,000,000.00
Apna Ghar Hsg. & Dev. (P) Ltd	1,000	-	50,000.00
Albatross Share Registry (P) Ltd	13,000	130,000.00	130,000.00
		<b>14,730,000.00</b>	<b>13,630,000.00</b>
<b>Investment In Chit Fund :</b>			
Sevasatra		80,810.00	80,810.00
Nikita Chitfund		127,140.00	127,140.00
		<b>207,950.00</b>	<b>207,950.00</b>
<b>Share Application Money :</b>			
<b>Investment in Shares/Debentures</b>		<b>5,880,000.00</b>	<b>8,880,000.00</b>
		<b>22,741,320.50</b>	<b>24,641,320.50</b>

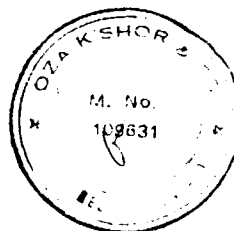


**BOMBAY TALKIES LIMITED**  
**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2004**

	Rupees March 31, 2004	Rupees March 31, 2003
<b>SCHEDULE E : CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>Inventories</b>	25,287,272.71	25,287,272.71
<b>Sundry Debtors</b>		
Debts outstanding for a period exceeding six months : unsecured, considered good	43,750.00	43,750.00
<b>Cash and Bank Balances</b>		
Cash on hand	92,054.19	18,956.19
Balance with schedule banks in current accounts	<u>76,151.57</u>	<u>152,675.40</u>
	168,205.76	171,631.59
<b>Loans and Advances</b> (Unsecured and Considered Good)		
Loans	2,128,626.00	1,605,189.00
Others	4,598,000.00	2,562,500.00
Security Deposits	78,800.00	68,800.00
Tax deducted at source	<u>389,489.00</u>	<u>356,321.00</u>
	7,194,915.00	4,592,810.00
	<u><u>32,694,143.47</u></u>	<u><u>30,095,464.30</u></u>

**SCHEDULE F : CURRENT LIABILITIES  
AND PROVISIONS**

<b>Current Liabilities</b>		
Sundry Creditors	1,540,198.58	918,401.90
Others	16,029.00	12,094.77
Advances	<u>2,901,900.00</u>	<u>2,901,900.00</u>
	4,458,127.58	3,832,396.67
<b>Provisions</b>		
Provision for Taxation	212,700.00	206,000.00
	<u><u>4,670,827.58</u></u>	<u><u>4,038,396.67</u></u>



# BOMBAY TALKIES LIMITED

## SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004

	Rupees For the year ended March 31, 2004	Rupees For the year ended March 31, 2003
<b>SCHEDULE G : INCOME FROM OPERATION</b>		
Sale	3,737,250.00	31,067,750.00
	<u>3,737,250.00</u>	<u>31,067,750.00</u>
<b>SCHEDULE H : OTHER INCOME</b>		
Dividend	225.00	310.20
Commission	55,000.00	-
Interest	161,794.00	133,151.00
Discount	1,999.00	34,339.00
	<u>219,018.00</u>	<u>167,800.20</u>
<b>SCHEDULE I : COST OF GOODS CONSUMED/SOLD</b>		
Opening Stock	25,287,272.71	36,773,272.71
Add : Purchases	2,755,500.00	18,996,750.00
	<u>28,042,772.71</u>	<u>55,770,022.71</u>
Less : Closing Stock	25,287,272.71	25,287,272.71
	<u>2,755,500.00</u>	<u>30,482,750.00</u>
<b>SCHEDULE J : DEVELOPMENT, PRODUCTION AND EXECUTION</b>		
Salaries & Benefits	35,750.00	32,500.00
Staff Welfare	5,618.00	7,415.00
	<u>41,368.00</u>	<u>39,915.00</u>
<b>SCHEDULE K : ADMINISTRATIVE AND OTHER EXPENSES</b>		
Power & Fuel	6,618.00	7,415.00
Repairs & Maintenance - Machinery	24,000.00	2,315.00
Repairs & Maintenance - Others	1,365.00	5,790.00
Legal & Professional Charges	13,450.00	11,900.00
Filing Fees	1,500.00	35,500.00
Listing Fees	7,500.00	24,500.00
Communication	29,565.74	648.77
Travelling & Conveyance	2,655.00	7,310.00
Printing & Stationery	3,840.00	19,550.00
Motorcar Expenses	150,457.00	30,217.00
Business Promotion Expenses	129,959.41	9,886.00
Bank Charges	9,351.91	5,562.00
Interest paid	97,917.68	33,979.90
Miscellaneous Expenditure	53,505.00	22,830.94
Auditor's Remuneration	4,320.00	4,320.00
Share Issue Expenses W off	37,745.00	37,745.00
	<u>573,749.74</u>	<u>259,469.61</u>



## **SCHEDULE TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

### **SCHEDULE L:**

### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT**

#### **(A) SIGNIFICANT ACCOUNTING POLICIES**

##### **BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The financial statements are prepared under the historical cost convention method. All Income and Expenditure having a material bearing in the financial statement are recognized on accrual basis. The financial statements have been prepared, in all material respects with applicable accounting principles in India, the Accounting Standard issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 of India.

##### **FIXED ASSETS:**

Fixed assets are stated at cost and include incidental and / or installation expenses incurred in putting the asset to use.

##### **DEPRECIATION:**

Depreciation on Fixed Assets is provided on Straight Line Method in the manner laid down in schedule XIV to the Companies Act, 1956. Depreciation on additions to assets during the year is provided on the proportionate basis.

##### **INVESTMENTS:**

Investments are stated at cost.

##### **INVENTORIES:**

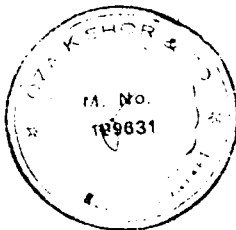
Inventories are valued at cost.

##### **MISCELLANEOUS EXPENDITURE:**

Preliminary & Share Issue expenses are written off over a period of 10 years in equal installments.

##### **FOREIGN CURRENCY TRANSACTIONS:**

Transactions in foreign currency are recorded at the rate prevailing on the date of receipt of money.





## (B) NOTES ON ACCOUNTS

### CONTINGENT LIABILITIES:

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous Year Rs. Nil)

### QUANTITATIVE DETAILS:

#### a) COMPUTER SOFTWARE PROGRAMME.

The company was engaged in the business of development of Computer Software. The purchase, development and sale of Computer Software is not applicable of being expressed in any generic units. Hence, it is not possible to give the quantitative details and information required under paragraph 3, 4C and 4D of part II of schedule VI of the Companies Act, 1956.

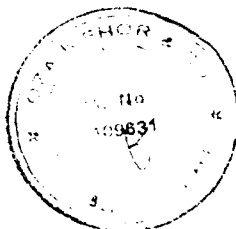
#### b) QUANTITATIVE DETAILS OF OPENING & CLOSING STOCK OF SHARES :

Year	Opening Stock (Nos.)	Closing Stock (Nos.)
2003-2004	2444380	2444380
2002-2003	3592980	2444380

#### c) PURCHASES & SALES OF SHARES :

Year	Particulars	PURCHASES		SALES	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
2003-2004	Shares	33000	2755500.00	33000	37,37,250.00
2002-2003	Shares	881000	1.89.86.750.00	2029600	3.10.67.750.00

The previous year figures have been regrouped, recasted and rearranged, wherever necessary to conform to the current year classification.



# BOMBAY TALKIES LIMITED

Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956.

## Balance Sheet Abstract and Company's General Business Profile

### I Registration Details

Registration No. 1 1 - 3 6 1 8 1

State Code: 1 1

Balance Sheet Date 3 1 - 0 3 - 0 4

### II Capital Raised during the year (Amount in Rs. Thousands)

Public Issue NIL

Rights Issue NIL

Bonus Issue NIL

Private Placements NIL

### III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities 5 8 8 0 1

Total Assets 5 8 8 0 1

#### Sources of Funds

Paid-up Capital 5 4 0 0 0

Reserves & Surplus 1 3 7

#### Application of Funds

Net Fixed Assets 3 0 8 4

Investments 2 2 7 4 1

Net Current Assets 2 8 0 3 0

Misc. Expenditure 2 8 2

### IV Performance of Company (Amount in Rs. Thousands)

Turnover 3 9 5 6

Total Expenditure 3 8 9 3

Profit before Tax 6 3

Profit after Tax 5 6

Earnings per Share(Rs.) -

Dividend Rate (%) NIL

### V Generic Name of Three Principal Products/Services of Company

Item Code No.(ITC Code) 8 5 2 8

Product Description SOFTWARE  
PRODUCTS

Item Code No.(ITC Code) N A

Product Description SHARES &  
SECURITIES

As per our report of even date

For OZA KISHOR & Co.

Chartered Accountants

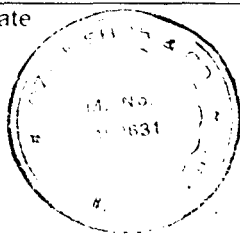
KISHOR OZA

Proprietor

Membership No. 109631

Place: Mumbai

Date: 10th Day of August, 2004



For and on behalf of the Board of Directors

*Arun Poddar*  
Arun Poddar  
Chairman

*Rajesh Kothari*  
Rajesh Kothari  
Director

**BOMBAY TALKIES LIMITED****Cash Flow Statement for the year ended March 31, 2004**

	Rupees For the year ended March 31, 2004	Rupees For the year ended March 31, 2003
<b>A Cash Flow from Operating Activities</b>		
Net Profit before tax	56,135.26	8,216.59
Adjustments for		
Depreciation	522,815.00	429,299.00
Share Issue Expenses written off	37,745.00	37,745.00
Interest and Other Income	(219,018.00)	(167,800.20)
Previous Year Adjustments	-	(18,682.93)
Operating Profit before Working Capital Changes	397,677.26	288,777.46
Adjustments for		
Trade and other Receivables	-	586,168.88
Inventories	-	11,486,000.00
Trade and other Payables	632,430.91	(1,582,653.27)
Loans and Advances	(2,602,105.00)	(2,618,651.07)
Cash generated from Operations	(1,571,996.83)	8,159,642.00
Direct Taxes Paid	-	-
Net Cash (used in)/from Operating Activities	(1,571,996.83)	8,159,642.00
<b>B Cash Flow from Investing Activities</b>		
Issue of share capital	-	-
Share issue Expenses	-	(312,400.00)
Fixed Assets	(550,447.00)	(1,178,250.00)
Investments	1,900,000.00	(6,700,000.00)
Interest and Other Income	219,018.00	167,800.20
Net Cash (used in)/from Investing Activities	1,568,571.00	(8,022,849.80)
<b>C Cash Flow from Financing Activities</b>		
Dividend Paid	-	-
Interest Paid	-	-
Net Cash (used in)/from Financing Activities	-	-
Net changes in cash & cash equivalents (A+B+C)	(3,425.83)	136,792.20
Cash & cash equivalents - Opening Balance	171,631.59	34,839.39
Cash & cash equivalents - Closing Balance	168,205.76	171,631.59

For and on behalf of the Board of Directors

Place Mumbai  
Date 10th day of August, 2004

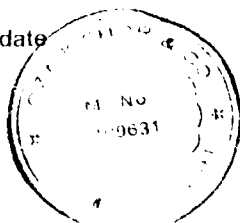
*Arun Poddar*  
**Arun Poddar**  
Chairman

*Rajesh Kothari*  
**Rajesh Kothari**  
Director

**Auditors' Certificate**

We have examined the attached Cash Flow Statement of Bombay Talkies Limited for the year ended 31st March, 2004. The Statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the Members of the Company.

As per our report of even date  
**For OZA KISHOR & Co.**  
Chartered Accountants

**KISHOR OZA**

Proprietor

Membership No. 109631

Place Mumbai

Date 10th day of August, 2004