

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	✓		NC	✓
AGM	✓		SH	✓
YE	✓			

# 10<sup>TH</sup> ANNUAL REPORT 1997-98

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**BCL Financial Services Limited**

**Board of Directors**

Niranjan Todi - Managing Director  
 K. K. Rungta  
 Samir Ghosh  
 Sukumar Bhattacharya  
 K. K. Dutt  
 Manish Rungta  
 Vishwas Joshi - Executive Director

**Company Secretary**

M. G. Purkayastha

**Auditors**

K. N. Gutgutia & Co.  
 6C, Middleton Street,  
 Calcutta - 700 071

**Registrars and Share Transfer Agents**

AMI Computers (I) Ltd.  
 60A & 60B, Chowringhee Road,  
 Calcutta - 700 020

**Bankers**

Allahabad Bank  
 United Bank of India  
 UCO Bank  
 Dena Bank  
 Indian Bank  
 Vijaya Bank  
 The Bank of Rajasthan Ltd.

**Registered Office**

1/1, Camac Street,  
 Calcutta 700 016

**Corporate Office**

28, Madhu Industrial Estate  
 Worli, Mumbai - 400 013

**Lead Fixed Deposit Brokers**

Eastern Financiers Ltd.  
 G. M. Bosu & Co.  
 Kotak Mahindra Finance Ltd.

Sanjay Investments  
 Integrated Enterprises (I) Ltd.  
 Associated Investment Services

**Branch Offices**

807, Vishal Bhawan,  
 95, Nehru Place, New Delhi 110 019  
 Ali Towers, 22 Greaves Road,  
 Chennai 600 006  
 329, Guru Nanak Pura,  
 Adarsha Nagar, Jaipur 302 004  
 "Anand" Mamangalam,  
 Palarivattom P. O.  
 Cochin 682 025  
 107, Sai Sangeet,  
 368 Linking Road  
 Khar (W), Mumbai 400 052  
 112, Vishno Villa,  
 Satya Nagar, Bhubaneswar

1A, Rammandir Area, Bishtupur,  
 Jamshedpur 831 001

Unit No. 304,  
 1 Main 7th Cross  
 Domular Layout  
 Bangalore 560 071

Matru Chaya, 6/1, New Palasia,  
 Near - Curewell Hospital  
 Indore 452 001

205, A Wing (Second Floor)  
 Lokmat Bhawan, Lokmat Square,  
 Janta Chowk, Nagpur 440 012

"Panchwadi", Francis Road Junction,  
 19/2005E, Madhavan Nair Road,  
 Calicut 2

**BCL Financial Services Limited****NOTICE**

Notice is hereby given that the Tenth Annual General Meeting of the Company will be held at 11.00 a.m. on Saturday, 26th September, 1998 at 1/1, Camac Street, Calcutta - 700 016 to transact the following business :

**As Ordinary Business**

1. To consider and adopt the Balance-sheet as at 31st March, 1998 and the Profit & Loss Account for the year ended on that date and Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Samir Ghosh who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Sukumar Bhattacharya who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and authorise Managing Director to fix their remuneration.

**As Special Business :**

5. To consider and approve with or without modification the following resolution as an Ordinary Resolution :  

"That Mr. Niranjanlal Todi, Managing Director, be paid remuneration for his services as the Managing Director of the Company effective from 1st February, 1998 as set out in the service agreement tabled at the meeting and signed by the Chairman for identification".
6. To consider and approve with or without modification the following resolution as a special resolution :  

"That Article 64(1) of the Company's Articles of Association be and is hereby amended by deletion of the figure "Rs. 1000/-" appearing therein and substitution thereof by the figure "Rs. 2000/-"

Registered Office :  
 1/1, Camac Street,  
 Calcutta - 700 016  
 Date : 8th August, 1998

By Order of the Board  
**M. G. PURKAYASTHA**  
 Company Secretary

**Explanatory Statement :**

Following explanations under section 173(2) of the Companies Act, 1956 are submitted with regard to the special business stated in items (5) & (6) of the convening notice :

- (5) The Board of Directors at its meeting held on 31st January, 1998, re-appointed Mr. N. Todi as the Managing Director of the Company for 5 years effective from 1st February, 1998 on the following remuneration.

**Salary :**

Rs. 40000/- per month with annual increment as may be fixed by the Board not exceeding 10% of the Salary.

**Perquisites :**

- i) Furnished residential accommodation including gas, electricity, water and furnishing.
- ii) Medical reimbursement for Mr. Todi and his dependent family members.
- iii) Leave travel facilities on full pay under leave Rules of the Company entitling him leave of not less than 4 weeks per annum with necessary leave travel concession. Leave not availed of can be encashed.



- iv) Fees of Club of which Mr. Todi is or to become a member.
- v) Personal accident premium upto Rs. 6500/- per annum.
- vi) Company's contribution to provident Fund upto 12% of Mr. Todi's salary.
- vii) Gratuity not exceeding half month's salary for each completed year of service.
- viii) Free use of Company's car for business and personal use.
- ix) Free telephone at residence.

Provided that the total remuneration of the Managing Director shall not exceed 5% of net profit in any financial year and in the event of no profit or inadequate profit in a year the remuneration shall be as set out in section II of Part II of Schedule XIII of the Companies Act, 1956.

The Board recommends approval of the resolution as stated in the notice. No Director other than Mr. Todi is interested in the resolution.

- (6) The Company's Directors other than the Managing and/or Wholtime Directors spend considerable time in dealing with company's work in normal course of business and the Board feels that current sitting fee of Rs. 1000/- as stated in existing Article 64(1) is inadequate and should be increased to Rs. 2000/- in recognition of the services of the non Wholtime Directors. The Board recommends approval of the special resolution as stated in the notice. No Director other than the present non Wholtime Directors namely Mr. K.K. Rungta, Mr. S. Ghosh, Mr. S. Bhattacharya, Mr. K.K. Dutt and Mr. Manish Rungta are interested in the resolution.

Registered Office :  
1/1, Camac Street,  
Calcutta - 700 016  
Date : 8th August, 1998

By Order of the Board  
**M. G. PURKAYASTHA**  
Company Secretary

#### NOTES :

1. The Register of members and Share transfer books of the Company will remain closed from 19th September, 1998 to 26th September, 1998 both days inclusive.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote for him and the proxy need not be a member of the Company.
3. Instruments of proxies must be deposited at the Registered Office of the Company at least 48 hours before the time fixed for holding the meeting.
4. Members are requested to intimate change of their address, if any, immediately to the Company.
5. Members are requested to bring their copies of Annual Report to the Meeting as no reports will be available at the meeting for distribution.
6. Members having any queries on the Accounts are requested to write to the Company at an early date so that the information can be kept ready.

Registered Office :  
1/1, Camac Street,  
Calcutta - 700 016  
Date : 8th August, 1998

By Order of the Board  
**M. G. PURKAYASTHA**  
Company Secretary

**BCL Financial Services Limited****DIRECTORS' REPORT****To The Shareholders,**

Your Directors have the pleasure in presenting the 10th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 1998.

**FINANCIAL RESULTS**

The financial results of the company for the year under review are summarised for your consideration.

	1997-98		1996-97	
	Rs. in Lacs		Rs. in Lacs	
	Rs.	Rs.	Rs.	Rs.
Profit before depreciation, Interest & Other Finance Cost & Taxes		1470.85		1226.15
Less : Depreciation, Interest & Other Finance Cost		1174.12		939.29
Profit before Tax		296.73		286.87
Provision for Tax for the year		31.16		37.01
Provision for Tax for earlier years		—		0.16
Profit after Tax		265.57		249.70
Add : Balance brought forward from previous year		190.45		107.19
Total available for appropriation		456.02		356.89
Less :				
Proposed Dividend	—		96.76	
Tax on Distributed Profit @ 10% on Proposed Dividend	—		9.68	
Transfer to General Reserve	18.00		60.00	
Transfer to Statutory Reserve	107.00	125.00	—	166.44
(As per RBI)				
Surplus Carried to Balance Sheet		331.02		190.45

**DIVIDEND**

Keeping in view the present market condition and the economic scenario the Directors have considered it prudent to conserve resources by ploughing back the entire profits into reserves. The Directors prefer not to recommend any dividend for the year ended 31st March '98.

**OPERATIONAL REVIEW**

Despite extremely tough working conditions your Company has been able to increase its gross income to Rs. 1752.85 lacs from Rs. 1455.06 lacs, an increase of 20.47%.

In fact your company has beaten the market trend. This remarkable achievement has been possible by



drastically cutting costs and consolidating the business of the Company. Avoidable expenses like advertisement plans for rapid growth has been scrupulously avoided. In spite of a depression in the Commercial Vehicle market the Company has shown an increased disbursement of Rs. 2552.40 lacs as opposed to Rs. 2134.71 lacs in the previous year.

The Directors would also like to draw your attention to the fact that the level of NPAs is well within the control of the management.

### **SIGNIFICANT ACHIEVEMENTS DURING THE YEAR**

Your Directors are happy to announce that your Company is among the few who have received the Registration Certificate from RBI and has achieved the distinction of being ranked the second best NBFC in India by Financial Express.

The current statement by RBI that in case of Banks lending through NBFCs to Small Road Transport Operators, such loans will be classified as Priority Sector loans is bound to come as a tremendous boost to your Company as your Company is already established in lending to SRTOs.

Keeping in view the general slump in the economy, your Company has doubled its recovery efforts to ensure smooth inflow of funds.

In spite of Banks not increasing their exposure to most NBFCs, your Company has been able to increase its Bank borrowings from Rs. 1013.29 lacs to Rs. 1367.51 lacs in the current year.

### **INCREASE OF NET WORTH**

Your Company plans to increase the Net Worth by Issuing fully Convertible Debentures and Convertible Preference Shares with a structured safety rating by way of Private Placement and is confident of increasing its Net Worth by a reasonable amount.

### **FOREIGN COLLABORATION**

Your Company is making active efforts for searching out foreign collaborators so that in the years to come your Company is in a position to access funds at International costs.

### **THE ROAD AHEAD**

Recognising that the economic scenario is in the process of changing quite rapidly, your Company has shifted emphasis from growth to consolidation. The change of business would include financing of new vehicles in places where competition is as yet not dominant. Also with a mix of used vehicle finance we are in the process of being associated with foreign banks and larger financial companies to further mutual business interests. In this respect your company has already entered into an agreement with Citi Bank for marketing of Citi Bank's car loans for the entire Western Region.

### **FIXED DEPOSIT**

As per the amendments made by RBI on 2nd January 1998, the Company has reduced its deposit base in the manner suggested by RBI without decreasing its business volume significantly due to inflow by way of Secured debentures & Inter Corporate deposits. During the year under review the Fixed deposits (FD) outstanding as on 31st March '98 was Rs. 2132.53 lacs as against FD outstanding as on 31st March '97 which was Rs. 2126.28 lacs. It is thus apparent that the company has not increased its risks by exposing itself to higher volume of FD during the current year. Unclaimed Fixed Deposits as on 31.03.98 amounted to Rs. 36.51 lacs.

### **DIRECTORS**

In accordance with the provisions of the Articles of Association of the company, Mr. Samir Ghosh and Mr. Sukumar Bhattacharya retire by rotation and being eligible offer themselves for re-appointment.

### **AUDITORS**

M/s. K. N. Gutgutia & Co. Chartered Accountants and Auditors of the company also retire in the ensuing Annual General Meeting but being eligible offer themselves for re-appointment.

**BCL Financial Services Limited****PARTICULARS OF EMPLOYEES**

A Statement showing the particulars of employees pursuant to section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules 1975, as amended, is annexed and forms a part of this report.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

As the present activities of the company are restricted to Leasing, Hire Purchase, and Fee based activities, disclosure of particulars in the report of Board of Directors, relating to the above are not applicable to the company.

**ACKNOWLEDGEMENT**

Your Directors would like to thank the Consortium of Bankers, Company's customers, Shareholders, Depositors, Employees and all others associated with the Company for their valuable co-operation and assistance.

Place : Calcutta

Dated : 8th August, 1998

On behalf of the Board

**N. TODI**

Managing Director

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**ANNEXURE TO DIRECTORS' REPORT PURSUANT TO SECTION 217(2A)  
OF THE COMPANIES ACT, 1956 IS GIVEN BELOW :**

Name	Designation	Gross Remuneration Rs.	Qualification	Experience (Years)	Date of Commencement of Employment	Age	Previous Employment/ Position Held
Niranjan Todi	Managing Director	376025/-	B. Com. LLB	32	01-02-93	53	Ganesh Narayan Brij Lal Ltd. Wholetime Director

**NOTE :**

1. Gross Remuneration includes Salary, Provident Fund, motor car expense and club fees.
2. The Nature of Employment is contractual.
3. The Employee is not related to any other Directors of the Company.

Place : Calcutta

Dated : 8th August, 1998

On behalf of the Board

**N. TODI**

Managing Director