

11th
Annual Report
1998 - 99

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BCL FINANCIAL SERVICES LIMITED**Board of Directors**

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

Company Secretary

M. G. Purkayastha

Bankers

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

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

Registered Office

1/1, Camac Street,
 Calcutta - 700 016

Corporate Office

107, Sai Sangeet
 368, Linking Road
 Khar (W), Mumbai - 400 052

Branch Offices

Ali Towers P-1, IVth Floor
 Greams Road
 Madras - 600 006

Anand-2nd Floor
 Mamangalam
 P.O. Palarivattom
 Cochin - 682 025

3-411, 4th Floor
 South Block
 Manipal Centre
 47, Dickenson Road
 Bangalore - 560 001

107, Sai Sangeet
 368, Linking Road, Khar (W)
 Mumbai - 400 052

262, Lokmanya Nagar
 Indore
 205-A, Wing 2nd Floor
 Lokmat Bhavan, Lokmat Square
 Janta Chowk, Nagpur - 440 012

603-B, Premium House
 Opp. Gandhi Gram Rly. Station
 Opp. Ashram Road
 Ahmedabad - 300 009

C/o. NPR Finance Limited
 8C/6, W.E.A. Abdul Aziz Road
 New Delhi - 110 010

214, Laxmi Complex
 2nd Floor, M. I. Road, Jaipur

120, Yaskamal Complex
 1st Floor, Bistupur Main Road
 Jamshedpur - 831 001

15 Unit III
 Station Square
 Bhubaneswar - 1

NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the Company will be held at 11.00 a.m. on Monday, 27th September, 1999 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, 1999 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. K. K. Dutt who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Mr. Manish Rungta who retires by rotation and is eligible for reappointment.
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. V. Joshi, Executive Director be reappointed as an Executive Director of the Company from 1st June, 1999 for one year on same remuneration drawn by him under his service agreement which expired on 31st May, 1999.

Registered Office
1/1, Camac Street
Calcutta - 700 016
Date : 6th August, 1999

By Order of the Board

M. G. PURKAYSTHA
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 item (5) of the convening notice.

The Board of Directors at its meeting held on 29th December, 1998 reappointment Mr. V. Joshi as an Executive Director of the Company for one year effective from 1st June, 1999 on the following remuneration.

BCL FINANCIAL SERVICES LIMITED

Salary : Rs. 18,000/- per month and Provident Fund Contribution thereon @ 12%.

Perquisites :

- i) . House Rent allowance of Rs. 5,000/- per month
- ii) Telephone at his residence.
- iii) -Car and Driver for business and limited private use.

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

Registered Office
1/1, Camac Street
Calcutta - 700 016
Date : 6th August, 1999

By Order of the Board

M. G. PURKAYSTHA
Company Secretary

NOTES :

1. The Register of members and Share transfer books of the Company will remain closed from 16th September, 1999 to 27th September, 1999 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 : 6th August, 1999

By Order of the Board

M. G. PURKAYSTHA
Company Secretary

DIRECTOR'S REPORT

To
The Shareholders

Your Directors have pleasure in presenting the 11th Annual Report of the Company together with the Audited accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS :

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

	1998-99 Rs. in Lacs	1997-98 Rs. in Lacs
Profit before depreciation interest & Other Finance Cost & Taxes	1330.56	1470.85
Less : Depreciation Interest & Other Finance Cost	1249.38	1174.12
Profit before Tax	81.18	296.73
Provision for Tax for the year	8.60	31.16
Provision for Tax for the earlier years	0.33	0.00
Profit after Tax	72.25	265.57
Add : Balance brought forward from previous year	331.02	190.45
Total available for appropriation	403.27	456.02
Transfer to General Reserve	18.00	18.00
Transfer to Statutory Reserve (As per RBI guidelines)	14.60	107.00
	32.60	125.00
Surplus carried to Balance Sheet	370.67	331.02

DIVIDEND :

Keeping in view the present market condition of the NBFC's and the fact that the recuperation process is still on, while your Company adjusts to

the new emerging economic scenario, the Directors have considered it prudent not to recommend any Dividend for the year ended 31st March, 1999 and conserve resources by ploughing back the entire profits into reserves.

OPERATIONAL REVIEW :

Due to harsh economic conditions and a gradual shifting of Government policies favouring large scale operation with low cost of funds. Even though the economy is beginning to show signs of revival, your Company had to operate under extremely tough competition with Companies such as GE Capital, Citicorp and others who have funds at low cost from own sources abroad and from Indian Banks and in turn have entered the market by cherry picking portfolios of NBFCs, as well as offering a much lower lending rate. This coupled with the fact that your Company consciously wanted to reduce the volume of Fixed Deposit due to its volatile nature has resulted in lowered income from Lease and HP, which has gone down by about 10%.

Your Directors feel that the process of consolidation at this stage is better than simply increasing business volume and while the gross income and as a result the profitability has gone down, your Company has made significant improvements in controlling cost and has lowered personnel cost by 9.58% aggregating to a savings of Rs. 9.65 lacs and has also substantially lowered operational and administration cost by over 13.94% from last years figures, aggregating to a savings of Rs. 23.35 lacs.

However, the level of NPAs has still been maintained well within controllable levels.

FUTURE PLANS :

Your Directors have drawn up the following future plans for the Company, some of which have already been implemented.

1a. Association by way of tie-ups, Joint Ventures,

BCL FINANCIAL SERVICES LIMITED

Agencies with large NBFCs/Banks, so that the Company can continue to serve a wide base of customers and earn fee-based income.

- b. Large NBFCs and Banks can utilise the distribution and networking channel available with your Company.
2. Association with reputed Mutual Funds ; help them in market development and distribution.
3. Engage in loan syndication and project syndication activity.
4. Engage in other fee based business which augments our fund based business.
5. Carry on finance of second hand vehicles, as competition is still not predominant in this sector.

SIGNIFICANT ACHIEVEMENTS DURING THE YEAR :

1. Your Directors are happy to announce that your Company has tied up with SUN F & C Mutual Fund, for the year ending 31.3.2000 which is a collaboration between SUN (a NRI group) and Foreign & Colonial a 130 years old Asset Management Company, whose shares are held by Hypo German Bank, the second largest bank in Germany. This tie-up is presently for West Bengal where your Company is acting as the local representative for SUN F & C. There are possibilities that in the long run this tie-up may extend to other Indian cities.
2. Your Company has already taken up loan recovery jobs for ICICI, Escorts and are looking at loan recovery jobs of some Banks.
3. Your company is in the process of entering into a tie-up for marketing of car finance schemes through one of the largest NBFCs, currently working in India and the agreement is in the process of being executed.

INCREASE OF NETWORK :

Keeping in view the market sentiments for small NBFCs your Company decided to keep in abeyance plans for raising its network by issuing Fully Convertible Debentures and Cumulative Convertible Preference Shares. The company is concentrating on increasing its network by ploughing back the entire profits into reserves.

FOREIGN COLLABORATION :

The search for Foreign Collaboration is still on, though no significant achievement has been made in this regard. Your Company feels that over a period of time association with Foreign Mutual Fund and other companies such as Insurance Companies may give the Company an opportunity for such collaboration.

THE ROAD AHEAD :

The road ahead continues to change rapidly, shifting towards high volume, low profit margin trend of operation and your Company continues to consolidate its business, concentrating on finance of new vehicle in places of less competition and also with a mix of used vehicle finance. Your Directors feel we will be able to survive and progress even in the changing economic scenario.

FIXED DEPOSITS :

As per current RBI rules your Company can hold deposits aggregating four times its network i.e. around Rs. 4,800 lacs as against which your company's FD outstanding as on 31st March, 1999 was Rs. 1315 lacs, whilst the same outstanding on 31st March, 1998 was 21.32 lacs. Thus by decreasing FD collection substantially, your Company is now less susceptible to the volatility of the FD market. Unclaimed FD as on 31st March '99 amounted to Rs. 4.5 lacs.