

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

bajaj auto finance ltd

ELEVENTH ANNUAL REPORT 1997-98

Report  junction.com




bajaj auto finance ltd.**11TH
ANNUAL
REPORT
1997-98****NOTICE**

NOTICE is hereby given that the Eleventh Annual General Meeting of the shareholders of Bajaj Auto Finance Limited will be held on Friday, 24th July, 1998 at 3.30 p.m. at the Registered Office of the Company at Mumbai Pune Road, Akurdi, Pune 411035 to transact the following business:

- 1) To consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit & Loss Account for the financial year ended 31st March, 1998 and the Directors' and Auditors' Reports thereon.
- 2) To declare a dividend.
- 3) To appoint a Director in place of Shri Rajiv Bajaj who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Shri D.S. Mehta who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint Auditors of the Company for the period commencing from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

by order of the Board of Directors,
for Bajaj Auto Finance Limited,



Ashok Medankar
Company Secretary

Pune, 10th May, 1998

Regd. Office:
Mumbai Pune Road,
Akurdi, Pune - 411035.

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXY SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING;
- 2) The Register of Members and the Share Transfer Books of the Company will remain closed from 11th July, 1998 to 24th July, 1998 (both days inclusive) for the purpose of payment of dividend. The payment of dividend, when declared, will be made on or after 27th July, 1998 to those shareholders whose names appear on the Register of Members of the Company on 24th July, 1998;
- 3) Members are requested to notify immediately of any change of address and Bank Mandate instructions, if any, for payment of dividend on or before 11th July, 1998;
- 4) The unclaimed dividend in respect of the year 1994-95 will be due for transfer to the General Revenue Account of the Central Government in October, 1998. The shareholders who have not claimed their dividend for the said year are requested to contact the Company for enabling them to claim the dividend before transfer to the Government.



Registered Office :
Mumbai-Pune Road, Akurdi,
Pune – 411 035.

FORM OF PROXY

I/We of
..... in the district of being member/members of
BAJAJ AUTO FINANCE LIMITED hereby appoint
..... of
..... in the district of or failing him
..... of
..... in the district of as my/our
Proxy to vote for me / us on my / our behalf at the Eleventh Annual General Meeting of the Company to be held on
24th day of July, 1998 at 3.30 p.m. and at any adjournment thereof.

Signed this day of , 1998.

Signature

30 Ps.
Revenue
Stamp

Folio No.

NOTE : The Proxy, duly completed, must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.



bajaj auto finance ltd.

BOARD OF DIRECTORS

Rahul Bajaj
Chairman
Ranjan Sanghi
Rajendra Lakhoria
D.S. Mehta
Madhur Bajaj
Ramesh Chand Jain
Rajiv Bajaj
Dipak Poddar
Managing Director

Secretary
Ashok Medankar

Auditors
Dalal & Shah
Chartered Accountants

Bankers
Central Bank of India
State Bank of India

Registered Office
C/o Bajaj Auto Limited,
Mumbai-Pune Road,
Akurdi, Pune - 411 035

Eleventh Annual General Meeting on
24th July, 1998 at 3.30 p.m. at the
Registered Office of the Company.

DIRECTORS' REPORT

1. The Directors present their Eleventh Annual Report and the Audited Statement of Accounts for the year ended 31st March, 1998.

2. Working Results :

i) Your Company has disbursed under its Hire Purchase Finance Schemes, a total amount of **Rs. 2,483** million during the year 1997-98 as against Rs. 1,116 million during the previous year 1996-97.

During the year under review, the Company has discounted bills worth **Rs. 1,336** million as against Rs. 1,367 million during 1996-97.

ii) The gross disbursement for the year 1997-98 was **Rs. 3,819** million as against Rs. 2,498 million for the year 1996-97.

iii) The Stock on Hire as on 31st March, 1998 was **Rs. 3,155** million as compared to Rs. 1,778 million as on 31st March, 1997.

3. Financial Results :

	1997-98	1996-97
	Rupees	Rupees
Income from :		
Hire Purchase Business	380,473,366	286,833,064
Leasing Business	130,807,643	144,697,858
Other Income	103,204,261	107,437,217
Total	614,485,270	538,968,139
Profit before Depreciation	351,755,724	328,359,069
Depreciation	103,038,148	105,824,058
Profit before Taxation	248,717,576	222,535,011
Provision for Taxation	112,500,000	105,030,000
Profit for the year	136,217,576	117,505,011
Disposable surplus after earlier years adjustments	135,872,431	115,796,350
Transfer to Reserve Fund	27,500,000	24,000,000
Provision for Proposed Dividend	36,278,440	32,981,400
Provision for Dividend Tax	3,627,844	3,298,140
Balance carried to General Reserve	68,466,147	55,516,810

4. Share Capital :

During the year under review, pursuant to the powers conferred by the Articles of Association of the Company, the Board of Directors forfeited 1,000 equity shares for non payment of allotment money

5. Dividend :

The Directors have pleasure in recommending for the consideration of the shareholders at the Annual General Meeting, payment of dividend of Rs. 2.20 per share, amounting to Rs. 36.27 million for the year ended 31st March, 1998.

6. Resource Mobilisation :

The Credit Rating and Information Services of India Limited ("CRISIL") has retained the highest rating of FAAA for the Fixed Deposit Programme of your Company. In the process of extensive monitoring of NBFCs, Reserve Bank of India ("RBI") had introduced regulatory measures, and eventually CRISIL had undertaken a task to review the credit rating. Your Company is one of the very few NBFCs whose rating has been re-affirmed as FAAA by CRISIL.

Your Company had raised finance by way of Commercial Paper ("CP") to the tune of Rs. 100 million during the year under review and CRISIL has rated the Commercial Paper issue by assigning P1+ rating to CP programme.

7. Branch Offices :

During the year under review, your Company has achieved substantial growth in hire purchase finance activities through its existing 20 branches spread over various strategic locations throughout the country. Considering the positive response and potential to develop retail financing, your Company plans to open additional 12 branches during the current year to expand its retail reach.

8. Prospects :

Your Company fulfills all the norms and standards recently laid down by the RBI. These measures are to effectively regulate Non Banking Finance Companies to improve their financial health and viability. The amended RBI Act advocates rating based limits for acceptance of public deposits, ceiling on interest rate, norms for non performing assets, capital adequacy, statutory liquidity ratio, credit/investment concentration and other statutory compliances.

During the year under review, an attractive new financing scheme was introduced for financing of two wheelers with an interest rate of 9% flat. This scheme was very well received by the customers and as a result, the number of two wheelers financed during the year under review has substantially gone up from about 45,000 in 1996-97 to about 110,000 in 1997-98, recording a growth of 145%. Your Company is poised for growth on this new base.

9. Fixed Deposits :

At the end of the financial year under review, there were 424 deposits aggregating Rs. 4.03 million which matured but remained unclaimed as on that date. Company had written to these depositors and as on date, deposits aggregating Rs. 0.60 million have been repaid / renewed.

10. Particulars in respect of conservation of energy etc.:

The Company, being a Non Banking Finance Company, not having any manufacturing activity, the Directors have nothing to report on "Conservation of Energy", "Technology Absorption", "Foreign Exchange earnings and outgo".

11. Particulars of Employees :

Particulars required under Section 217(2A) of the Companies Act, 1956, as amended, read with the

Companies (Particulars of Employees) Rules, 1975 are given in Annexure I forming part of this Report.

12. Additional Disclosure :

Your Company gives additional details regarding certain key operational areas in light of the emerging trends in desirable corporate governance in Annexure II forming part of this Report.

13. Directors :

Shri Rajiv Bajaj and Shri D.S. Mehta, Directors, retire from the Board by rotation and being eligible, offer themselves for reappointment.

14. Auditors :

You are requested to appoint auditors for the period from the conclusion of the ensuing Annual General Meeting till the date of conclusion of next Annual General Meeting and to fix their remuneration.

On behalf of the Board of Directors,



Rahul Bajaj
Chairman

Pune,
8th May, 1998

ANNEXURE I TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956, as amended, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 1998.

Sr. No.	Name	Age (years)	Designation / Nature of Duties	Gross Remuneration (Rupees)	Qualifications	Total Experience (years)	Date of Commencement of Employment	Last employment and Designation
Employed throughout the Financial Year :								
1.	Dipak Poddar	55	Managing Director	628,552	B.Sc. (Hons.) S.M. (M.I.T.)	35	31/3/1987	--
2.	C.S. Ravindran	45	President	1,154,662	B.Sc., A.C.A.	22	17/4/1989	Goldstar Holding & Industries Ltd., Hyderabad, President

- Notes:**
- 1) Gross remuneration includes Salary, Allowances, Commission, Cost of other perquisites calculated on the basis of rules prescribed in this behalf by the Department of Company Affairs and Company's contribution to Provident Fund, Superannuation Fund and other funds.
 - 2) None of the employees mentioned above is a relative of a Director of the Company.

ANNEXURE II TO DIRECTORS' REPORT

1) Report on relatives of Directors:

Shri Rajiv Bajaj, 31 (B.E. Mech., M. Sc. (MS Engg.)), Director (appointed w.e.f. 2nd May, 1994), is a son of Shri Rahul Bajaj.

2) During the year under review, the Company has not appointed any Sole Selling Agent.

3) Your Company, during the year under review, has not sanctioned any loan to any of the Directors and there is no outstanding towards loans to Directors as on date.

4) During the year under review, your Company has paid the following remuneration by way of sitting fees to its Directors:

Name		Amount in Rs.
Shri Rahul Bajaj	Chairman	6,000
Shri Dipak Poddar	Managing Director	Nil *
Shri Ranjan Sanghi	Director	4,500
Shri Rajendra Lakhotia	Director	4,500
Shri D.S. Mehta	Director	3,000
Shri Madhur Bajaj	Director	4,500
Shri Ramesh Chand Jain	Director	1,500
Shri Rajiv Bajaj	Director	4,500
Total.		28,500

* The Company has not paid any sitting fees to Shri Dipak Poddar, Managing Director as he is paid remuneration/perquisites and commission as specified in Note No. 5, Schedule 13 forming part of the accounts.

5) None of the employees of the Company is related to any of the Directors of the Company.

6) From the date of the Balance Sheet till the date of this report, there is no significant event which will have an impact on the performance of the Company during the year 1998-99.

7) During the year under review, your Company has not taken any credit exposure to any of its group companies and has not invested in other NBFCs.

8) Capital Adequacy Ratio of your Company is 39% based on the risk weighted asset and conversion of off balance sheet exposures as against the minimum Capital Adequacy Ratio of 10% as per revised RBI Prudential Norms.