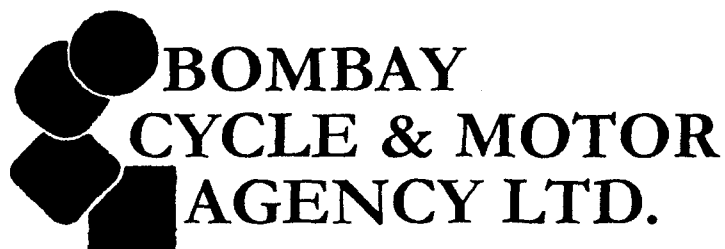


**87TH  
ANNUAL REPORT  
2005-2006**

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**BOMBAY CYCLE & MOTOR AGENCY LIMITED****87TH ANNUAL REPORT 2005-2006**

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**BOARD OF DIRECTORS**

CHAKOR L. DOSHI  
CHAIRMAN

CHIRAG C. DOSHI

KANIKA G. SANGER

SANJAY P. MUTHE

T. D. LAL  
(From 17-08-2005)

**REGISTERED OFFICE**

534, Sardar Vallabhbhai Patel Road,  
Mumbai - 400 007.  
Tel. : 022-23617171 Fax : 022-23634527

**SERVICE STATION**

7, J. Tata Road, Churchgate,  
Mumbai - 400 020.

**BANKERS**

BANK OF INDIA  
HDFC BANK

**AUDITORS**

A.B. JOG & COMPANY  
Chartered Accountants

**REGISTRAR & SHARE  
TRANSFER AGENT**

TSR DARASHAW LIMITED  
Army & Navy Building,  
148, Mahatma Gandhi Road,  
Fort, Mumbai - 400 001.  
Tel. : 66568484  
Fax : 66568494

### NOTICE

NOTICE is hereby given that the EIGHTY SEVENTH ANNUAL GENERAL MEETING of BOMBAY CYCLE & MOTOR AGENCY LTD., will be held at the Registered Office of the Company at 534, Sardar Vallabhbhai Patel Road, Opera House, Mumbai - 400 007 on Friday, the 4<sup>th</sup> day of August, 2006, at 11.30 a.m. to transact the following business :

- 1) To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2006 and the Profit & Loss Account for the year ended on that date and the Report of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Chakor L. Doshi, who retires by rotation and being eligible, offers himself for reappointment.
- 3) To appoint a Director in place of Mr. Sanjay P. Muthe, who retires by rotation and being eligible, offers himself for reappointment.
- 4) To appoint M/s. A.B.Jog & Co., Chartered Accountants, Mumbai as Auditors of the Company to hold office from conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

### **SPECIAL BUSINESS**

- 5) To consider and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. T. D. Lal, whose term of office as an Additional Director pursuant to Sec. 260 of the Companies Act, 1956 expires at this Annual General Meeting and in respect of whom the Company has received a notice u/s 260 of the Companies Act, 1956 proposing his candidature for the office of a Director, be & is hereby appointed as Director of the Company, liable to retire by rotation".

- 6) To consider and if thought fit, to pass with or without modifications the following Resolution as a special Resolution :

"RESOLVED THAT in accordance with, and subject to compliance with Securities and Exchange Board of India (De-listing of Securities) Guidelines, 2003, as amended from time to time, and other applicable provisions, rules and regulations, if any, in that behalf the approval of the members be and is hereby granted to the de-listing of the company's shares from the Bombay Stock Exchange (BSE) and the Board of Directors of the company be and is hereby authorized to take necessary steps and comply with the requirements as may be deemed necessary or as may be required by the Bombay Stock Exchange (BSE) or any other authority in that behalf.

By order of the Board of Directors  
For Bombay Cycle & Motor Agency Ltd.

T. D. Lal  
Director

Registered Office :  
534, Sardar Vallabhbhai Patel Road,  
Mumbai - 400 007.

Dated : 16<sup>th</sup> June, 2006

### **NOTES :**

- A) 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. The instrument appointing a proxy and the Power of Attorney, if any, under which it is signed should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding of the aforesaid meeting as provided by Article 110 of the Articles of Association of the Company.
- B) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 20<sup>th</sup> July, 2006 to Friday, 4<sup>th</sup> August, 2006 (both days inclusive).

**EXPLANATORY STATEMENT UNDER SECTION  
173 (2) OF THE COMPANIES ACT, 1956.**

**ITEM NO. 5**

The Board of Directors appointed Mr. T D Lal as an Additional Director w.e.f. 17-08-2005. Pursuant to provisions of section 260 of the Companies Act, 1956, read with Article 161 of the Articles of Association of the Company, Mr. T D Lal holds office only upto the date of this Annual General Meeting. The Company has received a notice as required u/s 257 of the Companies Act, 1956 together with deposit of Rs.500/- from a member proposing his candidature for the office of Director of the Company.

Mr. T D Lal is a Chartered Accountant with wide ranging experience of 23 years in Financial Management, Taxation, Legal matters etc. The Board, therefore, considers it desirable to appoint him as a Director and accordingly recommends the Resolution as set out in Item No.5 of the Notice for approval of the Shareholders.

None of the Directors, except Mr. T D Lal, is concerned/interested in the Resolution.

special resolution at item no. 6 is proposed for the approval of members.

None of the Directors of the Company are interested in this item, except to the extent of the shares held by them in the company.

By Order of the Board of Directors

For Bombay Cycle & Motor Agency Ltd.

T D Lal  
Director

Registered Office :  
534, Sardar Vallabhbhai Patel Road,  
Mumbai - 400 007

Dated : 16th June, 2006.

**ITEM NO. 6**

The equity shares of the company are listed on the Bombay Stock Exchange (BSE). The capital of the Company is very small and the public shareholding is also only at about 27% of this capital. Additionally, the shares of the company are not frequently traded, there being no trading in the company's shares during the last two years.

It is therefore proposed to de-list the company's shares in accordance with and subject to compliance with the Securities and Exchange Board of India (De-listing of Securities) Guidelines, 2003. The said Guidelines require prior approval of shareholders by a special resolution for de-listing of shares. Hence the

## DIRECTORS' REPORT

To,  
 The Members of  
**BOMBAY CYCLE & MOTOR AGENCY LIMITED**

Your Directors have the pleasure to present to you the annual report and the audited statement of accounts for the year ended 31<sup>st</sup> March, 2006.

### FINANCIAL RESULTS :

	For the year ended 31.3.2006 Rupees	Previous year ended 31.3.2005 Rupees
Profit /(Loss) before depreciation and taxation	<b>2,28,87,978</b>	84,74,646
Less : Depreciation & other charges on Fixed Assets	<b>20,81,870</b>	28,22,142
Profit /(Loss) for the year before Provisions	<b>2,08,06,108</b>	56,52,504
Less :Provisions for Doubtful Recoverables	<b>(8,81,350)</b>	--
Add : Provisions written back :		
a) For Diminution in value of investments	--	9,22,495
b) For expenses	<b>25,102</b>	2,84,138
Add: Prior year Adjustments (Net)	<b>2,97,345</b>	6,88,089
Profit /(Loss) for the year after tax & Adjustments/ write back	<b>2,02,47,205</b>	75,47,226
Deferred Tax Asset	<b>4,03,97,518</b>	--
Deficit brought forward from Previous year	<b>(12,31,18,399)</b>	(13,06,65,625)
Balance carried to Balance Sheet	<b>(6,24,73,676)</b>	(12,31,18,399)

### DIVIDEND :

Your Directors do not recommend any dividend for the financial year ended on 31st March, 2006, in view of the brought forward losses still remaining unabsorbed.

### OPERATION HIGHLIGHTS :

The total turnover of the Company including Automobile sales, service and Hospitality Division is Rs. 15.92 Crores as compared to Rs. 17.88 Crores in the previous year.

During the year under review, the Company could sell 175 Hyundai cars manufactured by M/s.

Hyundai Motor India Ltd. as compared to 245 Hyundai Cars sold in the previous year. The passenger car market in Automobile Industry continues to face severe competition and the Dealers still indulge in offering heavy cash discounts, free accessories and other cash incentives. The situation causes severe adverse impact on margins earned at dealers' end.

The sale of Spare Parts during the year was Rs.285 lacs as against Rs. 288 lacs in the previous year.

As regards Hospitality Division, as a result of restructuring effected in a previous year in the management and with improved services, the Company has been able to scale up its turnover in this segment. This coupled with the stringent cost control measures adopted and execution of certain service assignments has enabled the Company to achieve better performance.

A subsisting agreement with another company for managing the Company's Hospitality Division has since been prematurely terminated by that company. The Company however does not foresee any problems in maintaining growth of this division.

As a result of these changes, other cost cutting measures adopted and accounting of deferred tax asset during the year as required by Accounting Standard AS-22, the company has been able to reduce accumulated losses to Rs.625 lacs as compared to accumulated losses of Rs.1231 lacs in the previous year and increase in Reserves by Rs. 620 lacs on account of receipt of resettlement compensation of Rs. 620 lacs (net of tax) during the year.

### PERSONNEL :

The industrial relations continue to be satisfactory in all the Units of the Company.

None of the employees fall within the purview of Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder.

### INSURANCE :

The properties, stocks, stores, assets, etc. belonging to the Company continues to be adequately insured against fire, riot, civil commotion, etc.

### DIRECTORS :

Mr. Chakor L. Doshi and Mr. Sanjay P. Muthe Directors, will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

The Board of Directors on 17-08-2005 appointed

**BOMBAY CYCLE & MOTOR AGENCY LIMITED****87TH ANNUAL REPORT 2005-2006**

Mr. T. D. Lal as an Additional Director. As an Additional Director, Mr. T. D. Lal holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice from a Member signifying his intention to propose the candidature of Mr. T. D. Lal as a Director of the Company. Mr. T. D. Lal is a Chartered Accountant having wide experience of 23 years in Financial Management, Taxation, Legal matters etc. The Board commends the appointment of Mr. T. D. Lal to the Members.

**DEPOSITS :**

There are no fixed deposits outstanding as on 31st March, 2006.

**INCOME TAX ASSESSMENT:**

Income Tax assessment of your Company has been completed upto the Assessment Year, 2003-2004. However the company has preferred an appeal with the higher authorities in respect of A.Y.2001-02 and A.Y. 2003-04.

**DE-LISTING OF SHARES:**

Considering the small capital of the company, small public shareholding and infrequent trading in the company's shares it is proposed to de-list the company's share from the Stock Exchange, Mumbai (BSE) in accordance with and subject to compliance with the Securities and Exchange Board of India (De-listing of Securities) Guidelines, 2003. A special resolution in this regard is proposed in the Notice for the ensuing Annual General Meeting for the approval of the members.

**ADDITIONAL INFORMATION :**

As regards the additional information required by the Companies (Amendment) Act, 1988 regarding Conservation of Energy, the same is not required to be given by the Company, as the Company is not listed in the Schedule to the Companies (Disclosure of particulars in the Report of Board of Directors ) Rules, 1988.

Moreover, since there is no Research & Development activity, import of technology or foreign exchange earnings or outgo, no details of the same are annexed to this report.

**SECRETARIAL COMPLIANCE REPORT :**

As required under Section 383A(1) of the Companies Act, 1956, the Compliance Report issued by M/s. Ragini Chokshi & Co., Practicing Company Secretary, Mumbai, is attached herewith and forms part of this report.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 the Directors' hereby confirm that :

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) 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.
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the annual accounts for the financial year ended 31st March, 2006 on a going concern basis.

**AUDITORS :**

M/s. A. B. Jog & Co., Chartered Accountants, Mumbai, the Statutory Auditors, retire at the conclusion of the ensuing Annual General Meeting. The company has received the necessary certificate u/s 224-1B from them about their eligibility for re-appointment.

**ACKNOWLEDGEMENTS :**

Your Directors place on record their sincere appreciation of the assistance and co-operation that the Company has been receiving from its employees as also from the Banks.

Your Directors also like to thank the customers, suppliers and shareholders for their continued support and co-operation

For and on behalf of the Board of Directors,

**CHAKOR L. DOSHI**  
CHAIRMAN

**Registered Office :**

534, Sardar Vallabhbhai Patel Road,  
Mumbai - 400 007.

Dated : 16th June, 2006

**BOMBAY CYCLE & MOTOR AGENCY LIMITED****87TH ANNUAL REPORT 2005-2006****COMPLIANCE CERTIFICATE**

Registration No. of the Company : 11-557

Nominal Capital : Rs.50,00,000/-

To,

The Members

M/s. BOMBAY CYCLE & MOTOR AGENCY LIMITED.

We have examined the registers, records, books and papers of M/s. BOMBAY CYCLE & MOTOR AGENCY LIMITED, (Regd. No. 11-557) as required to be maintained under the Companies Act, 1956, (The Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2006. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company and its officers we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company is a Public Limited Company, and hence comments are not required.
4. The Board of directors duly met six times respectively on 25<sup>th</sup> June, 2005, 31<sup>st</sup> July, 2005, 17<sup>th</sup> August, 2005, 22<sup>nd</sup> October, 2005, 12<sup>th</sup> December, 2005, and 18<sup>th</sup> January, 2006, in respect of which meetings, proper notices were given and the proceedings were properly recorded, passed and signed in the Minutes Book maintained for the purpose.
5. The Company closed its register of members from 2<sup>nd</sup> August, 2005 to 17<sup>th</sup> August, 2005 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2005 was held on 17<sup>th</sup> August, 2005 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary-General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors and / or persons, firms or companies referred in Section 295 of the Act.
9. The Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the Register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share Certificate during the financial year under review.
13. The Company has :
  - i) Delivered all the Certificates on allotment of securities and on lodgement thereon for transfer / transmission or any other purpose in accordance with the provisions of the Act.
  - ii) Not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
  - iv) There is no amount in unpaid dividend account, application money due for



# **BOMBAY CYCLE & MOTOR AGENCY LIMITED**

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refund, matured deposits, matured debentures and the interest accrued thereon which has remained unpaid or unclaimed for a period of seven years and has to be transferred to Investor Education and Protection Fund.

- v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted.
15. The Company has not appointed any Managing Director / Whole Time Director / Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has made an application to Central Government regarding exemption from publishing of quantitative details as per schedule VI u/s 211(4) of the Companies Act, 1956, and permission was awaited under the act.
18. The Directors have disclosed their interest in other Firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There was no transaction necessitating to keep in abeyance the rights to dividend / right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited or accepted any deposits including any unsecured loans falling within the purview of section 58A of the Act read with Companies (Acceptance of Deposit) Rules 1975, during the financial year under review from public.
24. The Company has not made any borrowings during the financial year ended 31st March, 2006.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. No Show Cause Notices were received by the company during the financial year.
32. The Company has not received any money as security from its employees during the financial year under certification.
33. The Company has deposited both employees and employers contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

For RAGINI CHOKSHI & CO.  
Mrs. Ragini Chokshi  
(Partner)  
Company Secretary  
C.P.No. 1436

Place : Mumbai, 16th June, 2006.



**Annexure 'A'**

**Registers as maintained by the Company**

1. Register of Investments u/s 49
2. Register of charges u/s 143 / copies of instrument creating the charge u/s 136.
3. Registers of Members u/s 150 and index of members u/s 151.
4. Registers and Returns u/s 163.
5. Minutes Book of Meeting.
6. Books of Accounts.
7. Register of Particular of Contracts in which directors are interested u/s 301.
8. Register of Directors, Managing Directors, Managers and Secretary u/s 303.
9. Register of Directors shareholdings u/s 307.
10. Foreign Register of Members u/s 157.
11. Register of Deposits under Rule 7 of the Companies (Acceptance of Deposits) Rules 1975.
12. Register of Inspection.

**Other Registers**

1. Register of Directors Attendance maintained
2. Register of Transfer
3. Register of Shareholders Attendance
4. Register of Proxies
5. Register of Fixed Assets

**Note :** The Company has not maintained the following registers as it was informed that there were no entries / transactions to be recorded thereon.

1. Register of Securities Bought Back u/s 77A.
2. Register and Index of Debenture holders u/s 152.
3. Minutes Book of Class Meeting / Creditors Meeting.
4. Register of Renewed and Duplicate Certificate under Rule 7 of the Companies Rules, 1960.
5. Register of Destruction of Record / Document.

**Annexure 'B'**

Forms and Returns as filed by the Company with Registrar of the Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March, 2006.

Sr.	Form No. / Return	Filed under section	For	Date of filing	Whether filing within prescribed time Yes / No	if delay in filing, whether requisite additional fee paid Yes / No
1.	Annual Return	159	2004-2005	07.10.2005	Yes	N.A.
2.	Balance Sheet & Annual Accounts	220	2004-2005	08.09.2005	Yes	N.A.
3.	Compliance Certificate	383A	2004-2005	08.09.2005	Yes	N.A.
4.	Form No. 32		2004-2005	08.09.2005	Yes	N.A.
5.	Form No. 29		2004-2005	08-09-2005	Yes	N.A.

Place : Mumbai, 16th June, 2006

For RAGINI CHOKSHI & CO.  
 Mrs. Ragini Chokshi  
 PARTNER  
 Company Secretary  
 C.P.No. 1436

**REPORT OF THE AUDITORS TO THE MEMBERS**

We have audited the attached Balance Sheet of BOMBAY CYCLE & MOTOR AGENCY LIMITED, as at 31st March, 2006, the Profit & Loss Account and also the Cash Flow Statement for the year ended upon 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.

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. And the 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. With these remarks we now report as follows:

1. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government on 12<sup>th</sup> June, 2003 and Companies (Auditor's Report) (Amendment) Order 2004 issued by the Central Government on 25<sup>th</sup> November, 2004, both in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the said order to the extent they are applicable to the Company and based on such checks applied by us as considered necessary and also based on information and explanations given by the Directors;
2. Further to our comments in the Annexure referred in paragraph 1 above :
  - (a) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
  - (b) 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;

- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement under report are in agreement with the books of accounts;
- (d) In our opinion, the annexed Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the requirements of the Accounting Standards referred to in sub- Section(3c) of Section 211 of the Companies Act, 1956 as amended;
- (e) None of the directors of the Company are disqualified from being appointed as director under clause(g) of sub-section (1) of section 274 of the Companies Act 1956;
- (f) In our opinion and according to the best of our information and according to the explanations given to us, the said accounts read with the notes attached to and forming part of the same give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.

- 1) In the case of Balance Sheet, of the State of affairs of the Company as at 31st March, 2006;
- 2) In the case of the Profit and Loss Account, of the Profit for the year ended on that date and ultimate deficit carried to the Balance Sheet.

AND

- 3) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For A. B. Jog & Company**  
Chartered Accountants

**( A. B. Jog )**  
Proprietor

Membership No. 10655

Mumbai, 16th June 2006.