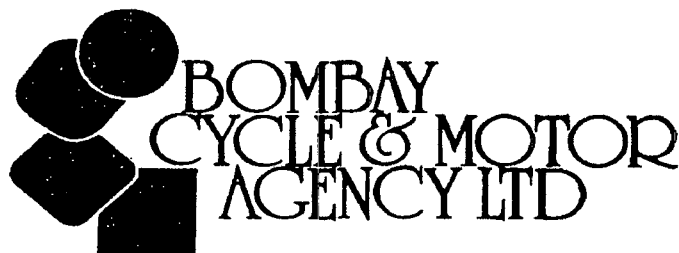


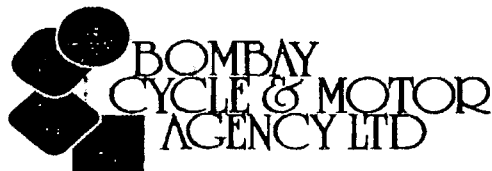
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AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SH	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

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BOARD OF DIRECTORS

CHAKOR L. DOSHI
CHAIRMAN

VINOD L. DOSHI
CHAIRMAN EMERITUS
(& DIRECTOR)

S.S. BORKAR
(upto 16th Decembar, 1997)

NARENDRA VITHALDAS

J. M. VAKIL

ARVIND M. GORDHANDAS

S.D.S. MONGIA

TANIL KILACHAND

PRESIDENT & SECRETARY
R.P. MONDKAR

REGISTERED OFFICE

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

SERVICE STATIONS

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

105-B, Sion-Koliwada Road, Mumbai - 400 022.

Industry Manor, Near Century Bazar,
Prabhadevi, Mumbai - 400 025.

BANKERS

Dena Bank

SOLICITORS

Daphtary Ferreira & Divan.

AUDITORS

Dalal & Shah, Chartered Accountants



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NOTICE

NOTICE is hereby given that the SEVENTY-NINTH ANNUAL GENERAL MEETING of BOMBAY CYCLE & MOTOR AGENCY LIMITED, will be held at M. C. Ghia Hall, Bhogilal Hargovinddas Building, 18/20 Kaikhushru Dubash Marg (Rampart Row), Fort, Mumbai - 400 001 on Monday, the 10th August, 1998 at 11.30 a.m. to transact the following business :

1. To receive and adopt the Directors' Report and Audited Statements of Account of the Company for the year ended 31st March, 1998.
2. To appoint a Director in place of Shri Narendra Vithaldas, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri A.M. Gordhandas, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold Office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

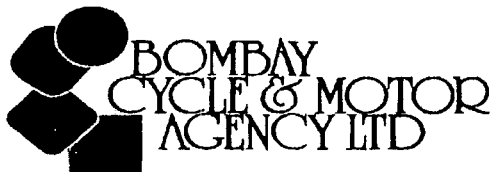
SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT pursuant to section 258 and other applicable provisions, if any, of the Companies Act, 1956, the number of Directors of the Company in the office for the time being be and is hereby reduced from 8 to 7

By Order of the Board
For Bombay Cycle & Motor Agency Ltd.
R.P. MONDKAR
President & Secretary

Registered Office :
534, Sardar Vallabhbhai Patel Road,
Mumbai - 400 007.
Dated : 10th June, 1998.



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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 of the Company.
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 this Annual General 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 be closed on Saturday, the 1st August 1998.
- c. Members are requested to notify the Company of any change in their address registered with the Company.

By Order of the Board
For Bombay Cycle & Motor Agency Ltd.
R.P. MONDKAR
President & Secretary

Registered Office :
534, Sardar Vallabhbhai Patel Road,
Mumbai - 400 007.
Dated : 10th June, 1998.

EXPLANATORY STATEMENT

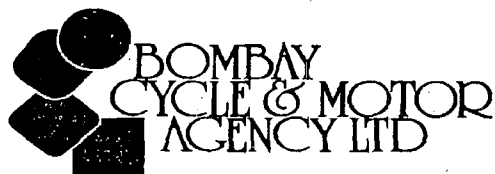
AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956.

Item No. 5.

As per Article 147 of the Articles of Association of the Company, the maximum number of Directors prescribed is 12. After the last Annual General Meeting held on 18th August 1997, Shri S.S. Borkar ceased to be the Director. Since the number of Directors on the Board is 7 which is less than the number as on the date of the last Annual General Meeting i.e. 8, the Company is advised that a resolution under section 258 of the Companies Act, 1956, may be passed. This is, however, without prejudice to the Board's right to appoint Directors on the Board from time to time within the permissible number under the Articles of Association of the Company.

By Order of the Board
For Bombay Cycle & Motor Agency Ltd.
R.P. MONDKAR
President & Secretary

Registered Office :
534, Sardar Vallabhbhai Patel Road,
Mumbai - 400 007.
Dated : 10th June, 1998.



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DIRECTORS' REPORT

To,
The Members of
BOMBAY CYCLE & MOTOR AGENCY LIMITED

Your Directors present to you the Annual Report and the Audited Statement of Accounts for the year ended 31st March, 1998:

FINANCIAL RESULTS

	As at 31.3.98	As at 31.3.97
	Rupees	Rupees
Loss/Profit before depreciation and taxation	-1,73,52,413	-10,25,831
Add/Less : Depreciation	15,01,497	12,09,286
Taxation	—	—
	<u>-15,01,497</u>	<u>-12,09,286</u>
Loss/Profit	-1,88,53,910	-22,35,117
Less/Add : Provision no longer required	2,917	13,786
Adjustments in respect of earlier years (Net)	-1,210	-15,164
	<u>1,707</u>	<u>-1,378</u>
Net Loss/Profit	<u>-1,88,52,203</u>	<u>-22,36,495</u>

DIVIDEND

In view of the loss suffered by the Company during the year, your Directors do not recommend any dividend.

OPERATION HIGHLIGHTS

SALES :

Cars :

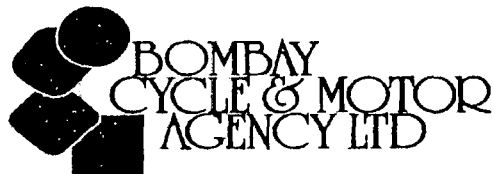
The year 1997-98 witnessed an alarming fall in the rate of growth in the sale of Passenger cars and demand recession that had begun in 1996-97 in the Auto Industry not only persisted but took a turn for the worst in 1997-98. In the year 1996-97 the growth rate fell to 14% from 35% in the previous year and there was no growth in the car sale in the current year 1997-98.

General slow down in the economy of the Country and the poor working results of many

Corporate Sectors also affected the volume of sales to a great extent. The political instability in the Country too had negative impact on the demand.

Various new models have flooded the automobile market at a time when the auto business is reeling under recession. Supply has exceeded the demand and due to this all the Auto Manufacturers and Dealers have suffered. Dealers have not been able to attain satisfactory volume as a result of which viability of many dealers have come under threat.

Your Company suffered severe set back in the business volume not only due to demand recession and the severe competition prevailing in the market, but also because of production constraints at both the Manufacturers' Plants viz. Premier Automobiles



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Limited and Pal Peugeot Ltd.

In the month of November 1997, the French Partners withdrew from the Joint Venture of Pal Peugeot Ltd. and it affected the supply as well as sales adversely.

The joint venture between Premier Automobiles Ltd and Fiat Auto Italy to manufacture UNO cars underwent many difficulties including litigations and hence it took quite some time to complete the formalities. It affected the smooth supply of UNO cars and though, UNO cars were well received in the market, they faced severe short supply during the year 1997-98. Similarly due to inadequate supply of Premier 137D cars sold as Diesel Meter Taxies for which there was always satisfactory demand, sales suffered very badly.

The cumulative effect of all the above factors, made serious adverse impact on the Company and the sales got reduced to 2931 as compared to 3159 in the previous year.

The other sales were also reduced such as Two-wheelers, Auto Airconditioners, Diesel Engines and Spares Parts and accessories. The reduction in sale of all the products made the Company to loose to the tune of Rs.82.05 lacs by way of gross margin. On the other side there was increase in expenses particularly on account of salary and wages and interest paid on funds borrowed. Though there was no increase in the number of employees, the rise in Dearness Allowance which is linked up to the cost of living index was Rs.15.50 lacs. The statutory rate of Provident Fund went up from 10% to 12% and there was increase in ESIS limit with effect from 1st January 1997. Hence the total increase in the wage bill was Rs. 42.79 lacs. Due to liquidity crunch faced by the Company, funds were borrowed to get cars from PAL and this caused increase in the interest burden by Rs.17.34 lacs. As far as the Automobiles Service Stations

were concerned, they did not have sufficient volume of work due to fall in sale particularly during the last 2-3 years and also due to reluctance on the part of customers to undertake expensive repairs. As an effort to augment the revenue, your Company has started accepting other models of cars for repairs and servicing at its Churchgate Service Station.

It is hoped that the recessionary conditions would vanish in due course of time and there will be revival of demand for Passenger Cars.

It is satisfying to note at this juncture, that the new joint venture between Premier Automobiles Ltd and Fiat Auto Italy has been finalised to manufacture Fiat UNO cars. This has resulted improvement in supply, Joint Venture Company has also adopted an aggressive marketing programme. It is expected that by the time this report is published, the Diesel version of UNO car would be available in the market. This version is expected to receive favourable response from the customers.

MOTORCYCLES

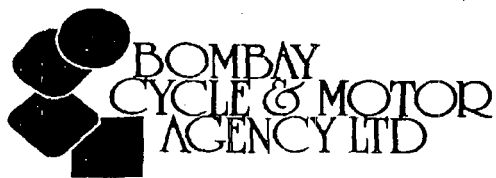
Due to paucity of funds, the Company could not take advantage of the demand. The sales of Yamaha Motorcycles dropped down during the year. The Company sold 129 vehicles as against 242 in the previous year.

SPARE PARTS

The lower sales of vehicles as well as the low volume of production at both the Automobile Workshops had adverse impact on the sale of Spare Parts. The Company could sell Spare Parts and Accessories to the tune of Rs.4.03 crores as against Rs.5.95 crores during the previous year.

AIRCONDITIONERS

The Company could sell 368 Airconditioners during the year, both as Dealer's sale and under Direct Billing system together, as compared to



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the corresponding sale of 215 Units last year.

PERSONNEL

The harmonious industrial relations continue to prevail in all the Units of the Company, throughout the year.

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

AUSTERITY DRIVE

The Company has undertaken various measures to control the cost and to curtail avoidable expenditure. Restructuring of the organisation is under active consideration of the Management. While stressing on austerity, certain steps to augment revenue are also undertaken.

INSURANCE

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

DIRECTORS

During the year under review, Shri S.S. Borkar, Director expressed his desire to step down due to health problems because of his old age. He accordingly resigned from the Board of Directors w.e.f. 16-12-1997.

The Board places on record the excellent advice and guidance given by Shri S.S. Borkar during his long association with the Company.

Under Article 156 of the Company's Articles of Association, Shri Narendra Vithaldas and Shri A.M. Gordhandas retire by rotation and being eligible, offer themselves for reappointment.

DEPOSITS

None of the Deposits, which were due for repayment have remained unpaid as on 31st March, 1998.

INCOME TAX ASSESSMENT

Income tax assessment of your Company has been completed upto the Assessment Year 1996-97.

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.

AUDITORS

You are requested to appoint Auditors for the current year, 1998-99 and fix their remuneration.

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 Bank.

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

For and on behalf of Board of Directors

CHAKOR L. DOSHI
Chairman

Registered Office :

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

Dated : 10th June, 1998.