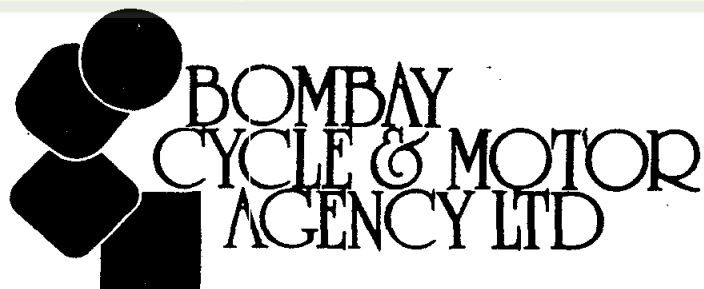


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80TH ANNUAL REPORT 1998-99

**BOMBAY CYCLE & MOTOR AGENCY LTD.
80TH ANNUAL REPORT 1998-99**

BOARD OF DIRECTORS

CHAKOR L. DOSHI
CHAIRMAN

VINOD L. DOSHI
CHAIRMAN EMERITUS
(& DIRECTOR)

NARENDRA VITHALDAS
(upto 10th August, 1998)

J.M. VAKIL
(upto 23rd June, 1999)

ARVIND M. GORDHANDAS

S.D.S MONGIA
(upto 23rd June, 1999)

TANIL KILACHAND

CHIRAG C. DOSHI
(from 12th February, 1999)

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

**BOMBAY CYCLE & MOTOR AGENCY LTD.
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NOTICE

NOTICE is hereby given that the EIGHTIETH 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 Wednesday, the 4th August, 1999 at 11.00 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, 1999.
2. To appoint a Director in place of Shri Tanil Kilachand, who retires by rotation and being eligible, offers himself for reappointment.
3. 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

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

"RESOLVED THAT since Shri. J.M. Vakil, the retiring Director of the Company has expressed his desire not to seek re-election at this Annual General Meeting of the Company, thereby causing a vacancy, such vacancy so caused, be not filled in."

5. To appoint a Director in place of Shri Chirag C. Doshi who holds office only upto the date of this Annual General Meeting and in respect of whom notice has been received by the Company from a member signifying his intention to propose him as a candidate for the Office of Director.

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: 23rd June, 1999.

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 Association of the Company.
- b. The Register of Members and Share Transfer Books of the Company will remain closed on Monday the 2nd August, 1999.

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: 23rd June, 1999.

BOMBAY CYCLE & MOTOR AGENCY LIMITED
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EXPLANATORY STATEMENT
UNDER SECTION 173 OF THE COMPANIES ACT, 1956.

Item No.4 :

Shri. J.M. Vakil, one of the Directors, retiring by rotation at this meeting, has informed the Board of Directors that he does not desire to seek re-election. A resolution pursuant to Section 256 of the Companies Act, 1956, is therefore, necessary for not filling the vacancy caused by the retirement of Shri. J.M. Vakil.

No Director of the Company except Shri J.M. Vakil is concerned or interested in the Resolution.

Item No.5 :

Shri Chirag C. Doshi was appointed as an Additional Director by the Board of Directors of the Company at the meeting held on 12.2.1999. Being an Additional Director, under Article 161 of the Articles of Association of the Company and under Section 260 of the Companies Act, 1956, he holds office only upto the date of this Annual General Meeting of the Company. Notice as required under section 257 of the Companies Act, 1956 has been received from a member together with requisite deposit of Rs.500/- signifying his intension to propose his appointment as a Director of the Company.

Shri R.P. Mondkar, President & Secretary has had the benefit of Shri Chirag C. Doshi's assistance for almost eight months prior to joining the Board of Directors, for which, he has specially requested Walchandnagar Industries Limited for such help. The Board is of the opinion that his knowledge and experience would benefit the Company and accordingly recommends his appointment as a Director.

Except Shri Chakor L. Doshi, a relative of Shri Chirag C. Doshi, no other Director is concerned or interested in the item.

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: 23rd June, 1999.

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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 Statements of Account for the year ended 31st March, 1999.

FINANCIAL RESULTS

| | As at 31.3.1999 Rupees | As at 31.3.1998 Rupees |
|---|------------------------------|------------------------------|
| (Loss) before depreciation and taxation | (1,84,43,654) | (1,73,52,413) |
| Add: Depreciation | 15,87,263 | 15,01,497 |
| (Loss) for the year before provision etc. | (2,00,30,917) | (1,88,53,910) |
| (Less) : Adjustment in respect of earlier years (Net) | - | 1,707 |
| Balance of general reserve | 56,07,836 | - |
| Balance carried to balance sheet | (1,44,23,081) | (1,88,52,203) |

DIVIDEND

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

OPERATION HIGHLIGHTS

SALES:

CARS:

Automobile Sector suffered the most during the recessionary trend prevalent in the Country during the last 3 years. The sale of passenger cars which had started dwindling in the year 1996-97, had suffered further severe set back in the subsequent year 1997-98. The year 1998-99 was in no way different and there was no sign of any improvement at all.

The sales were crashing rapidly due to inert market conditions and political instability. At the same time global auto giants ventured to add new improved models of passenger cars in Indian market. The passenger car segment got awfully crowded, sales reached rock-bottom and inventories got piled up. Some Dealers were in fact scared of meeting an eventuality of getting extinct.

Your Company was no exception to the general trend. However, the Company suffered in Sales not only by dwindling demand but also was very adversely affected by erratic supplies from Principals. The supplies from PPL had almost come to a grinding halt after the French Collaborators had left their Indian counterparts in lurch. Demand for Uno cars, particularly for diesel models was no advantage to us due to restricted supply. The demand never climbed to its peak. Ironically, the manufacturers never succeeded in meeting whatever scant demand achieved. Restricted and delayed delivery is, these days, a major deterrent in promotion of sales. The unflinching support from taxi customers for 137D diesel meter taxis has always proved to be a solace in hard times. However, supplies were never commensurate with demand and heavy backlog was the order of the day at all times. All these adverse factors had the obvious effect on the sales and ultimately your Company could achieve sale of only 1,743 cars in the year 1998-99 as compared to 2,931 achieved in 1997-98.

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The sale of other products such as auto-airconditioners, spares, special accessories, diesel engines, room airconditioners etc. showed the similar performance. The total gross margin earned by the Company on such reduced sale obviously dropped by Rs.52 lacs as compared to previous year.

The reduction in population of padmini cars and reluctance on the part of customers, both individuals and corporates, to undertake extensive repairs as a result of dampening general economy and drastic drop in the price of old cars have caused automobile service stations to suffer for want of sufficient volume of work.

Ind Auto had introduced new model Siena in May 1999, the production of which is promised to be streamlined shortly. The production of Uno diesel version is also likely to be geared up. Both these cars would earn better popularity. In such circumstances, having fairly good demand for diesel meter taxis, your Company, with reduction in wage bill, controlled expenditure and aggressive marketing strategies, would strive hard to come out of difficulties.

MOTORCYCLES

Inspite of shortage of funds, your Company could sell 310 motorcycles as compared to 129 in the previous year.

SPARE PARTS

There has been severe competition due to better availability, and other factors in the spare parts and accessories market. Your Company sold Rs. 3.30 crores of parts and accessories as compared to Rs.4.03 crores in the previous year.

AIRCONDITIONERS

The Company sold 238 airconditioners during the year, both as dealers sale and under direct billing system together as compared to the corresponding sale of 369 units last year.

PERSONNEL

The harmonious industrial relations continue to prevail in all the Units of the Company, through out 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 had right from inception of this financial year taken effective steps to combat menace of ever increasing overheads in view of the impending downfall in sales and consequent loss situation. Precise actions to control various expenses have proved fruitful. The major achievement was introduction of Voluntary Retirement Scheme for the staff and workers which evoked good response. This would help the Company to save substantially in the wage bill.

INSURANCE

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

DIRECTORS

At the last Annual General Meeting, Shri Narendra Vithaldas, did not seek re-election.

Shri S.D.S Mongia, resigned from the Board of Directors due to personal reasons with effect from 23rd June, 1999.

The Board places on record its appreciation of the excellent advice and guidance rendered by Shri Narendra Vithaldas and Shri S.D.S. Mongia, during their long association with the Company.

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Under Article 156 of the Company's Articles of Association Shri Tanil Kilachand and Shri J.M. Vakil are due to retire by rotation at the ensuing Annual General Meeting. Shri Tanil Kilachand being eligible offers himself for reappointment. Shri J.M. Vakil has informed the Board of Directors that he does not wish to seek reappointment. A resolution pursuant to section 256 of the Companies Act, 1956 for not filling the vacancy caused by Shri J.M. Vakil's retirement is accordingly included in the Notice of this meeting.

Directors place on record the excellent advice and guidance rendered by Shri J.M. Vakil during his long association with the Company.

Under Article 161 of the Article of Association of the Company and Section 260 of the Companies Act, 1956, Shri Chirag C. Doshi who was appointed as Additional Director of the Company holds office up to the date of the ensuing Annual General Meeting and, being eligible, offers himself for reappointment as Director. The Company has received notice from a member proposing Shri Chirag C. Doshi's candidature for the office of Director.

DEPOSIT

None of the Deposits, which were due for repayment have remained unpaid as on 31st March, 1999.

INCOME TAX ASSESSMENT

Income tax assessment of your Company has been completed upto the Assessment Year 1997-98.

Y2K COMPLIANCE

The software systems that are in use at present take care of Y2K problem. The Company's Computer Systems have been made Y2K compliant.

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, 1999-2000 and fix their remuneration.

ACKNOWLEDGMENTS

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 the Board of Directors
CHAKOR L. DOSHI
 Chairman

Registered Office :
 534, Sardar Vallabhbhai Patel Road,
 Mumbai - 400 007.
 Dated: 23rd June, 1999.