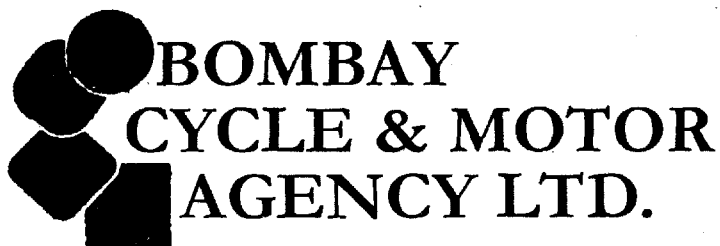


85TH
ANNUAL REPORT
2003-2004

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BOARD OF DIRECTORS

CHAKOR L. DOSHI
CHAIRMAN

TANIL KILACHAND
(Upto 15.3.2004)

CHIRAG C. DOSHI

KANIKA G. SANGER

SANJAY P. MUTHE

COMPANY SECRETARY

T. D. LAL

REGISTERED OFFICE

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

SERVICE STATIONS

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

BANKERS

BANK OF INDIA
HDFC BANK

AUDITORS

DALAL & SHAH
Chartered Accountants

**REGISTRAR & SHARE
TRANSFER AGENT**

TATA SHARE REGISTRY LTD.,
Army & Navy Building,
148, Mahatma Gandhi Road,
Fort, Mumbai - 400 001.

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BOMBAY CYCLE & MOTOR AGENCY LIMITED
85TH ANNUAL REPORT 2003-2004

NOTICE

NOTICE is hereby given that the EIGHTY FIFTH ANNUAL GENERAL MEETING of BOMBAY CYCLE & MOTOR AGENCY LTD., will be held at 534, Sardar Vallabhbhai Patel Road, Opera House, Mumbai - 400 007 on Tuesday, the 31st August, 2004, at 11.00 A.M. to transact the following business :

- 1) To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2004 and the Profit & Loss Account for the year ended 31st March, 2004 and the Report of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mrs. Kanika G. Sanger, who retires by rotation and being eligible, offers herself for reappointment.
- 3) To appoint M/s. A B Jog & Co., Chartered Accountants, Mumbai as Auditors of the Company in place of retiring Auditors M/s. Dalal & Shah, Chartered, Accountants, Mumbai who have expressed unwillingness to continue as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

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

T. D. Lal
General Manager
& Company Secretary

Registered Office :

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

Dated : 30th June, 2004.

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 Monday, 16th August, 2004 to Tuesday, 31st August, 2004.

Explanatory statement under Section 173 of the Companies Act, 1956.

Item No. 3 :

The Statutory Auditors, M/s. Dalal & Shah, Chartered Accountants, Mumbai, retire at the conclusion of the forthcoming Annual General Meeting. They have however, informed that they do not desire to continue as the auditors of the Company after the ensuing Annual General Meeting.

In view of the above development, the Company proposes to appoint M/s. A B Jog & Co., Chartered Accountants, Mumbai as Statutory Auditors of the Company from the conclusion of this Annual General Meeting of the Company till the conclusion of next Annual General Meeting. M/s. A B Jog & Co. have furnished a certificate of their eligibility for appointment under section 224(1B) of the Companies Act 1956 and have indicated their willingness to act as Statutory Auditors, if appointed.

None of the directors of the Company is interested in the resolution.

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

T. D. Lal
General Manager
& Company Secretary

Registered Office :

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

Dated : 30th June, 2004.

DIRECTOR'S 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, 2004.

FINANCIAL RESULTS :

	As at 31.3.2004 Rupees	As at 31.3.2003 Rupees
(Loss) before depreciation and taxation	(6,09,829)	(3,55,80,292)
Add : Depreciation	19,09,762	19,75,406
(Loss) for the year before Provisions	(25,19,591)	(3,75,55,698)
Add : Provisions : for Diminution in value of investments	—	(17,10,055)
Add : Prior year adjustment	4,93,803	1,94,751
Balance carried to Balance Sheet	(20,25,788)	(3,90,71,002)

DIVIDEND :

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

OPERATION HIGHLIGHTS :

The total turnover of the Company, including sales, service and hospitality division is Rs. 21.30 crores as compared to Rs. 33.59 crores in the previous year.

During the year under review, the Company could sell 340 Hyundai cars manufactured by M/s. Hyundai Motor India Ltd. as compared to 558 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. This situa-

tion causes severe adverse impact on margins earned at dealers' end.

The sale of Spare Parts during the year was Rs.245 lacs as against Rs.194 lacs in the previous year.

During the year under review the management of the business of Hospitality division has undergone a change. Consequently the Company has earned profits in the Hospitality division.

As a result of these changes and other cost cutting measures adopted, the company has been able to reduce loss to Rs.25 lakhs as compared to loss of Rs. 376 lakhs in the previous 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 :

Mrs. Kanika G. Sanger will retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment.

During the year under review, Mr. Tanil Kilachand has resigned from the Board w.e.f. 16-3-2004. He was appointed as Director of the Company w.e.f. 25-2-1986. Your Directors keep on record their appreciation of the valuable services rendered by him during his tenure as Director.

DEPOSITS :

There are no fixed deposits outstanding as on 31st March, 2004.

INCOME TAX ASSESSMENT :

Income tax assessment of your Company has been completed upto the Assessment Year 2002-2003. However, the company has preferred an appeal with the higher authorities in respect of A.Y. 2001-02.

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 of the Companies Act, 1956, Compliance Report issued by M/s. Ragini Chokshi & Co., Company Secretary, Mumbai, is attached herewith.

DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibilities Statement, it is hereby confirmed :

- i) that in the preparation of the annual accounts for the financial year ended 31st March 2004, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied 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 and of the profit or loss of the Company for that period;
- iii) that the Directors had taken proper and suffi-

cient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv) that the Directors had prepared the annual accounts for the financial year ended 31st March, 2004, on a going concern basis.

AUDITORS :

M/s. Dalal & Shah, Chartered Accountants, Mumbai, have communicated that they do not desire to continue as the Auditors of the Company after the ensuing Annual General Meeting. The Board recommends appointment of M/s. A B Jog & Co., Chartered Accountants, Mumbai as Auditors of the Company in place of M/s. Dalal & Shah, Chartered Accountants at the ensuing Annual General Meeting of the Company.

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 : 30th June, 2004.

COMPLIANCE CERTIFICATE

Registration No. of the Company : 11-557 / TA
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, 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 31st March, 2004. 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, its officers and agents, 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 being a Public Limited Company, comments are not required.
4. The Board of directors duly met Four times respectively on 30th June 2003, 19th August, 2003, 16th December, 2003, 27th January, 2004, in respect of which meetings, proper notices were given and the proceedings were properly recorded, signed and passed in the Minutes Book maintained for the purpose.
5. The Company closed its register of members from 14th August, 2003 to 19th August, 2003 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2003 was held on 19th August, 2003 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 or persons or firms or companies referred to U/S 295 of the Act.
9. The Company has fulfilled requirement of section 297 of the Act.
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.
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) The Company has 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

BOMBAY CYCLE & MOTOR AGENCY LIMITED**85TH ANNUAL REPORT 2003-2004**

account, application money due for refund, matured deposits, matured debentures and 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 for giving quantitative information under section 211(4) of the Companies Act, 1956, and permission was obtained 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 were no transactions necessitating the Company 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 / accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has borrowed amount from Bank for Car finance.
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 financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
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.
(Proprietor)
Mrs. Ragini Chokshi-
Company Secretary
C.P.No. 1436

Place : Mumbai, 30th June, 2004.

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 Director 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 therein.

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 Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March, 2004.

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.	Balance Sheet & Annual Accounts	220	2002-2003	11.09.2003	Yes	NA
2.	Annual Return	159	2002-2003	17.10.2003	Yes	NA
3.	Compliance Certificate	383A	2002-2003	11.09.2003	Yes	NA
4.	Form 32	303(2)		02.09.2003	Yes	NA

Place : Mumbai, 30th June, 2004

For RAGINI CHOKSHI & CO.

Ragini Chokshi
 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, 2004, the Profit and Loss Account and also the Cash Flow Statement for the year ended on 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.

1. 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. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Sub-Section(4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 of the said Order.
3. Further to our comments in the annexure referred to above we report that :
 - (i) Subject to above, we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by the report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit

and Loss Account and Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred in Sub-Section 3(C) of Section 211 of the Companies Act, 1956;

- (v) On the basis of written representation received from the Directors, as on 31st March, 2004 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2004 from being appointed as a Director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts *read with note no. 12 relating to pending reconciliation and confirmation of balances of certain parties and its impact on the revenue as detailed in the note* and read with other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2004;
 - b) in the case of the Profit and Loss Account of the loss for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For and on behalf of
DALAL & SHAH
Chartered Accountants

Shishir Dalal
Partner

Mumbai, 30th June, 2004

**STATEMENT REFERRED TO IN PARAGRAPH 2 OF AUDITOR'S REPORT OF EVEN
DATE TO THE MEMBERS OF BOMBAY CYCLE & MOTOR AGENCY LIMITED
ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2004.**

On the basis of the records produced to us for our verification/perusal, such checks as we considered appropriate and in terms of the information and explanation given to us we state that :

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) All the assets have been physically verified by the management after the close of the year. In our opinion the frequency of verification is reasonable having regard to the size of the company and the nature of assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts;
- (c) As per the information and explanation given to us the disposal of assets during the year were not substantial so as to have an impact on the operations of the company, or affect the going concern;
- ii) (a) The inventories have been physically verified by the management at reasonable intervals during the year and at the close of the year;
- (b) The procedures of physical verification of inventories followed by the management as explained to us are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) According to the inventory records produced to us for our verification, we are of the opinion that the Company is maintaining proper records of its inventory. Further, discrepancies noticed on physical verification of inventories, if any, referred to above, as compared to book records, though not material, have been properly dealt with in the books of account;
- iii) (a) As per the information and explanation given to us and the records produced to us for our verification the Company has not granted secured or unsecured loans to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has during the year taken unsecured loan of Rs.132 Lacs from a party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 269.50 Lacs and balance as on the date of the Balance Sheet is Rs.269.50 Lacs;
- (c) In our opinion, the rate of interest and the terms and conditions of loans taken by the company are not prima facie prejudicial to the interest of the company.
- (d) There are no overdue amounts more than one lac as there is no stipulation for the repayment of loans.
- iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and also for the sale of goods. During the course of our audit, no major weaknesses in internal control had come to our notice;
- v) (a) On the basis of the audit procedures applied by us, and according to the information and explanations given to us on our inquiries on this behalf and the records produced to us for our verification, the transactions required to be entered into the register in pursuance of Section 301 of the Companies Act,