

# AUTORIDERS INTERNATIONAL LIMITED



Annual Report 2006-07

## AUTORIDERS INTERNATIONAL LTD

### BOARD OF DIRECTORS

Chintan Patel : Director  
Tapan Patel : Whole-Time Director  
Maneka Mulchandani : Whole-Time Director

### AUDITORS

M/s Utpal Bhayani & Co.  
Chartered Accountants

### BANKERS

ABN Amro Bank N.V.  
Centurian Bank of Punjab Ltd.  
ICICI Bank Ltd.  
Union Bank of India  
The Hongkong & Shanghai Banking Corporation Ltd.

### REGISTERED OFFICE

4A, Vikas Centre, 104, S.V. Road,  
Santacruz(W), Mumbai 400 054.

### 22nd ANNUAL GENERAL MEETING

Day, Date : Friday, the 28<sup>th</sup> September, 2007.

Venue : 4A, Vikas Centre, 104, S.V. Road, Santacruz (W), Mumbai – 400 054.

Time : 12.00 Noon.

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**AUTORIDERS INTERNATIONAL LIMITED**

**NOTICE**

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of Autoriders International Ltd., will be held on Friday, the 28<sup>th</sup> September, 2007 at 12.00 noon at its Registered Office at 4-A, Vikas Centre, 104, S.V. Road, Santacruz (W), Mumbai- 400 054 to transact the following business.

**ORDINARY BUSINESS**

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2007, and Profit and Loss Account for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To appoint Director in place of Ms. Maneka Mulchandani who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint Auditors and fix their remuneration.

By order of the Board  
For **AUTORIDERS INTERNATIONAL LTD.,**



**CHINTAN PATEL**

Director

Place : Mumbai  
Dated : 29<sup>th</sup> June, 2007.

Registered Office :  
4A, Vikas Centre, 104, S.V. Road,  
Santacruz (W),  
Mumbai 400 054.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Register of Members and Share transfer books of the Company will remain closed from 22<sup>nd</sup> September, 2007 to 28<sup>th</sup> September, 2007 ( both days inclusive)
3. Members desiring any information about the accounts at the Meeting are requested to write to the Company at least 7 days in advance of the Annual General Meeting.
4. Members are requested to notify change of address, if any.

**AUTORIDERS INTERNATIONAL LIMITED**

**DIRECTORS REPORT**

To,

The Shareholders,  
**AUTORIDERS INTERNATIONAL LTD**

Your Directors have pleasure in presenting the Twenty Second Annual Report together with the audited accounts for the year ended 31<sup>st</sup> March, 2007.

**FINANCIAL RESULTS:**

The Financial results of the Company for the year under review are summarized for your consideration.

	YEAR ENDED 31/03/2007	(Rs. In Lacs) YEAR ENDED 31/03/2006
Profit/(Loss) Before Depreciation	214.83	169.99
Less: Depreciation	151.96	134.89
Profit before Taxation	62.87	35.09
Provision for Taxation :		
Deferred Tax	(10.71)	(21.22)
Fringe Benefit Tax	3.71	3.00
Net profit/(Loss) for the Year	69.86	53.31
Excess/Short provision for taxes	6.04	--
Balance of Previous Year	(3134.28)	(3187.59)
Balance Carried Forward	(3070.47)	(3134.28)

In view of accumulated losses, your Directors are unable to recommend any dividend for the year ended 31<sup>st</sup> March 2007.

**DIRECTORS:**

Mr. Ms.Maneka Mulchandani retires by rotation and being eligible offer herself for reappointment.

**OPERATION:**

During the year Company has reorganised the fleet at the branches as per the customer requirement to have better utilisation. Also we have undertaken the replacement of old fleet with latest models keeping in view of the market demand and comfort of our valued customers.

**PROSPECTS:**

We feel, with the induction of new models of fleet at various branches, will be able to consolidate our position in the car rental market. Moreover, with judicious efforts of cost control and lower finance cost, we hope to achieve better working results.

We are in the process of negotiating with few car rental companies for granting of franchise to have our presence in non-represented locations. We are also approaching more corporate houses for engaging our fleet for their transportation needs.

As the travel & tourism industry is witnessing fast growth, we will have a vital role to play in the coming years.

**DISCLOSURE UNDER THE LISTING AGREEMENT:**

Cash Flow Statement pursuant to Clause 32 of the listing Agreement is annexed herewith as Annexure 'A' and forming part of this report.

**AUDITORS:**

M/s.Utpal Bhayani & Co., Chartered Accountants, hold office until the ensuing Annual General Meeting. It is proposed to reappoint M/s.Utpal Bhayani & Co., as Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting. The Directors recommend their reappointment to the members.

**FIXED DEPOSITS:**

Your Company has not accepted any fixed deposits from public during the year under review.

**CORPORATE GOVERNANCE:**

Separate section on Corporate Governance is included in the Annual Report and Certificate from Company's Auditors confirming the Compliance of conditions on Corporate Governance as stipulated in the said Clause 49 of the Listing Agreement is annexed thereto.

**PARTICULARS OF EMPLOYEES:**

There are no employees covered under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 as amended.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Your Company has no activities relating to conservation of energy or technology absorption. During the year, the Company has earned Foreign Exchange worth of Rs.43,12,014/- and there was no foreign exchange outgo.

**DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO NEW SEC. 217 (2AA) OF THE COMPANIES ACT, 1956:**

As required under the added Sec. 217 (2AA), the Directors state as under:

- a. that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the company for the year.
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. that the Annual Accounts have been prepared on a going concern basis.

**LISTING:**

The Company's shares continued to remain on Mumbai Stock Exchange throughout the year under report. The Company has paid listing fees upto date. The trading in shares was not suspended on Stock Exchange, Mumbai.

**ACKNOWLEDGMENT:**

Your Directors thank all its customers for their continuous support to the Company. They also wish to place on record their appreciation of the dedicated services of the employees of the Company.

For and on behalf of the Board  
For AUTORIDERS INTERNATIONAL LTD.



CHINTAN PATEL  
DIRECTOR



TAPAN PATEL  
DIRECTOR

Mumbai  
Dated : 29<sup>th</sup> June, 2007.

## **MANAGEMENT DISCUSSION AND ANALYSIS:**

### **OVERALL REVIEW:**

During the year, the company made all possible efforts to reduce the losses and enhance operational efficiency. As a result of the measures taken by management, the company has been able to maintain profits during the year.

### **OPPORTUNITIES & THREATS:**

As the travel & Tourism Industry is witnessing boom and Government's ambitious plans for the promotion of tourism industry in India, the management perceives that there is tremendous scope for Car Rental business.

The major threat as perceived by management is from competitors who offer lower rates to customers.

### **SEGMENT-WISE PERFORMANCE:**

The company has only one segment ie, Car Rentals.

### **INTERNAL CONTROL AND HUMAN RESOURCES:**

The Company has adequate internal control systems and human resources commensurate with its operations.

### **CORPORATE GOVERNANCE DISCLOSURE:**

In compliance with Clause 49 of the Listing Agreement with Stock Exchange, the Company submits the report on the matters mentioned in the said clause and practice as followed by the Company.

#### **1. PHYLOSOPHY ON CODE OF GOVERNANCE.**

Your Company strongly believe that the system of Corporate Governance protects the interests of all the stakeholders by inculcating transparent business operations and accountability from management.

#### **2. BOARD OF DIRECTORS.**

Your Board comprises of an optimal compliment of independent professionals as well as company executives having in-depth knowledge of the business of the Industry. The size and composition of the Board conforms with the requirements of the Corporate Governance code under the Listing Agreement with the Stock Exchanges.

During the financial year under review, four Board Meeting were held on the following dates: 28<sup>th</sup> June, 2006, 31<sup>st</sup> July 2006, 31st October, 2006 and 31st January, 2007. None of the Directors on the Board holds the office of the Director in more than 15 Companies or memberships in committee of the Board in more than 10 Committees or Chairmanship of more than 5 Companies. Table set below will explain the details

Director	Category of Directorship	Board Meeting Attended	Attendance at the last AGM	No. of other Directorship Held	No of Board Committees of which Member/ Chairman
Chintan A. Patel Director	Non-Executive Promoter Director	4	Yes	9	-
Tapan M. Patel Director	Non-Executive Promoter-Director	4	Yes	6	-
Maneka Mulchandani. Whole-time Director	Executive Independent Director	4	Yes	-	-

**AUDIT COMMITTEE.**

Audit Committee is not being formed as it is not applicable for the Company.

**3. REMUNERATION COMMITTEE.**

No Remuneration Committee is formed as it is not mandatory.

**4. SHAREHOLDERS' COMMITTEE.**

No Shareholders' Committee is formed as it is not mandatory.

**5. GENERAL BODY MEETINGS.**

Details of last 3 Annual General Meetings of the Shareholders.

Meetings	Date	Time	Venue
21st Annual General Meeting.	29.09.2006	5.00 P.M.	Registered Office.
20 <sup>th</sup> Annual General Meeting.	30.09.2005	5.00 P.M.	Registered Office.
19 <sup>th</sup> Annual General Meeting.	30.09.2004	5.00 P.M.	Registered Office.

There were no special resolutions required to be passed through postal ballot at any of the above General Meetings. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.



## 6. DISCLOSURES.

a. Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

There are no materially significant transactions made by the Company with its promoters, directors or the management, their subsidiaries or relatives, etc. which have potential conflict with the interests of the company at large.

b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years :

There are no instances of non-compliance of any matter related to the capital markets, during the last three years.

## 8. PARTICULARS OF REAPPOINTMENT OF DIRECTOR

Mrs. Maneka Mulchandani , retires by rotation and being eligible offers herself for re-appointment. Mrs. Maneka Mulchandani is 50 years of age. She has vast experience in Travels, Tours & hospitality business.

## 7. MEANS OF COMMUNICATION.

Half yearly reports sent to each household of shareholders : As the results of the Company are published in the news papers, half yearly reports are not sent to each household of shareholders.

### Quarterly Results :-

The quarterly results are generally published in "Free press Journal and Navshakti".

Presentation to institutional investor or to analysts: No presentation were made to institutional investors or to analysts during the under review.

Whether the Management Discussion & Analysts report is a part of Annual Report or not : The Management Discussion & Analysts report is a part of the Annual Report.

## 10. GENERAL SHAREHOLDERS INFORMATION :

22nd Annual General Meeting :

Date : 28.09.2007.  
Time :12.00 Noon.

Venue : 4A, Vikas Centre,  
104, S.V.Road,  
Santacruz(West),  
Mumbai – 400 054.

Financial Calendar : 1<sup>st</sup> April to 31<sup>st</sup> March.  
Date of Book Closure :  
Dividend Payment Date : N. A.  
Listed on stock Exchanges : The Company is listed on Stock Exchange, Mumbai.  
Annual Listing Fees have been paid to Stock  
Exchange, Mumbai.

Stock code : BSE - 512277

**MARKET PRICE DATA:**

As there is no trading in Shares of the Company since 27<sup>th</sup> April, 2006 and Rate was Rs.40.15/- per share

**ADDRESS FOR CORRESPONDENCE.**

Registered Office : Autoriders International Ltd.  
4A, Vikas Centre, 104, S.V.Road,  
Santacruz(W), Mumbai – 400 054.  
Phone :56944058, 56944059

**SHARE TRANSFER SYSTEM.**

The Share transfers received are processed within 30 days from the date of receipt, subject to the transfer instrument being valid and complete in all respects. In compliance with the Listing Guidelines, every six months, a practising company Secretary audits the System of Transfer and a Certificate to that effect is issued. The Company's scripts is in physical form only.

**DISTRIBUTION OF SHAREHOLDING.**

a) Class-wise Distribution of Equity Shares as on 31<sup>st</sup> March 2007.

Shareholding From	To	No of Shareholder	% of Shareholders	No of Shares	% of Shares
1	500	122	85.91	11570	4.72
501	1000	----	----	----	----
1001	2000	----	----	----	----
2001	3000	----	----	----	----
3001	4000	1	0.70	4000	1.62
4001	5000	1	0.70	4500	1.84
4001	5000	1	0.70	4500	1.84
5001	10000	7	4.93	58700	23.95
10001 & above		10	7.74	166300	67.85
Total		141	100.00	245070	100.00

b) Shareholding pattern as on 31<sup>st</sup> March, 2007.

Category	No. of Shareholders	% of Shareholding.
Promoters	175000	71.41
Mutual Funds & UTI	----	----
Private Corporate Bodies	7500	3.06
Other Banks	----	----
FII's & NRIs	----	----
Public	62570	25.53
Total	245070	100.00

Bank Details for dividend payments : Not Applicable.

#### 11. NON – MANDATORY REQUIREMENTS.

##### Shareholders' Rights.

The half-yearly financial results are published in the news papers as mentioned above and therefore have not been separately circulated to all the share holders.

##### Postal Ballot.

There are no items requiring the approvals of shareholders by postal ballot.

On behalf of Board of Directors



Chintan A. Patel  
Director.

Place : Mumbai  
Date : 29<sup>th</sup> June, 2007.

**AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT.**

We have examined the compliance of the conditions of Corporate Governance by Autoriders International Limited, for the year ended 31<sup>st</sup> March, 2006 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited a review of the procedure and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and accruing to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note on Certification on Corporate Governance issued by the Institute of Chartered Accountants of India, we state that no investor Grievance is pending for a period pending exceeding one month as at 31<sup>st</sup> March, 2007 against the Company as per the certificate received from the Registrar and Share Transfer Agents and taken on record by the Share Transfer-cum-shareholders/Investor Grievance Committee of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Utpal Bhayani & Co.  
Chartered Accountants



Utpal Bhayani  
Proprietor.

Membership No. 33512

Place : Mumbai.

Date : 29<sup>th</sup> June, 2007.

- 11 -

**AUTORIDERS INTERNATIONAL LTD.**  
**ANNEXURE 'A' TO THE DIRECTORS REPORT.**

**CASH FLOW STATEMENT**

		( Rs. in Lacs)	
		<u>2006-2007</u>	<u>2005-2006</u>
<b>A. <u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>			
	Net Profit Before Tax and Extra Ordinary Items	62.87	35.09
	Adjustment for:		
	Depreciation	151.96	134.89
	Interest/Finance Charges	21.46	12.65
	Operating Profit Before Working Capital Charges	<u>236.29</u>	<u>182.63</u>
	Adjustments for:		
	Trade and other Receivables	(170.37)	(117.93)
	Trade Payables	147.69	33.04
	Cash Generated from Operations	<u>213.61</u>	<u>97.74</u>
	Interest Paid	(21.46)	(12.65)
	Taxes Paid.	(3.72)	(3.00)
	Cash Flow Before Extra Ordinary Items	<u>188.43</u>	<u>82.09</u>
	Extraordinary Items	4.67	21.22
	Net cash used in operating activities. (A)	<u>193.10</u>	<u>103.31</u>
<b>B. <u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>			
	Purchase of Fixed Assets	(365.34)	(104.07)
	Sale of Fixed Assets	15.27	14.47
	Purchase of Investments	--	--
	Net Cash used in investing Activities (B)	<u>(350.07)</u>	<u>(89.60)</u>
<b>C. <u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>			
	Proceeds from Long Term Borrowings (Net)	185.29	(23.27)
	Net Cash from Financing Activities (C)	<u>185.29</u>	<u>(23.27)</u>
	Net increase in Cash and Cash Equivalents (A+B+C)	28.32	(9.56)
	Cash and Cash Equivalents as at March 31, 2006.	84.33	93.89
	Cash and Cash Equivalents as at March 31, 2007.	112.65	84.33

For and on behalf of the Board



**CHINTAN PATEL**  
**DIRECTOR**

MUMBAI  
29th June, 2007

To,

The Board of Directors  
Autoriders International Limited  
4A, Vikas Centre, 104, S.V. Road,  
Santacruz (West),  
Mumbai 400 054.

We have examined the enclosed Cash Flow Statement of Autoriders International Ltd. for the year ended 31<sup>st</sup> March, 2007. The Statement has been prepared by the Company in accordance with the requirement of listing agreement Clause 32 with Bombay Stock Exchange and is based on and is in agreement with corresponding Profit and Loss account and Balance Sheet of the Company covered by our report dated 29<sup>th</sup> June, 2007 to the members of the Company.

For **UTPAL BHAYANI & CO.**  
Chartered Accountants



**UTPAL BHAYANI**  
PROPRIETOR  
(Membership No. 33512)

Mumbai  
Dated: 29<sup>th</sup> June, 2007.

Utpal Bhayani & Co.  
Chartered Accountants  
12, Madhuvan, 81, Saraswati Road, Santacruz (W), Mumbai - 400 054.

### AUDITORS REPORT

To the Members of  
**Autoriders International Limited**

We have audited the attached Balance Sheet of Autoriders International Ltd as at 31<sup>st</sup> March 2007, and the Profit and Loss Account of the Company for the year ended on that date, annexed hereto, and have to report thereon as follows :-

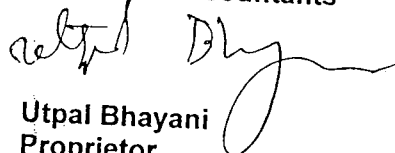
1. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require 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.
3. As required by the Companies (Auditors Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and the information and explanations given to us during the course of our Audit, we give in the Annexure a statement on the matters specified in the said order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3 above and the Notes forming part of the Accounts ( Schedule '13' to the Balance Sheet and the Profit and Loss Account ), we report as under :
  - 4.1 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 ;
  - 4.2 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 ;
  - 4.3 The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the Books of Accounts ;
  - 4.4 In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 ;

Utpal Bhayani & Co.  
Chartered Accountants

**Autoriders International Limited.**

- 4.5 In our opinion , the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the accounting standards referred to in Section 211(3C) of the Companies Act , 1956 ;
- 4.6 According to the information and explanations given to us and on the basis of the written representation from the directors , taken on record by the Board of Directors , none of the directors is disqualified as on 31<sup>st</sup> March 2006 from being appointed as a director under section 274(1)(g) of the Companies Act , 1956 .
- 4.7 In our opinion and to the best of our information and according to the explanations given to us , the said accounts , read together with the the Significant Accounting Policies and Notes to Accounts in Schedule 13 and other notes appearing elsewhere in the accounts , 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 :
- 4.7.1 In case of the Balance Sheet of the State of affairs of the Company as on 31<sup>st</sup> March 2007 and ,
- 4.7.2 In case of the Profit and Loss Account of the Profit for the year ended on that date .

For Utpal Bhayani & Co.  
Chartered Accountants

  
Utpal Bhayani  
Proprietor  
(Membership No 33512)

Mumbai  
Dated : 29-June-2007



Autoriders International Limited

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**ANNEXURE TO THE AUDITORS REPORT**

For the period ended 31<sup>st</sup> March 2007

**Annexure referred to in paragraph 3 of the Auditors Report of even date on the accounts for the year ended 31<sup>st</sup> March 2007 of Autoriders International Limited.**

**i. Fixed Assets :-**

- (a) Except for furniture and fittings, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the assets have been physically verified by the management in accordance with the phased programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial, except for the sale of used vehicles and has not effected the going concern.

**ii. Inventories :-**

The Company's nature of operation does not require it hold inventories. Accordingly Clause 4(11) of the Companies (Audit Report) order, 2003 is not applicable..

**iii. Loans :-**

- (a) The Company has taken advances from time to time from companies in which directors are interested. The outstanding balance as on 31<sup>st</sup> March 2007 is Rs.6,00,48,319/-
- (b) No interest is charged on the said advances . Other terms and conditions are not specified.
- (c) The said advances are repayable on demand.
- (d) Except above the Company has not granted nor taken any loans, secured or unsecured, to and from companies, firms or other parties listed in the register, maintained under Section 301 of the Companies Act, 1956.

**iv. Internal Control :-**

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 the purchases of inventories, fixed assets and for sale of goods.

**Autoriders International Limited**

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**v. Transactions u/s 301 :-**

(a) According to the information and explanations given to us, transactions that need to be entered into the register maintained under Section 301 of the Companies Act 1956 have been so entered.

(b) According to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000/- in respect of each party during the year, have been made at prices which are reasonable having regard to prevailing market prices, except for items of specialized nature, where a question of comparison does not arise.

**vi. Public Deposits :-** The Company has not accepted any deposits from the public.

**vii. Internal Audit :-** In our opinion the Company has an internal audit system commensurate with the size and nature of its business.

**viii. Cost Records :-** Maintenance of the cost records has not been prescribed by the Central Government under sec. 209(1)(d) of the Companies Act , 1956 for any of the products of the Company.

**ix. Statutory Dues :-**

(a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth tax, Custom duty, excise duty, cess and material statutory dues applicable to it.

(b) According to the information and explanation given to us, at the last day of the financial year there was no undisputed amount outstanding in respect of such statutory dues which were due for more than six months from the date they become payable.

(c) According to the information and explanations given to us, there are no dues in respect of sales tax, income tax, customs duty, wealth tax, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.

**x. Losses :-** The accumulated loss of the company as at 31.03.2007 is more than 50% of its net-worth. The company has not incurred cash losses in the financial year under report and the immediately preceding financial year.

**xi. Repayments :-** The Company has not defaulted in repayment of its dues to bank. The Company has not issued any debentures.

**xii. Loans Granted :-** Based on our examination of the records and the information and explanation given to us, the Company has not granted any loans and advances on the basis of the securities by way of pledge of shares, debentures and other securities .

Autoriders International Limited

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- xiii. **Special Statutes :-** In our opinion, the provisions of any special statute applicable to chit fund, Nidhi or Mutual Benefits Fund/ Societies are not applicable to the Company.
- xiv. **Trading in Shares etc :-** The Company is not dealing or trading in shares, securities, debentures or other investment and hence requirements of Para 4(xiv) are not applicable to the Company.
- xv. **Guarantee :-** According to information and explanations given to us, the Company has not given a guarantee.
- xvi. **Term Loan :-** Except for the term loan secured against the hypothecation of Vehicles the Company has not raised any term loans during the year.
- xvii. **User of Loans :-** The Company has not raised funds during the year on short term or long term basis and hence question of use of such funds for long term or short term investment does not arise.
- xviii. **Preferential Allotment :-** During the year the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956
- xix. **Issue of Debentures :-** During the year the Company has not issued any debentures and hence, question of creating securities in respect thereof does not arise.
- xx. **Public Issues :-** The Company has not raised any money by public issues during the year.
- xxi. **Fraud :-** According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Utpal Bhayani & Co  
Chartered Accountants

  
Utpal Bhayani  
Proprietor  
(Membership No 33512)

Mumbai  
Dated : June 29, 2007

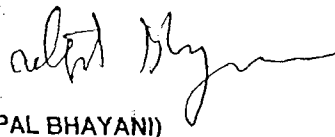
**AUTORIDERS INTERNATIONAL LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 2007.**

SOURCE OF FUNDS:	SCHEDULE NO.	CURRENT YEAR		PREVIOUS YEAR	
		RUPEES	RUPEES	RUPEES	RUPEES
<b>SHAREHOLDER'S FUNDS:</b>					
Share Capital	1		2450700		2450700
<b>LOAN FUNDS</b>					
Secured Loans	2		37869049		19339620
Unsecured loans	3		60048319		60048319
<b>TOTAL</b>			<b>100368068</b>		<b>81838639</b>
<b>APPLICATION OF FUNDS:</b>					
<b>FIXED ASSETS</b>					
Gross Block	4		100401859		76885734
Less: Depreciation			<u>52388391</u>		<u>48682938</u>
Net Block			48013468		28202796
<b>INVESTMENTS</b>	5		49500		49500
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>	6		75559249		64647719
Less:					
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>	7		<u>330300783</u> (254741534)		<u>324489557</u> (259841838)
<b>PROFIT &amp; LOSS ACCOUNT</b>					
(Balance as per annexed account)			307046634		313428181
<b>TOTAL</b>			<b>100368068</b>		<b>81838639</b>
Notes forming part of the Accounts	13				

As per report of even date  
for UTPAL BHAYANI & CO.

Chartered Accountants

  
(UTPAL BHAYANI)

Proprietor.

Membership No: 33512

MUMBAI

Dated: 29th June, 2007.

For and on behalf of Board of Directors

  
CHINTAN A. PATEL - DIRECTOR

  
TARUN M. PATEL - DIRECTOR

  
MANEKA MULCHANDANI - DIRECTOR

**AUTORIDERS INTERNATIONAL LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2007.**

	SCHEDULE No.	CURRENT YEAR RUPEES	PREVIOUS YEAR RUPEES
<b><u>INCOME</u></b>			
Car Rentals		198512374	185964432
T.D.S. RS2318982/- (P.Yr.Rs.1561407/-)			
Other Income	8	9735713	6179388
		<b>208248087</b>	<b>192143820</b>
<b><u>EXPENDITURE</u></b>			
Operating Expenses	9	145328859	139821579
Employees Remuneration & Benefits	10	17871018	14066677
Administrative Charges	11	21419229	19991433
Financial Charges	12	2146031	1265234
		<b>186765137</b>	<b>175144923</b>
Profit/(Loss) before Depreciation & Taxation		21482950	16998897
Less: Depreciation		15196101	13489428
Profit Before Taxation		6286849	3509469
Provision for Taxation			
Deferred Tax		(1070719)	(2121745)
Fringe Benefit Tax		371729	300000
Net Profit/(Loss) for the Year		6985839	5331214
Excess/Short Provision for Taxes		604292	--
Balance of Previous Year		(313428181)	(318759395)
Balance Carried over Balance Sheet		<b>(307046634)</b>	<b>(313428181)</b>

Notes forming part of the Accounts 13

As per report of even date  
for UTPAL BHAYANI & CO.  
Chartered Accountants

  
(UTPAL BHAYANI)

Proprietor.  
Membership No. 33512  
MUMBAI

Dated : 29th June, 2007.

For and on behalf of Board of Directors

  
CHINTAN A. PATEL - DIRECTOR

  
TAPAN M. PATEL - DIRECTOR

  
MANEKA MULOHANDANI - DIRECTOR

**AUTORIDERS INTERNATIONAL LIMITED**

**SCHEDULE FORMING PART OF THE ACCOUNTS AS AT 31st MARCH 2007.**

	<u>CURRENT YEAR</u> <u>RUPEES</u>	<u>PREVIOUS YEAR</u> <u>RUPEES</u>
<b><u>SCHEDULE - 1</u></b>		
<b><u>SHARE CAPITAL</u></b>		
10,00,000 Equity Shares of Rs.10/- each	10000000 =====	10000000 =====
<b><u>ISSUED &amp; SUBSCRIBED</u></b>		
2,45,070 Equity Shares of Rs.10/- each fully paid up	2450700 =====	2450700 =====

**AUTORIDERS INTERNATIONAL LIMITED**

**SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2007.**

	<u>CURRENT YEAR</u> <u>RUPEES</u>	<u>PREVIOUS YEAR</u> <u>RUPEES</u>
<b><u>SCHEDULE- 2</u></b>		
<b><u>SECURED LOANS</u></b>		
<b><u>(i) From Sundaram Finance Ltd.</u></b> Secured against Hypothecation of vehicles.	11175156	--
<b><u>(ii) From ICICI Bank Ltd.</u></b> Secured against Hypothecation of vehicles.	25804965	17632487
<b><u>(iii) From CitiCorp Maruti Finance Ltd.</u></b> Secured against Hypothecation of vehicles.	--	605767
<b><u>(ii) From ICICI Bank Ltd- Vehicle Overdraft.</u></b> Secured against Hypothecation of vehicles.	888928	1101366
	<hr/>	<hr/>
	37869049	19339620
<b><u>SCHEDULE- 3</u></b>		
<b><u>UNSECURED LOANS</u></b>		
<b><u>(ii) Inter-Corporate Deposits</u></b>	60048319	60048319
	<hr/>	<hr/>
	60048319	60048319

AUTORIDERS INTERNATIONAL LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS AS AT 31st MARCH 2007

SCHEDULE - 4

FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As At 01.04.2006	Addition during the year	Sales/ Adjust during the Year	Gross Block at 31.03.2007	As At 01.04.2006	Provided during the year	Adjustment	Upto 31.03.2007	As at 31.03.2007	As at 31.03.2006
Computer	3509687	562891	--	4072578	2843084	363089	--	3206173	866405	666603
Office Equipments	2814777	325068	--	3139845	2057581	127468	--	2185049	954796	757196
Furniture & Fixtures	6583579	233310	--	6816889	5572647	193486	--	5766133	1050756	1010932
Vehicles	<u>63977691</u>	<u>35412973</u>	<u>13018117</u>	<u>86372547</u>	<u>38209627</u>	<u>14512058</u>	<u>11490649</u>	<u>41231036</u>	<u>45141511</u>	<u>25768064</u>
<b>TOTAL</b>	<b><u>76885734</u></b>	<b><u>36534242</u></b>	<b><u>13018117</u></b>	<b><u>100401859</u></b>	<b><u>48682939</u></b>	<b><u>15196101</u></b>	<b><u>11490649</u></b>	<b><u>52388391</u></b>	<b><u>48013468</u></b>	<b><u>28202795</u></b>
<b>PREVIOUS YEAR</b>	<b><u>75668348</u></b>	<b><u>10407567</u></b>	<b><u>9190181</u></b>	<b><u>76885734</u></b>	<b><u>42936264</u></b>	<b><u>13489428</u></b>	<b><u>7742753</u></b>	<b><u>48682939</u></b>	<b><u>28202795</u></b>	<b>--</b>



**AUTORIDERS INTERNATIONAL LIMITED**

**SCHEDULE FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2007.**

	CURRENT YEAR		PREVIOUS YEAR	
	RUPEES	RUPEES	RUPEES	RUPEES
<b>SCHEDULE - 5</b>				
<b>INVESTMENTS</b>				
<b>UNQUOTED.</b>				
1980 Shares of Rs.25/- each fully paid up of The Shirpur Peoples' Co-Operative Bank Limited.		49500		49500
<b>SCHEDULE - 6</b>				
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>				
<b>CURRENT ASSETS</b>				
Sundry Debtors (Secured - Considered good unless otherwise stated) Debts Outstanding for a period exceeding six months	17733108		11874598	
Other Debts	37426140		33597320	
Less: Provision for Doubtful Debts	(8031065)	47128183	(4537972)	40933947
Cash & Bank Balances:-				
Cash on hand		1138032		864609
Cheques on hand		3545604		3295499
Funds in Transit				
Balance with Scheduled Bank:-				
Current Accounts		6581500		4272856
		<b>58393319</b>		<b>49366911</b>
<b>LOANS &amp; ADVANCES</b>				
(Unsecured - considered good unless otherwise stated)				
Loans to Staff (including Rs.97209 (66886) to Officers Maximum balance Rs97209( Rs.66886/- ) Advances recoverable in cash or in kind for value to be received:		299663		235056
Considered Good	2127780		2326741	
Advances considered doubtful	813620		363053	
	2941400		2689794	
Less: Provided for Doubtful	464047	2477353	200225	2489569
Other Deposits		4379403		3811279
Advance Tax / TDS		6817047		6623159
Deferred Tax Assets (06-07)		2121745		2121745
Deferred Tax Assets (07-08)		1070719		
		<b>17165930</b>		<b>15280808</b>
		<b>75559249</b>		<b>64647719</b>

**AUTORIDERS INTERNATIONAL LIMITED**

**SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2007.**

<b><u>SCHEDULE - 7</u></b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
	<b><u>RUPEES</u></b>	<b><u>RUPEES</u></b>
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Sundry Creditors for Purchases, expenses etc.	310821364	315711367
Advance/Deposits from Customers/Others	4937684	4837924
Sundry Creditors for others	14170006	3640266
	<b><u>329929054</u></b>	<b><u>324189557</u></b>
<b><u>PROVISIONS</u></b>		
Provision for Fringe Benefit Tax	371729	300000
	<b><u>330300783</u></b>	<b><u>324489557</u></b>
<b><u>SCHEDULE - 8</u></b>		
<b><u>OTHER INCOME</u></b>		
Miscellaneous Income	7887413	4917551
Excise Duty Refund	--	14056
Profit on Sale of Assets	1848300	1247781
	<b><u>9735713</u></b>	<b><u>6179388</u></b>

**AUTORIDERS INTERNATIONAL LIMITED**

**SCHEDULE FORMING PART OF THE ACCOUNTS AS AT 31st MARCH,2007.**

<b><u>SCHEDULE -9</u></b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
	<b><u>RUPEES</u></b>	<b><u>RUPEES</u></b>
<b><u>OPERATING EXPENSES</u></b>		
Fuel	13756952	12785967
Vehicle Trip Expenses	7982471	7574741
Transport, Tax & Insurance	3938744	2378098
Repairs	6131447	5902139
Accessories	165068	198234
Car Hire	99854515	100110108
Discount	6342037	5640016
Parking Charges	3723333	2507509
Radio Trunking Charges	268187	194208
Tour Operating Expenses	3166106	2530559
	<b><u>145328860</u></b>	<b><u>139821579</u></b>

**SCHEDULE - 10**

**EMPLOYEES REMUNERATION & BENEFITS**

Executive Directors Remuneration	650000	210000
Salaries *	14463825	12002350
Contribution to PF., etc	1258782	957362
Staff Welfare Expenses	1166196	839314
Gratuity.	332215	57651
	<b><u>17871018</u></b>	<b><u>14066677</u></b>

\* Includes Drivers cost of Calcutta Branch

Rs.321001/- (Rs.458775/-)

**AUTORIDERS INTERNATIONAL LIMITED**

**SCHEDULE FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2007.**

<b><u>SCHEDULE - 11</u></b>	<b>CURRENT YEAR <u>RUPEES</u></b>	<b>PREVIOUS YEAR <u>RUPEES</u></b>
<b><u>ADMINISTRATIVE &amp; OTHER EXPENSES</u></b>		
Legal & Professional Charges	2711451	2700003
Bank Charges	69331	72423
Printing & Stationery	1208075	1010651
Postage, Telegram & Telephone	3257817	3448093
Electricity	1032151	900949
Repairs & Maintenance (Others)	2351360	1739772
Travelling Expenses	806557	763030
Rent & Compensation	2880767	2483123
Rates & Taxes	402503	34413
Sales Tax	8900	13951
Conveyance	880326	668324
Advertising & Publicity	275097	299679
Sales Promotion Expenses & Entertainment	317391	434640
Auditor's Remuneration	44896	43060
Insurance	36764	36040
Miscellaneous Expenses	635598	756922
Provison for Bad & Doubtful Debts & Advances	4500244	4586360
	<b><u>21419228</u></b>	<b><u>19991433</u></b>
<b><u>SCHEDULE - 12</u></b>		
<b><u>FINANCIAL CHARGES</u></b>		
Interest	<b><u>2146031</u></b>	<b><u>1265234</u></b>

AUTORIDERS INTERNATIONAL LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2006

SCHEDULE-13

A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Systems of Accounting:

The Company adopts the accrual system of accounting except for the Insurance premium and Vehicle Tax which is accounted for in the year of payment.

2. Overall Valuation Policy:

The accounts have been prepared under historical cost convention.

3. Revenue Recognition:

Income from Car Rentals is recognised on accrual basis in accordance with the terms of the respective agreements.

4. Lease Rentals Paid:

Lease rentals are accounted in accordance with the terms of the respective agreements

5. Prior Period Items:

Prior period items, if material, are separately stated in profit and loss account.

6. Fixed Assets & Depreciation:

i) Fixed Assets are stated at cost less depreciation.

ii) Depreciation on of all Fixed Assets is provided on written down value method at the rate and in the manner prescribed under schedule XIV of the Companies Act, 1956

7. Receivables, Loans & Advances:

Receivables, loans and advances if identified as irrecoverable or doubtful, are written off or provided for.

8. Employee Retirement Benefits.

Leave encashment benefits are charged on the basis of Actuarial Valuation.

Gratuity payable to staff is deposited with LIC Group Gratuity scheme as per payment of Gratuity Act.

9. Accessories:

Accessories fitted to the Cars given on Rental are treated as revenue expenses in the year of purchase.

10. R.T.O, Insurance Charges:

R.T.O., Insurance Charges and other expenses are charged to revenue in the year of purchase of vehicle.

**B. NOTES ON ACCOUNTS**

1. Provision for Deferred Tax Liability: The necessary provision has been made towards deferred tax assets/liability.
2. Service tax is paid on the basis of realisation.
3. Provision for loss on impairment of Assets: In the opinion of the management, there is no loss on impairment of assets, hence no provision is made for the same.
4. Additional information required to be disclosed as per clause 3, 4C, and 4 D of the Schedule VI of part II of the Companies Act, 1956.

i) Auditors Remuneration includes as under:

Audit Fees	Rs.30000/=	(Rs 20000/=)
Tax Audit Fees	Rs. 5000/=	(Rs 5000/=)
Certification Fees	Rs. 5000/=	(Rs 5000/=)
Service Tax	Rs. 4896/=	(Rs 3060/=)
Reimbursement of Expenses.	Rs. --	(Rs.10000/=)
	<u>Rs. 44896/=</u>	<u>(Rs. 43060/=)</u>
	=====	=====

ii) Earnings in Foreign Currency

Car Rentals	Rs.43,12,014 /-	(Rs.37,10,714/-)
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- iv) Other information required to be disclosed under the above clause are not applicable during the year.

6. Information pursuant to Part IV of Schedule VI of the Companies Act, 1956.

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

i) Registration Details:

Registration No	37017
Balance Sheet Date	31.03.2007
State Code	11

ii) Capital raised during the year (Amount Rs'000)

Public Issue	N.A.
Rights Issue	N.A.
Bonus Issue	N.A.
Private Placement	N.A.

iii) Position of Mobilization and deployment of funds (Amount Rs'000)

TOTAL LIABILITIES	100368	TOTAL ASSETS	100368
SOURCE OF FUNDS		APPLICATION OF FUNDS	
Paid-up Capital	2451	Net Fixed Assets	48014
Reserves & Surplus	-	Investments	49
Secured Loans	37869	Net Current Assets	(254742)
Unsecured Loans	60048	Misc. Expenditure	-
		Profit & Loss Account	307047

iv) Performance of the Company (Amount in Rs'000)

Turnover	Rs.208248
Total Expenditure	Rs.201961
Profit/(Loss) before Tax	Rs 6287
Profit/(Loss) after Tax	Rs 6986
Earnings per Share( Rs.)	Rs. 28.50
Dividend Rate	Nil

v) Generic names of three principal products/services of the company

Not Applicable

6. Figures of previous year have been regrouped wherever necessary.

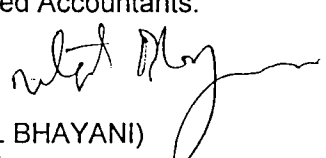
7. Figures in bracket are of previous year.

As per report of even date

Signature to Schedules 1 to 13

For and on behalf of  
UTPAL BHAYANI & CO.  
Chartered Accountants.

For and on behalf of Board of Directors

  
(UTPAL BHAYANI)  
Proprietor.  
(Membership No.33512)

  
CHINTAN A. PATEL - DIRECTOR

  
TARUN M. PATEL - DIRECTOR

  
MANEKA MULCHANDANI - DIRECTOR

Place : Mumbai  
Dated : 29th June, 2007.