

ANNUAL REPORT 1996-97

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AUTORIDERS FINANCE LIMITED

BOARD OF DIRECTORS

Praful Patel, <i>M.P.</i>	-	Chairman
N. Dwarkanath	-	Vice Chairman
Mukesh Patel, <i>M. P.</i>	-	Managing Director
B. S. Pandit	-	Nominee Director UTI
Amarish Patel, <i>M.L.A.</i>	-	Director
Bhupesh Patel	-	Director
T. N. V. Ayyar	-	Director
Surendra Ruia	-	Director
Manubhai Desai	-	Director

AUDITORS

M/s. Utpal Bhayani & Co.
Chartered Accountants

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BANKERS

Union Bank of India
Bank of Baroda
Vijaya Bank
The Federal Bank Ltd.
The South Indian Bank Ltd.
The Catholic Syrian Bank Ltd.

REGISTERED OFFICE

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

AUTORIDERS FINANCE LIMITED

TWELFTH ANNUAL REPORT 1996-97

Notice

Notice is hereby given that the Twelfth Annual General Meeting of the Members of AUTORIDERS FINANCE LIMITED will be held on Friday, September 19th, 1997 at 3.00 pm. at Registered Office of the Company at 4A, Vikas Centre, 104, S.V. Road, Santacruz (W), Mumbai - 400054 to transact the following business :

- 1 To receive, consider and adopt the Directors Report, Audited Profit and Loss Account for the year ended 31st March, 1997 and the Balance Sheet as on that date.
- 2 To appoint Director in place of Mr. Manubhai Desai, who retires by rotation and being eligible offers himself for reappointment.
- 3 To appoint Director in place of Mr. Amarish Patel, who retires by rotation and being eligible offers himself for reappointment.
- 4 To declare dividend.
- 5 To appoint Auditors and to fix their remuneration.

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. Members are requested to notify change of address, if any.
3. The Register of Members and the share transfer books will remain closed from Tuesday, 2nd September, 1997 to Friday 19th September, 1997 (both days inclusive)
4. Members desiring any information about accounts at the meeting are requested to write to the Company at least 7 days in advance of the Annual General Meeting.
5. The dividend, if declared will be paid on or after 30th September 1997, to those members who are entitled thereto and whose names appears on the Register of Members as on 19th September, 1997
6. All members who have either not received or have not encashed dividends for the financial year 1993-94, 1994-95 and 1995-96 are requested to write to the Company's share department at the registered office of the Company for the issuance of the duplicate dividend warrants mentioning the relevant folio nos.

By order of the Board

MUKESH PATEL
Managing Director

Mumbai
June 27, 1997.



AUTORIDERS FINANCE LIMITED

TWELFTH ANNUAL REPORT 1996-97

Directors' Report

To,
THE SHAREHOLDERS

AUTORIDERS FINANCE LIMITED.

Your Directors have pleasure in presenting the Twelfth Annual Report together with Audited Accounts for the year ended 31st March, 1997.

FINANCIAL RESULTS :

(Rs. in lacs)

	Year ended 31st March, 1997	Year ended 31st March, 1996
Profit before depreciation	1340.44	2018.71
Less : Depreciation	1075.00	1063.74
Profit before tax	265.44	954.97
Provision for taxation	35.00	—
Net profit for the year	230.44	954.97
prior period adjustment	(11.25)	16.72
Balance of the previous year	1.09	2.83
Transfer from General Reserve	585.00	1110.00
Balance available for appropriation	805.28	2084.52
Proposed Dividend	176.17	274.08
Transfer to Debenture Redemption Reserve.	268.75	268.75
Provision for Rent-A-Car Termination	300.00	1110.00
Transfer to General Reserve	60.00	430.60
Balance carried forward	0.36	1.09

DIVIDEND :

Your Directors recommend dividend of 10% on the equity shares and 16% on the preference shares for the year ended 31st March, 1997. The proposed dividend will absorb Rs. 176.18 Lacs.

RESERVES :

It is proposed to transfer a sum of Rs. 60.00 Lacs to General Reserve and Rs. 268.75 Lacs to Debenture Redemption Reserve and Rs. 585.00 Lacs has been withdrawn from General Reserve.

OPERATIONS :

The year under review has been extremely difficult for finance companies including auto finance companies and your company has also been affected to a sizeable extent. The management adopted a conservative approach and preferred to curtail the sales volume, considering the fall in prices of second hand cars and its impact on realisability of rentals. The markets also witnessed the entry of several new models and this aspect also affected the sale of cars. It is estimated that automobile demand has dropped a further 30% compared to the last year and this is reflected in the poor demand for cars on finance.

PROSPECTS :

We expect that most of the adverse events of 1996-97 will not recur in 1997-98 and that there will be a gradual improvement in the sale volumes. The recurring fall in interest rates will also provide encouragement in improving sales volumes. One of the important aspects that would propel car sales is that the life cycle of car ownership is reducing drastically. The urban life cycle has come down to three years from six years indicating that a car is replaced every three years as against six years which was the earlier trend.

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.

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

Your company has no activity relating to the conservation of energy or technology absorption. The foreign exchange earnings was nil and outgo was Rs. 4.60 Lacs.

DIRECTORS :

Mr. B. S. Pandit has been appointed as Nominee Director by Unit Trust of India. Your Directors welcome Mr. B. S. Pandit to the Board. Mr. Manubhai Desai and Mr. Amarish Patel, Director retires by rotation and being eligible offers themselves for reappointment.

AUDITORS :

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

FIXED DEPOSITS :

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

PARTICULARS OF EMPLOYEES :

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

ACKNOWLEDGEMENT :

Your Directors wish to thank all its Bankers, Unit Trust of India, all the shareholders of the Company and all its customers for their continued 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 of
Directors

MUKESH PATEL
Managing Director

Mumbai
Dated : 27th June, 1997

AUTORIDERS FINANCE LIMITED



TWELFTH ANNUAL REPORT 1996-97

Annexure 'A' to the Directors' Report

CASH FLOW STATEMENT

(Rs. in Lacs)

A. Cash Flow from Operating Activities	1996/1997	1995/1996
Net profit before tax and extraordinary items	265.44	954.97
Adjustment for :		
Depreciation	1075.00	1063.75
Profit on sale of assets	- 43.61	- 7.50
Loss on sale of assets	67.38	17.25
Dividend	- 25.13	- 7.85
Interest	3001.81	1979.18
Miscellaneous expenditure (net)	15.18	- 32.09
Operating profit before working cap. changes	4356.07	3967.71
Adjustment for :		
Trade and other receivables	1197.20	- 2564.37
Inventories	9.24	748.40
Trade payables	- 680.11	- 375.24
Advance rentals/deposit	- 792.78	- 1153.05
Cash generated from operations	4089.62	623.45
Interest paid	- 3001.81	- 1979.18
Direct taxes paid	- 35.00	0.00
Cash flow before extraordinary items	1052.81	- 1355.73
Extraordinary items	- 19.56	0.00
Net cash used in operating activities (A)	1033.25	- 1355.73
B. Cash flow from investing activities :		
Purchase of fixed assets	- 2848.94	- 4446.40
Sale of fixed assets	1412.23	1416.68
Purchase of investments	0.00	- 121.66
Sale of investments	0.75	183.66
Dividend received	25.13	7.85
Net cash used in investing activities (B)	- 1410.83	- 2959.87
C. Cash flow from Financing activities :		
Proceeds from issue of share capital	0.00	541.72
Proceeds from long term borrowings (Net)	344.14	3997.36
Proceeds from short term borrowings (net)	- 500.00	0.00
Repayment of finance lease liabilities	288.31	0.00
Dividend paid	- 176.18	- 274.08
Net cash from financing activities (C)	- 43.73	4265.00
Net increase in cash and cash equivalents (A+B+C)	- 421.31	- 50.60
Cash and cash equivalents as at April 1, 1996	536.55	587.15
Cash and cash equivalents as at March 31, 1997	115.24	536.55

For and on behalf of the Board of Directors

Mumbai
June 27, 1997MUKESH PATEL
Managing DirectorTo
The Board of Directors,
Autoriders Finance Limited,
4A, Vikas Centre, 104, S. V. Road,
Mumbai - 400054.

We have examined the above Cash Flow Statement of Autoriders Finance Limited for the year ended 31st March, 1997. The Statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 with Bombay Stock Exchange and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated June 27, 1997 to the members of the Company.

For UTPAL BHAYANI & CO.
Chartered AccountantsMumbai
June 27, 1997UTPAL BHAYANI
Proprietor