

ARI CONSOLIDATED INVESTMENTS LIMITED

DIRECTORS

MR. HEMRAJ C. ASHER (Chairman)
MR. H.F. MEHTA
MR. C.K. THANAWALA
MR. KAVAS D. PATEL
MR. P.K. SAMPATHKUMAR

AUDITORS

M/S. K.S. AIYAR & COMPANY

BANKER

UNION BANK OF INDIA

REGISTERED & EXECUTIVE OFFICES

UNION BANK BUILDING
BOMBAY SAMACHAR MARG
FORT, MUMBAI 400 023

PLANT

GHOGA ROAD
BHAVNAGAR, (GUJARAT)
PIN CODE 364 001

Members are requested to bring their copy of the Annual Report at the Annual General Meeting.
Additional copies will not be distributed at the Annual General Meeting.

ARI CONSOLIDATED INVESTMENTS LIMITED

NOTICE

NOTICE is hereby given that the Fifty Seventh Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at Union Bank Building, 4th Floor, 70, Bombay Samachar Marg, Fort, Mumbai 400 023 on Wednesday, the 7th June, 2000 at 3.30 p.m. for the purpose of transacting the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. H.F. Mehta who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. P.K. Sampathkumar who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

By Order of the Board
For and on behalf of

ARI CONSOLIDATED INVESTMENTS LIMITED

Mumbai, 10th May, 2000

HEMRAJ C. ASHER
CHAIRMAN

NOTES

- A. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote instead of himself and a proxy so appointed need not be a member. The proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- B. The Register of Members and the Share Transfer Books will remain closed from Monday, 5th June, 2000 to Wednesday 7th June, 2000.
- C. Members desirous of getting any information in respect of accounts of the Company are requested to send their queries in writing to the Company at the Registered Office so as to reach us at least seven days before the date of the meeting so that the required information can be made available at the meeting.

ARI CONSOLIDATED INVESTMENTS LIMITED**DIRECTORS' REPORT**

To,
The Members of
ARI Consolidated Investments Limited,

Your Directors present their Fifty Seventh Annual Report with the Audited Accounts of the Company for the year ended 31st March, 2000.

	<u>1999-2000</u>	<u>1998-1999</u>
	<u>Rs.</u>	<u>Rs.</u>
1. FINANCIAL ACCOUNTS		
Income before Depreciation and Income Tax	67,71,139	96,36,689
Depreciation on Fixed Assets	8,70,297	9,18,532
Profit before tax	59,00,842	87,18,157
Provision for Income tax	28,00,000	29,30,000
Profit after tax	31,00,842	57,88,157
Balance brought forward	1,12,24,970	67,55,698
Available for Appropriation	1,43,24,970	1,25,43,855
Appropriation:		
Interim Dividend	9,28,215	-
Proposed Dividend	-	9,28,215
Tax on Distributed Profits	1,02,104	1,02,104
Transfer to General Reserve	1,55,042	2,89,408
	11,85,361	
Balance carried to Balance Sheet	1,31,39,609	1,12,24,128

2. DIVIDEND

In view of the Profit for the year 1999-2000 the Company paid an Interim Dividend of 15% ie Rs. 15/- per Equity Share of Rs. 100/- each (Previous Year – Dividend paid Rs. 15/- per Equity Share of Rs. 100/- each).

Having regard to the interim dividend paid by the Company, the Directors do not recommend any further dividend for the year.

3. RESTRUCTURING OF THE BUSINESS

The Shareholders of Inarco Limited, in which your company holds 50% share have approved a scheme of arrangement at their Annual General Meeting dated 14.12.99 and submitted it to the Hon'ble High Court, Mumbai. Subject to approval of the Scheme, Inarco Limited will become wholly owned subsidiary of ARI Consolidated Investments Limited effective 01.04.99.

4. REVIEW OF OPERATIONS

During the year the Company continued earning Lease Income from its assets at Bhavnagar.

During the year the Company earned Interest of Rs. 8.07 lacs as against Rs. 2.84 lacs in the last year and has received dividends amounting to Rs. 0.63 lacs as against Rs. 14.96 lacs in the last year. No dividend was received from Inarco Ltd. during the year.

ARI CONSOLIDATED INVESTMENTS LIMITED

During the year the Company commenced a new business of promoting Metallic Card Clothing products and earned commission of Rs. 12.23 lacs. However, the promotion cost during the year in the form of service charges was Rs. 12.17 lacs. The Company has incurred an additional expense of Rs. 12.99 lacs towards obtaining management consultancy services.

The Company has invested the available funds in Equity shares and Inter Corporate Deposits.

5. STATUTORY INFORMATION

- (i) There are no employees covered under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.
- (ii) Since the Company does not have any manufacturing activity the particulars in the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.
- (iii) The Company has earned Commission Income in foreign currency amounting to Rs. 12,23,013. There is no outgo of foreign exchange.

6. DIRECTORS

In accordance with provisions of Section 256 of the Companies Act, 1956 Mr. H.F. Mehta and Mr. P.K. Sampathkumar retires by rotation at the 57th Annual General Meeting and being eligible offer themselves for re-appointment.

7. Y2K

The Company is Y2K Compliant.

8. AUDITORS

Messrs. K.S. Aiyar & Company, Chartered Accountants retires as Auditors of the Company and are eligible for re-appointment.

For and on behalf of
ARI CONSOLIDATED INVESTMENTS LIMITED

HEMRAJ C. ASHER
CHAIRMAN

Mumbai: 10th May, 2000

ARI CONSOLIDATED INVESTMENTS LTD.**AUDITORS' REPORT**

TO THE MEMBERS OF
ARI CONSOLIDATED INVESTMENTS LTD.

Report on the Accounts for the year ended 31st March, 2000 in compliance with Section 227(2) of the Companies Act, 1956

We have examined the attached Balance Sheet and Profit and Loss Account annexed thereto, which are in agreement with the Company's books of account.

As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of provisions of Section 227(4A) of the Companies Act, 1956, in our opinion, and on the basis of such checks of the books and records as we considered appropriate, and according to the information and explanations given to us during the normal course of audit, which were necessary to the best of our knowledge and belief, we report that –

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. These assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- b) None of the fixed assets have been revalued during the year.
- c) As there was no manufacturing activity during the year and no inventory was maintained, the question of commenting on physical verification, discrepancy and valuation of inventory does not arise.
- d) The company has not accepted loan/deposits from the companies listed in the register maintained pursuant to section 301 of the Companies Act, 1956. We have been informed that there are no companies under the same management within the meaning of Section 370(1-B) of the Companies Act, 1956.
- e) The Company has not given any loans, secured or unsecured to companies, firms, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The provision of section 370 of the Companies Act, 1956, are not applicable with effect from 31st October, 1998.
- f) The Company has not given any loans or advances to any parties.
- g) In the absence of any manufacturing or trading activity during the year, we are unable to comment on the internal control as per clause 4A(x), (xii) & (xiv) of the order.
- h) In respect of services rendered to a company listed in the register maintained under Section 301 of the Companies Act, 1956, exceeding Rs. 50,000/- in value, as per the information and explanations given to us, the rates charged are reasonable having regard to the nature of services, which are not comparable with market rate, as the services are of specialised nature.