

ARI CONSOLIDATED INVESTMENTS LIMITED



ANNUAL REPORT 2000-2001

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

Report Junction.com

REGISTERED & EXECUTIVE OFFICE

UNION BANK BUILDING, 4TH FLOOR

70, BOMBAY SAMACHAR MARG

FORT, MUMBAI 400 023

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 Eighth 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 Tuesday, the 27th November, 2001 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, 2001 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare a dividend for the year ended 31st March 2001.
3. To appoint a Director in place of Mr. C.K.Thanawala who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Kavas Patel who retires by rotation and being eligible offers himself for re-appointment.
5. 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
HEMRAJ C. ASHER
CHAIRMAN

Mumbai, October 29, 2001

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 Saturday, 24th November, 2001 to Tuesday, 27th November, 2001.*
- 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 Eighth Annual Report with the Audited Accounts of the Company for the year ended 31st March, 2001.

	<u>2000-2001</u>	<u>1999-2000</u>
	<u>Rs.</u>	<u>Rs.</u>
1. FINANCIAL PERFORMANCE		
Income before Depreciation and Income Tax	78,27,825	67,71,139
Depreciation on Fixed Assets	<u>8,28,261</u>	<u>8,70,297</u>
Profit before tax	69,99,564	59,00,842
Provision for Income tax	<u>31,25,000</u>	<u>28,00,000</u>
Profit after tax	38,74,564	31,00,842
Balance brought forward	<u>1,31,39,609</u>	<u>1,12,24,128</u>
Available for Appropriation	1,70,14,173	1,43,24,970
Appropriation:		
Interim Dividend	--	9,28,215
Proposed Dividend	9,28,215	--
Tax on Distributed Profits	94,678	1,02,104
Transfer to General Reserve	<u>1,93,728</u>	<u>1,55,042</u>
	12,16,621	11,85,361
Balance carried to Balance Sheet	<u>1,57,97,552</u>	<u>1,31,39,609</u>

2. REVIEW OF OPERATIONS

The Company registered Pre-Tax Profit of Rs. 70.00 lacs as compared to Rs. 59.00 lacs of last year - an increase of 19 % over the previous year.

During the year the Company continued earning rent income from its assets at Bhavnagar and Dividend Income. During the year, Inarco Limited, a Textile Component Manufacturing Company, in which the Company was a 50% Equity shareholder, became a Wholly Owned Subsidiary.

3. DIVIDEND

The Directors recommend a Dividend of 15% i.e. Rs. 15/- per Equity Share of Rs. 100/- each. (Previous year - Interim Dividend Rs. 15/- per Equity Share of Rs. 100/- each).

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4. SUBSIDIARY

By virtue of the approval of Scheme of Arrangement between Inarco Ltd. and Armstrong World Industries (India) Ltd. for transfer of Inarco's Flooring Division to Armstrong World Industries (India) Ltd., by the Hon'ble High Court, Mumbai vide its order dated 14th July, 2000, and upon the implementation of the Court Order, Inarco Limited became a wholly owned subsidiary of the Company during the year under review.

The Report and Accounts of the Subsidiary Company are annexed to this report along with the statement pursuant to Section 212 of the Companies Act, 1956.

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. 29,86,589 (Previous year 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. C.K.Thanawala and Mr. Kavas Patel retire by rotation at the 58th Annual General Meeting and being eligible offer themselves for re-appointment.

7. AUDITORS

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

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies (Amendment) Act, 2000, your Directors confirm that to the best of their knowledge and belief and according to the information and explanations available to them:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed;

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- (b) appropriate accounting policies have been selected and applied consistently, and have 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 March 31, 2001 and the profit of the Company for the year April 1, 2000 to March 31, 2001;
- (c) proper and sufficient care has been taken 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 ; and
- (d) the annual accounts have been prepared on a going concern basis

For and on behalf of the Board of Directors
ARI CONSOLIDATED INVESTMENTS LIMITED

Mumbai, October 29, 2001

HEMRAJ C. ASHER
CHAIRMAN



ARI CONSOLIDATED INVESTMENTS LTD.

AUDITORS' REPORT

TO THE MEMBERS OF
ARI CONSOLIDATED INVESTMENTS LTD.

Report on the Accounts for the year ended 31st March, 2001 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, is 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.

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- 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.
- i) The Company has not accepted any deposit during the year.
- j) The Company has an internal audit system commensurate with the size and nature of its business.
- k) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the product of the Company.
- l) The Company is regular in depositing Provident Fund dues with the appropriate authorities. There are no employees covered under Employees' State Insurance Act.
- m) No personal expenses have been charged to Profit and Loss Account.
- n) As per the information and explanations given to us, the provisions of The Sick Industrial Companies (Special Provision) Act, 1985 are not applicable to the Company.

Further to the above:

- i) We have obtained all the information and the 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 company has during the year 1996-97 transferred to profit and loss account a sum of Rs. 99,54,997/- from revaluation reserve created in the same year. Out of the same Rs. 73,01,629/- is unrealized and, therefore, in our opinion, is not in accordance with the generally accepted accounting principles.*
- iv) In our opinion, the Profit and Loss account and the Balance Sheet comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

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- v) According to the information and explanations given to us and on the basis of the written representations received from the directors and taken on record by the Board of Directors we report that, none of the Directors of the Company is disqualified as on March 31, 2001 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us the said accounts read together with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

1. in the case of the Balance Sheet of the state of affairs as at 31st March, 2001 and
2. in the case of the Profit and Loss Account of the profit of the Company for the year ended on that date.

For K.S. AIYAR & CO.
CHARTERED ACCOUNTANTS

Mumbai, 29 October, 2001

R. Prabhu
PARTNER



ARI CONSOLIDATED INVESTMENTS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2001

	<u>SCHEDULE</u>	<u>2000-01</u>	<u>2000-01</u>	<u>1999-00</u>
		Rs.	Rs.	Rs.
<u>SOURCES OF FUNDS</u>				
<u>SHAREHOLDERS' FUNDS</u>				
a) Capital	1	61,88,100		61,88,100
b) Reserves & Surplus	2	<u>2,02,41,811</u>		<u>1,77,02,313</u>
			2,64,29,911	<u>2,38,90,413</u>
		TOTAL	<u><u>2,64,29,911</u></u>	<u><u>2,38,90,413</u></u>
<u>APPLICATION OF FUNDS</u>				
<u>FIXED ASSETS</u>				
a) Gross Block	3	2,18,04,888		2,18,04,888
b) Less: Depreciation		<u>1,02,54,705</u>		<u>91,14,271</u>
c) Net Block			1,15,50,183	<u>1,26,90,617</u>
<u>INVESTMENTS</u>	4		97,31,500	38,31,500
<u>CURRENT ASSETS, LOANS & ADVANCES</u>				
a) Sundry Debtors	5	89,11,092		53,44,934
b) Cash & Bank Balances	6	33,96,041		75,87,916
c) Loans & Advances	7	<u>1,07,15,748</u>		<u>92,33,366</u>
		2,30,22,881		<u>2,21,66,216</u>
Less: <u>CURRENT LIABILITIES & PROVISIONS</u>	8			
a) Liabilities		49,60,760		50,01,601
b) Provisions		<u>1,29,13,893</u>		<u>97,96,319</u>
		<u>1,78,74,653</u>		<u>1,47,97,920</u>
NET CURRENT ASSETS			51,48,228	<u>73,68,296</u>
		TOTAL	<u><u>2,64,29,911</u></u>	<u><u>2,38,90,413</u></u>

Notes to Accounts 11

Per our report attached
For K.S.AIYAR & CO.
Chartered Accountants

R.Prabhu
Partner
MUMBAI, 29 October, 2001

For and on behalf of Board of Directors
H.C. Asher - Chairman
H.F. Mehta - Director
C.K. Thanawala - Director

MUMBAI, 29 October, 2001