

ARI CONSOLIDATED INVESTMENTS LIMITED



ANNUAL REPORT 2002-2003

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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

BANKERS
UNION BANK OF INDIA
STATE BANK OF INDIA

REGISTERED & EXECUTIVE OFFICES

UNION BANK BUILDING
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 60th 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 Monday, the 29th March, 2004 at 3.45 p.m. for the purpose of transacting the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2003 and Profit and Loss Account for the year ended on June 30, 2003 and the Reports of the Directors and the Auditors thereon.
2. To declare a dividend for the year ended June 30, 2003.
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. P.K.Sampathkumar 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, February 26, 2004

NOTES:

- D. 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.*
- E. The Register of Members and the Share Transfer Books will remain closed from Thursday, 25th March 2004 to Monday, 29th March 2004 (both days inclusive) for the purpose of the of payment of dividend to be declared .*
- F. 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 60th Report with the Audited Accounts of the Company for the 12 months period from July 01, 2002 to June 30, 2003.

1. FINANCIAL PERFORMANCE

	<u>12 Months</u> <u>July 01,2002</u> <u>to June</u> <u>30,2003</u> <u>Rs.</u>	<u>15 Months</u> <u>April 01,2001</u> <u>to June</u> <u>30,2002</u> <u>Rs.</u>
Profit before Depreciation and Income Tax	3,806,700	8,387,372
Depreciation	773,828	214,503
Profit before Income Tax	3,032,872	8,172,869
Provision for Income tax	1,525,000	3,450,000
Profit after Income Tax	1,507,872	4,722,869
Balance brought forward	19,665,467	15,797,552
Add: Proposed Dividend of 01-02 being unapproved written back	618,810	--
Available for Appropriation	21,792,149	20,520,421
Appropriation:		
Proposed Dividend	990,096	618,810
Tax on Distributed Profits	126,832	--
Transfer to General Reserve	113,090	236,144
Balance carried to Balance Sheet	20,562,131	19,665,467

2. REVIEW OF OPERATIONS

The current year's accounts are for 12 months period from July 01, 2002 to June 30, 2003 as compared to previous year accounts which were for 15 months period from April 01, 2001 to June 30, 2002, and hence not comparable.

ARI CONSOLIDATED INVESTMENTS LIMITED

The Company registered pre-tax profit of Rs. 30.33 lacs for the current year as compared to Rs. 81.73 lacs of last accounting period of 15 months.

During the current year the Company continued earning rent income from its assets at Bhavnagar and dividend income from investments.

3. DIVIDEND

The Directors recommend a dividend of 16% i.e. Rs. 16/- per Equity Share of Rs. 100/- each. (Previous period – recommended 10%).

4. AUDITORS' REPORT

The observations made by the Auditors in their report on the revaluation reserve have been duly clarified in the relevant notes forming part of the Annual Accounts, which are self-explanatory.

5. SUBSIDIARY COMPANY

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.

6. 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 provisions of the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

7. DIRECTORS

In accordance with provisions of section 256 of the Companies Act, 1956, Mr. C.K.Thanawala and Mr. P.K.Sampathkumar retire by rotation at the 60th Annual General Meeting and being eligible offer themselves for re-appointment.

ARI CONSOLIDATED INVESTMENTS LIMITED**8. AUDITORS**

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

9. 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 made available to them:

- (a) in the preparation of the 12 months accounts, the applicable accounting standards have been followed;
- (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 June 30, 2003 and the profit of the Company for the 12 months period from July 1, 2002 to June 30, 2003;
- (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 12 months accounts have been prepared on a going concern basis.

10. Information required on the Balance Sheet Abstract and the Company's General Business Profile under Part IV of Schedule VI to the Companies Act, 1956, inserted by notification no. GSR 388(E), dated 15.5.1995 is given in Annexure I to this report.

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

HEMRAJ C. ASHER
CHAIRMAN

Mumbai, February 26, 2004

ARI CONSOLIDATED INVESTMENTS LIMITED

ANNEXURE I TO THE DIRECTORS' REPORT

The Companies Act (1 of 1956) SCHEDULE VI - PART IV**BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details

Registration No. State Code Balance Sheet date

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue Rights Issue Bonus Issue Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets

Sources of Funds:

Paid-up Capital Reserves & Surplus Secured Loans Unsecured Loans

Application of Funds:

Net Fixed Assets Investments Net Current Assets Misc. Expenditure

Accumulated Losses

IV. Performance of Company (Amount in Rs. Thousands)

Turnover Total Expenditure Profit/Loss before tax Profit/Loss after tax

(Please tick Appropriate box + for Profit – for Loss)

Earning per share in Rs. Dividend Rate %

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

Product Description

N.A.
RENTAL INCOME OF
ASSETS AND INCOME
FROM INVESTMENTS

ARI CONSOLIDATED INVESTMENTS LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of ARI Consolidated Investments Ltd., as at 30th June, 2003 and also the Profit and Loss Account for the year ended on that date annexed thereto and 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.

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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph (3) above, we report that:

- (i) 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 this report are in agreement with the books of account;
- (iv) *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. During the current accounting year out of the Rs. 99,54,997/- an amount of Rs. 58,04,304/- is unrealized and, therefore, in our opinion, is not in accordance with the generally accepted accounting principles;*

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- (v) 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 to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (vi) On the basis of the written representations received from the Directors as on 30.06.2003 and taken on record by the Board of Directors, we report that, none of the Directors of the Company are disqualified as on 30.06.2003 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vii) *Subject to (iv) above*, in our opinion and to the best of our information and according to the explanations given to us, the said 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:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th June, 2003;
 - (b) in the case of the Profit and Loss Account, of the Profit 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 K.S.Aiyar & Co.,
Chartered Accountants

Place: Mumbai
Date: February 26, 2004

(Ramkrishna Prabhu)
Partner
Membership No. 38959