

ARI CONSOLIDATED INVESTMENTS
LIMITED

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ANNUAL REPORT 2004-2005

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 62nd 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 November 30, 2005 at 3 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, 2005 and Profit and Loss Account for the year ended on March 31, 2005 and the Reports of the Directors' and the Auditors' thereon.
2. To declare a dividend for the year ended on March 31, 2005.
3. To appoint a Director in place of Mr. H.F. Mehta who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. C.K.Thanawala 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.

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

Mumbai
Date: October 31, 2005

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 Saturday, 26th November 2005 to Wednesday, 30th November 2005 (both days inclusive) for the purpose of the of payment of dividend to be declared.*
- 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 62nd Report with the Audited Accounts of the Company for the year ended March 31, 2005.

1. FINANCIAL PERFORMANCE

PARTICULARS	<u>12 Months</u> <u>April 01,2004</u> <u>to March</u> <u>31,2005</u> <u>Rs.</u>	<u>9 Months</u> <u>July 01,2003</u> <u>to March</u> <u>31,2004</u> <u>Rs.</u>
Profit before Depreciation and Income Tax	6,182,882	3,181,991
Depreciation	755,160	576,461
Profit before Income Tax	5,427,722	2,605,530
Provision for Income tax	2,300,000	1,425,000
Less: Short provision of Income Tax of earlier years	106,087	162,392
Profit after Income Tax	3,021,635	1,018,138
Balance brought forward	20,851,064	20,562,131
Available for Appropriation	23,872,699	21,580,269
Appropriation:		
Proposed Dividend	990,096	618,810
Tax on Distributed Profits	138,865	80,880
Transfer to General Reserve	227,000	29,515
Balance carried to Balance Sheet	22,516,738	20,851,064

2. REVIEW OF OPERATIONS

The current year's accounts are for 12 months period from April 01, 2004 to March 31, 2005, as compared to previous period accounts which were for 9 months period from July 01, 2003 to March 31, 2004, hence not comparable.

The Company registered pre-tax profit of Rs. 54.28 lacs for the current year as compared to Rs. 26.06 lacs of last period (9 months).

During the period under consideration the Company continued earning rent income from its assets at Bhavnagar and income from investments.

The Company's Accounts under consideration are being presented alongwith the Consolidated Accounts after receiving the Annual Accounts of its wholly owned

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Subsidiary Company - Inarco Limited on September 30, 2005. In compliance with the requirements of the of the Section 210 of the Companies Act, 1956, the Company has received permission from the Registrar of Companies, Maharashtra, Mumbai, to hold the Annual General Meeting of the Company on or before November 30, 2005.

3. DIVIDEND

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

4. AUDITORS' REPORT

The observation made by the Auditors in their report on the revaluation reserve has been duly clarified in the relevant note forming part of the Annual Accounts, which is self-explanatory.

5. SUBSIDIARY COMPANY

The Report and Annual 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. H.F.Mehta and Mr. C.K.Thanawala retire by rotation at the 62nd Annual General Meeting and being eligible offer themselves for re-appointment.

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:

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- (a) in the preparation of the Annual 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 March 31, 2005 and the profit of the Company for the year ended on March 31, 2005.
 - (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.
10. Secretarial Compliance Certificate issued by a practicing Company Secretary as required under section 383 A of the Companies Act, 1956 is attached as Annexure I to this report.
11. 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 II to this report.

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

Mumbai
Date: October 31, 2005

HEMRAJ C. ASHER
CHAIRMAN

ARI CONSOLIDATED INVESTMENTS LIMITED

ANNEXURE I TO THE DIRECTORS' REPORT

FORM

[SEE RULE 3]

Secretarial Compliance Certificate

Registration No.: 11 - 10052

Authorised Capital: Rs. 75,00,000

Paid up Capital: Rs. 61,88,100

To,

The Members

ARI Consolidated Investments Limited

We have examined the registers, records, books and papers of **ARI Consolidated Investments Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31, 2005. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year ended on March 31, 2005:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under except, form no. 23 in respect of amendment of Articles of Association by special resolution passed on December 31, 2004 (subsequently filed on September 01, 2005).
3. The company being a public limited company, comments are not required.
4. The Board of Directors duly met five times on 29th April, 2004, 19th July, 2004, 25th October, 2004, 2nd December, 2004 and 25th January, 2005 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company closed its Register of Members from 27th December 2004, to 31st December 2004 and necessary compliance of section 154 of the Act has been made.
6. The annual general meeting for the Accounting Period from 1st July 2003, to 31st March 2004 was held on 31st December, 2004 as per extension of time for holding the AGM granted by Registrar of Companies, vide letter no. 11-10052-TA/752 dated 1st December, 2004 after giving due notice to the members of the company. The

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- resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year ended on March 31, 2005.
 8. The company has not advanced any loans to its Directors or persons or Firms or companies referred in the section 295 of the Act.
 9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
 10. The company has made necessary entries in the register maintained under section 301 of the Act.
 11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.
 12. Duly constituted committee of Directors has approved the issue of duplicate share certificates.
 13.
 - (i) The company has delivered all the certificates on lodgment thereof for transfer/transmission in accordance with the provisions of the Act. There was no allotment of shares during the financial year ended on March 31, 2005.
 - (ii) The company has declared dividend of 10% at the AGM held on 31st December, 2004 and deposited the amount of dividend declared in a separate Bank account with Union Bank of India on 3rd January, 2005 which is within 5 days from the date of declaration of such dividend.
 - (iii) The company has paid / posted cheques for dividends to all the members within a period 30 (thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to unpaid dividend account of the company with Union Bank of India.
 - (iv) No amount is lying with the company in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years which require transfer to Investor Education and Protection Fund.
 - (v) The Company has duly complied with the requirements of section 217 of the Act.
 14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year ended on March 31, 2005.

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15. The provisions of section 269 of the Act with regard to appointment of Managing Director / Whole-time Director / Manager are not applicable hence the Company has no Managing Director.
16. The company has not appointed any sole-selling agents during the financial year ended on March 31, 2005.
17. The company was not required to obtain any approvals of the Company Law Board, Regional Director, Registrar and/ or such other authorities prescribed under the various provisions of the Act during the financial year ended on March 31, 2005.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares, debentures or other securities during the financial year ended on March 31, 2005.
20. The company has not bought back any shares during the financial year ended on March 31, 2005.
21. There was no redemption of preference shares or debentures during the financial year ended on March 31, 2005.
22. There were no transactions necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited / accepted any deposits including any unsecured loans falling within the purview of sections 58A during the financial year ended on March 31, 2005.
24. During the financial year ended on March 31, 2005, the Company has borrowed from Cholamandalan Investments & Finance Company Ltd. a loan of Rs. 20.00 lacs which is within the borrowing limits of the Company and that necessary resolution as per section 293 (1) (d) of the Act have been passed in duly convened Annual General Meeting held on 27th June, 1985.
25. The company has made loans and investments to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose during the financial year ended on March 31, 2005.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the period under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the period under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the period under scrutiny.

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29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the period under scrutiny.
30. The company has altered its articles of association during the financial year ended on March 31, 2005, after approving approval of members in the Annual General Meeting held on 31st December, 2004.
31. There was no prosecution initiated against or show cause notices received by the company and no fines and penalties or any other punishment imposed on the company during the financial year ended on March 31, 2005 for offences under the Act.
32. The company has not received any money as security from its employees during the financial year ended on March 31, 2005.
33. The company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Place: Mumbai
Date: September 5, 2005

FOR N.L.BHATIA & ASSOCIATES
Company Secretaries

N. L. Bhatia
C.P. No.422

