

DIRECTORS' REPORT

To,
The Members of
ARI Consolidated Investments Limited.

Your Directors present their 68th Report with the Audited Accounts of the Company for the year ended March 31, 2011.

1. FINANCIAL PERFORMANCE

PARTICULARS	2010-11 Rs.	2009-10 Rs.
Profit / (Loss) Before Depreciation and Income Tax	14,812,921	11,654,888
Depreciation	13,95,664	60,403
Profit / (Loss) Before Income Tax	13,417,257	11,594,485
Provision for Income Tax, Deferred Tax and Fringe Benefit Tax	600,145	946,301
Short/ (Excess) Provision of Income Tax of prior years	(411,106)	481,108
Profit / (Loss) after Income Tax	13,228,218	10,167,076
Balance Brought Forward	35,799,922	31,572,607
Available for Appropriation	49,028,139	41,739,683
Appropriation:		
Proposed Dividend	2,475,240	2,475,240
Tax on Distributed Profits	411,106	411,106
Transfer to General Reserve	1,359,073	1,020,000
Transfer to Reserve Fund u/s 45-IC of RBI Act, 1934	2,646,274	2,033,415
Balance carried to Balance Sheet	42,136,446	35,799,922

2. REVIEW OF OPERATIONS

The Company registered pre tax profit of Rs.134.17 lacs for the current year mainly on account of income from business center services and profit on sale of investments.

During the year the Company acquired an office premises at Lower Parel in Mumbai and shifted its registered office. Part of the new office is utilized by the Company as business center on monthly rental.

During the year under consideration the Company continued earning rent income from its assets at Bhavnagar.

The Company's Accounts under consideration are being presented along with the Consolidated Accounts after receiving the Annual accounts of its wholly owned Subsidiary Company – Inarco Limited on June 3, 2011

ARI CONSOLIDATED INVESTMENTS LIMITED

3. DIVIDEND

The Directors recommend dividend of 40% i.e Rs.40/- per Equity Share of Rs.100/- each.

4.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.

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

6.DIRECTORS

Mr.N.B.Javeri retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

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 made available to them:

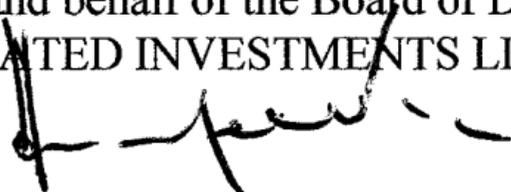
- (a) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
- (b) appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March31, 2010 and the profit of the Company for the year ended March31, 2011.
- (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 the preventing and detecting fraud and other irregularities; and
- (d) the Annual Accounts have been prepared on a going concern basis.



ARI CONSOLIDATED INVESTMENTS LIMITED

9. 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.

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



H.F. MEHTA
CHAIRMAN

Mumbai,
Date: 20th June 2011



FORM

[SEE RULE 3]

Secretarial Compliance Certificate

CIN No.: L17110MH1943PLC010052

Paid up Capital: Rs.61, 88,100/-

To,
The Members
ARI Consolidated Investments Limited

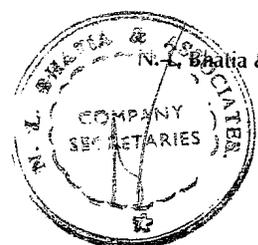
We have examined the registers, records, books and papers of **ARI Consolidated Investments Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. 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:

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.
3. The Company, being a Public limited Company, comments are not required regarding minimum prescribed paid up capital and maximum number of members as applicable to private limited company.
4. The Board of Directors duly met Six times on , 9th June, 2010 ,28th June, 2010, 27th July, 2010, 3rd September, 2010 , 27th October, 2010 and 28th January, 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company closed its Register of Members from 28/08/2010 to 03/09/2010 during the financial year.
6. The annual general meeting for the financial year ended on 31stMarch, 2010 was held on 3rd September, 2010.
7. No extra ordinary general meeting was held during the financial year ended on March 31, 2010.
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.



& Associates

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. The Company has not issued of Duplicate Share Certificate made during the Financial Year.
13.
 - (i) There was no allotment during the financial year; the Company has delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) The company has deposited the amount of dividend declared in a separate Bank account on 8th September, 2010 during the financial year.
 - (iii) The company posted warrants for dividend to all members within a period of 30 days from the date of declaration and that all unpaid / unclaimed dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank, Mumbai.
 - (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. During the financial year, Ms. Maya Bhandari was appointed as an additional director and she was also appointed as a regular director at the Annual General Meeting during the financial year ended on March 31, 2011.
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, 2011.
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, 2011.
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, 2011.
20. The company has not bought back any shares during the financial year ended on March 31, 2011.
21. There was no redemption of preference shares or debentures during the financial year ended on March 31, 2011.
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 with the purview of sections 58A during the financial year ended on March 31, 2011.



24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31st March, 2011 is/ are within the borrowing limits of the Company and that necessary resolutions as per section 293 (1) (d) of the act have been passed through Postal Ballot.
25. The company is registered as NBFC having registration number N-1301879 and 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, 2011.
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 year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association during the financial year
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, 2011 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, 2011.
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: 21st April, 2011.



For N. L. Bhatia & Associates
Company Secretaries

Bharat R. Upadhyay B.R.

Bharat R. Upadhyay
CP No.4457

Registers as maintained by the Company

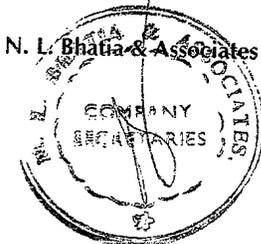
1. Registers of Members u/s 150
2. Minutes book of General meeting and Board meeting
3. Register of Directors u/s 303
4. Register of Directors Shareholding u/s 307
5. Register of Investment u/s 372A
6. Register of Share Transfer
7. Attendance Register for Board Meeting
8. Register of Charges
9. Register of Duplicate Share Certificate issued



Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on March 31, 2011.

Sr. No	Form No./ Return	Filed under section	For	Date of Filing	Whether filed within prescribed time yes/no	If delay in filing whether requisite additional fee paid yes/no
1.	Annual Return Form-20B	159	Annual General Meeting held on 3 rd September, 2010.	21/09/2010	Yes	NA
2.	Compliance certificate Form 66	383A	Financial year ended 31 st March, 2010.	08/09/2010	Yes	NA
3.	Form 23 AC, 23 ACA	220	Balance Sheet and Profit and loss account for the Financial Year Ended 31/03/2009	11/06/2010	No	Yes
4.	Form 23 AC, 23 ACA	220	Balance Sheet and Profit and loss account for the Financial Year Ended 31/03/2010	04/10/2010	Yes	NA
5.	Form 62	192A	Calendar of Events for Postal Ballot	28/02/2010	Yes	NA
6.	Form 32	303(2)	In respect of appointment of Ms. Maya Bhandari as an Additional Director w.e.f. 28.06.2010.	02/09/2010	No.	Yes
7.	Form 32	303(2)	In respect of appointment of Ms. Maya Bhandari as Regular Director w.e.f. 03.09.2010.	20/04/2011	No.	Yes
8.	Form 23 B	224	Notice of appointment by Auditor.	08/09/2010	Yes	NA
9.	Form 8	132	Creation of Charge in Favour of Kotak Mahindra Bank Ltd. for loan of Rs. 4,20,00,000	01/10/2010	Yes	NA
10.	Form 23	293(1) (d)	Increase in borrowing power from Rs. 3 crores to Rs. 10 crores- resolution passed through Postal Ballot.	20/04/2011	No.	Yes



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Auditor's Report

To,
The Members of ARI Consolidated Investments Limited.

1. We have audited the attached Balance Sheet of **ARI Consolidated Investments Limited**, as at 31st March, 2011 and also the Profit and Loss Account 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 ('the Order) 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.
4. 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.