

# ARI Consolidated Investments Limited

## DIRECTORS' REPORT

To,  
The Members of  
ARI Consolidated Investments Limited.

Your Directors present their 69th Report with the Audited Accounts of the Company for the year ended March 31, 2012.

### 1.FINANCIAL PERFORMANCE

| PARTICULARS   | 2011-12<br>Rs. | 2010-11<br>Rs. |
|---|----------------|----------------|
| Profit /(Loss) Before Depreciation and Income Tax             | 11,502,536     | 14,812,921     |
| Depreciation  | 5,424,140      | 13,95,664      |
| Profit / (Loss) Before Income Tax                             | 6,078,396      | 13,417,257     |
| Provision for Income Tax, Deferred Tax and Fringe Benefit Tax | 1,097,055      | 600,145        |
| Short/ (Excess) Provision of Income Tax of prior years        | (656,935)      | (411,106)      |
| Profit / (Loss) after Income Tax                              | 5,638,276      | 13,228,218     |
| Balance Brought Forward                                       | 42,136,445     | 35,799,920     |
| Available for Appropriation                                   | 47,774,721     | 49,028,138     |
| <b>Appropriation:</b>   |                |                |
| Proposed Dividend   | 2,475,240      | 2,475,240      |
| Tax on Distributed Profits                                    | 411,106        | 411,106        |
| Transfer to General Reserve                                   | 563,828        | 1,359,073      |
| Transfer to Reserve Fund u/s 45-IC of RBI Act, 1934           | 1,127,716      | 2,646,274      |
| Balance carried to Balance Sheet                              | 43,196,831     | 42,136,445     |

### 2. REVIEW OF OPERATIONS.

The Company registered pre tax profit of Rs.60.78 lacs for the current year. Depreciation charge for the current year was higher at Rs. 54.24 lacs on account of the new office premises part of which was utilized during the year as business centre.

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 May 30, 2012.

### 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.H.F.Mehta retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

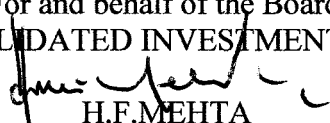
## 7. AUDITORS

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 March 31, 2012 and the profit of the Company for the year ended March 31, 2012.
  - (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.
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

## FORM

[SEE RULE 3]

### Secretarial Compliance Certificate

CIN No.: L17110MH1943PLC010052

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

To,

The Members

**ARI Consolidated Investments Limited**

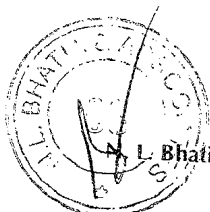
We have examined the registers, records, books and papers of **ARI Consolidated Investments Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and-Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2012. 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 is 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 Five times on , 3<sup>rd</sup> May, 2011 , 20<sup>th</sup> June, 2011, 10<sup>th</sup> August, 2011, 31<sup>st</sup> October, 2011 and 31<sup>st</sup> January, 2012 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 04/08/2011 to 10/08/2011 during the financial year.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2011 was held on 10<sup>th</sup> August, 2011.
7. No Extra-Ordinary General Meeting was held during the financial year ended on 31<sup>st</sup> March, 2012.
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.



N. L. Bhatia & 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 10<sup>th</sup> August, 2011 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 & there was no appointment or cessation of any Director during the financial year.
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 31<sup>st</sup> March, 2012.
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 31<sup>st</sup> March, 2012.
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 31<sup>st</sup> March, 2012.
20. The company has not bought back any shares during the financial year ended on 31<sup>st</sup> March, 2012.
21. There was no redemption of preference shares or debentures during the financial year ended on 31<sup>st</sup> March, 2012.
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 31<sup>st</sup> March, 2012.



24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31<sup>st</sup> March, 2012 is/ are within the borrowing limits of the Company of Rs. 10 crores and that necessary resolutions as per section 293 (1) (d) of the act have been passed through Postal Ballot on 30<sup>th</sup> July, 2010.
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 31<sup>st</sup> March, 2012.
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 31<sup>st</sup> March, 2012 for offences under the Act.
32. The company has not received any money as security from its employees during the financial year ended on 31<sup>st</sup> March, 2012.
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: 27<sup>th</sup> April, 2012



**For N. L. Bhatia & Associates**  
**Company Secretaries**

*[Handwritten signature]* 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, 2012.

| 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.     | Form 18                        | 146                 | Change of situation of Registered Office  | 04/04/2011     | Yes   | NA  |
| 2.     | Form 32                        | 303(2)              | In respect of Appointment of Miss. Maya Bhandari as Regular Director w.e.f.03rd September, 2010.  | 20/04/2011     | No  | Yes   |
| 3.     | 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   |
| 4.     | Form 11NV                      | Rule 3              | Transfer of unpaid dividend IEPF for AGM held on 30/06/2003 Rs.41,199/- paid on 10 <sup>th</sup> June,2011  | 15/06/2011     | Yes   | NA  |
| 5.     | Annual Return Form-20B         | 159                 | Annual General Meeting held on 10th August, 2011.   | 13/09/2011     | Yes   | NA  |
| 6.     | Compliance certificate Form 66 | 383A                | Financial year ended 31 <sup>st</sup> March, 2011.  | 13/09/2011     | No  | Yes   |
| 7.     | Form 11NV                      | Rule 3              | Transfer of unpaid dividend IEPF for AGM held on 31/12/2004 Rs.27,891/- paid on 17 <sup>th</sup> February,2012  | 22/02/2012     | Yes   | NA  |
| 8.     | Form 23 AC, 23 ACA             | 220                 | Balance Sheet and Profit and loss account for the Financial Year Ended 31/03/2011   | 15/03/2012     | No  | Yes   |
| 9.     | Form 23                        | 293(1) (e)          | Ordinary Resolution approved by the members on 10/08/2011 for Contribution To Any Charitable Institution During The Any Financial Year Upto Rs.20 Lacs. | 27/04/2012     | 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 31<sup>st</sup> March, 2012 and also the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.



- (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss 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 *except Accounting Standard – 21, “Consolidated Financial Statements” the impact thereof, if any, cannot be ascertained.*
- (v) On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) *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 read together with the notes thereon, 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 31<sup>st</sup> March, 2012;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For K. S. Aiyar & Co,**  
**Chartered Accountants**  
Registration No: 100186W



**Satish Kelkar**  
**Partner**

Membership No.: 38934

**Place: Mumbai**

**Date:** 14.3.2012

**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in paragraph 3 of our Report of even date on the Accounts for the year ended on March 31, 2012, of **ARI Consolidated Investments Limited.**)

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:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Most of the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of the assets.
- (c) During the year, the Company has not disposed off a substantial part of its fixed assets so as to affect it as a going concern.
- (ii) The Company does not carry any inventories hence the requirements of sub-clauses (a), (b) and (c) are not applicable.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub clauses (b), (c) and (d) are not applicable.
- (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, with regard to purchases of fixed assets and with regard to the sale of services. During the course of our audit, no major weaknesses have been noticed in the internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) Sub clause (b) is not applicable.