



Aridhi Hi-Tech Industries Limited



TWENTIETH ANNUAL REPORT 2004-2005

Aridhi Hi-Tech Industries Limited

Statutory Auditors

Deepak A. Shah
Chartered Accountants
Mumbai

Legal Advisors

Kiran Bhagalia
Advocate, Mumbai High Court

Registrars & Transfer Agents

Intime Spectrum
Registry Limited
C-13, Pannalal Silk Mills Compound
L B S Marg, Bhandup West
Mumbai – 400 078

Board of Directors

Chairman

Mr. Ram K. Piparaiya

Directors

Dr. Ashok K. Manghnani
Mr. Alok Gupta
Mrs. Aparna Piparaiya
Mr. Rishi Piparaiya
Mr. Shashi Gupta

Registered Office
C-106, Mittal Court
Nariman Point
Mumbai – 400 021

e-mail: info@aridhi.com

Websites:

www.aridhi.com
www.indusvista.com

Aridhi Hi-Tech Industries Limited

DIRECTORS REPORT TO THE MEMBERS

The Directors hereby present their report on the operations of the Company and its financial results for the year ended March 31, 2005.

1 Financial Results

	Rupees in lakhs	
	For the year ended March 31,	
	2005	2004
Total Income	170.75	70.75
Profit Before Tax	54.69	0.09
Provision for Tax		
Current Tax	16.10	2.25
Deferred Tax	-	(2.49)
Profit After Tax	38.59	0.33

With a view to conserve resources, the Directors regret their inability to recommend a dividend.

2. Operations

Income for the year under review includes three major items that were not there in the previous year: (i) Sale of shares held as stock-in-trade (Rs.44.28 Lakhs), (ii) Capital Gain on Sale of shares held as investment (Rs.18.38 Lakhs), and (iii) Capital Gain on slump sale of Deep Freeze Cold Stores undertaking at Sahibabad (Rs.13.65 Lakhs). The slump sale was completed at the close of the year after due consent of Members through a Postal Ballot, for which Mr. Sudesh Kumar V. Joshi, Chartered Accountant, acted as independent Scrutinizer. The Company now does not own any fixed assets and is ready to make a new beginning. In due course, the Company plans to approach its Members again for a change in its name to reflect its new activities and future direction.

In the meantime, the Company is continuing stock market investment activity, which it revived last year after some gap.

During the year under review, the Company earned a significantly higher dividend income of Rs.5.94 Lakhs (previous year Rs.1.08 Lakhs), on account of dividend on unlisted investment in Aridhi Holdings (P) Ltd., which is a dormant member of BSE. The Company is examining various options for this business as well.

The future of Company's publications division, *Indusvista Editions*, is also being looked at critically.

3. Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo

The Company has implemented energy conservation methods wherever possible. The Company has also pursued its own R&D. In accordance with the provision of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, full details are given in the Annexure.

Information relating to Foreign Exchange earnings and expenditure is contained in notes No.7 and 8 to the Accounts.

4. Particulars of Employees

The Company has no employees in the category specified under Section 217(2A) of the Companies Act, 1956.

5. Directors

Mr. Shashi Gupta and Alok Gupta, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment. Your Directors recommend their re-appointment.

At the AGM held on September 30, 2002, Mr. Ram K. Piparaiya, was appointed a Executive Director of the Company for a period of three years with effect from October 1, 2002. He will cease to be an Executive Director with effect from October 1, 2005, and he has conveyed his reluctance to seek reappointment. However, he will continue to serve a non-executive Director and Chairman of the Board of Directors.

6. Auditors

M/s Deepak A. Shah, Chartered Accountants, Mumbai retire at the forthcoming Annual General Meeting and have expressed their willingness to continue as Auditors of the Company for the forthcoming year, if re-appointed at the Annual General Meeting. The Company has received from them the Certificate under Section 224(IB) of the Companies Act, 1956, regarding their eligibility.

7. Subsidiaries

Nutra Foods (India) P. Ltd., ceased to be a subsidiary of the Company with effect from March 30, 2005. The Company now does not have any subsidiary.

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8. Deposits from Public

The Company has not raised any deposits from public.

9. Corporate Governance

A report on Corporate Governance is enclosed herewith.

10. Auditors' Report

The Auditors' Report to the Shareholders does not contain any qualifications.

11. Acknowledgements

Your Directors greatly appreciate the co-operation, support and services of the Shareholders and Employees of the Company.

12. Directors' Responsibility Statement

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors state that:

- (i) In the preparation of the annual accounts, all the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) The Company has selected such accounting policies and applied them consistently and made judgements 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 on 31st March 2005 and of the Profit & Loss Account of the company for the year ended on that date.
- (iii) The Company has taken proper and sufficient care 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.
- (iv) These Accounts have been prepared on a going concern basis.

Mumbai : August 27, 2005

On behalf of the Board of Directors
Ram K. Piparaiya (Chairman)

ANNEXURE TO DIRECTORS REPORT

FORM A

The Directors hereby present their report on the operations of the Company and its financial results for the year ended March 31, 2005.

	1 st April 2004 to 31 st March, 2005	1 st April 2003 to 31 st March, 2004
A Power & Fuel Consumption		
1. Electricity		
(a) Purchased units (kwh)	408,837	379,848
Total Amount (Rs.)	1,915,277	1,719,172
Average Rate (Rs./kwh)	4.69	4.53
(b) Own generation-		
(i) Through Diesel Generator, Units (kwh)	20,025	14,250
Units per litre of diesel oil (kwh)	2.86	2.85
Average cost (Rs./kwh)	8.92	7.87
2. Coal (Specify quality and where used)	Nil	Nil
3. Furnace Oil Quantity (K. Ltr.)	Nil	Nil
Total Cost Rs.	Nil	Nil
Average Cost / Units (Rs. K. Ltr.)	Nil	Nil
4. Others/Internal Generation	Nil	Nil
B Consumption per unit of production	N.A.	N.A.

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

FORM B

1. **Specific Areas in which R&D is carried out by the Company:** To reduce in power consumption in deep freeze Cold Storage, while maintaining required temperature round the clock.
2. **Benefits derived:** Successful completion of the R&D project can lead to significant cost reduction.
3. **Future plan of action:** Relevant R&D effort will be continued.
4. **Expenditure in R&D:** Not accounted separately.

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

1. Efforts made : Not Applicable
2. Benefits derived : Not Applicable
3. Imported Technology : Nil

FOREIGN EXCHANGE	- Earnings	Nil
	Outgo	Nil

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CORPORATE GOVERNANCE REPORT

1. Company's philosophy on code of governance

The Company believes that while its primary responsibility is to generate sustainable returns for all its stakeholders, it must also make a harmonious contribution to the socio-economic environment in which it operates. Toward these ends, the Company strives to follow two guiding principles.

- (i) The Company must not compromise on certain core values like Integrity, Statutory Compliance and Fairness in all of its internal or external dealings, transactions, financial statements or corporate announcements.
- (ii) The Company must always remain sensitive to the long-term societal implications of its businesses.

2. Board of Directors

The Board of Directors comprises of one executive director and five non-executive directors. The Chairman is an executive director. Three of the six directors are independent directors.

The composition of the Company's Board of Directors is in conformity with the listing agreement.

The Company does not have any nominee director on its Board. Except for the Chairman and one non-executive director, all other directors are liable to retire by rotation as per the provisions of the Company's Act, 1956.

The composition of the Board of Directors and other relevant details relating to them are given hereunder:

Sr. No.	Name of Director	Category	No. of other Directorships *	No. of membership of other Board committees	Attendance at Company's Board Meetings	Attendance in Last AGM
1.	Mr. Ram K. Piparaiya	Executive/ Chairman	Nil	Nil	7	Yes
2.	Mrs. Aparna Piparaiya	Non-executive	Nil	Nil	7	Yes
3.	Mr. Rishi Piparaiya	Non-executive	Nil	Nil	5	Yes
4.	Dr. Ashok Manghnani	Non-executive/ independent	Nil	Nil	3	No
5.	Mr. Alok Gupta	Non-executive/ independent	Nil	Nil	4	No
6.	Mr. Shashi Gupta	Non-executive/ independent	Nil	Nil	7	Yes

* Excludes directorship in private limited companies.

DATES OF BOARD MEETINGS: 28-4-2004, 17-7-2004, 28-8-2004, 31-10-2004, 31-01-2005, 17-2-2005 and 30-3-2005.

3. Audit Committee

The composition of the Audit Committee is as under:

1. Mr. Alok Gupta - Chairman
2. Mr. Shashi Gupta
3. Mrs. Aparna Piparaiya

The Chairman is a qualified Chartered Accountant. The first two members are independent directors. All the three members are non-executive directors.

TERMS OF REFERENCES OF AUDIT COMMITTEE:

- a) To ensure transparency, integrity, correctness, statutory compliance, and credibility of all financial statements or announcements before their submissions to the Board.
- b) To hold periodic discussions with statutory auditors on the scope and content of audit; and to recommend the appointment, removal and remuneration of auditors.



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- c) To review with management the adequacy of Company's internal control systems and the action taken on auditors' reports.
- d) To apprise the Board on the impact of accounting policies, standards and legislation.
- e) To examine and report on the Company's financial and risk management policies and major defaults if any.

DATE OF AUDIT COMMITTEE MEETING: 28-4-2004, 17-7-2004, 31-10, 2004 and 17-2-2005.

4. Remuneration of Directors

The Company has no pecuniary relationship or transaction with its Non-executive Directors other than payment of sitting fees to them for attending Board and Committee Meetings.

The executive director, Mr. Ram K. Piparaiya has been paid an all-inclusive remuneration of Rs.25,000/- p.m. as approved by the shareholders through a Special Resolution at the AGM held on September 30, 2002.

The Company does not have any perquisites, performance-linked incentive, bonus, stock option or any other benefit for any of its directors.

5. Shareholder's Committee

The Shareholder's Committee is headed by Mrs. Aparna Piparaiya, a non-executive director. Mr. Ram K. Piparaiya, Chairman of the Board of Directors and an executive director also serves as Compliance Officer.

- | | | |
|-------|--|-----|
| (i) | No. of Shareholder's complaints received | Nil |
| (ii) | No. of complaints not redressed and pending as on date | Nil |
| (iii) | No. of share transfers pending for more than a fortnight | Nil |

6. General Body Meeting

Location and time where last three Annual General Meetings were held are given below:

Financial Year	Date	Location of the Meeting	Time
2001-02	30-9-2002	C-106, Mittal Court, Nariman Point, Mumbai	1.30 p.m.
2002-03	30-9-2003	C-106, Mittal Court, Nariman Point, Mumbai	5.00 p.m.
2003-04	30-9-2004	C-106, Mittal Court, Nariman Point, Mumbai	5.00 p.m.

At the AGM held on September 30, 2004, the Members passed a Special Resolution allowing the Company to keep Register of Members and all related records at the premises of the Registrar and Transfer Agent, M/s. Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078.

In March 2005, the Company obtained and acted upon Members' consent through Postal Ballot for sale of its Cold Stores Undertaking at Sahibabad, Dist. Ghaziabad (U.P.). Shri Sudesh Kumar V. Joshi, Chartered Accountants, acted as scrutinizer for the said Postal Ballot. Votes in favor of the resolution amounted to 99.78% votes cast.

The Company also obtained Members' consent through the same Postal Ballot for making two associate companies its wholly owned subsidiaries. 99.61% of votes caste were in favor of the Resolution. Its implementation is planned to be completed in the current financial year.

The Company has not put forward any Special Resolution before the members at the ensuing Annual General Meeting.

7. Disclosures

The Company has been complying with all statutory requirements and no penalties or strictures have been imposed on it by SEBI, BSE or any regulatory or statutory body on any matter.

8. Means of Communication

The quarterly, half yearly and full year results are published in English (Free Press Journal or Economic Times) and Marathi (Navshakti or Maharashtra Times) daily newspapers. These are not