

NOTICE

NOTICE is hereby given that the NINETH Annual General Meeting of the Members of ARIHANT TOURNESOL LIMITED will be held on Saturday the 29th December 2001 at 11.00 A.M. at 74/1, Mardi Cross, Village Bhogaon, North Solapur, Dist. Solapur, Maharashtra to transact the following business:

1. To receive, consider and adopt the Directors' Report, Audited Profit & Loss Account for the year ended 30th June, 2001 and the Balance Sheet as on that date.
2. To appoint a Director in place of Mr.K.C.Sethi who retires by rotation and being eligible, offer himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

By order of the Board of Directors

K.C.Sethi
Chairman

Place : Mumbai
Date : 27th Sept., 2001

Registered Office:
74/1, Mardi Cross
Village Bhogaon
North Solapur
Dist.Solapur
Maharashtra

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER SUCH PROXIES SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and share transfer books of the company will remain closed from 26th to 29th December 2001 (both days inclusive).
3. The Members are requested to intimate to the Company at the registered office any change of address.

CERTIFIED TRUE COPY

For ARIHANT TOURNESOL LTD

W. G. S. S.

Managing Director

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**Aribant
TOURNESOL
LIMITED**

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Nariman Point, Mumbai 400 021
Phone : 2024359/5117 Fax : 2821776
E-mail : rksethi@bom3.vsnl.net.in

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting the Tenth Annual Report together with the Statement of Accounts for the year ended 30th June, 2001.

1. ECONOMIC SCENARIO :

During the year under review, the company's factory remained closed in view of the uneconomical operations due to the liberalised policy for import of edible oils by the Government. Due to international prices going down substantially the local market prices continue to remain weak in spite of hike in duty. The company's venture in the marketing of consumer packs also resulted in huge losses as lot of local players which were in the unregulated and unorganised sector resorted to malpractices viz. adulteration and shortage in weight. Due to the above mentioned problems, the company's stocks and contracts have settled at very low rates thereby incurring losses.

2. FINANCIAL PERFORMANCE:

The company had achieved a turnover of Rs.456.32 lakhs during July 2000 to June 2001.

3. REHABILITATION UNDER BIFR/PROGRESS ON DRT :

The Company continues to be sick as per the accounts finalised for the year ended on 30.6.2001. The Company will make efforts to get the rehabilitation package approved under Sick Industrial Companies Act, under the auspices of BIFR.

4. FUTURE PROSPECTS :

In view of the impending WTO pact, the company hopes that discussions with various MNC will bear the fruit.

DIVIDEND :

No dividend has been declared during the year.

6. DIRECTORS :

Mr.K.C. Sethi, Director of the Company, retires by rotation and being eligible offer himself for reappointment.



7. PARTICULARS OF EMPLOYEES :

There are no employees of the company who are drawing such salary as is required to be disclosed under Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975.

8. DIRECTORS' RESPONSIBILITY STATEMENT:

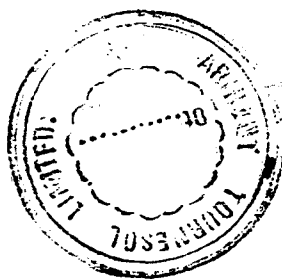
Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the financial year ended on 31st March, 2001, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (ii) the Directors have selected appropriate accounting policies and applied them consistently, and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2001 and of the profit of the Company for the said period.
- (iii) 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
- (iv) the Directors have prepared the accounts for the financial year ended on 31st March, 2001 on a "going concern" basis.

9. AUDITORS' REPORT :

The Auditors' Report referred certain points which are clarified as under:

- (a) The claim filed against the company for Rs.210.75 lakhs is without any material ground and is baseless. The company has sufficient legal protection against such claim. As such no provision has been made in this regard.
- (b) Advance payment made to the plant supplier for Refinery will be adjusted as and when the Refinery Plant delivery is taken from the supplier after rehabilitation of the Unit and as such presently there is no cause for providing the same in the accounts as doubtful.
- (c) The company had made an advance payment towards purchase of office premises and godown to Omega Investment & Properties Ltd., the Developer. The said advance will either be refunded by the Developer or the company will get an agreement for the sales registered at the time of possession which is the normal practice for booking premises in buildings under construction.
- (d) Due to prudent accounting policies, the amount is doubtful of recovery.



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- (e) The company has made lot of efforts to appoint a Company Secretary and is hopeful of appointing one very soon. However, the company has full-fledged secretarial department to handle all the matters on regular basis and it also seeks professional advises from time to time from practicing Company Secretary.
- (f) Amount due from Sundry Debtors, loans and advances outstanding, even though for a long period, the management feels that once the unit starts operations, some amount can be recovered.

10. **AUDITORS :**

The company's Auditors, M/s. R.B. Pandya & Co., Chartered Accounts are eligible for re-appointment

11. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**

There has been no foreign exchange earnings or outgo. There has been no technology absorption in the current year. The energy consumption has been rationalised and economised.

12. **INDUSTRIAL RELATIONS :**

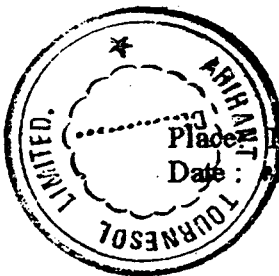
The Management has been successful in maintaining industrial peace and enjoys cordial relations with all its workers and staff

13. **ACKNOWLEDGEMENT :**

Yours Directors would also like to place on record their appreciation to the Banks, Institutions, Staff and Shareholders for their co-operation in the operation of the company.

For and on behalf of the Board of Directors


K.C. Sethi
Director.



Place: Mumbai
Date: 27th Sept, 2001

R. B. Pandya & Co.,
Chartered Accountants

308, Venkatesh Chambers,
Prescot Road, Fort,
Mumbai - 400 001.
Ø 207 0840 / 6799

AUDITOR'S REPORT

To,
The Members of,
ARIHANT TOURNESOL LIMITED

We have audited the attached Balance Sheet of **ARIHANT TOURNESOL LIMITED** as at 30th June, 2001 and also the annexed Profit and Loss Account of the Company for the year ended on that date, we report as under;

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said order to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in Paragraph - 1 above :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company inclusive maintenance of register of charges.
 - c. The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet and Revenue Account dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, in so far as they are applicable to the Company;
 - e. On the basis of written representations received from directors as on 22nd September, 2001 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 30th June, 2001 from being appointed as a directors in terms of clause (g) of sub-section (1) of section 274 on the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanation given to us, the said Balance Sheet and Profit and Loss Account read together with and subject to the following :
 - i) Non provision in the accounts for the following:
 - (A) Rs.210.75 lacs on account of claims filed against the company refer note 3(a) and 3(b).
 - (B) Rs.73.66 lacs amount due from sundry debtors, loans and advances outstanding for a long period and which are in our opinion doubtful of recovery.
 - (C) Rs.20.45 approx. Lacs on account on interest payable to other parties (refer note 2).

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