

## ARIHANT TOURNESOL LIMITED

34-B, Jolly Maker Chambers-2

225, Nariman Point

Mumbai-400 021

Phones: 22024359/22025117

Fax: 22821776

Email: rksethi@bom3.vsnl.net.in

### NOTICE

NOTICE is hereby given that the TWELFTH Annual General Meeting of the Members of ARIHANT TOURNESOL LIMITED will be held on Thursday the 30<sup>th</sup> September 2004 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 31<sup>st</sup> March, 2004 and the Balance Sheet as on that date.
2. To appoint a Director in place of Mr. D.N.Jha 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 : 2nd Sept., 2004

Registered Office:

74/1, Mardi Cross

Village Bhogaon, North Solapur

Dist Solapur, Maharashtra

**CERTIFIED TRUE COPY**

For ARIHANT TOURNESOL

  
Director

### 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 27<sup>th</sup> to 29<sup>th</sup> September 2004 (both days inclusive).
3. The Members are requested to intimate to the Company at the registered office any change of address.

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### **DIRECTORS' REPORT**

To  
The Members:

Your Directors have pleasure in presenting the THIRTEENTH Annual Report of Arihant Tournesol Ltd., together with the Statement of Accounts for the year ended 31<sup>st</sup> March, 2004.

#### **1. ECONOMIC SCENARIO:**

During the year under review, the company's factory remained closed due to lack of Refinery which is the important part in the new scenario whereby value addition as well as vertical integration provides profitability. The international prices have been fluctuating very heavily as well as the local climate has also resulted in high imports thereby leading to depressed finished goods prices and inflated raw material prices locally. However, due to good monsoon there is a very good possibility of revival due to lower raw material prices.

The company has also engaged itself in trading activities.

#### **2. FINANCIAL PERFORMANCE:**

The company had achieved a turnover of Rs.8.94 lakhs during the year.

#### **3. FUTURE PROSPECTS:**

The company is engaged in discussion with leading players both locally and internationally for tying up for our unit. The company is very hopeful of good revival due to favourable settlement with the consortium banks.

#### **4. DIVIDEND:**

No dividend has been declared during the year.

#### **5. DIRECTORS:**

Mr. D.N.Jha, Director of the company, retires by rotation and being eligible offer himself for reappointment.

**6. 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

**7. DIRECTORS' RESPONSIBILITY STATEMENT:**

- (i) in the preparation of the annual accounts for the financial year ended on 31<sup>st</sup> March, 2004, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (i) 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 31<sup>st</sup> March, 2004 and of the profit of the company for the said period.
- (ii) 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
- (iii) the Directors have prepared the accounts for the financial year ended on 31<sup>st</sup> March, 2004 on a "going concern" basis.

8. **AUDIT COMMITTEE:** As per requirement for compliance of Companies Act 1956, u/s.292A, the company has constituted Audit Committee comprising of all the three directors viz. Shri K.C.Sethi, Shri M.S.Iyer & Shri D.N.Jha.

**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) 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.
- (c) 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.

- (d) 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 : 2.9.2004

R.B. Pandya & Co.,  
Chartered Accountants

308, Venkatesh Chambers,  
Prescot Road, Fort,  
Mumbai - 400 001.  
Phone : 2207 0840 / 2207 6799

## AUDITOR'S REPORT

To,  
The Members of,  
**ARIHANT TOURNESOL LIMITED**

1. We have audited the attached Balance Sheet of Arihant Tournesol Limited as at 31st March 2004 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. The 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 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 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure 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 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 purpose of our Audit;
  - ii. In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
  - iii. The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the Books of Accounts;
  - iv. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - v. On the basis of written representations received from directors and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with and subject to the following :




**R. B. Pandya & Company**  
Chartered Accountant

- i) Non provision in the accounts for the following.
  - A) Rs.210.75 Lakhs (Sagar Traders-Rs.90.75 Lakhs, Bhagwan Traders-Rs.120 Lakhs) on account of claims filed against the company the matter being under dispute
  - B) Rs.1.82 Lakhs approx. on account of interest payable to Navalji Kothari Leasing & Finance Ltd. matter being under dispute (refer note no. 2)
- ii) The company doesn't have a whole time company secretary as required by Section 333A of the Companies Act, 1956
- iii) The company has not executed any documents to secure its advance purported towards purchase of office premises and godown of Rs.71.87 Lakhs to Omega Investment & Properties Ltd. and therefore the said advance is unsecured and we are unable to form an opinion on its recoverability.
- iv) Refer Note No. 6 regarding non-confirmation of balances.

And other notes thereon give the information as 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 Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2004 and
- b. in the case of Profit & Loss Account, of the loss for the year ended on that date

For R. B. PANDYA & CO.,  
Chartered Accountants

  
RAJESH PANDYA  
Proprietor



Place : MUMBAI  
Date : 2<sup>nd</sup> September 2004