

ARIHANT TOURNESOL LIMITED

Regd. Office & Factory:
74/1, Village Bhogaon
Larsi Road
North Solapur
Maharashtra
Phone: 95217-2351379

34-B, Jolly Maker Chambers-2
Nariman Point
Mumbai-400 021
Phone: 22024359/22025117
Fax: 22821776
E-mail: etnigroup@vsnl.com
E-Fax: 1-913-314-9611

NOTICE

NOTICE is hereby given that the FOURTEENTH Annual General Meeting of the Members of ARIHANT TOURNESOL LIMITED will be held on 30th Sept. 2005 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 31st March, 2005 and the Balance Sheet as on that date.
2. To appoint a Director in place of Mr. J.S. Khambe who retires by rotation and being eligible, offer himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

4. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:

"RESOLVED that subject to such consents, permissions or sanctions as may be required from any authority, statutory or otherwise, particularly from the Securities and Exchange Board of India (SEBI) and pursuant to Section 61 and all other applicable provisions of the Companies Act, 1956 and Guidelines, Rules framed by SEBI in this regard, the Board of Directors of the Company be and is hereby authorized to seek Voluntary Delisting of its Equity Shares listed on (1) Pune Stock Exchange Limited (2) Delhi Stock Exchange Association Ltd. and (3) The Calcutta Stock Exchange Association Ltd. and for that matter to apply to the said Stock Exchanges and/or any other concerned authority(ies) for Voluntary Delisting of the Equity Shares from the said Stock Exchanges"

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to settle all questions, difficulties or doubts as may arise, with regard to the voluntary delisting of shares as it may in its absolute discretion deem fit"

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorize any of its Committee or Director(s) or Officers of the Company to do all such acts, deeds or things, as may be necessary, to give effect to this resolution"

By order of the Board of Directors

K. C. Sethi
Chairman.

Place: Mumbai
Date: 2.9.2005

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. To Register of Members and share transfer books of the company will remain closed from 28th to 30th Sept. 2005 (both days inclusive)
3. The Members are requested to intimate to the company at the registered office any change of address.
4. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed in respect of Special Resolution at Item No.4.

ARIHANT TOURNESOL LIMITED

Regd. Office & Factory:
74/1, Village Bhogaon
Barsi Road
North Solapur
Maharashtra
Phone: 95217-2351379

34-B, Jolly Maker Chambers-2
Nariman Point
Mumbai-400 021
Phone: 22014359/22025117
Fax: 22831776
E-mail: sethigroup@vsnl.com
M-Fax: 1-916-314-9611

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2):

Presently the Company's securities are listed at the following 4 Stock Exchanges:

- (a) The Stock Exchange, Mumbai
- (b) Pune Stock Exchange Limited, Pune
- (c) Delhi Stock Exchange Association Ltd., Delhi
- (d) The Calcutta Stock Exchange Association Ltd., Calcutta

With the extensive network of The Stock Exchange, Mumbai (BSE) and the extension of BSE terminals to other cities as well, investors have access to online dealings in the company's securities across the country. The bulk of the trading in the Company's equity shares in any case takes place on the BSE and the amount of trading in Company's securities on Pune, Delhi & Calcutta Stock Exchanges is lower.

It is also observed that the listing fee paid to Pune, Delhi & Calcutta Stock Exchanges are disproportionately higher, and the trading volumes and liquidity is lower compared to BSE. As a part of its cost reduction measures, the company has proposed this resolution, which will enable it to delist its equity shares from the said three stock exchanges.

In line with the SEBI (Delisting of Securities) Guidelines, 2003 and approval from any other authority, if any, required members approval is being sought by a Special Resolution for enabling voluntary delisting of its securities from the said stock exchanges.

The proposed delisting from the Pune, Delhi & Calcutta Stock Exchanges as and when the same takes place will not adversely affect the investors. The company's securities will continue to be listed on BSE. The delisting will take effect after all approvals, permissions and sanctions, if any, are received. The exact date on which delisting will take effect will be suitably notified at that time.

Your Directors recommend the Special Resolution for approval of the members.

None of the Directors are, in any way, concerned or interested in the resolution.

ARIHANT TOURNESOL LIMITED

34-B, Jolly Maker Chambers-2

225, Nariman Point

Mumbai-400 021

Phones: 22024359/22025117

Fax: 22321776

Email: rksethi@bom3.vsnl.net.in

DIRECTORS' REPORT

To

The Members:

Your Directors have pleasure in presenting the FOURTEENTH Annual Report of Arihant Tournesol Ltd., together with the Statement of Accounts for the year ended 31st March, 2005.

1. ECONOMIC SCENARIO:

During the year under review, the company's factory commenced production under Dry Lease Arrangement with M/S. Betul Oils & Flours Pvt.Ltd. M/s. Betul Oils & Flours Pvt.Ltd were nominated as Lessee by M/s. Vision Millennium Exports Pvt.Ltd. M/s. Vision Millennium Exports Pvt.Ltd. had substituted the First Charge of Allahabad Bank with other consortium banks, viz. Bank of India and Central Bank of India by assignment of mortgage in their favour. The said mortgage was assigned on consideration of finance made available by them for repayment of one time settlement liabilities of the above mentioned consortium banks.

Under lease arrangement the factory commenced production in second quarter of 2004, after carrying out necessary expenditure for repairs and maintenance and re-commissioning of the plant.

Due to good monsoon but the competition from imports, the operations of the company were just on the marginal economic levels.

Due to dry lease the turnover and economics of the operations under lease were not taken into account.

The company's management will have to continue under lease the operations until other liabilities are settled with other bankers and prepare the revival scheme after such settlement. The company hopes to prepare and get the proper revival scheme settled in the near future

2. FINANCIAL PERFORMANCE:

Since the factory was given on lease the management tried to do other business and generated an income of Rs.258.34 lakhs as other income. The company also achieved the turnover of Rs.37.68 lakhs approximately in trading activity..

3. **FUTURE PROSPECTS:**

The management of the company engaged in discussions and restructuring the management and the capital structure of the company after the revival scheme is settled satisfactorily.

4. **DIVIDEND:**

No dividend has been declared during the year.

5. **DIRECTORS:**

Mr. J.S. Khambey, 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 31st March, 2005, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (ii) 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, 2005 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, 2005 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 J.S. Khambey, Miss Sharmishta Jadhav and 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 to Omega Investment & Properties Ltd. The said advance has been refunded by the said company partly and the balance outstanding is expected to be received during the current financial year.
- (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.

10. **AUDITORS:**

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

11. **DELISTING OF SECURITIES:**

The company is taking necessary action for de-listing of its securities from (i) Pune Stock Exchange Limited (2) Delhi Stock Exchange Association Ltd. and (3) The Calcutta Stock Exchange Association Ltd. in order to keep the financial obligations minimum possible. However, the listing with Bombay Stock Exchange will continue to be there and will serve the purpose in view of the wide network throughout India, the same will not affect the investors.

12. **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.

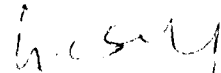
13. **INDUSTRIAL RELATIONS:**

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

14. **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 : 2.9.2005





ARIHANT TOURNESOL LIMITED

ANNUAL ACCOUNTS

FINANCIAL YEAR

Report www.reportjunction.com 2004 - 2005

Audited By

**R. B. Pandya & Co.,
Chartered Accountants,
308, Venkatesh Chambers,
Prescot Road, Fort,
Mumbai - 400 001.**

Phone No.: 2207 0840 / 2207 6799