



ARIHANT TOURNESOL LIMITED

**21ST ANNUAL REPORT
2011 - 2012**

**ARIHANT TOURNESOL LIMITED****Directors**

VARSHA SETHI
Chairman

A. K. SETHI
K. RAMKRISHNAN
D. N. JHA
KALPITA SAWANT
RAJENDRA GURNANI

Auditors

R. B. PANDYA & CO.

Bankers

The Kunbi Sahakari Bank Ltd.

Registered Office

74/1, Village Bhogaon,
Barsi Road, North Solapur
Dist. Solapur, Maharashtra

Registrar and Share Transfer Agent

Bigshare Services Pvt. Ltd.
E-2, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East), Mumbai - 400 072.

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NOTICE

NOTICE is hereby given that TWENTYFIRST Annual General Meeting of the members of ARIHANT TOURNESOL LIMITED will be held on 29th Sept. 2012 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, 2012 and the Balance Sheet as on that date.
2. To appoint a Director in place of Mr. Ajitkumar Sethi who retires by rotation.
3. To re-appoint Ms. Kalpita Sawant & Mr. Rajender Gurnani, Additional Directors, whose term expires till the conclusion of this AGM offered themselves for re-appointment.
4. To appoint Auditors and to fix their remuneration.

By order of the Board of Directors

Sd/-

Varsha Sethi
Chairperson

Place : Mumbai

Date : 01.09.2012

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 27th to 29th Sept. 2012 (both days inclusive).
3. The members are requested to intimate to the company at the registered office any change of address.

DIRECTOR'S REPORT

To,
The Members

Your Directors have pleasure in presenting the **TWENTYFIRST** Annual Report of Arihant Tournesol Ltd., together with the Statement of Accounts for the year ended 31st March, 2012.

1. ECONOMIC SCENARIO

During the year under review, the company's factory was running satisfactorily under Dry Lease Agreement with M/s. Betul Oils & Flours Pvt. Ltd., M/s. Vision Millennium Exports Pvt. Ltd., had raised the issue of refund of interest free advance given by them under the First Charge on the Solapur assets of the company. The company has requested to continue the dry lease arrangement as stipulated in the agreement with them.

Due to dry lease arrangement, the turnover and the profits under lease have not been taken into account.

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

2. FINANCIAL PERFORMANCE

The Company has incurred a loss of Rs.16,15,577.00

3. FUTURE PROSPECTS

The management of the company engaged in discussions and restructuring the management and 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. Ajitkumar Sethi, Director of the company, retires by rotation and being eligible offer himself for reappointment.

To re-appoint Ms. Kalpita Sawant & Mr. Rajender Gurmani, Additional Directors, whose term expires till the conclusion of this AGM offered themselves for re-appointment.

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) The preparation of the annual accounts for the financial year ended on 31st March, 2012, 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, 2012 end 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, 2012 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 three directors viz. Shri D. N. Jha, Shri Rajender Gurmani and Ms. Kalpita Sawant.

9. AUDITOR'S REPORT

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

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

For and on behalf of the Board of Directors
sd/-

Varsha Sethi
Director

Place : Mumbai
Date : 01.09.2012

REPORT ON CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreements with the Stock Exchange and directors of SEBI, a Report on Corporate Governance is given below :

1. Company's Philosophy :

The company strongly believes in the value of transparency, professionalism and accountability in its dealings with customers, shareholders and every body who comes in contact with the company.

2. Board of Directors :

The Board consists of Five Directors as on 31st March 2012. Two are Promoter Directors & Three are Independent Directors. The details are given below :

| Name | Category | Attendance Particulars | | No. of Directors & Committee Members / Chairmanship held in other Public Companies in India |
|----------------------------------|----------|------------------------|----------|---|
| | | Board Meeting | Last AGM | |
| Smt. Varsha Sethi Chairperson | EXE | 5 | NO | Omega Investment & Properties Ltd. |
| Shri. Ajitkumar Sethi | EXE | 4 | YES | Omega Investment & Properties Ltd. |
| Shri. K. Ramkrishnan | I & NED | NO | NO | NIL |
| Smt. Kalpita Sawant | - | 4 | - | NIL |
| Shri. Rajendra Gurnani | - | 1 | - | NIL |
| Shri. D. N. Jha | I & NED | 5 | YES | NIL |

Note : EXE : Executive Director I : Independed Director NED : Non-Executive Director

The Board of Directors met Six times during the year on 30.04.2011, 30.07.2011, 01.09.2011, 31.10.2011, 23.11.2011 & 30.01.2012.

The Board of Directors is routinely presented with all information under clause 49 of the Listing Agreement wherever application and materially significant by way of mention by the Chairman in the Board Meeting.

Code of conduct :

The Company has laid down a code of conduct for all of its Board Members and Senior Management Personnel for avoidance of conflict of interest. It has received from all of them the necessary declarations affirming compliance with it during the period.

Remuneration of Directors :

Sitting fees, salary & perquisite :

None of the Directors (being Independent and Non-Executive) draw any sitting fee or salary & perquisites from the Company.

The Board has constituted two Committees - Audit Committee and Investors / Share holders Grievance Committee.

3. Audit Committee :

The Audit Committee comprises of Non-executive and Independed Directors. Shri. D. N. Jha is the Chairman of the committee, Shri. Rajendra Gurnani and Ms. Kalpita Sawant are the other members

of the Committee. The Statutory Auditors are invited to the meetings. The Company Secretary acts as the Secretary to the Committee.

The terms of reference of this Committee cover matters specified for Audit Committee under clause 49 of the Listing Agreement with the Stock Exchanges as well as Section 292A of the Companies Act, 1956.

During the year 2011-12, five meetings of the Audit Committee were held on 30.04.2011, 30.07.2011, 01.09.2011, 31.10.2011 & 30.01.2012. All the members of the Committee attended the said meetings.

4. Remuneration Committee :

The Company has not set up Remuneration Committee since all the Directors are Independent & Non Executive and do not draw any fee or remuneration from the Company for their services.

5. Investors / Shareholders grievance Committee :

The Committee functions under chairmanship of Ms. Kalpita Sawant, a Non Executive / Independent Director and the other members of the committee are Shri. D. N. Jha and Shri. Rajendra Gurnani who are also Non Executive and Independent Directors.

The Committee inter-alia, approves issue of duplicate share certificates, overseas and review all matters connected with transfer of securities. The Committee also looks after redressal of shareholders' complaints like transfer of shares, non receipt of balance sheet etc. Smt. Varsha Sethi is the Compliance Officer of the Company.

Five meetings of the Committee were held on 30.04.2011, 30.07.2011, 01.09.2011, 31.10.2011 & 30.01.2012. All the members of the Committee attended the meetings.

During the year 2011-2012 no complaint was received from shareholders and no complaint is pending.

The company had no transfer pending at the close of the financial year.

The Board of Directors have delegated the power for approving the transfer of securities to Chairman and the Company Secretary.

General Body Meeting :

Location and other details of last three AGMs :

| Financial Year | Date | Location | Time | Special Resolution | Postal Ballot |
|----------------|------------|--|-------|--------------------|---------------|
| 2008-2009 | 30.09.2008 | Arihant Tournesol Limited 74/1, Mardi Cross, Village Bhogaon, North Solapur, Dist. Solapur, Maharashtra | 11 AM | NO | |
| 2009-2010 | 30.09.2009 | - Do - | 11 AM | NO | |
| 2010-2011 | 30.09.2010 | - Do - | 11 AM | NO | |

Postal Ballot :

Presently there is no proposal for passing Resolution through Postal Ballot at the ensuing Annual General Meeting.

Disclosure regarding reappointment of Directors

Mr. D. N. Jha (Age 52 Years), who retires by rotation at this meeting.

Disclosure :

There are no materially significant related party transactions other than as disclosed in Note 6 of Schedule 13 made by the Company of material nature with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the company at large.

There were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authority for non-compliance of any matter related to the capital markets during the last three years.

Means of Communication :

- (a) Quarterly and Half yearly Financial Results are prepared and submitted to the Stock Exchanges in accordance with the Listing Agreements.
- (b) Annual Audited Results are sent to the shareholders at their registered address along with the notice of the Annual General Meeting.
- (c) The Company has no Website.
- (d) There is no necessity for the Company displaying office news release and making presentations to institutional investors or to analysts.
- (e) The report of the Directors forming part of the Report and Accounts includes all aspects of the Management Discussion And Analysis Report.

General Shareholder Information :

- AGM : Date, time & Vanue : 29th September 2012, Time 11 AM
(Company's workshop) at
74/1, Mardi Cross, Village Bhogaon,
North Solapur, Dist. Solapur, Maharashtra
- Financial Calender : Financial year 1st April to 31st March.
Result for the year ending 31st March - Normally Sept.
- Date of Book closure : 27th Sept. 2012 to 29th Sept. 2012
(Both days inclusive)
- Dividend Payment Date : Nil due to accumulated Loss
- Listing on Stock : Bombay Stock Exchange Ltd.,
The Delhi Stock Exchange Ltd.,
Pune Stock Exchange Ltd.,
The Calcutta Stock Exchange Ltd.
paid listing fees upto period 2012-2013 to BSE
and 2011-2012 to CSE
- Stock Code : 526125
- ISIN Number for CDSL : N A
- Stock Market Data : N A
- Registrar & Share Transfer Agent for Physical and Demat Shares : Bigshare Services Pvt. Ltd.
E-2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (East), Mumbai - 400 072.

- Share Transfer System : All share transfers received are processed, registered and returned within 30 (thirty) days from the date of lodgement, if the documents are complete in all respects.

- Dematerialization of shares : N A

- Distribution of Shareholding :

Distribution of Equity Shareholding as on 31st March 2012

(a) According to category of Holding :

| | No. of Shares | % age |
|-------------------------|------------------|---------------|
| 1. Promoters | 5,626,000 | 56.84 |
| 2. Mutual Fund & UTI | NIL | NIL |
| 3. Nationalized Banks | 200 | 0.01 |
| 4. Bodies Corporate | 520,500 | 5.25 |
| 5. Indian Public | 3,641,600 | 36.78 |
| 6. Non Resident Indians | 111,200 | 1.12 |
| Total | 9,899,500 | 100.00 |

(b) According to number of holding

| | | | | | |
|--------------|-----------------------|--------------|---------|-----------------|-----------------|
| 1 | 5,000 | 8,218 | 91.3010 | 14002200 | 14.1444 |
| 5001 | 10,000 | 379 | 4.2106 | 3176000 | 3.2082 |
| 10001 | 20,000 | 154 | 1.7109 | 2365000 | 2.3890 |
| 20001 | 30,000 | 58 | 0.6444 | 1462000 | 1.4768 |
| 30001 | 40,000 | 36 | 0.4000 | 1300000 | 1.3132 |
| 40001 | 50,000 | 28 | 0.3111 | 1332000 | 1.3455 |
| 50001 | 100,000 | 60 | 0.6666 | 4730200 | 4.7783 |
| 100,001 | 9,999,999,999 | 68 | 0.7555 | 70627600 | 71.3446 |
| Total | 10,000,254,999 | 9,001 | | 98995000 | 100.0000 |

- Outstanding GDRs / ADRs / Warranty or any convertible Investment, conversion date and likely impact on equity :

NIL

Plant Location : 74/1, Mardi Cross, Village Bhogaon, North Solapur, Dist. Solapur, Maharashtra

- Address for Correspondence : The Director
ARIHANT TOURNESOL LIMITED
34/B, Jolly Maker Chambers II,
Nariman Point, Mumbai - 400 021.

- Non Mandatory Requirements : The Company has not adopted non mandatory requirements as mentioned in Clause 49 of the Listing Agreement.

On behalf of the Board
sd/-

Place : Solapur
Date : 1st September 2012

Varsha Sethi
Chairperson



DECLARATION-CUM-CERTIFICATION BY THE CHAIRMAN

This is to certify that :

1. In pursuance of the provisions of clause 49(l)(D) of the Listing Agreements, a Code of Conduct for the Company has been approved by the Board in its meeting held on 30th April, 2011.
2. The said Code of Conduct has been circulated to Board Members and Senior Management personnel of the Company.
3. All of them have affirmed having complied with the said code of conduct for the year ended 31st March 2012.

Date : 1st September 2012
Place : Solapur

Sd/-
Varsha Sethi
Chairperson
Board of Director

CERTIFICATION BY THE CHAIRMAN, BOARD OF DIRECTORS

We hereby certify that :

- a) We have reviewed financial statements and cash flow statement of M/s Arihant Tournesol Limited for the year ended 31st March 2012 and that to the best of our knowledge and belief. :
- i) These statements do not contained any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the control systems of the company and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee
- i) There have been no significant changes in internal control over financial reporting during the year;
 - ii) There have been no significant changes in accounting policies during the year; and
 - iii) There have been no instances of significant fraud of which we have become aware and that the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place : Solapur
Date : 1st September 2012

Sd/-
Varsha Sethi
Chairperson
Board of Directors

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF ARIHANT TOURNESOL LIMITED

We have examined the compliance of conditions of Corporate Governance by Arihant Tournesol Limited, for the year ended on 31st March 2012 as stipulated in clause 49 of Listing Agreement of the said Company with the Stock Exchanges.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the condition of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the company.

In our opinion and to the best of our information and according to the explanation given to us and the representation made by the directors and the management, we certify that having regard to our observation as given in the Auditors report on the Annual Accounts of the company for the year ended 31st March, 2012 the company has complied with the condition of Corporate Governance as stipulated in the abovementioned Listing Agreement except that :

As per the representation received from the company as on 31st March 2012 no investor grievance is pending for a period exceeding one month against the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency of effectiveness with which the management has conducted the affairs of the company.

This certificate is issued based on the relevant records produced before us.

R B Pandya & Co.
Chartered Accountants

Place : Solapur
Date : 1st September 2012

Sd/-
Rajesh R. Pandya
Proprietor
(Mem No. 33788)

**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 2012. Profit and Loss Account and Cash Flow Statement 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, as amended by the Companies (Auditor's Report) (Amendment) Order 2004, hereinafter the "Order", issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give 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 apper form our examination of those books;
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by the report are in agreement with the Books of Accounts;
 - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement 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, 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. 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 :
 1. Non provision in the accounts for an amount of Rs. 33.13 Lacs (Previous Year Rs. 33.13 lacs) on account of claims filed against the company, not acknowledged as debts, the matter being under dispute (Refer Notes on Accounts Point No. 7)
 2. The company doesn't have a whole time company secretary as required by Section 383A of the Companies Act, 1956.
 3. Refer Notes on Accounts Point No. 4 regarding non-confirmation of balaces.

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 31st March, 2012 and
- b. in the case of Profit and Loss Account, of the Loss of the year ended on that date.
- c. In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Place : Solapur
Date: 1st September 2012

R B Pandya & Co.
Chartered Accountants
Sd/-
Rajesh R. Pandya
Proprietor

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON
THE BALANCE SHEET OF ARIHANT TOURNESOL LIMITED AT 31ST MARCH 2012 AND
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

- I. a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- II. The company has no inventory during the year under the review and hence question of maintenance of proper records and physical verification of stocks does not arise.
- III. The company has granted Advance of Rs. 51,65,000/- to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding was Rs. 55,65,000/- and the the year end balance was Rs. 51,65,000/- (Previous Year : 55,65,000/-)
In our opinion and according to the information and explanations given to us, the Advance is Interest free and repayable on demand and other terms and conditions are not prima facie prejudicial to the interest of the company.
- IV. In our opinion and according to the information and explanations given to us internal control procedures are adequate and commensurate with the size of the Company and nature of business with regard to cash transactions and cash management, plant and machinery, equipment and other assets.
- V. a) According to information and explanations given to us, we are of the opinion that there are no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
b) In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, aggregating during the year to Rs. 5,00,000/- (Rupees Five Lacs only) or more in respect of any party.
- VI. The Company has not accepted any deposits from public.
- VII. In our opinion the internal audit system of the Company is commensurate with its size and nature of its business.
- VIII. Since maintenance of cost records is not application to the Company under section 209(1)(d) of the Companies Act, 1956, clause 4(viii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- IX. a) The Company does not have any liability towards employees during the year under the Provident Fund Act and Employees State Insurance Act, hence the question of timely deposit of the Provident Fund dues and Employees State Insurance Scheme, does not arise.
b) According to the information and explanation given to us, there are no undisputed amount payable in respect of income tax, wealth tax, customs duty, excise duty, cess, Service Tax and any other statutory dues as at 31st March, 2012 for the period of more than six months from the date they became payable.
- X. In our opinion the accumulated losses at the end of financial year are more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceeding financial year.
- XI. The Company has not defaulted in repayment of dues to the Bankers.
- XII. In our opinion and according to the information and explanation given to us, not loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- XIV. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investment. Accordingly the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XV. According to the information and explanations given to us, the Company has not given my guarantees for loans taken by others from bank or financial institutions.
- XVI. The Company has not raised any Term Loan during the Year.
- XVII. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment by the Company.
- XVIII. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- XIX. The Company has not issued any debentures during the year.
- XX. The Company has not raised any money by way of public issue during the year.
- XXI. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

R B Pandya & Co.
Chartered Accountants

Sd/-
Rajesh R. Pandya
Proprietor

Place : Solapur
Date : 1st September 2012

BALANCE SHEET AS AT 31ST MARCH 2012
(IN ₹)

| Particulars | Note No. | 2011-2012 | 2010-11 |
|---|----------|----------------------|----------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| (a) Share capital | 1 | 98,983,000.00 | 98,983,000.00 |
| (b) Reserves and surplus | 2 | (103,982,112.22) | (102,500,517.43) |
| 2 Non-current liabilities | | | |
| (a) Long-term borrowings | 3 | 27,156,754.68 | 27,156,754.68 |
| (b) Deferred tax liabilities | | 910,018.79 | 1,043,851.00 |
| (c) Other Long term liabilities | 4 | 764,399.24 | 764,399.24 |
| (d) Long-term provisions | 5 | 243,000.00 | 1,157,000.00 |
| 3 Current liabilities | | | |
| (a) Other current liabilities | 6 | 35,855.00 | 72,315.00 |
| TOTAL | | 24,110,915.49 | 26,676,802.49 |
| II. ASSETS | | | |
| 1 Non-current assets (Long term) | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 7 | 11,899,271.64 | 13,398,802.64 |
| (ii) Capital work-in-progress | | 4,131,034.00 | 4,131,034.00 |
| (b) Non-current investments | 8 | 23,700.00 | 23,700.00 |
| (c) Long-term loans and advances | 9 | 5,165,000.00 | 5,590,000.00 |
| (d) Other non-current assets | 10 | 2,500,250.00 | 3,448,100.00 |
| 2 Current assets (short term) | | | |
| (a) Trade receivables | 11 | 90,000.00 | - |
| (b) Cash and cash equivalents | 12 | 301,659.85 | 85,165.85 |
| TOTAL | | 24,110,915.49 | 26,676,802.49 |
| Notes on Accounts | 13 | | |

As per Our Report on Even Date

For R. B. Pandya & Co.
Chartered Accountants

 Sd/-
Rajesh B. Pandya
 Proprietor

 Place : Mumbai
 Date : 1st September, 2012

For Arihant Tournesol Ltd.

| | |
|------------------|---------------------|
| Sd/- | Sd/- |
| D. N. Jha | Varsha Sethi |
| Director | Director |

**ARIHANT TOURNESOL LIMITED****PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012 (IN ₹)**

| Particulars | Note No. | 2011-2012 | 2010-11 |
|--|----------|-----------------------|-----------------------|
| I Revenue from Operations | 14 | 120,000.00 | 2,039,130.00 |
| II. Total Revenue (I + II) | | 120,000.00 | 2,039,130.00 |
| III. Expenses: | | | |
| | 15 | 46,250.00 | 503,847.00 |
| Depreciation and amortization expense | | 1,499,531.00 | 1,715,575.00 |
| Other expenses | 16 | 189,796.00 | 1,518,183.00 |
| Total expenses | | 1,735,577.00 | 3,737,605.00 |
| V. Profit before exceptional and extraordinary items and tax (III-IV) (VI) | | (1,615,577.00) | (1,698,475.00) |
| VI. Exceptional items | | | |
| VII. Profit before extraordinary items and tax (V - VI) | | (1,615,577.00) | (1,698,475.00) |
| VIII. Extraordinary Items | | | |
| IX. Profit before tax (VII- VIII) | | (1,615,577.00) | (1,698,475.00) |
| X Tax expense: | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax | | 133,832.21 | 153,068.00 |
| XI Profit (Loss) for the period from continuing operations (VII-VIII) | | (1,481,744.79) | (1,545,407.00) |
| XII Profit/(loss) from discontinuing operations | | - | - |
| XIII Tax expense of discontinuing operations | | - | - |
| XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII) (XIII) | | - | - |
| XV Profit (Loss) for the period (XI + XIV) | | (1,481,744.79) | (1,545,407.00) |
| XVI Earnings per equity share: | | | |
| (1) Basic | | Nil | Nil |
| (2) Diluted | | Nil | Nil |

As per Our Report on Even Date
For R. B. Pandya & Co.
Chartered Accountants
Sd/-
Rajesh B. Pandya
Proprietor

For Arihant Tournesol Ltd.

Sd/-
D. N. Jha
Director

Sd/-
Varsha Sethi
Director

Place : Mumbai
Date : 1st September, 2012

**ARIHANT TOURNESOL LIMITED**

(AMOUNT IN ₹)

NOTE 1 : SHARE CAPITAL

| Share Capital | 2011-12 | | 2010-11 | |
|--|---------------|----------------|---------------|----------------|
| | Number | Amount | Number | Amount |
| Authorised Equity Shares of ₹ 10 each | 10,000,000.00 | 100,000,000.00 | 10,000,000.00 | 100,000,000.00 |
| Issued Equity Shares of ₹ 10 each | 9,950,000.00 | 99,500,000.00 | 9,950,000.00 | 99,500,000.00 |
| Subscribed & Paid up Equity Shares of ₹ 10 each fully paid | 9,898,300.00 | 98,983,000.00 | 9,898,300.00 | 98,983,000.00 |
| Subscribed but not fully Paid up Equity Shares of ₹ 10 each, not fully paid up (See Note 4) | - | - | - | - |
| Total | 9,898,300.00 | 98,983,000.00 | 9,898,300.00 | 98,983,000.00 |

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

| | 2011-12 | | 2010-11 | |
|---|--------------|--------------|--------------|--------------|
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 9898300 | 9898300 | 9898300 | 9898300 |
| Shares Issued during the year | 0 | 0 | 0 | 0 |
| Shares bought back during the year | 0 | 0 | 0 | 0 |
| Shares outstanding at the end of the year | 9,898,300.00 | 9,898,300.00 | 9,898,300.00 | 9,898,300.00 |

Shares held by holding co. or ultimate holding co. including shares held by subsidiaries or associates of the holding Co. or ultimate holding Co. - NIL

Shares in the company held by each shareholder holding more than 5 percent shares

| Name of Shareholder | 2011-12 | | 2010-11 | |
|--|---------------|--------------|---------------|--------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Sara Resinous Chemicals Pvt Ltd | 19,07,100 | 19.26% | 19,07,100 | 19.26% |
| Omega Investment & Properties Ltd | 16,82,300 | 16.99% | 16,82,300 | 16.99% |
| Western India Propect Consultancy Services Pvt Ltd | 8,00,000 | 8.08% | 8,00,000 | 8.08% |

**ARIHANT TOURNESOL LIMITED****Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

| Particulars | Year (Aggregate No. of Shares) | | | | |
|--|--------------------------------|---------|---------|---------|---------|
| | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 |
| Equity Shares : | | | | | |
| Fully paid up pursuant to contract(s) without payment being received in cash | NIL | NIL | NIL | NIL | NIL |
| Fully paid up by way of bonus shares | NIL | NIL | NIL | NIL | NIL |
| Shares bought back | NIL | NIL | NIL | NIL | NIL |

| Unpaid Calls | 2011-12 | 2010-11 |
|--------------|---------|---------|
| By Directors | NIL | NIL |
| By Officers | NIL | NIL |

- The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital;
The Company has only one class of Equity shares having a par value of Rs.10/- per share. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. During the year ended March 31, 2012, since there are accumulated losses, no dividend is declared.
- Shares reserved for issue under options and contracts/commitments for the sale of shares /disinvestment, including the terms and amounts; in respect of unissued share capital : Nil
- Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date : Not applicable
- Forfeited shares (amount originally paid up) - 1200 SHARES @ 5/- PER SHARES = 6000 (IN THE YEAR 1994)

NOTE 2 : RESERVES AND SURPLUS**(AMOUNT IN ₹)**

| | 2011-12 | 2010-11 |
|--|-------------------------|-------------------------|
| A. Capital Reserves | | |
| Opening Balance | 2,467,500.00 | 2,461,500.00 |
| (+) Current Year Transfer | - | 6,000.00 |
| (-) Written Back in Current Year | - | - |
| Closing Balance | 2,467,500.00 | 2,467,500.00 |
| B. Surplus | | |
| Opening balance | (104,968,017.43) | (103,422,610.74) |
| (+) Net Profit/(Net Loss) For the current year | (1,481,594.79) | (1,545,406.69) |
| (+) Transfer from Reserves | - | - |
| (-) Proposed Dividends | - | - |
| (-) Interim Dividends | - | - |
| (-) Transfer to Reserves | - | - |
| Closing Balance | (106,449,612.22) | (104,968,017.43) |
| Total (A - B) | (103,982,112.22) | (102,500,517.43) |

NOTE 3 : LONG TERM BORROWINGS

(AMOUNT IN ₹)

| | 2011-12 | 2010-11 |
|---|----------------------|----------------------|
| Secured : | | |
| (a) Loans repayable on demand | | |
| from banks | 27,156,754.68 | 27,156,754.68 |
| from other parties | | |
| (of the above, Nil is guaranteed by Directors) | | |
| Total | 27,156,754.68 | 27,156,754.68 |

The above loan has been taken by creating equitable mortgage on the land situated at Gat No.74, Village Bhogaon, Taluka North Solapur, Dist and Sub-Dist.Solapur having Total Area 3 Hectares and 66 R divided into two parts by Solapur Barsi Road passing through it. One Part towards East of the Road having Area of 3 Hectares and 37R and other Part towards West of the Road having area of 0 hectares, 29R thus totalling to 3 Hectares 66R together with all buildings another structures all fixed Plant and Machinery and fittings, etc, both present and future. No interest is required to be payable on the above funding. The Party is paying monthly rent of Rs.10,000/- for using entire plant of the Company.

NOTE 4 : LONG TERM BORROWINGS

(AMOUNT IN ₹)

| | 2011-12 | 2010-11 |
|---------------------------------------|-------------------|-------------------|
| Creditors for Capital Purchase | | |
| Crompton Greaves ltd | 176,168.00 | 176,168.00 |
| Advance from Jay Kay Marketing | 247,431.00 | 247,431.00 |
| Security Deposit | 40,000.00 | 40,000.00 |
| Anand Steel Corporation | 100,800.24 | 100,800.24 |
| Dawoodbhai Kadarbhai | 200,000.00 | 200,000.00 |
| Total | 764,399.24 | 764,399.24 |

NOTE 5 : LONG TERM PROVISIONS

(AMOUNT IN ₹)

| | 2011-12 | 2010-11 |
|---------------------------------------|-------------------|---------------------|
| (b) Others | | |
| Provision for Income tax(A.Y. 10-11) | - | 914,000.00 |
| Provision for Income tax(A.Y. 11-12) | 243,000.00 | 243,000.00 |
| Total | 243,000.00 | 1,157,000.00 |

NOTE 6 : OTHER CURRENT LIABILITIES

(AMOUNT IN ₹)

| | 2011-12 | 2010-11 |
|-----------------------------|------------------|------------------|
| (a) Other payables | | |
| Bigshare Services Pvt. Ltd. | 2,594.00 | 23,370.00 |
| Sangeetha Bohra | - | 22,777.00 |
| (b) TDS Payable | 1,800.00 | 4,108.00 |
| (c) Audit Fees | 31,461.00 | 22,060.00 |
| Total | 35,855.00 | 72,315.00 |

| AMOUNT IN ₹ | 2010-11 | AMOUNT IN ₹ | 2010-11 | AMOUNT IN ₹ | 2010-11 | AMOUNT IN ₹ | 2010-11 |
|---------------|---------|---------------|---------|---------------|---------|---------------|---------|
| 27,156,754.68 | | 27,156,754.68 | | 27,156,754.68 | | 27,156,754.68 | |
| 22,156,754.68 | | 22,156,754.68 | | 22,156,754.68 | | 22,156,754.68 | |
| 176,168.00 | | 176,168.00 | | 176,168.00 | | 176,168.00 | |
| 247,431.00 | | 247,431.00 | | 247,431.00 | | 247,431.00 | |
| 40,000.00 | | 40,000.00 | | 40,000.00 | | 40,000.00 | |
| 100,800.24 | | 100,800.24 | | 100,800.24 | | 100,800.24 | |
| 200,000.00 | | 200,000.00 | | 200,000.00 | | 200,000.00 | |
| 764,399.24 | | 764,399.24 | | 764,399.24 | | 764,399.24 | |
| AMOUNT IN ₹ | 2010-11 | AMOUNT IN ₹ | 2010-11 | AMOUNT IN ₹ | 2010-11 | AMOUNT IN ₹ | 2010-11 |
| 914,000.00 | | 914,000.00 | | 914,000.00 | | 914,000.00 | |
| 243,000.00 | | 243,000.00 | | 243,000.00 | | 243,000.00 | |
| 1,157,000.00 | | 1,157,000.00 | | 1,157,000.00 | | 1,157,000.00 | |
| AMOUNT IN ₹ | 2010-11 | AMOUNT IN ₹ | 2010-11 | AMOUNT IN ₹ | 2010-11 | AMOUNT IN ₹ | 2010-11 |
| 23,370.00 | | 23,370.00 | | 23,370.00 | | 23,370.00 | |
| 22,777.00 | | 22,777.00 | | 22,777.00 | | 22,777.00 | |
| 4,108.00 | | 4,108.00 | | 4,108.00 | | 4,108.00 | |
| 22,060.00 | | 22,060.00 | | 22,060.00 | | 22,060.00 | |
| 72,315.00 | | 72,315.00 | | 72,315.00 | | 72,315.00 | |

NOTE 7 : FIXED ASSETS

| Particulars | Gross Block | | | Depreciation | | | | Net Block | | |
|--|---------------------------|--------------|---------------|---------------------------|---------------------------|---------------------------|----------------------------|---------------------------------|----------------------|----------------------|
| | Bal. As on 01.04.2011 Rs. | Addition Rs. | Deduction Rs. | Bal. As on 31.03.2012 Rs. | Dep. As on 01.04.2011 Rs. | Depn. During the year Rs. | Depn. On sale the year Rs. | Total Dep. As on 31.03.2012 Rs. | As on 31.03.2011 Rs. | As on 31.03.2012 Rs. |
| Tangible Assets | | | | | | | | | | |
| Land: Free-hold | 1,156,795.00 | - | - | 1,156,795.00 | - | - | - | - | 1,156,795.00 | 1,156,795.00 |
| Buildings | 27,367,383.00 | - | - | 27,367,383.00 | 22,167,062.94 | 520,032.00 | - | 22,687,094.94 | 5,200,320.06 | 4,680,288.06 |
| Plant and Equipment | 62,836,234.27 | - | - | 62,836,234.27 | 56,007,205.95 | 949,918.00 | - | 56,957,123.95 | 6,829,028.32 | 5,879,110.32 |
| Electrical Installation | 2,425,417.00 | - | - | 2,425,417.00 | 2,212,757.74 | 29,581.00 | - | 2,242,338.74 | 212,659.26 | 183,078.26 |
| Total | 93,785,829.27 | - | - | 93,785,829.27 | 80,387,026.63 | 1,499,531.00 | - | 81,886,557.63 | 13,398,802.64 | 11,899,271.64 |
| Intangible Assets | | | | | | | | | | |
| Total | - | - | - | - | - | - | - | - | - | - |
| Capital Work In Progress | | | | | | | | | | |
| Facker / Cracker | 648,743.00 | - | - | 648,743.00 | - | - | - | - | 648,743.00 | 648,743.00 |
| Meal & Drier Cooler Components | 1,431,361.00 | - | - | 1,431,361.00 | - | - | - | - | 1,431,361.00 | 1,431,361.00 |
| Solvent Leak Tight Conveyor | 281,305.00 | - | - | 281,305.00 | - | - | - | - | 281,305.00 | 281,305.00 |
| S.S. Tubes | 1,769,625.00 | - | - | 1,769,625.00 | - | - | - | - | 1,769,625.00 | 1,769,625.00 |
| Total | 4,131,034.00 | - | - | 4,131,034.00 | - | - | - | - | 4,131,034.00 | 4,131,034.00 |
| Intangible assets under Development | | | | | | | | | | |
| Total | - | - | - | - | - | - | - | - | - | - |

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NOTE 8 : NON-CURRENT INVESTMENTS

| | (AMOUNT IN ₹) | |
|--|------------------|------------------|
| | 2011-12 | 2010-11 |
| a) Trade Investments | | |
| b) Other Investments National Saving Certificates | 23,700.00 | 23,700.00 |
| | <u>23,700.00</u> | <u>23,700.00</u> |
| TOTAL | | |
| Aggregate value of unquoted investments : | | |
| At cost : | 23,700.00 | 23,700.00 |

NOTE 9 : LONG TERM LOANS AND ADVANCES

| | (AMOUNT IN ₹) | |
|----------------------------------|---------------------|---------------------|
| | 2011-12 | 2010-11 |
| (Unsecured, considered good) | | |
| Rajesh Bohra | - | 25,000.00 |
| Loans to related parties : | | |
| Omega Investments and Properties | 5,165,000.00 | 5,565,000.00 |
| | <u>5,165,000.00</u> | <u>5,590,000.00</u> |
| TOTAL | | |

NOTE 10 : OTHER NON-CURRENT ASSETS

| | (AMOUNT IN ₹) | |
|--|---------------------|---------------------|
| | 2011-12 | 2010-11 |
| a. Long term trade receivables (including trade receivables on deferred credit terms) | | |
| Unsecured, considered good | - | 30,000.00 |
| | <u>-</u> | <u>30,000.00</u> |
| b. Taxes paid : | | |
| TDS on Commission (A.Y. 10-11) | 393,440.00 | 393,440.00 |
| TDS on Commission (A.Y. 11-12) | 211,680.00 | 211,680.00 |
| S.A. Tax (A.Y.09-10) | - | 913,850.00 |
| Profession Tax | 3,000.00 | 3,000.00 |
| | <u>608,120.00</u> | <u>1,521,970.00</u> |
| c. Deposits : | | |
| Deposit with Solapur Court | - | 4,000.00 |
| Deposit- Business Centre Facility | 1,500,000.00 | 1,500,000.00 |
| Deposit - MSEB | 365,800.00 | 365,800.00 |
| Sales Tax Deposit | 3,000.00 | 3,000.00 |
| Telephone Deposit | 23,330.00 | 23,330.00 |
| | <u>1,892,130.00</u> | <u>1,896,130.00</u> |
| Shantiketan Associates | | 6,000.00 |
| Considered Doubtful | | 6,000.00 |
| Less: Provision for doubtful debts | | - |
| | <u>2,500,250.00</u> | <u>3,448,100.00</u> |

**ARIHANT TOURNESOL LIMITED****RELATED PARTY TRANSACTION**

| | 2011-12 | 2010-11 |
|---|---------|---------|
| Directors * | | |
| Other officers of the Company * | | |
| Firm in which director is a partner * | | |
| Private Company in which director is a member | YES | YES |
| | - | - |
| *Either severally or jointly | | |

NOTE 11 : TRADE RECEIVABLES**(AMOUNT IN ₹)**

| | 2011-12 | 2010-11 |
|---|-----------|---------|
| Trade receivables outstanding for a period less than six months from the date they are due for payment. | | |
| Unsecured, considered good | | |
| Betul Oil | 90,000.00 | - |
| Total | 90,000.00 | - |

TRADE RECEIVABLE STATED ABOVE INCLUDE DEBTS DUE BY:

| Particulars | 2011-12 | 2010-11 |
|---|---------|---------|
| Directors * | Nil | Nil |
| Other officers of the Company * | Nil | Nil |
| Firm in which director is a partner * | Nil | Nil |
| Private Company in which director is a member | Nil | Nil |
| | - | - |
| *Either severally or jointly | | |

NOTE 12 : CASH AND CASH EQUIVALENTS**(AMOUNT IN ₹)**

| | 2011-12 | 2010-11 |
|------------------------------|------------|-----------|
| a. Balances with banks : | | |
| Central Bank of India | 10,437.22 | 10,437.22 |
| The Kunbi Sahakari Bank Ltd. | 10,367.02 | 11,031.02 |
| Syndicate Bank | 12,872.44 | 61,753.44 |
| b. Cheques, drafts on hand | - | - |
| c. Cash on hand* | 267,983.17 | 1,944.17 |
| d. Others (specify nature) | - | - |
| | 301,659.85 | 85,165.85 |

NOTE 13 : (AMOUNT IN ₹)
A) CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

| | 2011-12 | 2010-11 |
|--|-----------|-----------|
| (i) Contingent Liabilities | | |
| (a) Claims against the company not acknowledged as debt | 33,13,000 | 33,13,000 |
| (b) Guarantees | | |
| (c) Other money for which the company is contingently liable | - | - |
| (ii) Commitments | | |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for | | |
| (b) Uncalled liability on shares and other investments partly paid | | |
| (c) Other commitments (specify nature) | | |
| | - | - |
| | - | - |
| | - | - |

b) In the opinion of the Board, all assets other than fixed assets and non current investments, have a realisable value in the ordinary course of business.

NOTE 14 : REVENUE FROM OPERATIONS (AMOUNT IN ₹)

| | 2011-12 | 2010-11 |
|-------------------|------------|--------------|
| a) Other Income : | | |
| Lease Rent | 120,000.00 | 2,039,130.00 |
| Total | 120,000.00 | 2,039,130.00 |

NOTE 15 : EMPLOYEE BENEFITS EXPENSE (AMOUNT IN ₹)

| | 2011-12 | 2010-11 |
|---|-----------|------------|
| (a) Salaries and incentives | 46,250.00 | 503,847.00 |
| (b) Contributions to - | | |
| (i) Provident fund | - | - |
| (ii) Superannuation scheme" | - | - |
| (c) Gratuity fund contributions | - | - |
| (d) Social security and other benefit plans for overseas employees | - | - |
| (e) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP), | - | - |
| (f) Staff welfare expenses | - | - |
| Total | 46,250.00 | 503,847.00 |

NOTE 16 : OTHER EXPENSE

(AMOUNT IN ₹)

| | 2011-12 | 2010-11 |
|-------------------------------------|-------------------|---------------------|
| Printing & Stationery | - | 100,400.00 |
| Fines & Penalties | - | 600,000.00 |
| Postage & Telegram | 63,021.00 | 63,390.00 |
| Service tax paid | - | 367,401.00 |
| Legal and Professional fees | 15,223.00 | 270,634.00 |
| Processing fees | - | 22,060.00 |
| Listing Fees | 28,175.00 | 16,545.00 |
| Advances written off | 4,000.00 | 6,000.00 |
| Fees to Registrar & Transfer agents | 45,224.00 | 45,702.00 |
| General Expenses | 2,692.00 | 3,991.00 |
| Payments to the auditor as | | |
| a. auditor | 31,461.00 | 22,060.00 |
| Total | 189,796.00 | 1,518,183.00 |

DEFERRED TAX LIABILITY (DTL)

| | IT Return Amount Rs. | As Per Book Amount Rs. | DTL Amount Rs. |
|-------------------------|----------------------------|------------------------------|----------------------|
| WDV OF ASSETS | | | |
| Factory Building | 4,736,893.00 | 4,680,288.06 | (56,604.94) |
| Plant & Machinery | 3,020,486.00 | 5,879,110.32 | 2,858,624.32 |
| Electrical Installation | 40,053.00 | 183,078.26 | 143,025.26 |
| TOTAL | 7,797,432.00 | 10,742,476.64 | 2,945,044.64 |

| | |
|---|--------------|
| Tax Rate | 30.90% |
| Deferred Tax Liability As On 31.03.2012 | 910,018.79 |
| Deferred Tax Liability As On 31.03.2011 | 1,043,851.00 |
| Decrease In Deferred Tax Liability As On 31.03.2012 | 133,832.21 |

SCHEDULE '13' NOTES ON ACCOUNTS
1. SIGNIFICATION ACCOUNTING POLICIES

- i) **SYSTEM OF ACCOUNTING**
The company follows accrual system of accounting for all items of costs and revenue.
- ii) **INFLATION**
Assets and Liabilities are shown at historical costs and no adjustments are made for changes in purchasing power of money.
- iii) **FIXED ASSETS**
Fixed Assets are recorded at cost of acquisition or construction plus appropriate share of pre-operative expenses.
- iv) **DEPRECIATION**
Depreciation on fixed assets has been charged on written down value method at the rates specified in Schedule XIV to the Companies Act, 1956.
- v) **REVENUE RECOGNITION**
Revenue in respect of insurance / other claims, interest, commission etc. is recognised only when it is reasonably certain that the ultimate collection will be made.
- vi) **GRATUITY**
No provision has been made in accounts for gratuity, as the same will be accounted on cash basis.
- vii) **TAXES ON INCOME**
No provision for deferred tax asset is made on account of the business loss and unabsorbed depreciation carried forward under the Income Tax Act. The deferred tax assets has not been recognised as there is no reasonable certainty of sufficient taxable income being available against which such deferred tax assets can be realized.

2. The company has not made any provision for gratuity payable to the Managing Director. There are no other employees who are eligible for Gratuity payment during the year. The liability as per actuarial valuation has not been determined.
3. The balances in sundry debtors, loans and advances, and sundry creditors are as per the books of accounts for which the company has not obtained confirmations from certain parties. The said balances are therefore subject to the confirmation and consequent reconciliation if any.
4. In the opinion of the Board of Directors, unless otherwise stated in the Balance Sheet and the Schedules annexed thereto, current assets, loans and advances as stated in the Balance Sheet have a value on realisation in the ordinary course of business at least equal to the amount at which they has stated in the Balance Sheet.
5. In compliance with Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has during the current year followed Deferred Taxation in respect of taxes on income. As a consequence, the company has created Net Deferred Tax Liability of Rs. 9,10,019/- in respect of temporary differences mainly due to difference in book value and income tax value of the block of assets as existing on 31.03.2012 by debiting it to Profit & Loss Appropriation Account.

Major items of Deferred Tax :

| Sr. No. | Particulars | Opening Balance as on 01.04.2011 | Net Increase / (Decrease) during the year | Closing Balance as on 31.03.2012 |
|----------|--|----------------------------------|---|----------------------------------|
| A | DEFERRED TAX LIABILITY | | | |
| | Tax effect of timing differences on account of fixed assets (excess of net block over written down value as per the provisions of the Income Tax Act, 1961 | 10,43,851 | (1,33,832) | 9,10,019 |
| | Total A | 10,43,851 | (1,33,832) | 9,10,019 |
| B | DEFERRED TAX ASSET | | | |
| | Tax effect of timing differences on account of brought forward business loss. | Nil | Nil | Nil |
| | Total B | Nil | Nil | Nil |
| | Net Tax effect of Timing Differences (A – B) | 10,43,851 | (1,33,832) | 9,10,019 |

6. Claims against the Company which are under dispute, not acknowledged as debts :-

| Sr. No. | Party's Name | Rs. (Lacs) |
|---------|-----------------------|------------|
| 1 | Crompton Greaves Ltd. | 2.80 |
| 2 | G K Investments | 13.68 |
| 3 | Gayatri Devi | 16.65 |
| | TOTAL | 33.13 |

7. Related Party Disclosures :
Disclosures as required by Accounting Standard 18 "Related Party Disclosures" are given below :
List of Related Parties (Enterprises commonly controlled or influenced by the Major Shareholders or / Directors of the Company) :

1. Omega Investment & Properties Ltd.

Key Management Personnel & Relatives

1. A. K. Sethi, Director
2. Varsha Sethi, Director
3. Kalpita Sawant, Director
4. D. N. Jha, Director

8. Previous year's figures have been regrouped and rearranged wherever necessary.

9. Schedule '1' to '16' form an integral part of the Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the period ended on that date and have been authenticated..

| | | 2011-2012 (Amount in Thousands) | |
|----|--|------------------------------------|-----------|
| a) | Registration Details | 61079 / TA / 1C | |
| | Registration No. | 11 | |
| | State Code | 31.03.2012 | |
| | Balance Sheet Date | | |
| b) | Capital Raised During the Year | NIL | |
| | Private Placement | NIL | |
| | Bonus Issue | | |
| c) | Position of mobilization and Deployment of funds | | |
| | Total Liabilities | Rs. | 24,111 |
| | Total Assets | Rs. | 24,111 |
| | SOURCE OF FUNDS | | |
| | Paid-up Capital | Rs. | 98,983 |
| | Reserve and Surplus | Rs. | (103,982) |
| | Deferred Tax Liability | Rs. | 910 |
| | Secured Loans | Rs. | 27,157 |
| | Other Long Term Liabilities and Provisions : | Rs. | 1,007 |
| | Current Liabilities | Rs. | 36 |
| | APPLICATION OF FUNDS | | |
| | Net Fixed Assets | Rs. | 16,030 |
| | Investments | Rs. | 24 |
| | Long Term Loans and Advances: | Rs. | 5,165 |
| | Other Non-Current Assets | Rs. | 2,500 |
| | Current Assets | Rs. | 392 |
| d) | Performance of Company | | |
| | Turnover | Rs. | NIL |
| | Other Income | Rs. | 120 |
| | Total Expenditure | Rs. | 1,736 |
| | Loss after Depreciation | Rs. | (1,616) |
| | Loss after Deferred Tax | Rs. | (1,482) |
| | Earning Per Share | Rs. | NIL |
| | Divident % | | N. A. |

As per Our Report on Even Date

For R. B. Pandya & Co.

Chartered Accountants

Sd/-

Rajesh B. Pandya

Proprietor

Place : Mumbai

Date : 1st September, 2012

For and on behalf of the Board

Sd/-

D. N. Jha
Director

Sd/-

Varsha Sethi
Director

ARIHANT TOURNESOL LIMITED

| CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012 | (AMOUNT IN ₹) | |
|---|-------------------|-----------------------|
| | 2011-12 | 2010-11 |
| CASH FLOW FROM OPERATIVE ACTIVITIES : | | |
| Profit/(Loss) before Tax as per Profit and Loss Account | (1,615,577.00) | (1,698,475.00) |
| Adjustment for : | | |
| Depreciation | 1,499,531.00 | 1,715,575.00 |
| | (116,046.00) | 17,100.00 |
| OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES : | | |
| Trade receivables | (90,000.00) | 3,510,961.00 |
| Long term loans and advances | 425,000.00 | (5,335,680.00) |
| Other non current assets (long term) | 947,850.00 | - |
| Current Liabilities (short term) | (36,460.00) | - |
| Long term provisions | (914,000.00) | 250.00 |
| | 332,390.00 | (1,824,469.00) |
| | 216,344.00 | (1,807,369.00) |
| OPERATING PROFIT/(LOSS) BEFORE EXTRA ORDINARY ITEMS | | |
| Excess provision for tax written off | 150.00 | - |
| | 216,494.00 | (1,807,369.00) |
| NET CASH FROM OPERATING ACTIVITIES : (A) | | |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Increase in Secured loan | - | - |
| | - | - |
| NET CASH FROM FINANCING ACTIVITIES (B) : | | |
| | 216,494.00 | (1,807,369.00) |
| NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS (A+B) | | |
| | 85,165.85 | 1,892,534.85 |
| CASH AND CASH EQUIVALENTS AS AT 01.04.2011 | 301,659.85 | 85,165.85 |
| CASH AND CASH EQUIVALENTS AS AT 31.03.2012 | 85,165.85 | 301,659.85 |

As per Our Report on Even Date
For R. B. Pandya & Co.
 Chartered Accountants
 Sd/-
Rajesh B. Pandya
 Proprietor

Place : Mumbai
 Date : 1st September, 2012

For Arihant Tournesol Ltd.

Sd/-
D. N. Jha
 Director

Sd/-
Varsha Sethi
 Director

Place : Mumbai
 Date : 1st September, 2012



ARIHANT TOURNESOL LIMITED

ARIHANT TOURNESOL LIMITED

Registered Office : 74/1, Village Bhogaon, Barsi Road, North Solapur, Dist. Solapur, Maharashtra

PROXY FORM

Folio No. _____

I/We _____ being a _____ Members of
ARIHANT TOURNESOL LIMITED hereby appoint _____ of
_____ or failing him _____ of
_____ or failing him _____ as my/our proxy

to vote for me/us on my/our behalf, at the Twenty First Annual General Meeting of the Company to be held on Saturday 29th September, 2012 at 11.00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2012.

Signature

(Affix a 30 paise Revenue Stamp)

NOTE : The proxy must be deposited at the Company's Registered Office or Corporation Office not less than 48 hours before the time for holding the meeting.

----- **TEAR HERE** -----

ARIHANT TOURNESOL LIMITED

Registered Office : 74/1, Village Bhogaon, Barsi Road, North Solapur, Dist. Solapur, Maharashtra

ATTENDANCE SLIP

TWENTYFIRST ANNUAL GENERAL MEETING

Saturday 29th September, 2012

Full Name of the Shareholder _____

Signature _____

Folio _____

If Proxy _____

(Full Name in Block Letters)

Signature _____

NOTE : If attending please bring this form duly completed at the time of Meeting.

BOOK POST

ATL

If undelivered please return to :

ARIHANT TOURNESOL LIMITED
34/B, Jolly Maker Chamber II,
Nariman Point,
Mumbai - 400 021.