


**Arihant Tournesol Limited**

576

**Audit Report  
&  
Annual Accounts**




**Financial Year : 2012-2013**

**Audited By :**

**R. B. Pandya & Co.,  
Chartered Accountants  
308, Venkatesh Chambers,  
G.T. Marg, Fort,  
Mumbai - 400 001.**

**Tel. No. : 2207 6799 / 2207 0840**

**Fax No. : 2207 6001**



**CERTIFIED TRUE COPY  
FOR ARIHANT TOURNESOL LTD**

*Vedant*  
**DIRECTOR**

**Directors**  
VARSHA SETHI  
Chairman

**Auditors**  
R. B. PANDYA & CO.

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

**Bankers**  
The Kunbi Sahakari Bank Ltd.

Registered Office  
74/1, Mardi Cross,  
Village Bhogan, 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.

<b>Contents</b>	<b>Page Nos.</b>
Notice	1
Director's Report	2-4
Management Discussion and Analysis Report	5-6
Report on Corporate Governance	7-12
Declaration –Cum-Certification by the Chairman	13
Certification by the Chairman, Board of Directors	14
Auditor's Certificate on Corporate Governance	15
Auditors Reports	16-19
Balance Sheet	20
Profit & Loss Account	21
Notes on Accounts	22-33
Balance Sheet Abstract and Company's General Business Profile	34
Cash Flow Statement	35
Proxy Form / Attendance Slip	36-37

**CERTIFIED TRUE COPY**

For ARIHANT TOURNESOL LTD.

*V. K. Sethi*  
DIRECTOR

# ARIHANT TOURNESOL LIMITED

34-B, Jolly Maker Chambers-2  
225, Nariman Point  
Mumbai-400 021  
Phones: 22024359/22025117  
Fax: 22821776  
Email: sethigroup@vsnl.com

## NOTICE

**NOTICE** is hereby given that the **TWENTY SECOND** Annual General Meeting of the Members of ARIHANT TOURNESOL LIMITED will be held on Monday, 30<sup>th</sup> September 2013 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, 2013 and the Balance Sheet as on that date.
2. To appoint a Director in place of Mrs. Varsha Sethi who retires by rotation and being eligible, offer herself for reappointment.
3. To reappoint Auditors and to fix their remuneration.

By order of the Board of Directors

Sd/-  
Varsha Sethi  
Chairperson .

Place: Mumbai  
Date: 02.09.2013

**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 23rd Sept. 2013 to 29th Sept. 2013 (both days inclusive).
3. The Members are requested to intimate to the company at the registered office any change of address.

(1)

**CERTIFIED TRUE COPY**  
For ARIHANT TOURNESOL LTD.

*K. Sethi*  
DIRECTOR

# ARIHANT TOURNESOL LIMITED

34-B, Jolly Maker Chambers-2  
225, Nariman Point  
Mumbai-400 021  
Phones: 22024359/22025117  
Fax: 22821776  
Email: sethigroup@vsnl.com

## DIRECTORS' REPORT

To  
The Members:

Your Directors have pleasure in presenting the **TWENTY SECOND** Annual Report of Arihant Tournesol Ltd., together with the Statement of Accounts for the year ended 31<sup>st</sup> March, 2013.

### 1. ECONOMIC SCENARIO:

During the year under review, the company's factory was under Dry Lease Arrangement 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 issues are settled with other stakeholders and prepare the revival scheme after such settlement. The company hopes to prepare and get the proper revival scheme settled in the near future through BIFR and BIFR has asked us to submit a revised Rehabilitation Scheme.

### 2. FINANCIAL PERFORMANCE:

The company has incurred a loss of Rs. 16,97,671.21

### 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:**

Mrs. Varsha Sethi, Director of the company retires by rotation and being eligible offer herself 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) the preparation of the annual accounts for the financial year ended on 31<sup>st</sup> March, 2013, 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 judgments 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, 2013 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 31<sup>st</sup> March, 2013 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 D.N. Jha, Shri Rajender Gurnani & Mrs. Kalpita Sawant

9. **AUDITORS' 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:**

Your 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

Sd/-  
Varsha Sethi  
Chairperson.

Place: Mumbai  
Date : 02.9.2013

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The key areas of Management Discussion and Analysis are given below.

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Indian market presents a significant growth opportunity for edible oil players owing to the growing population, income growth, low current per capita consumption, low penetration and the fact that edible oils are necessary part of the daily diet for majority of Indian consumers. India accounts for a major part of global edible oil demand, which has grown over the years but the Indian oilseed crop has historically been insufficient to match the oil demand.

### **OUTLOOK**

India plays an important role in the global edible oil market. The Indian edible oil market is currently at 17.5 million tones and is currently growing at a rate of 3% - 4% per annum but still India's total requirement of edible oil for projected population of 1.22 billion is at projected per capita consumption of about 14.8 kg per annum, which is very low as compared to the world average of 25.91 kg /annum. As per Solvent Extractor's Association of India, demand for edible oil is expected to increase to 23.1 million by 2020.

### **OPPORTUNITIES & THREATS**

The edible oil sector in India is largely unorganized with a few organized players. There is a lot of potential and opportunity for organized players in Indian market because of growing population to feed, younger demographics, better lifestyle choices and increased purchasing power due to local development. Integrated players typically operate at higher capacity utilizations and enjoy better price realizations and margins in addition to being more equipped to deal with fluctuation in prices and availability of raw material.

Threat – The import of edible oil has already been increased from 4.71 million ton in 2006-07 to 9.98 million ton in 2011-12 which is 57% of the total consumption. In January 2013, Government has imposed duty of 2.5% on import of crude oil while maintaining 7.5% duty on refined Palm oil. The same has been resulted in the significant increased in the imported RBD alien and consequently drafting reduction in the capacity utilization of Indian Refineries.

### **RISKS & CONCERNS**

The overall scenario is also impacted by volatility in commodity and currency prices. Government policies plays an important role in the business of the Company. The policies announced by the Government have been progressive and are expected to remain likewise in future, and have generally taken an equitable view towards various stake holders, including domestic farmers, industry, consumers etc. Fuel prices continue to be an area of concern as fuel is widely used in manufacturing and distribution operations and has a direct impact on total costs.

### **INTERNAL CONTROL SYSTEM AND ADEQUACY**

The Company has suitable internal control systems which are safeguarding the Company's assets and promoting efficiency. The internal control systems are commensurate with the size and the nature of Company's business and are regularly reviewed and updated by incorporating changes in regulatory provisions.

### **HUMAN RESOURCES**

The Company continues to lay emphasis in nurturing and strengthening the overall development of Human Resources and has always been recognizing manpower as a vital tool in the Company's growth.

### **FINANCIAL PERFORMANCE**

The financial performance of the Company for the year under review is discussed in detail in the Directors Report.

For Arihant Tournesol Ltd

Sd/-

Varsha Sethi

Director

Dated:

Place: Solapur



## 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 dealing with customers, shareholder and every body who comes in contact with the company.

### 2. Board of Directors :

The Board consists of Six Directors as on 31<sup>st</sup> March 2013. Two are promoter Directors and Four 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. Ajitkumer 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 five times during the year on 30/04/2012, 31/07/2012, 01/09/2012, 31/10/2012 & 31/01/2013

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 declaration 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 & perquisite 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 Independent Directors Shri. D. N. Jha is the Chairman of the committee, Shri. Rajendra Gurnani & 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 clauses 49 of the Listing Agreement with the Stock Exchanges as well as Section 292A of the Companies Act, 1956.

During the year 2012-2013 five meeting of the Audit Committee were held on 30/04/2012, 31/07/2012, 01/09/2012, 31/10/2012 & 31/01/2013. 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 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 certificate, overseas and review all matters connected with transfer of securities. The committee also looks after redressal of shareholders complaints like transfer of share, non receipt of balance sheet etc. Smt. Varsha Sethi is the Compliance Officer of the Company.

Five meeting of the committee were held on 30/04/2012, 31/07/2012, 01/09/2012, 31/10/2012 & 31/01/2013. All the members of the committee attended the meetings.

During the year 2012-2013 no complaint was received from shareholders and no complaint pending.

The company has 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
2009-2010	30/09/2009	Arihant Tournesol Limited 74/1, Mardi Cross, Village Bhogan, North Solapur, Dist. Solapur, Maharashtra	11 AM	NO	
2010-2011	30/09/2010	- DO -	11 AM	NO	
2011-2012	30/09/2011	- DO -	11 AM	NO	
2012-2013	30/09/2012	- 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 reappoint of Directors

Mrs. Varsha Sethi, who retires by rotation at this meeting.

#### Disclosure :

There are materially significant related party transaction 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 Exchange 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 Shareholders Information :

- AGM : Date, Time & Venue : 30<sup>th</sup> September 2013, Time 11am  
(Company's workshop) at  
74/1, Mardhi Cross,  
Village Bhogan, North Solapur,  
Dist. Solapur, Maharashtra
- Financial Calendar : Financial Year 1<sup>st</sup> April to 31 March  
Result for the year ending 31<sup>st</sup> March-  
Normally Sept.
- Date of Book closure : 23<sup>rd</sup> Sept. 2013 to 29<sup>th</sup> Sept. 2013
- 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 2013-2014 to  
BSE
- Stock Code : 526125
- ISIN Number for CDSL : NA
- Stock Market Data : NA

- Registrar & Share Transfer Agent for Physical and Demat Share : Bigshare Services Pvt. Ltd.  
E-2, Ansa Industrial Estate, Sakivihar Road,  
Saki Naka, Andheri (East), Mumbai -400072.
- Share Transfer system : All share transfers received are processed, registered and returned within 30 days from the date of lodgement, if the documents are complete in all respects.
- Dematerialization of shares : NA

• **Distribution Of Shareholding**

**Distribution of Equity Shareholding as on 31<sup>st</sup> March 2013**

(A) According to category of Holding :

Category	Total Shareholders	%Of Shareholders	Total Shares	%
Corporate Bodies	37	0.4114	570500	5.7629
Directors-Relatives	1	0.0111	33500	0.3384
Group Companies	13	0.1445	5157180	52.0954
Nationalized Banks	1	0.0111	200	0.0020
Non Resident Indians	188	2.0903	111200	1.1233
Public	8734	97.1092	3643100	36.8008
Relatives of Director	20	0.2224	383820	3.8772
<b>TOTAL</b>	<b>8994</b>		<b>9899500</b>	<b>100.0000</b>

(B) According to number of holding

Shareholding of Nominal Rs.	Number of shareholders	Percentage of Total	Share Amount Rs.	Percentage of Total
1	5000	8213	13979200	14.1211
5001	10000	379	3169000	3.2012
10001	20000	153	2350000	2.3739
20001	30000	59	1472000	1.4869
30001	40000	35	1267000	1.2799
40001	50000	29	1379000	1.393
50001	100000	58	4571200	4.6176
100001	999999999	68	7080760	71.5264
<b>TOTAL :</b>	<b>8994</b>		<b>98995000</b>	<b>100</b>

- Outstanding GDRs / ADRs /  
Warranty or any convertible  
Investment, conversion date and  
likely impact on equity : NIL
  
- Plant Location : 74/1, Mardi Cross,  
Village Bhogan, North Solapur,  
Dist. Solapur, Maharashtra
  
- Address for Correspondence : The Director  
ARIHANT TROUNESOL 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/-  
Varsha Sethi  
Chairperson

Place : Solapur

Date : 2<sup>nd</sup> September 2013

## DECLARATION –CUM-CERTIFICATION BY THE CHAIRMAN

This is to certify that :

1. In Pursuance of the provisions of clauses 49(I)(D) of the Listing Agreements, a code of conduct for the company has been approved by the Board in its meeting held on 30/04/2011
2. The said code of conduct has been circulated to Board members and senior management personnel o the company.
3. All of them have affirmed having complied with the said code of product for the year ended 31<sup>st</sup> March 2013

Sd/-  
Varsha Sethi  
Chairperson  
Board of Director

Date : 2<sup>nd</sup> September 2013  
Place : Solapur

## 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 31<sup>st</sup> March 2013 and that to the best of our knowledge and belief:
  - i) These statement 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 transaction entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal control and that we have evaluated the effectiveness of the control system of the company and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of internal control, if any of which we are aware and the steps they have taken or purpose 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, o the management or an employee having a significant role in the company's internal control system.

Sd/-  
Varsha Sethi  
Chairperson  
Board of Director

Place : Solapur

Date ; 2<sup>nd</sup> September 2013



## 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 31<sup>st</sup> March 2013 as stipulated in clauses 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 31<sup>st</sup> March 2013 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 31<sup>st</sup> March 2013 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

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

Place : Solapur

Date ; 2<sup>nd</sup> September 2013

AUDITOR'S REPORT

To,  
The Members of,  
Arihant Tournesol Limited

1.	We have audited the attached Balance Sheet of Arihant Tournesol Limited as at 31 <sup>ST</sup> March 2013 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 appears from 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 are disqualified as on 31 <sup>ST</sup> March, 2013 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 & Co.,**  
**Chartered Accountants**

**308, Venkatesh Chambers,**  
**Ghanshyam Talwatkar Marg,**  
**Fort, Mumbai - 400 001.**  
**Phone : 2207 0840 / 2207 6799**

**AUDITOR'S REPORT**

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.6).
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.3 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, 20 13
b.	in the case of Profit and Loss Account, of the Loss for the year ended on that date.
c.	In the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

**For R. B. Pandya & Co.,**  
**Chartered Accountants**

**Rajesh B. Pandya**  
**Proprietor**

**Place : Mumbai**

**Date : 2<sup>nd</sup> September, 2013**

17

R.B. Pandya & Co.,  
Chartered Accountants

308, Venkatesh Chambers,  
Ghanshyam Talwatkar Marg,  
Fort, Mumbai - 400 001.  
Phone : 2207 0840 / 2207 6799

**Annexure referred to in paragraph 3 of our report of even date on the Balance Sheet of  
ARIHANT TOURNESOL LIMITED at 31st March, 2013 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 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 the 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 applicable 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, 2013 for a period of more than six months from the date they became payable.

R.B. Pandya & Co.,  
Chartered Accountants

308, Venkatesh Chambers,  
Ghanshyam Talwatkar Marg,  
Fort, Mumbai - 400 001.  
Phone : 2207 0840 / 2207 6799

**Annexure referred to in paragraph 3 of our report of even date on the Balance Sheet of  
ARIHANT TOURNESOL LIMITED at 31st March, 2013 and Profit & Loss Account  
for the year ended on that date**

- X. In our opinion the accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash loss during the current financial year covered by our audit but not in the immediately preceding 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, no 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 any 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.

For R. B. Pandya & Co.,  
Chartered Accountants

Rajesh B. Pandya  
Proprietor

Place : Mumbai  
Date : 2<sup>nd</sup> September, 2013

**ARIHANT TOURNESOL LIMITED**  
**Balance Sheet as at 31st March 2013**

( in ` )

Particulars	Note No.	2012-13	2011-12
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	98,989,000.00	98,989,000.00
(b) Reserves and surplus	2	(105,436,783.43)	(103,982,112.22)
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	27,456,754.68	27,156,754.68
(b) Deferred tax liabilities	3A	793,060.00	910,018.79
(c) Other Long term liabilities	4	764,399.24	764,399.24
(d) Long-term provisions	5	-	243,000.00
<b>3 Current liabilities</b>			
(a) Other current liabilities	6	44,944.00	35,855.00
<b>TOTAL</b>		<b>22,611,374.49</b>	<b>24,116,915.49</b>
<b>II. ASSETS</b>			
<b>Non-current assets (Long term)</b>			
<b>1 (a) Fixed assets</b>			
(i) Tangible assets	7	10,587,992.64	11,899,271.64
(ii) Capital work-in-progress	7	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	5,165,000.00
(d) Other non-current assets	10	2,500,250.00	2,500,250.00
<b>2 Current assets (short term)</b>			
(a) Trade receivables	11	30,000.00	90,000.00
(b) Cash and cash equivalents	12	173,397.85	307,659.85
<b>TOTAL</b>		<b>22,611,374.49</b>	<b>24,116,915.49</b>

Notes  
As Per Our Report On Even Date  
**For R.B. Pandya & Co.**  
Chartered Accountants

13

For Arihant Tournesol Ltd.

Sd/-  
**Rajesh B. Pandya**  
Proprietor  
Mumbai, 2nd September 2013

Sd/-  
**D.N.Jha**  
Director  
Mumbai, 2nd September 2013

Sd/-  
**Varsha Sethi**  
Director

**ARIHANT TOURNESOL LIMITED**  
**Profit and loss statement for the year ended 31<sup>st</sup> March 2013**

( in ` )

Particulars	Refer Note No.	2012-13	2011-12
I Revenue from Operations	14	120,000.00	120,000.00
II. Total Revenue (I + II)		120,000.00	120,000.00
III. Expenses:			
Employee Benefit Expenses	15	65,000.00	46,250.00
Depreciation and amortization expense		1,311,279.00	1,499,531.00
Other expenses	16	558,351.00	189,796.00
Total expenses		1,934,630.00	1,735,577.00
V. Profit before exceptional and extraordinary items and tax (III-IV)		(1,814,630.00)	(1,615,577.00)
VI. Exceptional items			
VII. Profit before extraordinary items and tax (V - VI)		(1,814,630.00)	(1,615,577.00)
VIII. Extraordinary Items			
IX. Profit before tax (VII- VIII)		(1,814,630.00)	(1,615,577.00)
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		116,958.79	133,832.21
XI Profit (Loss) for the period from continuing operations (VII-VIII)		(1,697,671.21)	(1,481,744.79)
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		(1,697,671.21)	(1,481,744.79)
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

For Arihant Tournesol Ltd.

Sd/-  
Rajesh B. Pandya  
Proprietor  
Mumbai, 2nd September 2013

Sd/-  
Varsha Sethi  
Director

Sd/-  
D.N.Jha  
Director

Note 1  
Share capital

Share Capital	2012-13		2011-12	
	Number	Amount	Number	Amount
<b>Authorised</b> Equity Shares of ` 10 each	10,000,000.00	100,000,000.00	10,000,000.00	100,000,000.00
<b>Issued</b> Equity Shares of ` 10 each	9,950,000.00	99,500,000.00	9,950,000.00	99,500,000.00
<b>Subscribed &amp; Paid up</b> Equity Shares of ` 10 each fully paid Calls in Arrears	9,899,500.00 600.00	98,995,000.00 3,000.00	9,899,500.00 600.00	98,995,000.00 6,000.00
<b>Subscribed but not fully Paid up</b> Fully Shares of ` 10 each, not fully paid up (See Note 4)				
<b>Total</b>	9,898,900.00	98,989,000.00	9,898,900.00	98,989,000.00

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

Particulars	2012-13		2011-12	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	9898900	98989000	9898900	98989000
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	9,898,900.00	98,989,000.00	9,898,900.00	98,989,000.00

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	2012-13		2011-12	
	No. of Shares held	% of Holding	No. of Shares held	% 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%



Shares issued for other than cash, Bonus issue and Shares bought back

Particulars	Year (Aggregate No. of Shares)				
	2012-13	2011-12	2010-11	2009-10	2008-09
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	2012-13	2011-12			
By Directors	NIL	NIL			
By Officers	NIL	NIL			

1. 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, 2013, since there are accumulated losses, no dividend is declared.

2. 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

3. 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

Note 2

Reserves and surplus

	2012-13	2011-12
<b>a. Capital Reserves</b>		
Opening Balance		
(+) Current Year Transfer	2,467,500.00	2,467,500.00
(-) Written Back in Current Year	-	-
Closing Balance	2,467,500.00	2,467,500.00
<b>b. Surplus</b>		
Opening balance		
(+) Net Profit/(Net Loss) For the current year	(106,206,612.22)	(104,968,017.43)
(+) Transfer from Reserves	(1,697,671.21)	(1,481,594.79)
(-) Proposed Dividends	-	-
A-) Interim Dividends	-	-
Transfer to Reserves	-	-
Closing Balance	(107,904,283.43)	(106,449,612.22)
<b>Total</b>	<b>(105,436,783.43)</b>	<b>(103,982,112.22)</b>

Note 3

Long Term Borrowings

Secured :	2012-13	2011-12
(a) Loans repayable on demand		
from banks		
from other parties	27,456,754.68	27,156,754.68
(of the above, Nil is guaranteed by Directors )		
<b>Total</b>	<b>27,456,754.68</b>	<b>27,156,754.68</b>

The above loan has been taken by creating equitable mortgage on the land situated at Gat No. 74, Village Bhoggaon, 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

Other non current Long Term Liabilities :

	2012-13	2011-12
<b>Creditors for Capital Purchase</b>		
Crompton Greaves Ltd	176,168.00	176,168.00
Advance from Jay Kay Marketing	247,431.00	247,431.00
Anand Steel Corporation	40,000.00	40,000.00
Dawoodbhai Kadarbhai	100,800.24	100,800.24
Advance from Jay Kay Marketing	200,000.00	200,000.00
<b>Total</b>	<b>764,399.24</b>	<b>764,399.24</b>

Note 5

Long Term Provisions

	2012-13	2011-12
a) Others		
Provision for Income tax (A.Y. 10-11)		243,000.00
<b>Total</b>	<b>-</b>	<b>243,000.00</b>

**Note 6**

**Other Current Liabilities**

	2012-13	2011-12
(a) Other payables		
Bigshare Services Pvt. Ltd	9,189.00	2,594.30
(b) TDS Payable	4,294.00	1,800.30
(c) Audit Fees	31,461.00	31,461.30
<b>Total</b>	<b>44,944.00</b>	<b>35,855.90</b>

**Note 8**

**Non-current Investments**

	2012-13	2011-12
a) Trade Investments		
b) Other Investments		
National Saving Certificates	23,700.00	23,700.30
<b>TOTAL</b>	<b>23,700.00</b>	<b>23,700.30</b>

Aggregate value of unquoted investments :

At cost :

23,700.00

23,700.30

**Note 9**

**Long Term Loans and Advances**

	2012-13	2011-12
(Unsecured, considered good)		
Rajesh Bohra		
Loans to related parties :		
Omega Investments and Properties	5,165,000.00	5,165,000.30
<b>TOTAL</b>	<b>5,165,000.00</b>	<b>5,165,000.30</b>

**Note 10**  
**Other non-current assets**

	2012-13	2011-12
a. Long term trade receivables (including trade receivables on deferred credit terms)		
Unsecured, considered good		
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
Profession Tax	3,000.00	3,000.00
	608,120.00	608,120.00
c. Deposits :		
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
	1,892,130.00	1,892,130.00
Shantuketan Associates		
Considered Doubtful		
Less: Provision for doubtful debts		
	2,500,250.00	2,500,250.00

Related Party Transaction

	2012-13	2011-12
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

	2012-13	2011-12
Trade receivables outstanding for a period less than six months from the date they are due for payment.		
Unsecured, considered good		
Betul Oil	30,000.00	90,000.00
<b>Total</b>	<b>30,000.00</b>	<b>90,000.00</b>

Trade Receivable stated above include debts due by:

Particulars	2012-13	2011-12
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

	2012-13	2011-12
a. Balances with banks :		
Central Bank of India	10,437.22	10,437.22
The Kunbi Sahakar Bank Ltd.	9,889.02	10,357.02
Syndicate Bank	63,630.44	12,872.44
b. Cheques, drafts on hand	-	-
c. Cash on hand*	89,441.17	273,983.17
d. Others (specify nature)	-	-
	<b>173,397.85</b>	<b>307,669.35</b>

Note 13

a) Contingent liabilities and commitments (to the extent not provided for)

	2012-13	2011-12
<b>(i) Contingent Liabilities</b>		
(a) Claims against the company not acknowledged as debt		
(b) Guarantees	33,13,000	33,13,000
(c) Other money for which the company is contingently liable	-	-
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed		
(b) Uncalled liability on shares and other investments partly		
(c) Other commitments (specify nature)		
b) In the opinion of the Board, all assets other than fixed assets and non current investments, have a		

**Note 14****Revenue from operations**

Particulars	2012-13	2011-12
a) Other Income :		
Lease Rent	120,000.00	120,000.00
<b>Total</b>	<b>120,000.00</b>	<b>120,000.00</b>

**Note 15****Employee Benefits Expense**

Particulars	2012-13	2011-12
(a) Salaries and incentives	65,000.00	46,250.00
(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	-	-
<b>Total</b>	<b>65,000.00</b>	<b>46,250.00</b>

**Note 16****Other expenses**

Particulars	2012-13	2011-12
Printing & Stationery	170,000.00	-
Postage & Telegram	89,980.00	63,021.00
Legal and Professional fees	171,902.00	115,223.00
Listing Fees	28,590.00	28,175.00
Advances written off	-	4,000.00
Fees to Registrar & Transfer agents	49,911.00	45,224.00
General Expenses	16,507.00	2,692.00
<b>Payments to the auditor as</b>		
a. auditor	31,461.00	31,461.00
<b>Total</b>	<b>558,351.00</b>	<b>189,796.00</b>



	Fixed Assets				Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2012	Additions/ Adjustments during the period	Deductions/ retirement during the period	Balance as at 31 March 2013	Balance as at 1 April 2012	Depreciation charge for the year	Deductions/ Adjustments during the period	Balance as at 31 March 2013	Balance as at 1 April 2012	Balance as at 31 March 2013				
<b>a</b>	<b>Tangible Assets</b>													
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	22,687,094.94	468,029.00	-	23,155,123.94	4,680,288.06	4,212,259.06				
Plant and Equipment	62,836,234.27	-	-	62,836,234.27	56,957,123.95	817,784.00	-	57,774,907.95	5,879,110.32	5,061,326.32				
Electrical Installation	2,425,417.00	-	-	2,425,417.00	2,242,338.74	25,466.00	-	2,267,804.74	183,078.26	157,612.26				
<b>Total</b>	<b>93,785,829.27</b>	<b>-</b>	<b>-</b>	<b>93,785,829.27</b>	<b>81,886,557.63</b>	<b>1,311,279.00</b>	<b>-</b>	<b>83,197,836.63</b>	<b>11,899,271.64</b>	<b>10,587,992.64</b>				
<b>b</b>	<b>Intangible Assets</b>													
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>				
<b>c</b>	<b>Capital Work In Progress</b>													
Flacker / Cracker	648,743.00	-	-	648,743.00	-	-	-	-	648,743.00	648,743.00				
Meal & Drier Cooler Compone	1,431,361.00	-	-	1,431,361.00	-	-	-	-	1,431,361.00	1,431,361.00				
Solvent Leak Tight Conveyor	281,305.00	-	-	231,305.00	-	-	-	-	281,305.00	281,305.00				
S.S. Tubes	1,769,625.00	-	-	1,769,525.00	-	-	-	-	1,769,625.00	1,769,625.00				
<b>Total</b>	<b>4,131,034.00</b>	<b>-</b>	<b>-</b>	<b>4,131,034.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,131,034.00</b>	<b>4,131,034.00</b>				
<b>d</b>	<b>Intangible assets under Development</b>													
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>				

**Arihant Tournesol Ltd.**  
**Assessment Year 2013-2014**

**Note 3A :**  
**Deferred Tax Liability (DTL)**

	IT Return	As Per Books	DTL
	Amount Rs.	Amount Rs.	Amount Rs.
<u>WDV Of Assets</u>			
Factory Building	4,263,204.00	4,212,259.06	(50,944.94)
Plant & Machinery	2,567,413.00	5,061,326.32	2,493,913.32
Electrical Installation	34,045.00	157,612.26	123,567.26
<b>Total</b>	<b>6,864,662.00</b>	<b>9,431,197.64</b>	<b>2,566,535.64</b>

Tax Rate	30.90%
Deferred Tax Liability As On 31.03.2013	793,060.00
Deferred Tax Liability As On 31.03.2012	910,019.00
Decrease In Deferred Tax Liability As On 31.03.2013	116,959.00

**ARIHANT TOURNESOL LTD.**

**SCHEDULE "17" : NOTES ON ACCOUNTS**

1. Significant 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 confirmations 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 are stated in the Balance Sheet.

**ARIHANT TOURNESOL LTD.**

**SCHEDULE "17" : NOTES TO ACCOUNTS**

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.7,93,060/- in respect of temporary differences mainly due to difference in book value and income tax value of the block of assets as existing on 31.3.2013 by debiting it to Profit & Loss Appropriation Account.

**Major items of Deferred Tax :**

Sr. No.	Particulars	Opening Balance as on 1.4.2012	Net Increase / (Decrease) during the year	Closing Balance as on 31.3.2013
A.	<b>Deferred Tax Liability</b>			
	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)	9,10,019	(1,16,959)	7,93,060
	<b>Total A</b>	9,10,019	(1,16,959)	7,93,060
B.	<b>Deferred Tax Asset</b>			
	Tax effect of timing differences on account of brought forward business loss.	Nil	Nil	Nil
	<b>Total B</b>	Nil	Nil	Nil
	<b>Net Tax effect of Timing Differences (A – B)</b>	9,10,019	(1,16,959)	7,93,060

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
	<b>TOTAL</b>	<b>33.13</b>

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

- A.K.Sethi, Director
- Varsha Sethi, Director
- Sharmishta Jadhav, Director
- D.N. Jha, Director

8. Previous year's figures have been regrouped and rearranged wherever necessary.
9. Schedules '1' to '17' form an integral part of the Balance Sheet as at 31<sup>st</sup> March, 2013 and Profit and Loss Account for the period ended on that date and have been duly authenticated.

		<u>2012-2013</u>	
		(Amount in Thousands)	
a) Registration Details			
Registration No.	:		
State Code	:	61079/TA/1C	
Balance Sheet Date	:	11 31.03.2013	
b) Capital Raised During the Year			
Private Placement	:	NIL	
Bonus Issue	:	NIL	
c) Position of mobilization and Deployment of funds			
Total Liabilities	:		
Total Assets	:	Rs.	22,617
		Rs.	22,617
<u>Sources of Funds</u>			
Paid-up Capital	:	Rs.	98,983
Reserves and Surplus	:	Rs.	(105,437)
Deferred Tax Liability	:	Rs.	793
Secured Loans	:	Rs.	27,457
Other Long Term liabilities and provisions :		Rs.	764
Current Liabilities :		Rs.	45
<u>Application of Funds</u>			
Net Fixed Assets	:	Rs.	14,719
Investments	:	Rs.	24
Long Term Loans and Advances :		Rs.	5,165
Other Non Current Assets :		Rs.	2,500
Current Assets	:	Rs.	209
d) Performance of Company			
Turnover	:	Rs.	NIL
Other Income	:	Rs.	120
Total Expenditure	:	Rs.	1,935
Loss after Depreciation	:	Rs.	(1,815)
Loss After Deferred Tax	:	Rs.	(1,698)
Earning per share	:	Rs.	NIL
Dividend %	:	Rs.	N.A

As per our Report of even date

For R. B. Pandya & Co.,  
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

RAJESH PANDYA  
Proprietor

VARSHA SETHI  
(Director)

D. N. JHA  
(Director)

PLACE: MUMBAI  
DATE: 2<sup>nd</sup> September, 2013

**ARIHANT TOURNESOL LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013**

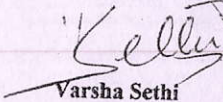
(Amount Rs.)

<b><u>CASH FLOW FROM OPERATING ACTIVITIES :</u></b>	<b><u>2012-13</u></b>	<b><u>2011-12</u></b>
Profit/(Loss) before Tax as per Profit and Loss Account	(1,814,630.00)	(1,615,577.00)
<b>Adjustment for :</b>		
Depreciation	1,311,279.00	1,499,531.00
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES :</b>	<b>(503,351.00)</b>	<b>(116,046.00)</b>
Trade receivables	60,000.00	3,510,961.00
Long term loans and advances	0.00	(5,335,680.00)
Other non current assets (long term)	0.00	-
Current Liabilities (short term)	9,089.00	-
Long term provisions	(240,000.00)	250.00
	<b>(113,911.00)</b>	<b>(1,824,469.00)</b>
<b>OPERATING PROFIT/(LOSS) BEFORE EXTRA ORDINARY ITEMS</b>	<b>(677,262.00)</b>	<b>(1,940,515.00)</b>
Excess provision for tax written off	150.00	-
<b>NET CASH FROM OPERATING ACTIVITIES : (A)</b>	<b>(677,112.00)</b>	<b>(1,940,515.00)</b>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Increase In Secured loan	-	-
<b>NET CASH FROM FINANCING ACTIVITIES (B) :</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS ( A+B )</b>	<b>(677,112.00)</b>	<b>(1,940,515.00)</b>
<b>CASH AND CASH EQUIVALENTS AS AT 01.04.2011</b>	<b>85,165.85</b>	<b>1,892,534.85</b>
<b>CASH AND CASH EQUIVALENTS AS AT 31.03.2012</b>	<b>(591,946.15)</b>	<b>(47,980.15)</b>

As per our Report of even date  
For R.B. Pandya & Co.  
Chartered Accountants

Rajesh B. Pandya  
Proprietor  
Mumbai, 2nd September, 2013

For Arihantournesol Ltd.

  
Varsha Sethi  
Director  
Mumbai, 2nd September, 2013

D.N.Jha  
Director

## 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 \_\_\_\_\_ of to vote for me/us on my/our behalf, at the  
Twenty Second Annual General Meeting of the Company to be held on Monday 30<sup>th</sup> September  
2013 at 11.00 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

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.