



**ARIHANT TOURNESOL LIMITED**

**18TH ANNUAL REPORT  
2008 - 2009**

**Directors**

VARSHA SETHI

*Chairman*

A. K. SETHI

K. RAMKRISHNAN

SHARMISHTA JADHAV

D. N. JHA

**Auditors**

R. B. PANDYA &amp; 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.

<b>Contents</b>	<b>Page Nos.</b>
Notice	1
Director's Report	2
Report on Corporate Governance	3 - 8
The Management Discussion and Analysis Report	9 - 10
Auditor's Certificate on Corporate Governance	11
Auditor's Report	12 - 13
Balance Sheet	14
Profit & Loss Account	15
Schedules of the Balance Sheet	16 - 19
Schedules of Profit & Loss Account	19 - 20
Notes on Accounts	21 - 22
Balance Sheet Abstract and Company's General Business Profile	23
Cash Flow Statement	30
Proxy Form / Attendance Slip	31

**NOTICE**

**NOTICE** is hereby given that EIGHTEENTH Annual General Meeting of the members of ARIHANT TOURNESOL LIMITED will be held on 30th Sept. 2009 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, 2009 and the Balance Sheet as on that date.
2. To appoint a Director in place of Mr. Ajitkumar Sethi who retires by rotation and being eligible, offer himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

By order of the Board of Directors

Sd/-

Place : Mumbai

Date : 01.09.2009

Varsha Sethi

Chairman

**Registered Office :**

74/1, Mardi Cross

Village Bhogaon, North Solapur

Dist. Solapur, Maharashtra.

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER SUCH PROXIES SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. To Register of Members and share transfer books of the company will remain closed from 28th to 30th Sept. 2009 (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 **EIGHTEENTH** Annual Report of Arihant Tournesol Ltd., together with the Statement of Accounts for the year ended 31st March, 2009.

### 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 earned a profit of Rs. 1,02,37,986.

### 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 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 31st March, 2009, 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, 2009 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, 2009 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 S. Ramkrishna, Miss Sharmishta Jadhav and Shri D. N. Jha.

### 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 : 01.09.2009

## 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 2009. 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	4	NO	NIL
Ms. Sharmishta Jadhav	I & NED	5	NO	NIL
Shri. D. N. Jha	I & NED	5	YES	NIL

**Note :** EXE : Executive Director I : Independent Director NED : Non-Executive Director

The Board of Directors met Five times during the year on 30.04.2008, 31.07.2008, 01.09.2008, 31.10.2008 & 31.01.2009.

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 Independent Directors. Shri. D. N. Jha is the Chairman of the committee, Shri. K. Ramkrishnan and Ms. Sharmishta Jadhav 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 2008-09, five meetings of the Audit Committee were held on 30.04.2008, 31.07.2008, 01.09.2008, 31.10.2008 & 31.01.2009. 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. Sharmishta Jadhav, a Non Executive / Independent Director and the other members of the committee are Shri. D. N. Jha and Shri. K. Ramkrishnan 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 30.04.2008, 31.07.2008, 01.09.2008, 31.10.2008 & 31.01.2009. All the members of the Committee attended the meetings.

During the year 2008-2009 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
2005-2006	30.09.06	Arihant Tournesol Limited 74/1, Mardi Cross, Village Bhogaon, North Solapur, Dist. Solapur, Maharashtra	11 AM	NO	
2006-2007	29.09.07	- Do -	11 AM	NO	
2007-2008	30.09.08	- 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

Shri. Ajitkumar Sethi (Age 65 Years), who retires by rotation at this meeting, is an established Businessman and has wide knowledge and experience in business at various levels.

**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 & Venue : 30<sup>th</sup> September 2009, Time 11 AM  
(Company's workshop) at  
74/1, Mardi Cross, Village Bhogaon,  
North Solapur, Dist. Solapur, Maharashtra
- Financial Calender : Financial year 1<sup>st</sup> April to 31<sup>st</sup> March.  
Result for the year ending 31<sup>st</sup> March - Normally Sept.
- Date of Book closure : 28<sup>th</sup> Sept. 2009 to 30<sup>th</sup> Sept. 2009  
(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 2009-2010 to BSE  
and 2008-2009 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 transferes 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 Shareholdeing as on 31<sup>st</sup> March 2009

#### (a) According to category of Holding :

	No. of Shares	% age
1. Promoters	5,626,500	56.84
2. Mutual Fund & UTI	NIL	NIL
3. Nationalized Banks	200	0.01
4. Bodies Corporate	519,500	5.24
5. Indian Public	3,641,100	36.78
6. Non Resident Indians	112,200	1.13
<b>Total</b>	<b>9,899,500</b>	<b>100.00</b>

#### (b) According to number of holding

1	5,000	8,229	91.33185	14008200	14.15041
5001	10,000	377	4.18	3164000	3.1961
10001	20,000	154	1.71	2366000	2.39
20001	30,000	58	0.64	1462000	1.4768
30001	40,000	36	0.40	1300000	1.3132
40001	50,000	28	0.31	1332000	1.3455
50001	100,000	60	0.67	4730200	4.7783
100,001	9,999,999,999	68	0.75	70632600	71.3497
<b>Total</b>	<b>10,000,254,999</b>	<b>9,010</b>		<b>98995000</b>	<b>100.00</b>

- 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/-

**Varsha Sethi**  
Chairman

Place : Solapur  
Date : 1st September 2009



**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, 2008
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 2009.

Date : 1st September 2009  
Place : Solapur

Sd/-  
**Varsha Sethi**  
Chairman  
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 2009 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.

Sd/-

**Varsha Sethi**

Chairman

Board of Directors

Place : Solapur

Date : 1st September 2009