

4. **DIVIDEND:**

No dividend has been declared during the year.

5. **DIRECTORS:**

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

6. **PARTICULARS OF EMPLOYEES:**

There are no employees of the company who are drawing such salary as is required to be disclosed under Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975.

7. **DIRECTORS' RESPONSIBILITY STATEMENT:**

- (k) the preparation of the annual accounts for the financial year ended on 31st March, 2011, 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 31st March, 2011 and of the profit of the company for the said period.
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, and
- (iv) the Directors have prepared the accounts for the financial year ended on 31st March, 2011 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 S.Ramkrishna, Miss Sharmishta Jadhav and Shri D.N.Jha

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


Varsha Sethi
Chairperson.

Place: Mumbai
Date : 2.9.2011

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 st March 2011 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 st March, 2011 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 st March, 2011
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 Flows for the year ended on that date.

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

R. B. Pandya
Rajesh B. Pandya
Proprietor



Place : Mumbai

Date : 2nd September, 2011

**Annexure referred to in paragraph 3 of our report of even date on the Balance Sheet of
ARIHANT TOURNESOL LIMITED at 31st March, 2011 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.55,65,000/- to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding was Rs.59,35,000/- and the year end balance was Rs.55,65,000/-. (Previous year: 4,35,000/-)
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, 2011 for a period of more than six months from the date they became payable.

