

**GANON TRADING & FINANCE COMPANY LTD.**

401 A, Natwar Chambers,  
94 Nagindas Master Road, Mumbai - 400 023.

**NOTICE**


NOTICE is hereby given that Twenty First Annual General Meeting of the members of **Ganon Trading & Finance Company Limited** will be held on Saturday, 30th September, 2006 at 11:00 a.m. at the Registered Office of the Company at 401 A, Natwar Chambers, 94 Nagindas Master Road, Mumbai - 400 023 to transact the following business:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2006 and the Profit and Loss Account for the year ended on that date together with the report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri G.S. Damani who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

PLACE : MUMBAI

DATED : 21st August, 2006

For and Behalf of the  
Board of Directors

  
DIRECTOR

- NOTES :
- i. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
  - ii. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

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**DIRECTORS' REPORT**

To The Members,

Your Directors have pleasure in presenting their Twenty First Annual Report alongwith Audited Accounts for the year ended 31st March, 2006.

**FINANCIAL HIGHLIGHTS :-**

PARTICULARS	FOR THE YEAR ENDED 31.03.2006 (AMT. IN RS.)	PREVIOUS YEAR ENDED 31.03.2005 (AMT. IN RS.)
Profit/(Loss) before tax	2431883	905349
Less : Provision for tax		
- Current Tax	16251	4789
- Deferred Tax	1893	22568
- Fringe Benefit Tax	415	NIL
Profit/(Loss) after Tax	2413324	877991
Balance Brought forward From Previous Year	7767793	6889802
Balance Carried Forward to Balance Sheet	10181116	7767793

**DIVIDEND :-**

The Directors do not recommend any dividend for the year under review.

**DIRECTORS :-**

Shri G.S.Damani retires by rotation and being eligible offers himself for re-appointment.

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**PARTICULARS OF EMPLOYEES :-**

No employee of the Company was in receipt of remuneration in excess of the limits prescribed under the Companies (Particulars of Employees) Rules, 1975 as amended upto date.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :-**

Your Company being a Investment Company the particulars required to be furnished in Form A doesn't apply. The Company has not adopted any Technology and Foreign Exchange Earnings and Outgo were Nil.

**AUDITORS :-**

M/s K K Khadaria & Co., Chartered Accountants, Auditors of the Company retire at the forthcoming Annual General Meeting. Their re-appointment is recommended to the members of the Company.

**COMPLIANCE CERTIFICATE :**

A certificate received from a Practicing Company Secretary certifying the compliances under the Companies Act, 1956, is attached hereto.

**DIRECTORS' RESPONSIBILITY STATEMENT :-**

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm; that in preparation of the Annual Accounts, the applicable accounting standards issued by ICAI have been followed. Appropriate accounting policies have been selected and applied consistently, and have made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2006 and the Profit for the period 1st April, 2005 to 31st March, 2006. 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 the annual accounts have been prepared on a going concern basis.

For and on behalf of  
Board of Directors



DIRECTORS

PLACE : MUMBAI

DATED : 21st August, 2006

**K K Khadaria & Co**

Chartered Accountants

A-1, HILLVIEW APARTMENTS,  
J. P. ROAD, NR. NAVRANG CINEMA,  
ANDHERI (W), MUMBAI - 400 058.  
TEL.: 2624 11 65 / 2671 9097/98  
TELE FAX: 2624 11 74

**AUDITORS' REPORT****TO THE MEMBERS OF GANON TRADING & FINANCE COMPANY LIMITED**

We have audited the attached Balance Sheet of **GANON TRADING & FINANCE COMPANY LIMITED** as at 31st March, 2006, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These 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.

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 the 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.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Department of Company Affairs, in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 & 5 of the said Order.
2. Further to our comments on the Annexure referred to in paragraph 1 above, we report that :-
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow statement comply with Accounting Standards referred in subsection (3C) of Section 211 of the Companies Act, 1956;

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## K K Khadaria & Co

Chartered Accountants

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- e) On the basis of the written representations received from the directors as on 31st March, 2006 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2006 from being appointed as a director in terms of Clause (g) of sub-section 1 of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to explanations given to us, the said accounts, read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India;
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2006;
- ii) in the case of Profit and Loss Account, of the profit of the Company for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report



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For K K KHADARIA & CO  
CHARTERED ACCOUNTANTS

PLACE : MUMBAI  
DATED : 21st August, 2006

AJAY DAGA  
PARTNER  
M.NO.44162

**K K Khadaria & Co**

Chartered Accountants

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ANNEXURE referred to in paragraph (1) of our Report of even date on the Accounts for the year ended on 31st March, 2006 of **GANON TRADING & FINANCE COMPANY LIMITED.**

1. The Company does not have any fixed assets and hence the question of maintaining records, physical verification & disposal of the same does not arise.
2.
  - a. Shares in custody of the Company have been physically verified by the management at reasonable intervals. For shares held with the custodian and depository participant, statement from them have been obtained on a regular basis.
  - b. In our opinion, the procedures of verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company is maintaining proper records of inventory. No discrepancies have been noticed on reconciliation of physical inventories & with the custodian and depository participant as compared to the book records except to the extent & for the reason mentioned in Annexure 'I' to the Accounts.
3.
  - (a) The Company has, during the year, not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained u/s.301 of the Companies Act, 1956. Accordingly, the clauses 4(iii)(b) to (d) of the Order are not applicable.
  - (e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained u/s.301 of the Companies Act, 1956. Accordingly, the clause 4(iii)(f) and (g) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase & sale of shares (inventory). The Company does not provide any services. During the course of our audit no major weakness have been observed in the internal control system.