

NOTICE

Notice is hereby given that the Annual General Meeting of the members of Ganon Trading and Finance Company Limited will be held at its registered office situated at 903, Dalamal House, Nariman Point, Mumbai – 400 021 on Saturday, the 29th day of September, 2007 at 11:00 A.M. to transact the following business: -

1. To receive, consider and adopt the Balance Sheet as at 31st March 2007 and the Profit and Loss Account for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in Place of Mrs. Shrikantadevi Damani who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint K K Khadaria & Co. as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

By order of the Board of Directors



Gopikishan S. Damani
Director

Place: Mumbai

Dated: 23rd August, 2007

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies, in order to be effective, must be received at the Company's Registered office not later than 48 (forty eight) hours before the time fixed or holding the meeting.

By order of the Board of Directors

GANON TRADING AND FINANCE COMPANY LTD.



Gopikishan S. Damani DIRECTOR
Director

Place: Mumbai

Dated: 23rd August, 2007

CERTIFIED TRUE COPY

For Ganon Trading & Finance Co. Ltd.


Director

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the Annual Report on the operations of the Company, together with the audited accounts for the year ended 31st March 2007.

1. FINANCIAL HIGHLIGHTS

(Amount in Rs.)

| | 2006-07 | 2005-06 |
|--|-----------------|-----------------|
| Sales and other Income | 9663608 | 2559323 |
| Profit before Tax and Prior Period Items | 9609149 | 2431883 |
| Prior Period Expenses | 8265 | NIL |
| Provision for Tax | 759938 | 18559 |
| Profit after Tax | 8840946 | 2413324 |
| Balance Brought forward from previous year | 10181117 | 7767793 |
| Balance Carried to Balance Sheet | 19022062 | 10181117 |

2. OPERATIONS & EXPANSIONS

The Company has shown progress during the financial year 2006-07. The net profit after tax has been increased from Rs. 2413324 to Rs. 8840946 during the year. It is mainly on account of decrease in administrative and other expenses and increase in sales and other income.

3. DIVIDENDS

With a view to conserve resources of the Company for future growth, your Directors regrets their inability to declare any dividend for the financial year end 31st March, 2007.

4. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Article of Association, Mrs. ShriKantadevi Damani retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

5. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of section 217(2AA) of the Companies Act, 1956 your Directors confirm the following:

- A) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- B) that the Directors have selected such accounting policies and applied them consistently and made judgments 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 2007 and of the profit of the Company for that period ;

- C) that the Directors have taken proper and sufficient care 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;
- D) that the Directors had prepared the annual accounts on a 'going concern' basis.

6. AUDITORS

M/s. K K Khadaria & Co., Chartered Accountants, the Statutory Auditors of the Company will retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Members are requested to appoint auditors for the current year and to authorize the Board to fix their remuneration.

7. AUDITORS' REPORT

The observations made by the Auditors in their report read with the relevant notes as given in the Notes of Accounts for the year ended 31st March, 2007 are self explanatory and therefore do not call for any further comments under section 217 (3) of the Companies Act, 1956.

8. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Considering the fact that Company is not a manufacturing Company, the director have nothing to report pursuant to section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988

9. FIXED DEPOSITS

The Company has not accepted or renewed any deposits from public during the year under review.

10. ACKNOWLEDGEMENTS

You Directors take this opportunity to express their gratitude for the continued support and co-operation received from the Shareholders, Customers, Suppliers, Bankers, Statutory Authorities and all other business associates. The Board of Directors wishes to express its appreciation to all the employees of the company for their outstanding contribution to the operation of the company during the year.

By order of the Board of Directors

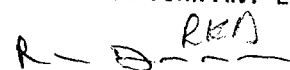
GANNON TRADING AND FINANCE COMPANY LTD.

GANNON TRADING AND FINANCE COMPANY LTD.



DIRECTOR

Gopikishan Damani
Director



Radhakishan Damani
Director

DIRECTOR

Place: Mumbai

Dated: 23rd August, 2007

CERTIFIED TRUE COPY

For Gannon Trading & Finance Co. Ltd.



Director

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' REPORTTO 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, 2007, 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;
- e) On the basis of the written representations received from the directors as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of Clause (g) of sub-section 1 of Section 274 of the Companies Act, 1956.

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

- 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 2007;
- 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.

For K K KHADARIA & CO
CHARTERED ACCOUNTANTS

PLACE : MUMBAI
DATED : 23rd August, 2007


AJAY DAGA
PARTNER
M.NO.44162

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits to which the provision of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
7. The Company does not have formal system of internal audit, but there are adequate checks & controls at all levels.
8. Maintenance of cost records has not been prescribed by the Central Government u/s 209(1)(d) of the Act.
9. (a) In our opinion and according to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues with the appropriate authorities.
(b) In our opinion and according to the information & explanations given to us, there are no statutory dues which have not been deposited on account of any dispute.
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. In our opinion & according to the information & explanation given to us, the Company has not taken any loan from financial institution or bank or through issue of debenture. Therefore, the question of repayment or default does not arise.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society.
14. In respect of Company's activity for dealing in shares, proper records have been maintained in regard to the transactions and contracts and timely entries have been made therein. The shares have been held by the Company in its own name except to the extent & for reason mentioned in Schedule C & Annexure I to the Accounts.
15. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The Company has not taken any term loan during the year & therefore provisions of Clause (xvi) of CARO, 2003 is not applicable to the Company.
17. According to information & explanation given to us and on overall examination of Balance Sheet of the Company, we report that Company has not raised any short term loan during the year.
18. 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.
19. The Company has not issued any debentures during the year.

