

GANON TRADING AND FINANCE COMPANY LIMITED

ANNUAL REPORT 2011-2012

BOARD OF DIRECTORS	Mr. Madanlal Goyal Mr. Hari Prasad Agarwal Mr. Manish Tiwari Mr. Dwarka Prasad Agarwal
AUDITORS	M/s K. K. Khadaria & Co.
REGISTERED OFFICE	303, Sapphire Arcade, Above Sejal Jewellers, M.G. Road, Ghatkoper (East), Mumbai 400 077 Tel. No. 022 2501 0506 Fax No. 022 2501 0508 Web Address: - www.ganontrading.com Email: - ganontrading@gmail.com
REGISTRAR & TRANSFER AGENT	Sharex Dynamic India Private Limited Unit 1, Luthra Ind Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai – 400 072
LISTING INFORMATION	Bombay Stock Exchange Limited (BSE) Scrip Code 512443
CONNECTIVITY	National Depository Services Limited (NSDL) Central Depository Services (India) Limited (CDSL) ISIN: - INE162L01017

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 27th ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF GANON TRADING AND FINANCE COMPANY LIMITED WILL BE HELD ON SATURDAY, 29TH SEPTEMBER, 2012 AT THE REGISTERED OFFICE OF THE COMPANY AT 303, SAPPHIRE ARCADE, ABOVE SEJAL JEWELLERS, M.G. ROAD, GHATKOPER (EAST), MUMBAI 400 077 AT 10.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting. The retiring Auditors M/s. K. K. Khadaria & Co., Chartered Accountants, have informed the Company that they do not wish to seek re-appointment as Statutory Auditors of the Company. The Company has received a special notice from a member proposing the appointment of M/s. K. M. Tulsian & Associates, Chartered Accountants (Firm Registration Number 111075W) as Statutory Auditors of the Company in the place of K. K. Khadaria & Co., Chartered Accountants.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT Mr. Dwarka Prasad Agarwal, who was appointed as an Additional Director of the company with effect from March 24, 2012 in accordance with the provisions of the Articles of Association of the Company and subject to the provisions of Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and for the appointment of whom the Company has received a notice under Section 257 of the said Act from a shareholder proposing the candidature of Mr. Dwarka Prasad Agarwal for the office of a Director of the Company, be and is hereby appointed as Director of the Company, whose period of office shall be subject to retirement by rotation.”

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

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- “RESOLVED THAT Mr. Manish Tiwari, who was appointed as an Additional Director of the company with effect from July 27, 2012 in accordance with the provisions of the Articles of Association of the Company and subject to the provisions of Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and for the appointment of whom the Company has received a notice under Section 257 of the said Act from a shareholder proposing the candidature of Mr. Manish Tiwari for the office of a Director of the Company, be and is hereby appointed as Director of the Company, whose period of office shall be subject to retirement by rotation.”
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
- “RESOLVED THAT Mr. Madanlal Goyal, who was appointed as an Additional Director of the company with effect from August 27, 2012 in accordance with the provisions of the Articles of Association of the Company and subject to the provisions of Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and for the appointment of whom the Company has received a notice under Section 257 of the said Act from a shareholder proposing the candidature of Mr. Madanlal Goyal for the office of a Director of the Company, be and is hereby appointed as Director of the Company, whose period of office shall be subject to retirement by rotation.”
6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
- “RESOLVED THAT Mr. Hariprasad Agarwal, who was appointed as an Additional Director of the company with effect from August 27, 2012 in accordance with the provisions of the Articles of Association of the Company and subject to the provisions of Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and for the appointment of whom the Company has received a notice under Section 257 of the said Act from a shareholder proposing the candidature of Mr. Hariprasad Agarwal for the office of a Director of the Company, be and is hereby appointed as Director of the Company, whose period of office shall be subject to retirement by rotation.”
7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
- “RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be increased from the present Rs. 40,00,000/- (Rupees Forty Lacs only) divided into 4,00,000 (Four Lac) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs.10,00,00,000/- (Rupees Ten Crore only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each by creation of 96,00,000 (Ninety Six Lakhs) new Equity Shares of Rs. 10/- (Rupees Ten only) each ranking pari passu with the existing Equity Shares and that the Memorandum of Association and the Articles of Association be altered accordingly.”

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RESOLVED FURTHER THAT pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the existing Clause “V” of the Memorandum of Association of the Company be and is hereby amended by deletion of the same and substituting in place and stead thereof the following new Clause “V”:

- V. The Authorised Share Capital of the Company is Rs.10,00,00,000/- (Rupees Ten Crore only), divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to sign and file requisite application(s)/intimation(s) with the Securities and Exchange Board of India (SEBI), BSE Limited (BSE), the National Stock Exchange of India Limited (NSE), Central Depository Services (India) Limited (CDSL), National Securities Depository Services Limited (NSDL), the Registrar of Companies, Maharashtra, Mumbai (ROC) and such other authorities; as may be required; in connection with aforesaid alteration of Articles of Association of the Company and to sign, execute and submit necessary undertakings, declarations, to submit necessary statements and details, to make representations to the said authorities and to take all such actions and do all such things as may be considered necessary from time to time for giving effect to the above resolutions.”

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

“RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article 5 of the Articles of Association be and is hereby deleted and the following article be substituted in its place as new Article 5:

5. The Authorized Share Capital of the Company is Rs.10,00,00,000/- (Rupees Ten Crore only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- each.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to sign and file requisite application(s)/intimation(s) with the Securities and Exchange Board of India (SEBI), BSE Limited (BSE), the National Stock Exchange of India Limited (NSE), Central Depository Services (India) Limited (CDSL), National Securities Depository Services Limited (NSDL), the Registrar of Companies, Maharashtra, Mumbai (ROC) and such other authorities; as may be required; in connection with aforesaid alteration of Articles of Association of the Company and to sign, execute and submit necessary undertakings, declarations, to submit necessary statements and details, to make representations to the said authorities and to take all such actions and do all such things as may be considered necessary from time to time for giving effect to the above resolutions.”

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9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

“RESOLVED THAT pursuant to the recommendation of the Board of Directors and the applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to the provisions in the Articles of Association of the Company and such other approvals, permissions and sanctions as may be necessary and subject further to such terms, conditions, alterations, modifications, changes and variations as may be specified while according such approvals which the Board of Directors of the Company be and are hereby authorised to accept, if it thinks fit, the Company be and is hereby authorised to capitalize upto Rs.9,30,00,000/- (Rupees Nine Crore Thirty Lakhs only) out of the ‘Reserves and Surplus’ and transfer to Share Capital Account towards issue and allotment of Equity Shares not exceeding 90,30,000 Equity Shares of Rs.10/- each, as bonus shares credited as fully paid-up, to members of the Company holding Equity Shares of Rs.10/- each whose names stand in the register of members of the Company on such date as the directors may determine, in that behalf in the proportion of 30 new fully paid-up Equity Shares of Rs.10/- each for every 1 Equity Share of Rs.10/- each, held as on that date and that the bonus shares so issued and allotted be treated for all purposes as an increase of the nominal amount of the Equity Capital of the Company held by each such member/person and not as income and that the said Equity Shares be issued and allotted, inter-alia, on the following terms and conditions:

- (a) The new Equity Shares of Rs.10/- each to be issued and allotted as Bonus Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects and carry the same rights as the then existing Equity Shares of the Company, notwithstanding the date or dates of allotment thereof, including entitlement to payment of dividend, if declared, for the financial year in which the same are allotted.
- (b) No letters of Allotment shall be issued for the Bonus Shares and the Share Certificates in respect thereof shall be delivered within the prescribed period from the date of their allotment.

RESOLVED FURTHER THAT the Board be and are hereby authorised to take necessary steps for listing of the Bonus Shares so allotted on the Stock Exchange where the securities of the Company are listed as per the provisions of the Listing Agreement with the Stock Exchange concerned, the Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT the allotment of the fully paid new Equity Shares as Bonus Shares to the extent that they relate to non-resident members of the Company shall be subject to such Statutory Approvals (as required, necessary or applicable, as the case may be), under the Foreign Exchange Management Act, 1999.

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RESOLVED FURTHER THAT the Board be and are hereby authorised to do all such acts, deeds, matters and things as may in its sole and absolute discretion, deem necessary, expedient, usual or proper and to settle any question, doubt or difficulty that may arise with regard to the issue and allotment of Bonus Shares as aforesaid or any other matter incidental or consequential thereto.”

By Order of the Board of Directors
For **Ganon Trading and Finance Company Limited**

Madanlal Goyal
Director

Date: August 31, 2012
Place: Mumbai

Registered Office:
303, Sapphire Arcade,
Above Sejal Jewellers,
M.G. Road, Ghatkoper (East),
Mumbai 400 077

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NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Instrument of Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 (forty-eight) hours before the commencement of the meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names shall be entitled to vote.
4. The Register of Director's Shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the Members at the Annual General Meeting.
5. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out all material facts and the Statement of particulars of Directors seeking re-appointment, as required under Clause 49 of the Listing Agreement are annexed hereto.

REQUEST TO MEMBERS:

1. All the members are requested to bring the attendance slip at the Annual General Meeting. Members, to whom physical copy of the Annual Report has been provided, are requested to bring their copy of the Annual Report.
2. Members who hold shares in dematerialized form are requested to write their client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item Nos. 3:

Mr. Dwarka Prasad Agarwal was appointed as an Additional Director of the Company with effect from 24th March, 2012. Pursuant to the provisions of the Section 260 of the Companies Act, 1956, Mr. Dwarka Prasad Agarwal shall hold office upto the date of ensuing Annual General Meeting of the Company. The Company has received notice under Section 257 of the said Act from a shareholder proposing the candidature of Mr. Dwarka Prasad Agarwal for the office of Director.

None of the Directors except Mr. Dwarka Prasad Agarwal are interested or concerned in the aforesaid Resolution. Your Directors recommend the above resolutions for your approval.

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Item Nos. 4:

Mr. Manish Tiwari was appointed as an Additional Director of the Company with effect from 27th July, 2012. Pursuant to the provisions of the Section 260 of the Companies Act, 1956, Mr. Manish Tiwari shall hold office upto the date of ensuing Annual General Meeting of the Company. The Company has received notice under Section 257 of the said Act from a shareholder proposing the candidature of Mr. Manish Tiwari for the office of Director.

None of the Directors except Mr. Manish Tiwari are interested or concerned in the aforesaid Resolution. Your Directors recommend the above resolutions for your approval.

Item Nos. 5:

Mr. Madanlal Goyal was appointed as an Additional Director of the Company with effect from 27th August, 2012. Pursuant to the provisions of the Section 260 of the Companies Act, 1956, Mr. Madanlal Goyal shall hold office upto the date of ensuing Annual General Meeting of the Company. The Company has received notice under Section 257 of the said Act from a shareholder proposing the candidature of Mr. Madanlal Goyal for the office of Director.

None of the Directors except Mr. Madanlal Goyal are interested or concerned in the aforesaid Resolution. Your Directors recommend the above resolutions for your approval.

Item Nos. 6:

Mr. Hariprasad Agarwal was appointed as an Additional Director of the Company with effect from 27th August, 2012. Pursuant to the provisions of the Section 260 of the Companies Act, 1956, Mr. Hariprasad Agarwal shall hold office upto the date of ensuing Annual General Meeting of the Company. The Company has received notice under Section 257 of the said Act from a shareholder proposing the candidature of Mr. Hariprasad Agarwal for the office of Director.

None of the Directors except Mr. Hariprasad Agarwal are interested or concerned in the aforesaid Resolution. Your Directors recommend the above resolutions for your approval.

Item Nos. 7, 8 & 9:

At present, the Authorised Share Capital of the Company is Rs. 40,00,000/- divided into 4,00,000 Equity Shares of Rs. 10/- each. The Board of Directors is of the opinion that the Company is comfortably placed to reward its Shareholders by way of issue and allotment of Bonus Shares by capitalization of a portion of the profit and loss account. It is recommended that bonus equity shares be issued and allotted in the ratio of 30 (Thirty) new fully paid-up Equity Shares of Rs. 10/- each for every 1 (One) existing equity share held. The Board of Directors at their Meeting

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held on August 31, 2012 have recommended the issue of Bonus Shares to the existing members of the Company in the ratio of 30 fully paid up Equity Shares of Rs.10/- each for every 1 fully paid up Equity Share of Rs. 10/- held as on record date/book closure date to be determined for the purpose. The issue of Bonus shares on being approved by the members of the Company will increase the issued and paid up share capital of the Company beyond the existing Authorised Share Capital and hence the Authorized Share Capital of the Company needs to be increased to accommodate the issue of Bonus shares.

In view of the same, it is proposed to increase the Authorized Share Capital from Rs.40,00,000/- (Rupees Forty Lacs) divided into 4,00,000 Equity Shares of Rs.10/- each to Rs.10,00,00,000/- (Rupees Ten Crore only) divided into 1,00,00,000 Equity Shares of Rs. 10/- each.

Consequent to the increase in the Authorised Share Capital of the Company, Clause V of the Memorandum of Association and the Article 5 of the Articles of Association of the Company shall be required to be altered suitably so as to reflect the increase in the Authorised Share Capital.

None of the directors shall be deemed to be concerned or interested in the above resolution.

By Order of the Board of Directors
For **Ganon Trading and Finance Company Limited**

Madanlal Goyal
Director

Date: August 31, 2012
Place: Mumbai

Registered Office:
303, Sapphire Arcade,
Above Sejal Jewellers,
M.G. Road, Ghatkoper (East),
Mumbai 400 077