

***Annual Report***

2010-2011

***Ganon Trading & Finance  
Company Limited***

NAME OF ASSESSEE	Ganon Trading & Finance Company Limited
ADDRESS	903, Dalamal House Nariman Point, Mumbai - 400 021
P. A. NO.	AAACG 2023N / WD 2(1)-4
STATUS	Widely held Public Limited Company
ACCOUNTING YEAR	01.04.2010 to 31.03.2011
ASSESSMENT YEAR	2011 - 2012

PART A : I COMPUTATION OF TOTAL INCOME UNDER THE NORMAL PROVISIONS OF IT ACT,1961

i.	<u>Speculation Income</u>		
	Net Profit as per Profit & Loss Account		85787
	Add : <u>Items Disallowed</u>		
	Expenses for increase in Authorised Share Capital	33000	
	Disallowance u/s. 14A in respect of exempt income	339675	
	STT in respect of Investment activities	27269	
	Share transaction & other charges	3457	
			<u>403401</u>
			889188
	Less : <u>Items considered separately</u>		
	Dividend Income	2720474	
	Profit / (Loss) on sale of Investments	(1899163)	
			<u>821311</u>
			(332123)
ii.	<u>Capital Gains / (Loss)</u>		
	Long term Capital Gain / (Loss) on sale of Investments (As per details attached)	(1899163)	(Ignored)
iii.	<u>Income from Other Sources</u>		
	Dividend Income [Rs.2720474/-, exempt u/s.10(34) & 10(35)]		NIL
		TOTAL INCOME / (LOSS)	<u>(332,123)</u>
		Tax Payable on Loss of Rs.332123/- is	<u>NIL</u>

II COMPUTATION OF BOOK PROFIT U/S 115 JB OF THE IT ACT,1961

	Net Profit Before Tax	85787
	Add : Expenditure related to Dividend income	339675
		<u>425462</u>
	Less: <u>Income Exempt u/s.10</u>	
	Dividend [exempt u/s 10(34) & 10(35)]	2720474
		<u>(2295012)</u>

BOOK PROFIT

As income, both under the normal provisions & u/s.115JB is -ve, income under the normal provisions is considered as taxable income

PART B : COMPUTATION OF TAX LIABILITY

	Tax due on Loss of Rs.332123/- is	NIL
	Tax Payable / (Refund Due)	<u>NIL</u>

PART C : POSITION OF CARRY FORWARD OF LOSSES

ASST.YR.	SPECULATION LOSS B/F	SET OFF DURING THE YEAR	SPECULATION LOSS C/F
2008-09	28008	NIL	28005
2009-10	55198	NIL	55198
2011-12	-	-	332123

PART D. POSITION OF MAT CREDIT C/F.

ASST.YR.	NORMAL TAX	Tax U/s.115 JE	AMT (Rs.)
2007-08	682012	950080	268068
2010-11	NIL	8845093	8845093
			<u>9113161</u>

Working of disallowance u/s 14A with reference to Rule 8DAmt. (Rs.) Amt. (Rs.)

Sub Rule	2(i)	- <u>Direct Expenses</u>		
		Demat Charges		4754
	2(ii)	- Interest		NIL
	2(iii)	- Indirect expenses		
		Op. value of Investments (including held as stock in trade)	67356010	
		Cl. value of Investments (including held as stock in trade)	66612590	
			<u>133968600</u>	
		Average value of Investments	66984300	
		0.5% of Average value of Investments		334922
			Total	<u>339675</u>

Details of Long Term Capital Gain on Sale of Shares

S C R I P	Nos.	PURCHASE		SALES		Long Term Capital Gain / (Loss)
		Year	Cost (Rs.)	Date	Amt.(Rs.)	
Indian Oil Corpn.	14107	2006-07	5822997	25.01.2011	4752095	(1070902)
	2893	2006-07	1194154	27.01.2011	965613	(228541)
	8107	2007-08	3305639	27.01.2011	2705919	(599720)
				10322790		8423627

# GANON TRADING & FINANCE COMPANY LTD.

903, Dalamal House, Nariman Point, Mumbai - 400021

## NOTICE

NOTICE is hereby given that Twenty Sixth Annual General Meeting of the members of Ganon Trading & Finance Company Limited will be held on Friday, 5<sup>th</sup> August, 2011 at 11:00 a.m. at the Registered Office of the Company at 903, Dalamal House, Nariman Point, Mumbai - 400021 to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Smt. Shrikanta Devi Damani who retires by rotation and being eligible offers herself for re-appointment .
3. To consider and, if thought fit, to pass with or without modification the following resolution as on Ordinary Resolution:

“RESOLVED THAT the retiring Statutory Auditors, M/s. K K Khadaria & Co, (Firm Regn. NO. 105013W), who being eligible, have offered themselves for re-appointment, be and are hereby re-appointed as Statutory Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be mutually agreed between the Board of Directors of the Company and the Statutory Auditors, in addition to reimbursement of out-of-pocket expenses, in connection with the audit of the Company.”

### SPECIAL BUSINESS :

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

“Resolved that pursuant to Section 257 of the Companies Act, 1956, Shri Rajendra Singhvi, who was appointed as an additional director in the Board of Directors meeting held on 03/11/2010 and as such who holds office up to the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

PLACE : MUMBAI  
DATED : 13<sup>th</sup> May, 2011

By order of the Board



DIRECTOR

NOTES : 1. 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.

# **GANON TRADING & FINANCE COMPANY LTD.**

903, Dalamal House, Nariman Point, Mumbai - 400021

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- 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.
- III. THE RELEVANT EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 IS ANNEXED HERETO.

# GANON TRADING & FINANCE COMPANY LTD.

903, Dalamal House, Nariman Point, Mumbai - 400021

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## ANNEXURE TO NOTICE

Explanatory Statement, As Required Under Section 173 (2) of The Companies Act, 1956

### ITEM NO. 4

As members are aware that during the year Shri Rajendra Singhvi, a Chartered Accountant by profession was appointed as an Additional Director in the Board of Directors meeting held on 3<sup>rd</sup> November, 2010 in the category of an independent director of the Company. With his vast experience in the field of accounts and finance, his presence on the Board is of great advantage and Board feels it is beneficial for the Company to continue to avail of his services as a Director of the Company.

Your director recommend his continuance as a director. Mr Rajendra Singhvi is interested in the Resolution to the extent of his appointment.

### BRIEF OF SHRI RAJENDRA SANGHVI

Shri Rajendra Singhvi, aged 59 years, is a Commerce graduate & also a Chartered Accountant by profession is a senior Partner of M/s. Mehta Singhvi & Associates, Mumbai. Before commencing practice of Chartered Accountancy, he worked with Birla Group of Companies at a senior position. He has vast experience of over three decades in areas of audits, taxation, corporate finance and advisory services.

Shri Rajendra Singhvi is neither a director in any other company nor a shareholder of the Company.

PLACE : MUMBAI

DATED : 13<sup>th</sup> May, 2011

By order of the Board



DIRECTOR

# GANON TRADING & FINANCE COMPANY LTD.

903, Dalamal House, Nariman Point, Mumbai - 400021

## DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting their Twenty Sixth Annual Report alongwith Audited Accounts for the year ended 31st March, 2011

### FINANCIAL HIGHLIGHTS :-

<u>PARTICULARS</u>	<u>FOR THE YEAR ENDED 31.03.2011 (AMT. IN RS.)</u>	<u>PREVIOUS YEAR ENDED 31.03.2010 (AMT. IN RS.)</u>
Profit before tax	85787	53177662
Provision For Tax		
- Current Tax	NIL	8848543
- MAT Credit Entitlement	NIL	(8845093)
- MAT Credit Entitlement adj. for earlier year	NIL	4664
- Taxes paid for earlier year	<u>NIL</u>	<u>12911</u>
Profit After Tax	85787	53156636
Balance Brought forward		
From Previous Year	74015633	20858997
Less : Utilised for issue of Bonus Shares	520000	NIL
Balance Carried Forward to Balance Sheet	<u>73581420</u>	<u>74015633</u>

### DIVIDEND :-

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

### DIRECTORS :-

Smt. Shrikanta Devi Damani retires by rotation and being eligible offers herself for re-appointment.

During the year Shri Rajendra Singhvi was appointed as additional director of the Company in the Board of Directors meeting held on 03.11.2010 and can hold office only upto the date of the ensuing annual general meeting. He being eligible offers himself to be appointed as director of the Company, liable to retire by rotation.

The appointment of Shri Rajendra Singhvi as director, liable to retire by rotation is recommended to the members of the Company in the ensuing general meeting.

### PARTICULARS OF EMPLOYEES :-

There is no employee drawing a remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended up to date.



# GANON TRADING & FINANCE COMPANY LTD.

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

Your Company being an 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 retires 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, 2011 and of the Profit of the Company for the financial year ended on that date. 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.

## INCREASE IN AUTHORISED & PAID-UP SHARE CAPITAL:-

During the year under review the Company has increased its authorized share capital by Rs.15.00 Lacs divided into 150000 equity shares of Rs.10/- each and consequently total authorized equity share capital of the Company has increased from Rs.25.00 Lacs to Rs.40.00 Lacs.

During the year under review the Company has allotted 52000 equity shares of Rs.10/- each on 16/09/2010 as bonus shares by capitalizing surplus balance in Profit & Loss A/c and consequently paid-up share capital of the Company has increased from Rs 2490000/- to Rs 3010000/-.

For and on behalf of  
Board of Directors



DIRECTORS

PLACE : MUMBAI

DATED : 13<sup>th</sup> May, 2011

# CHARTERED ACCOUNTANTS

Office : 401 - A, Pearl Arcade, Opp. P. K. Jewellers, Off J. P. Road, Andheri (W), Mumbai - 400 058.  
Tel. : 022 - 26778155, 26797750, 26783178 • Telefax : 022 - 26781187



## 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, 2011, 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 purposes 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 the 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st 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.

- 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 2011;
- 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  
(Firm Reg. No.105013W)**

  
**AJAY DAGA  
PARTNER  
M.NO.44162**

**PLACE : MUMBAI  
DATED : 13<sup>th</sup> May, 2011**

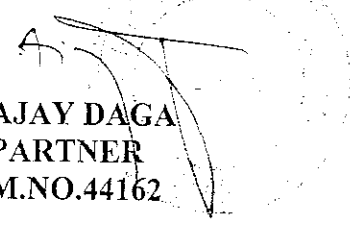
**ANNEXURE referred to in paragraph (1) of our Report of even date on the Accounts for the year ended on 31st March, 2011 of GANON TRADING & FINANCE COMPANY LIMITED.**

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.
3. a. The Company has, during the year, neither granted / nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained u/s.301 of the Companies Act, 1956. Accordingly, the clause 4(iii)(a) to (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 systems 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 weaknesses have been observed in the internal control system.
5. According to the information and explanations given to us by the management, there are no transactions that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits to which the provisions 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. The provisions of Section 209 (1)(d) of the Companies Act, 1956 regarding maintenance of Cost records is not applicable to the Company.
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 current financial year & in the immediately preceding financial year.
11. In our opinion & according to the information & explanation given to us, the Company has not taken any loans from financial institutions or banks or through issue of debentures. 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.
15. The Company has not given any guarantee for loans taken by others from banks 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 & explanations 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 did not have any outstanding debentures during the year.
20. The Company has not raised any money by way of public issues during the year.
21. According to the information and explanations given to us and to the best of our knowledge & belief, no fraud on or by the Company has been noticed or reported by the Company during the year.

**For K K KHADARIA & CO**  
**CHARTERED ACCOUNTANTS**  
**(Firm Reg. No.105013W)**

  
**AJAY DAGA**  
**PARTNER**  
**M.NO.44162**

**PLACE : MUMBAI**  
**DATED : 13<sup>th</sup> May, 2011**

**GANON TRADING & FINANCE COMPANY LIMITED**

**BALANCE SHEET AS AT 31st MARCH, 2011**

	<u>SCHEDULES</u>	<u>AS AT</u> <u>31.03.2011</u>	<u>AS AT</u> <u>31.03.2010</u>
I	<u>SOURCES OF FUNDS</u>	<b>(AMOUNT IN RUPEES)</b>	
	<u>Shareholders' Funds</u>		
	a. Share Capital	A 3010000	2490000
	b. Reserves & Surplus	B 73581421	74015633
	<b>TOTAL</b>	<b><u>76591421</u></b>	<b><u>76505633</u></b>
II	<u>APPLICATION OF FUNDS</u>		
1.	Investments	C 66097539	66866975
2.	<u>Current Assets,</u> <u>Loans and Advances</u>		
	a. Inventories	D 515051	489035
	b. Cash & Bank Balances	E 887047	399480
	c. Loans & Advances	F 9140736	9113161
		<u>10542834</u>	<u>10001676</u>
	<u>Less: Current Liabilities</u> <u>&amp; Provisions</u>		
	a. Current Liabilities	G 48952	14475
	b. Provisions	H <u>NIL</u>	<u>348543</u>
	Net Current Assets	10493882	9638658
	<b>TOTAL</b>	<b><u>76591421</u></b>	<b><u>76505633</u></b>

**NOTES TO ACCOUNT**

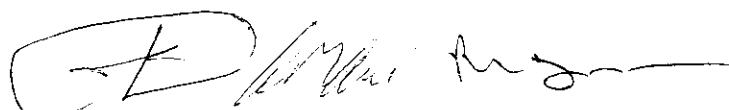
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The Schedules referred to above & Notes to Account form an integral part of the Balance Sheet.

As per our report of even date attached.

For K K KHADARIA & CO  
CHARTERED ACCOUNTANTS

AJAY DAGA  
PARTNER

  
(GOPIKISHAN DAMANI) (RADHAKISHAN DAMANI)  
DIRECTORS

PLACE : MUMBAI  
DATED : 13th May, 2011

**GANON TRADING & FINANCE COMPANY LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011**

<u>INCOME</u>	<u>SCHEDULES</u>	<u>FOR THE YR. ENDED 31.03.2011</u>	<u>FOR THE YR. ENDED 31.03.2010</u>
		<u>( AMOUNT IN RUPEES )</u>	
Income from Operations	I	821311	53333409
Increase/(Decrease) in Stock	J	26016	51120
		<u>847327</u>	<u>53384529</u>
<b><u>EXPENDITURE</u></b>			
Administrative & Other Exp.	K	761540	206867
		<u>761540</u>	<u>206867</u>
PROFIT BEFORE TAX		85787	53177661
Provision for Tax			
- Current Tax		NIL	8848543
- MAT Credit Entitlement for the year		NIL	(8845093)
- MAT Credit Entitlement adj. for earlier year		NIL	4664
- Taxes paid/adjust. for earlier year/s		NIL	12911
PROFIT AFTER TAX		85787	53156636
Balance Brought Forward			
From Previous Year		74015633	20858997
Less : Utilised for issue of Bonus Shares		520000	NIL
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<u><b>73581420</b></u>	<u><b>74015633</b></u>
Basic & Diluted Earning Per Share (Rs.)		0.31	213.48
Nominal Value Per Share (Rs.)		10.00	10.00

**NOTES TO ACCOUNT**

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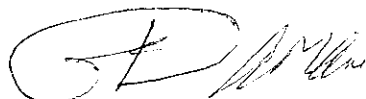
The Schedules referred to above & Notes to Account form an integral part of the Profit & Loss Account.

As per our report of even date attached.

For K K KHADARIA & CO  
CHARTERED ACCOUNTANTS

AJAY DAGA  
PARTNER

PLACE : MUMBAI  
DATED : 13th May, 2011

  
(GOPIKISHAN DAMANI) (RADHAKISHAN DAMANI)  
DIRECTORS

GANON TRADING & FINANCE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011  
(Pursuant to Clause 32 of the Listing Agreement)

	FOR THE YR. ENDED 31.3.2011 <u>AMT.(Rs.)</u>	FOR THE YR. ENDED 31.3.2010 <u>AMT.(Rs.)</u>
A. CASH FLOW FROM OPERATING ACTIVITIES :		
a) NET PROFIT / (LOSS) BEFORE TAX	85787	53177661
ADJUSTMENTS FOR:		
PROFIT ON SALE OF INVESTMENTS	1899163	(51994144)
DIVIDEND	(2720474)	(1339265)
b) OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(735524)	(155747)
ADJUSTMENTS FOR:		
INVENTORIES	(26016)	(51120)
LOANS & ADVANCES	(27575)	NIL
TRADE PAYABLES	32809	1393
c) CASH GENERATED FROM OPERATIONS	(756306)	(205474)
DIRECT TAXES PAID	(348543)	(8507979)
FRINGE BENEFIT TAX PAID	NIL	(92)
NET CASH FROM OPERATING ACTIVITIES	(1104849)	(8713545)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
INTEREST RECEIVED	NIL	NIL
DIVIDEND RECEIVED	2720474	1339265
PURCHASE OF INVESTMENTS	(13387669)	(55427203)
SALE / REDEMPTION OF INVESTMENTS	12257943	62410572
NET CASH USED IN INVESTING ACTIVITIES	1590747	8322634
C. CASH FLOW FROM FINANCING ACTIVITIES		
LOAN GIVEN	NIL	NIL
LOAN REPAID	NIL	NIL
NET CASH USED IN FINANCING ACTIVITIES	NIL	NIL
NET INCREASE IN CASH AND CASH EQUIVALENTS	485899	(390911)
CASH AND CASH EQUIVALENTS AS AT 01.04.10 (OPENING BALANCE)	399480	790391
CASH AND CASH EQUIVALENTS AS AT 31.03.11	885379	399480

As per our report of even  
date attached.

For K K KHADARIA & CO  
CHARTERED ACCOUNTANTS

AJAY DAGA  
PARTNER

  
(GOPIKISHAN DAMANI) (RADHAKISHAN DAMANI)  
DIRECTORS

PLACE : MUMBAI  
DATED : 13th May, 2011



**GANON TRADING & FINANCE COMPANY LIMITED****SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNT****SCHEDULE A****SHARE CAPITAL****AUTHORISED CAPITAL**

400000 (250000) Equity Shares of Rs.10/- each

AS AT  
31.03.2011  
Amt.(Rs.)AS AT  
31.03.2010  
Amt.(Rs.)

4000000

2500000

**ISSUED, SUBSCRIBED & PAID UP CAPITAL**

301000 (249000) Equity Shares of Rs.10/- each fully paid-up

3010000

2490000

3010000

2490000

[Of the above 52000 shares were allotted as fully paid-up bonus shares by capitalising surplus balance in Profit &amp; Loss A/c.]

**RESERVES & SURPLUS**

Surplus Balance in Profit &amp; Loss Account

Opening Balance

74015634

20858997

Less : Utilised for issue of Bonus Shares

520000

NIL

Add : Profit after tax for the year

85787

53156636

73581421

74015633

**SCHEDULE C****INVESTMENTS (Non Trade)****Long Term (Quoted)****Equity Shares**

28000 (28000) Eq. Shares of Rs.10/- each of B.P.C.L.

14285788

14285788

120244 (120244) Eq. Shares of Rs.10/- each of H.P.C.L.

37307099

37307099

753 (25860) Eq. Shares of Rs.10/- each of Indian Oil Corporation Ltd.

307037

10629826

25860 (25860) Eq. Shares of Rs.10/- each of Indian Oil Corporation Ltd. (Bonus)

NIL

NIL

100 (100) Eq. Shares of Rs.10/- each of Wyeth Ltd.

6389

6389

100 (100) Eq. Shares of Rs.10/- each of Nestle India Ltd.

83625

83625

8500 (NIL) Eq. Shares of Rs.10/- each of Gillette India Ltd.

13387670

NIL

19000 (19000) Eq. Shares of Rs.10/- each of Henkel India Ltd.

439181

439181

223 (223) Eq. Shares of Re.1/- each of Indian Hotels Co.Ltd.

15610

15610

3000 (3000) Eq. Shares of Rs.5/- each of TV Today Network Ltd.

265140

265140

**AGGREGATE VALUE OF QUOTED INVESTMENTS**

I

66097539

63032659

**CURRENT (Non Trade)****Unquoted****Units of Mutual Funds**

NIL (301779.215) units of Rs.10/- each of HDFC Cash Management Fund (Treasury Advantage Plan)

NIL

3027298

NIL (75873.177) units of Rs.10/- each of HDFC Cash Management Fund (Savings Plan)

NIL

807017

**AGGREGATE VALUE OF UNQUOTED INVESTMENTS**

II

NIL

3834316

**AGGREGATE VALUE OF INVESTMENTS**

(I+II)

66097539

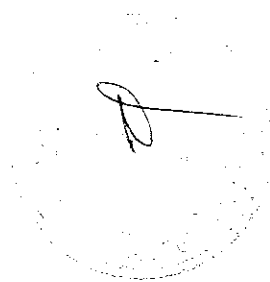
66866975

Notes : i. Market Value of quoted investments - Rs.85401063/- (P.Y.Rs.69436375/-)

ii. Figure in brackets pertain to previous year.

**GANON TRADING & FINANCE COMPANY LIMITED**

	<u>AS AT 31.03.2011 Amt.(Rs.)</u>	<u>AS AT 31.03.2010 Amt.(Rs.)</u>
<b><u>SCHEDULE D</u></b>		
<b><u>INVENTORIES</u></b>		
(As taken, valued and certified by the management)		
Stock In Trade	515051	489035
	<u>515051</u>	<u>489035</u>
<b><u>SCHEDULE E</u></b>		
<b><u>CASH &amp; BANK BALANCES</u></b>		
Cash on hand	5985	6817
Balance in Current Account with Scheduled Banks	881062	392663
	<u>887047</u>	<u>399480</u>
<b><u>SCHEDULE F</u></b>		
<b><u>LOANS &amp; ADVANCES</u></b>		
MAT Credit Entitlement	9113161	9113161
Advances recoverable in cash or in kind or for value to be received	27575	NIL
	<u>9140736</u>	<u>9113161</u>
<b><u>SCHEDULE G</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Sundry Creditors :		
- Due to Micro, Small and Medium Enterprises	NIL	NIL
- Due to Others	47284	14475
TDS Payable	1668	NIL
	<u>48952</u>	<u>14475</u>
<b><u>SCHEDULE H</u></b>		
<b><u>PROVISIONS</u></b>		
For Income Tax (Net of Advance Tax)	NIL	348543
	<u>NIL</u>	<u>348543</u>



**GANON TRADING & FINANCE COMPANY LIMITED**

	<b>FOR THE YEAR ENDED 31.03.2011 Amt.(Rs.)</b>	<b>FOR THE YEAR ENDED 31.03.2010 Amt.(Rs.)</b>
<b><u>SCHEDULE I</u></b>		
<b><u>INCOME FROM OPERATIONS</u></b>		
Profit /(Loss) on sale of long term Investments	(1899163)	51994144
Dividend on (other than trade)		
-Long Term Investments	2518111	1304949
-Current investments	202363	34316
	<u>2720474</u>	<u>1339265</u>
	<u>821311</u>	<u>53333409</u>
<b><u>SCHEDULE J</u></b>		
<b><u>INCREASE / (DECREASE) IN STOCK</u></b>		
Stock at Close	515051	489035
Less : Opening Stock	489035	437915
	<u>26016</u>	<u>51120</u>
<b><u>SCHEDULE K</u></b>		
<b><u>ADMINISTRATIVE &amp; OTHER EXPENSES</u></b>		
Listing Fees	518605	12214
Legal & Professional Fees	24406	11030
Depository & Registrar Charges	72937	NIL
Advertisement	40113	NIL
Auditors' Remuneration		
- For Audit	13788	13788
- For Certification Work	9927	NIL
Demat Charges	4754	2893
Filing Fees	4120	1620
Expenses for Increase in Auth. Share Capital	33000	NIL
Share Transaction Charges	3457	22647
Securities Transaction Tax	27269	142511
Miscellaneous Expenses	869	164
Printing & Stationery	8295	NIL
	<u>761540</u>	<u>206867</u>



SCHEDULE L : NOTES TO ACCOUNT

1. Summary of Significant Accounting Policies :-

- a The financial statements are prepared on accrual basis of accounting with the generally accepted accounting principles in India, provisions of the Companies Act, 1956 ( the Act) and comply in material aspects with the accounting standards notified under section 211(3C) of the Act, read with Companies (Accounting Standards) Rules, 2006.
- b Dividends are recorded when the right to receive payment is established.
- c Long term investments are stated at cost after deducting provision made for permanent diminution in the value,if any. Current investment are stated at lower of cost and fair market value.
- d Stock of quoted shares is valued at lower of cost & market price and in the case of unquoted shares, the same is valued at lower of cost & break up value.
- e Purchase & Sale of shares & other securities are accounted for on the basis of bill dates received from the brokers.
- f Income-tax expense comprises current tax and deferred tax charge or credit. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realisation.

2. The Company is engaged solely in investment activity segment and all activities of the Company revolve around this business. As such there are no other reportable segment as defined by Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

3. Related Party Disclosures :

Enterprises over which Key Management Personnel are able to exercise Significant Influence:

Maheshwari Equity Brokers (P) Ltd.

Transaction with related parties during the year

Nature of Transaction

Enterprises over which Key Management Personnel are able to exercise significant influence

Demat Charges

NIL  
(2893/-)



**GANON TRADING & FINANCE COMPANY LIMITED**

Outstanding Balances as on 31.03.2011 is as under:

<u>Nature of outstanding</u>	<u>Enterprises over which Key Management Personnel are able to exercise Significant influence</u>
Demat Charges Payable	NIL (687/-)

Note : Figure in brackets pertain to previous year.

<u>4. Earnings Per Share (EPS)</u>	<u>2010-2011</u>	<u>2009-2010</u>
a) Weighted Average Number of Equity Shares outstanding during the year	277066	249000
b) Net Profit after tax available for Equity Shareholders (Rs.)	85787	53156636
c) Basic and Diluted Earnings Per Share (Rs.)	0.31	213.48
d) Nominal Value Per Shares (Rs.)	10.00	10.00

The Company does not have any outstanding dilutive potential equity shares.

- 5 Provision for income tax has not been made as there is no taxable income both under the normal provisions as well under section 115JB of the IT Act, 1961.
- 6 a. Sundry creditors do not include any amount due to Micro, Small & Medium Enterprises.  
b. Based on the information so far available with the Company in respect of MSME ( as defined in the Micro, Small & Medium Enterprises Development Act, 2006) there are no delays in payment of dues to such enterprises during the year and there is no such dues payable at the year end.

- 7 Information required under Para 3(ii) (b) of Part II of Schedule VI to the Companies Act. 1956 is as under:-

<u>SHARES</u>	<u>QTY(NOS.)</u>	<u>AMOUNT(RS.)</u>
Opening Stock	14916 (14,916)	489035 (437,915)
Purchases	NIL (NIL)	NIL (NIL)
Sales	NIL (NIL)	NIL (NIL)
Closing Stock	14916 (14,916)	515051 (489,035)

Notes : a. Figure in brackets pertain to Previous Year.  
b. Statement pursuant to Part I of Schedule VI to the Companies Act, 1956 is given as per Annexure 'I'.

- 8 Previous Year's figures have been regrouped, rearranged, wherever necessary, so as to make them comparable with current year's figures.
- 9 Other information required under Part I and Part II of Schedule VI to the Companies Act, 1956 is either NIL or NOT APPLICABLE.

Signatures to Schedules "A" to "L"

For K K KHADARIA & CO  
CHARTERED ACCOUNTANTS

AJAY DAGA  
PARTNER

(GOPIKISHAN DAMANI)(RADHAKISHAN DAMANI)  
DIRECTORS

PLACE : MUMBAI  
DATED : 13th May, 2011