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**M/S GAJANAN SECURITIES SERVICES LIMITED**  
**9/12 LAL BAZAR STREET**  
**3<sup>RD</sup> FLOOR, BLOCK- A**  
**KOLKATA – 700 001.**

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**DIRECTORS REPORT**

Dear Members,

Your directors have pleasure in presenting their 16<sup>th</sup> Annual report of the company together with Audited Statement of Accounts of the company for the year ended 31<sup>st</sup> March 2010.

**FINANCIAL RESULTS:**

During the year under review the company has suffered a Net Loss of Rs.201410.57, Which has been carried over to the Balance Sheet.

**DIVIDEND:**

Owing to the carry forward loss during the year, your directors are unable to propose any dividend.

**DIRECTORS:**

In accordance with the provision of the companies Act, 1956 and Company's Articles of Association, Sri Sita Ram Bedia retires at the conclusion of the Annual General Meeting and being eligible, offers herself for re-appointment.

**AUDITORS REPORT:**

The notes on account referred to in the Auditors Report are self explanatory and therefore do not call for any further comments

**AUDITORS:**

M/S P.K.C. & CO. Chartered Accountants, Auditors of the Company retires at the Annual General Meeting and eligible for the reappointment offers for reappointment.

**PARTICULARS OF EMPLOYEES:**

None of the employees of the company is drawing remuneration in excess of the limit prescribed under section 217(2A) of the Companies Act, 1956 read together with Companies (Particulars of Employees) amended Rules, 1988 during the year under review.

**DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the Companies [Amendment] Act, 2000 the directors state:

5. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to materials departures.
6. That the directors had 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 the affairs of the company at the end of the financial year and the profit and loss of the company for that period
7. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records with the provision of the Companies Act, 1956 for safeguarding the assets of the company and for the preventing and detecting fraud and other irregularities.
8. That the annual accounts have been prepared on a going concern basis.

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

Information on accordance with the provisions of section 217(1)(e) of the Companies Act, 1956 read together with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, regarding conservation of Energy, Technology Absorption and Foreign Exchange and outgo is as under: -

- i) Conservation of Energy : Nil
- ii) Technology Absorption : Nil
- iii) Foreign Exchange Earnings & outgo
  - a) Foreign Exchange Earnings : Nil
  - b) Foreign Exchange Outgo : Nil

**CORPORATE GOVERNANCE**

As per clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report is out in Annexure forming part of this report.

**ACKNOWLEDGEMENT:**

Your Directors thank and deeply acknowledge the co-operation and assistance received from the company's Bankers providing their wholehearted co-operation and Assistance. The directors also express their deep appreciation for the dedicated and sincere services rendered by the officers and other employees of the company.

Place: Kolkata

For and on behalf of Board of Directors

Date:

Directors

**AUDITORS REPORT TO THE MEMBERS OF GAJANAN SECURITIES SERVICES LTD.**

We have audited the attached Balance sheet of M/s Gajanan Securities Services Ltd. As at 31.03.2010, 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 expressing an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards 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 misstatements. An audit also includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion. In accordance with the provisions of section 227 of the Companies Act, 1956 we report as under: -

1. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion the company has kept proper books of accounts as requires by law so far as appears from our examination of those books of Accounts.
3. The Company's Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts as examined by us.
4. In our opinion, Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub- section (3C) of section 211 of the Companies Act, 1956 except AS- 2 for the valuation of inventories as referred to note no.1 of notes on Accounts of Schedule- N.
5. As per the representation made by the company and all its Directors, no directors is disqualified from being appointed as Director u/s 274(1)(g) of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanation given to us the said accounts read together with Company's Accounting Policies and notes thereon, subject to Note No.1 of Notes on Account (Sch: N) regarding valuation of inventory at cost amounting to higher valuation of inventory by Rs. 127857.02 and overstating the profit by such amount, give the information required by the Companies Act, 1956 in the manner so required in the manner so required and give a true and fair view in conformity with the accounting principles generally excepted in India:
  - a. In case of the Balance Sheet of the State of Affairs of the company as at 31<sup>st</sup> March 2010.
  - b. In case of the Profit & Loss Account of the Loss of the Company for the year ended on that date.
  - c. In case the Cash flow Statement, of the Cash Flows for the year ended on that date.

As required by the Companies (Auditor's Report) Order, 2003 ("The Order") issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, on the matters specified in paragraphs 4 and 5 of the said order and the basis of such checks as we considered appropriate and as per the information and explanations to us. We further report to the extent it is applicable to the company:

1. The Company has maintained proper records showing full particular including quantitative details and situation of Fixed Assets. The management at the year – end has physically verified Fixed Assets and no discrepancies were noticed on such verification as compared with the records. No fixed assets were disposed off during the year under review.
2. The stock of traded goods (shares) has been physically verified by the Management at reasonable intervals. In our opinion, the procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the company and nature of its business. The company is maintaining proper records of inventory of traded goods (shares). No discrepancies were noticed on such physical verification.
3. The company has not granted / taken any loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion, there is an adequate internal control procedure commensurate with the size of the company and nature of its business with regard to purchase of traded goods, (shares and securities) and Fixed Assets and sale of Traded



