

24th

ANNUAL

REPORT

2005-2006

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EXDON TRADING COMPANY LIMITED

BOARD OF DIRECTORS

: Shri Ashok H Shah
: Ms Yasmin G Arab
: Shri Girish Gatur Doshi

AUDITORS

: A.A.Jain & Associates
20/3, Western Prabhadevi CHS,
Near Kismat Cinema,
Prabhadevi, Mumbai-400025

BANKERS

: Central Bank of India
Citibank N.A.
Bank of India

REGISTERED OFFICE

: Diamond Plaza,
391, Dr.D.B. Marg,
Mumbai-400004

**REGISTRAR & SHARE TRANSFER
AGENT**

: Purva Sharegistry (India) P. Ltd
33, Printing House,
28,-D Police Court Lane,
Fort, Mumbai 400 001.

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NOTICE FOR TWENTYFOURTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Fourth annual general meeting of the company will be held at Diamond Plaza, 391 Dr.D.B.Marg. Mumbai-400004 at 3.30 P.M. on Friday 29th September 2006 to transact the following Business

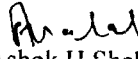
ORDINARY BUSINESS:

1. To receive and adopt the audited balance sheet as at 31st March 2006 and Profit & Loss account of the company for the year ended on 31st March 2006 and the Report of the Directors and Auditors.
2. To appoint Director Ms Yasmin G. Arab, as director, who retires by rotation at the conclusion of this annual general meeting, and offer herself for the re-election.
3. To appoint the Auditor's & fix their remuneration.

For & On behalf of the Board of Directors

Place : Mumbai

Date : 14-07-2006


Ashok H. Shah
Director

Notes:

1. A Member entitled to attend and vote at this meeting is entitled to appoint a proxy of Proxies to attend and vote instead of himself/herself and proxy need not to be a member.
2. The register of member will remain close from Monday 18-09-2006 to Friday 29-09-2006 (both days inclusive).

Additional information pursuant to clause 49 of the listing agreement with the stock exchange in respect of Directors seeking re-election:

Item No. 2

Ms. Yasmin G. Arab- Independent Director

She is a young commerce graduate with a positive attitude in marketing field.

DIRECTOR'S REPORT

To
The Members of the Company

The directors present the Annual Report on the business and operations of your company for the year 2005-2006.

FINANCIAL HIGHLIGHTS:

| | Rs. in Lakh | |
|----------------------------|-------------|---------|
| | 2005-06 | 2004-05 |
| Sales & Other Income | 354.51 | 73.49 |
| Profit/Loss before Tax | 10.57 | 5.20 |
| Provision for Tax | 0.60 | 1.87 |
| Profit/Loss after Tax | 9.97 | 3.33 |
| Balance Brought Forward | 20.95 | 17.54 |
| Balance Carried to B/sheet | 30.93 | 20.95 |

DIVIDEND:

Directors do not recommend declare the dividend in order to conserve the resources.

PARTICULARS OF EMPLOYEES:

There is no employee having remuneration in accordance with the provisions of section 217(2A) of the companies Act 1956 read with the companies (Particulars of employee) Rules 1975 as amended.

DIRECTOR:

Ms. Yasmin Arab Director of the company will retire at the forthcoming annual general meeting of the company, and being eligible, has offered for re-appointment.

RESPONSIBILITY STATEMENT:

As required u/s 217(2AA) of the companies Act 1956 your director confirms that in the preparation of the annual accounts:

- 1) The applicable accounting standards have been followed along with proper explanation relating to material departures.
- 2) Such accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates made, so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the profit/loss of the company for that period.
- 3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4) The annual accounts have been prepared on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

As required under rule 3 of the companies (Disclosure of Particulars in the report of board of directors) Rules 1998, the particulars relating to the conservation of energy, Technology absorption, and the foreign exchange earnings and outgo are also Nil.

LISTING AGREEMENT:

The securities of the company are listed with the Stock Exchange, Mumbai. The company has paid the annual listing fees.

APPOINTMENT OF AUDITORS:


M/s A.A.Jain & Associates Chartered Accountants the retiring auditors, being eligible, offer themselves for re-appointment. Members are requested to appoint them as auditors of the company.

ACKNOWLEDGEMENT:

The management is grateful to the government authorities, Bankers, Vendors, for their continued assistance and co-operation. The directors also wish to place on record the confidence of members in the company.

For & on behalf of the Board of Directors

Place: Mumbai
Date: 14-07-2006


Ashok H. Shah
Director

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A. A. JAIN & ASSOCIATES
Chartered Accountant
20/3, Western Prabhadevi CHS,
Near Kismat Cinema,
Prabhadevi, Mumbai-400025.

AUDITOR'S REPORT

To

The Members of M/s Exdon Trading Company Limited

We have audited the attached Balance Sheet of M/s Exdon Trading Company Limited as at 31st March 2006 and also the Profit & Loss Account and Cash Flow Statement of the company for the year ended on that date annexed there to. 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.

1. 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 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.
2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act 1956, we enclose in Annexure a statement on the matters specified in the paragraph 4 and 5 of the said order.

Further to our comments in the Annexure refer to in paragraph 2 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 accounts as required by law has been kept by the company so far as it appears from our examination of the books of accounts.
- c. The balance sheet and Profit & Loss account and Cash Flow Statement dealt by this report are in agreement with the books of accounts.
- d. In our opinion the balance Sheet, Profit & Loss Account and cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in Sub-section 3 C of Section 211 of the Companies Act 1956.
- e. In our opinion and on the basis of the information and explanations given to us and on the basis of the written representations received from the Directors and taken on record none of the directors of the company 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.

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