



ANNUAL

REPORT

2007-2008

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EXDON TRADING COMPANY LIMITED

REGISTERED OFFICE :

20, Western Prabhadevi Building, Near Kismat Cinema,
Prabhadevi, Mumbai – 400 004.

26TH ANNUAL REPORT

BOARD OF DIRECTORS

**: Ashok Hiralal Shah
Yasmin Gulamrasul Arab
Girishbhai Gatubhai Doshi**

AUDITORS

: A. A. Jain & Associates
Chartered Accountants
4 Lrene Cottage,
4th Road, TPS III,
Behind Parsi Dair
Mumbai – 400 025.

BANKERS

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

REGISTERED OFFICE

**: 20, Western Prabhadevi Building,
Near Kismat Cinema,
Prabhadevi, Mumbai – 400 004.**

REGISTRAR & SHARE TRANSFER AGENT : Purva Sharegistry (India) P. Ltd
9, Shiv Shakti Industrial Estate,
J.R. Boricha Marg,
Opp. Kasturba Hospital, Lower Parel (E)
Mumbai- 400 011.

EXDON TRADING COMPANY LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-Sixth Annual General Meeting of the Members of the Exdon Trading Company Limited will be held on Tuesday, 30th September, 2008 at the Registered Office of the Company at 20, Western Prabhadevi Building, Near Kismat Cinema, Prabhadevi, Mumbai – 400 004 to transact following businesses:

ORDINARY BUSINESSES:

1. To review, consider and adopt the Audited Balance Sheet as at March 31, 2008 and Profit and Loss account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To approve of the payment of dividend on equity shares.
3. To appoint a Director in place of Mr. Ashok Hiralal Shah, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Girish Gatubhai Doshi, who retires by rotation and being eligible offers himself for reappointment
5. To appoint Auditors of the company to hold office from the conclusion of this meeting until the conclusion of next annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration. M/s. A. A. Jain & Associates, Chartered Accountants, the retiring auditors are eligible for reappointment.

SPECIAL BUSINESSES:

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION for increase of the authorized share capital of the company and consequent amendments in the Memorandum of Association of the Company:

“RESOLVED THAT pursuant to the provisions of section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the company with the Stock Exchange where shares of the company are listed, the consent of the Members be and is hereby granted for increase in the Authorized Share Capital of the Company from Rs. 25,00,000 (Rupees Twenty Five Lakhs) divided in to 2,50,000 Equity Shares of Rs.10/-(Rupees Ten) Each to Rs. 75,00,000 (Rupees Seventy Five Lakhs) divided in to 7,50,000 (Seven Lakh Fifty Thousand) equity shares of Rs.10/- (Rupees Ten) each, ranking pari passu with the existing equity shares and that the existing Clause V of the Memorandum of Association of the Company be replaced with the Following new Clause V;

Clause V- Memorandum Of Association:

The Authorized Share Capital of the company is Rs. 75,00,000(Rupees Seventy Five Lakhs) divided into 7,50,000 (Seven Lakhs Fifty Thousand) Equity shares of Rs. 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT for the purpose of giving effect to the Resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto.”

7. To consider and if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION for replacement of Article 4 by the following Article 4 and consequent amendments in the Articles of Association of the Company:

26TH ANNUAL REPORT

"RESOLVED THAT Articles of Association of the Company be and is hereby amended in the following manner:

Article 4 - Articles Of Association:

The Authorized Share Capital of the company is Rs. 75,00,000(Rupees Seventy Five Lakhs) divided into 7,50,000 (Seven Lakhs Fifty Thousand) Equity shares of Rs. 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT for the purpose of giving effect to the Resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto."

8. To consider and if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION for issue of bonus shares to the equity shareholders of the Company:

"RESOLVED THAT pursuant to the relevant provisions of the Companies Act, 1956 the Foreign Exchange Management Act, 1999, guidelines issued by the Securities and Exchange Board of India, other applicable statutes and provisions, if any, the Memorandum and Articles of Association of the company and the Listing Agreement entered into by the company with the Stock Exchange where shares of the Company are listed, recommendations of the Board of Directors and subject to the approvals, if any, required from the regulatory authorities, consent of the members be and is hereby accorded to the Board of Directors of the Company for capitalization of such sum standing to the credit of the company's Reserve & Surplus Account as may be necessary, for the purpose of issue of fully paid up bonus shares of Rs.10/- each to the members whose names appear on the proportion of Two bonus shares for every One existing fully paid up equity shares held by or allotted to such members as on record date.

RESOLVED FURTHER THAT all such new shares as and when issued shall rank pari passu in all respects, including the full dividend for the financial year in which the shares are allotted, with the existing equity shares of the company.

RESOLVED FURTHER THAT no allotment letters shall be issued to the allottees of the bonus shares and that the certificates in respect of bonus shares shall thereafter be dispatched to the allottees within the prescribed period except in respect of those allottees who opt for issue of shares in dematerialized form.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required and as it may in its sole and absolute discretion to filing of any documents with Securities and Exchange Board of India, Stock Exchanges where shares of the company are listed. Depositories and/or other concerned authorities, applying and seeking necessary listing approvals from the Stock Exchange and to settle any question, difficulty or doubt that may arise in regard thereto."

By Order of the Board

For Exdon Trading Company Limited

Place : Mumbai

Date : 18.08.2008

Director

EXDON TRADING COMPANY LIMITED

Notes:

1. An explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be member of the Company. Proxies, in order to be effective, must be deposited at the registered office of the Company not less than 48 hours before the meeting.
3. Members/Proxies should bring duly filled attendance slips attached herewith for attending the meeting.
4. The Register of Members and Share Transfer Books shall remain closed from Thursday, 18th September, 2008 to Thursday, 25th September, 2008(both days inclusive)
5. The information required to be provided under the Listing Agreement entered into by the Company with the Stock Exchange regarding the Director who is proposed to be reappointed is given in the annexure to the Notice.
6. The Board of Director recommends payment of dividend at 10% on equity shares of the Company.

Explanatory Statement as required by Section 173(2) of the Companies Act, 1956

Item No. 6

The present authorized share capital of the Company is Rs.25,00,000 (Rupees Twenty Five Lakhs) divided into 2,50,000 (Two Lakh Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten) each. The Company is proposing to issue Bonus Shares to its members and a proposal in this regard is contained in this notice. Considering the proposed Bonus Issue, the Board has approved, subject to the members approval, an increase in the authorized share capital to Rs. 75,00,000 (Rupees Seventy Five Lakhs) divided into 7,50,000 (Seven Lakh Fifty Thousand) equity shares of Rs. 10/-(Rupees Ten) each.

Pursuant to the provisions of Section 16 and 94 of the Companies Act, 1956, an increase in the authorized share capital of the Company and consequent amendment in the capital clause of the Memorandum of Association of the Company requires approval of the members. Approval of the members is therefore sought in terms of the said sections by way of Ordinary Resolution.

The Board of Directors recommends the resolution under Item No.6 of the Notice of the Annual General Meeting for approval of members.

None of the Directors of the Company is in any way concerned or interested in the resolution.

Item No. 7

The Company is proposing to issue Bonus Shares to its members and a proposal in this regard is contained in this notice. Considering the proposed Bonus Issue, the Board has approved, subject to the members' approval, an increase in the authorized share capital

Pursuant to the provisions of Companies Act, 1956, an increase in the authorized share capital of the Company and consequent amendment in the Article 4 of the Articles of Association of the Company requires approval of the members. Approval of the members is therefore sought in terms of the said sections by way of Special Resolution.

The Board of Directors recommends the resolution under Item No.7 of the Notice of the Annual General Meeting for approval of members.

None of the Directors of the Company is in any way concerned or interested in the resolution.

26TH ANNUAL REPORT

Item No. 8

The Board of Directors at its meeting held on 30th August, 2008 recommended the issue of Bonus Shares in proportion of Two equity shares for every one equity share held by the members on a date to be fixed by the Board of Directors, by capitalizing such sum standing to the credit of the Company's Reserves and Surplus Account and distribution of the sum so capitalized as Bonus Issue requires approval of the members of the Company. Further, it is necessary to authorize the Board to take all necessary actions and to complete all the regulatory formalities in connection with the Bonus Issue.

The new equity shares shall rank pari passu in all respects with the existing equity shares of the Company, including in relation to rights to dividend for the financial year in which shares are allotted.

The Board of Directors recommends the resolution under Item No.7 of the Notice of the Annual General Meeting for approval of members.

The Directors of the Company are interested in the said resolution to the extent of their shareholding in the Company.

By Order of the Board

For Exdon Trading Company Limited

Place : Mumbai

Date : 18.08.2008

Director

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EXDON TRADING COMPANY LIMITED

DIRECTOR'S REPORT

To,

The Members,

Exdon Trading Company Ltd

Your Directors have pleasure in presenting the Twenty-sixth annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS:

PARTICULARS	2007-2008	2006-2007
Profit/(Loss) Before Tax	126967	104020
Add : Excess Provision of Income Tax W/Back	0.	35000
Less : Provision for Income Tax	11000	23000
Deferred Tax	91007	0
Profit/(Loss) for the year after Taxation	25460	116020
Dividend	286638	286638
Balance of Profit Brought Forward	2922936	3093554
Net Profit Transferred to Balance Shet	2661258	2922935

OPERATIONS:

During the year under review, your Company has made progress in its operations and has shown impressive growth. The business is increased to the level of Rs.12,28,500 during the year. The net profit of the company is Rs.25,460 after provision for Income Tax Rs.11000 and Deferred Tax Rs.91007 during the year against Rs.116020 during the previous year. Your Directors strive hard and expect that your company will achieve significant growth in the coming years.

DIVIDEND:

Directors recommend the dividend @ 10% on equity shares of the company.

BONUS ISSUE:

Your Directors have recommended bonus issue of 1:2 i.e. Two bonus shares for every one shares held by the shareholders, for which necessary approval is being sought from the members at this Annual General Meeting. With the issue of bonus issue, the paid up capital of the company will increased to Rs.73,50,000 divided into 7,35,000 equity shares of Rs.10/- each. Accordingly, sum of Rs.49,00,000 drawn from the General Reserve and Profit and Loss Account of the Company and capitalized and transferred to Share Capital Account towards issue and allotment of bonus shares. The said bonus shares shall rank pari passu with the existing equity shares in all respects including dividend.

INCREASE IN AUTHORISED SHARE CAPITAL:

Since, the present authorized share capital of the Company is not sufficient for the purpose of bonus issue; therefore, permission of the members is being sought at this Annual General Meeting for increase of Authorized Share Capital of the Company to Rs.75,00,000 divided into 7,50,000 equity shares of Rs.10/- each. By addition of 5,00,000 equity shares of Rs.10/- each

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.