

# **THIRTIETH ANNUAL REPORT 2011-2012 OF EXDON TRADING COMPANY LIMITED**

## **BOARD OF DIRECTOR**

ASHOK HIRALAL SHAH	- DIRECTOR
NAVNEET SINGH	- DIRECTOR
NILESHKUMAR HASMUKLAL KHATRI	- DIRECTOR

## **AUDITOR**

M/S. Y. D. & CO.  
Chartered Accountants  
LUDHIANA

## **SHARE TRANSFER AGENT**

### **PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED**

Unite No. 9, Shiv Shakti Industrial Estate, Ground Floor,  
JR Boricha Marg, Opp. Kasturba Hospital,  
Lower Parel (E), Mumbai- 400011,  
Ph No: 22-2301 6761 / 8261  
Fax No: 22-2301 2517

## **REGISTERED OFFICE**

20, Western Prabhadevi Building,  
Near Kismat Cinema, Prabhadevi,  
Mumbai-400004,  
Maharashtra, India.

## **INDEX**

<b>Contents</b>	<b>Page No.</b>
Notice of Annual General Meeting	1
Report of the Directors & Management Discussion and Analysis	3
Corporate Governance Report	5
Auditors' Report	11
Balance Sheet	14
Profit and Loss Account	15
Cash Flow Statement	16
Notes forming part of the financial statements	17

**NOTICE**

**NOTICE** is hereby given that the **THIRTIETH ANNUAL GENERAL MEETING** of the Members of **EXDON TRADING COMPANY LIMITED** will be held at the Registered Office of the Company at **20, Western Prabhadevi Building, Near Kismat Cinema, Prabhadevi, Mumbai-400004, Maharashtra, India** on **Friday, 31st day of August, 2012 at 02:00 P. M.** to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt Audited Balance Sheet as at **31st March, 2012** and the Profit & Loss Account for the year ended on that date and the reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of **Mr. Navneet Singh**, who retires by rotation and being eligible, offers him-self for re-appointment.
3. To appoint Auditor and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT M/s. Y. D. & Co., Chartered Accountants, Ludhiana [FRN: 018846N]** be and are hereby appointed as the Statutory Auditors of the Company for the financial year **2012-13**, to hold office as such from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration as to be decided by the Board of Directors in consultation with them, apart from out-of-pocket expenses that may be incurred by them for the purpose of audit."

**SPECIAL BUSINESS:**

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

**"RESOLVED THAT Mr. Nileshkumar H. Khatri** who was appointed as an additional director of the Company by the Board of Directors with effect from 30.04.2012 and holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company whose period of office will be liable to retire by rotation."

5. To consider and if thought fit, to pass with or without modification, the following resolution as **ORDINARY RESOLUTION**:

**"RESOLVED THAT Mr. Ashok H. Shah** who was appointed as an additional director of the Company by the Board of Directors with effect from 15.06.2012 and holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company whose period of office will be liable to retire by rotation."

**By Order of the Board**  
**For, EXDON TRADING COMPANY LIMITED**

**PLACE: MUMBAI**  
**DATE: 03.08.2012**

**(NAVNEET SINGH)**  
**CHAIRMAN**

**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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME SCHEDULED FOR HOLDING THE MEETING.
2. Members/ proxies are requested to bring their copies of Annual Report along with duly filed and signed attendance sheets attached with it for attending the meeting.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

4. Members are requested to notify the Company of any change in their address (in full) with the postal area pin code number, quoting their folio numbers.
5. The Register of Members and Share Transfer Register of the Company will remain closed from 30th August, 2012 to 31st August, 2012 (both days inclusive).
6. M/s Purva Sharegistry (India) Private Limited having registered office at No.-9, Shiv Shakti Industrial Estate, Gr. Floor, J.R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel, MUMBAI-400011 are Registrars and Share Transfer Agents for Company's shares in Demat and Physical Form. The members are requested to please ensure that their shares are converted into Demat Form.
7. Additional information as required in terms of paragraph 3 of the Clause 49 of the Listing Agreement on Director seeking re-appointment at the ensuing Annual General Meeting is as under:  
**Mr. Navneet Singh** is Director of the Company. He has rich experience in the field of Trading and Marketing. He has been associated with the Company w.e.f. 25th March, 2010. He is Member of the Audit Committee and Share Transfer and Grievances Committee of the Company. Mr. Navneet Singh retires by rotation and being eligible offers himself for re-appointment.
9. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of business under Item No. 4 and 5 of the Notice is annexed hereto.

**Annexure to the Notice**

**EXPLANATORY STATEMENT**

**[Pursuant to the Provisions of Section 173 (2) of the Companies Act, 1956]**

**ITEM NO. 4 OF THE NOTICE:**

**Mr. Nileshkumar H. Khatri** was appointed as additional director of the Company with effect from 30.04.2012 holds office up to the date of forthcoming Annual General Meeting. He is well qualified person and it is in the interest of the Company to appoint him as a director of the Company. The board recommends for his appointment.

The Directors recommend the aforesaid resolution for adoption by the members.

None of the Directors are in any way concerned or interested except Mr. Nileshkumar H. Khatri in the aforesaid resolution.

**ITEM NO. 5 OF THE NOTICE:**

**Mr. Ashok H. Shah** was appointed as additional director of the Company with effect from 15.06.2012 holds office up to the date of forthcoming Annual General Meeting. He is well qualified person in the field of marketing and trading so it is in the interest of the Company to appoint him as a director of the Company. The board recommends for his appointment.

The Directors recommend the aforesaid resolution for adoption by the members.

None of the Directors are in any way concerned or interested except Mr. Ashok H. Shah in the aforesaid resolution.

**For and on Behalf of the Board  
For, EXDON TRADING COMPANY LIMITED**

**PLACE: MUMBAI  
DATE: 03.08.2012**

**(NAVNEET SINGH)  
CHAIRMAN**

**DIRECTORS' REPORT**

*Dear Shareholders,*

Your Directors hereby present the Thirtieth Annual Report on business and operations of the Company together with the Audited statements of Accounts for the financial year ended on **31st March 2012**.

**OPERATIONS REVIEW:**

During the year under review due to sluggish market condition and financial crisis company faces huge set back. So company not in position to generate any revenue from the operation but due to some fixed cost company posted Net Loss of Rs. 859429/-.

The management has taken measures as part of its continuous improvements to strengthen operations and viability.

**DIVIDEND:**

Your Directors have not declared any dividend during the year under review due to loss incurred.

**FIXED DEPOSIT:**

The Company has not accepted any deposit from the public pursuant to the provisions of Section 58A of the Companies Act, 1956.

**DIRECTORS:**

Mr. Navneet Singh Director of the Company is retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

Mr. Mahendra A. Solanki, Mr. Nileshkumar H. Khatri and Mr. Ashok H. Shah were appointed as an additional director of the Company w.e.f. 11.01.2012, 30.04.2012 and 15.06.2012 respectively and eligible for re-appointment as director of the Company at the forthcoming Annual General Meeting.

Mr. Rakesh Y. Bhatt and Mr. Ashok H. Shah resigned from directorship of the company w.e.f. 11.01.2012 and 30.04.2012 respectively. The Board considered and appreciated his work during the tenure of the office.

**AUDITORS AND AUDITORS' REPORT:**

M/s. Y. D. & Co., Chartered Accountants, Ludhiana, Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and is eligible for reappointment.

The observations made by the Auditors' in their Auditors' Report and the Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of Clause 49 of the listing agreement forming part of this report is annexed herewith. The Audit Committee of the Company has regularly reviewed internal Control System of the company.

**CORPORATE GOVERNANCE REPORT:**

Your Company perceives Corporate Governance as an endeavor for transparency and a wholehearted approach towards continuous enhancement of shareholders' value. Your Company has been complying with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. Further, the Board of Directors of your Company constituted a Committee known as Corporate Governance Committee, which recommends the best practices in the Corporate Governance.

A separate report on Corporate Governance along with Auditors' Certificate on compliance with the Corporate Governance norms and stipulated in Clause 49 of the Listing Agreement, forming part of this report is annexed herewith.

**PARTICULARS OF EMPLOYEES:**

The statement showing particulars of employees under section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of Employees) Rules, 1975, as amended, is not required to be given as there were no employees coming within the purview of this section.

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

The details of conservation of energy, technology absorption etc. as required to be given under Section 217(1)(e) of the Companies Act 1956, are not applicable to our Company, as our Company has not carried out in the manufacturing activities.

The foreign exchange earning on account of the operation of the Company during the year was Rs. Nil.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent 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 of the profit or loss of the Company for that period;
- iii) the Directors have taken proper and sufficient care 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;
- iv) Directors have prepared the accounts on a "going concern basis".

**ACKNOWLEDGEMENT:**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Banks, Government Authorities, Customers, and Shareholders during the year. Your directors also wish to take on record their deep sense of appreciation for the committed services of the employees at all levels, which has made our Company successful in the business.

**For and on Behalf of the Board  
For, EXDON TRADING COMPANY LIMITED**

**PLACE: MUMBAI  
DATE: 03.08.2012**

**(NAVNEET SINGH)  
CHAIRMAN**

**Annexure to Director's Report****MANAGEMENT DISCUSSION ANALYSIS REPORT****Outlook:**

The company is confident in spite of the possible recessionary conditions in the market it will perform better in view of the strong fundamentals of the Indian companies and hope to improve its Turnover.

**Internal Controls Systems and their adequacy:**

The company has adequate internal control systems to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance of law and regulations. The internal control system is supported by the internal audit process. The Internal Auditor reviews and ensures that the audit observations are acted upon. The Audit Committee of the Board reviews the Internal Audit reports and the adequacy and effectiveness of internal controls.

**Human Resources:**

The relationship with the employees continues to be cordial. The Company recognizes the importance and contribution of its employees for its growth and development and constantly endeavors to train nurture and groom its people. The Company puts emphasis on attracting and retaining the right talent. The company places emphasis on training and development of employees at all levels and has introduced methods and practices for Human Resource Development.

**Cautionary Statement:**

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be forward looking statement within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

**Annexure to Director's Report****REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31ST MARCH, 2012****1. THE CORPORATE GOVERNANCE PHILOSOPHY**

Corporate Governance at the Company is by the need to "enhance shareholder value, keeping in view the interests of other stakeholders". This definition places emphasis on the need to strike a balance at all times between the need to enhance shareholders' wealth whilst not being detrimental to other stakeholders' interests. The imperative for Corporate Governance lies not merely in drafting a code of Corporate Governance, but in practicing it to achieve desired results.

**2. BOARD OF DIRECTORS**

The Board of Directors is having non-executive and independent directors as on 31st March, 2012. The Board of Directors is consisting of Three Directors. The Directors manages the day to day affairs of the Company. Non-executive and independent directors did not have any pecuniary relationship of transactions with the company during the period under review. There are no material transactions where they have had personal interests that conflict with that of the Company.

**Numbers of Board Meetings held and the dates on which such meetings were held:**

During the financial year 2011-12 the Board met 5 (Five) times on 12.05.2011, 11.08.2011, 12.11.2011, 11.01.2012 and 13.02.2012. The maximum gap between two meetings was not more than 4 months.

**Attendance at the Board Meetings and general Meeting of each Director is as under:**

Name of the Director	Designation/ Category	No. of Board Meetings		Last AGM attendance
		Held	Attended	
Mr. Navneet Singh	Executive & Non Independent	5	5	Yes
* Mr. Mahendra A. Solanki	Non Executive & Independent	5	2	No
# Mr. Rakesh Yagnesh Bhatt	Non Executive & Independent	5	3	Yes
** Mr. Ashok H. Shah	Non Executive & Independent	5	5	Yes
## Mr. Nileshkumar H. Khatri	Non Executive & Independent	5	--	--

\* Appointed w.e.f. 11.01.2012 and Resigned w.e.f. 15.06.2012

# Resigned w.e.f. 11.01.2012      ## Appointed 30.04.2012

\*\* Resigned w.e.f. 30.04.2012 and appointed w.e.f 15.06.2012

**3. AUDIT COMMITTEE**

The Audit Committee of the Company presently comprises of three Directors being Mr. Navneet Singh, Mr. Nileshumar Hasmuklal Khatri and Mr. Ashok Hiralal Shah.

**Mr. Ashok Hiralal Shah is Chairman of the Committee.**

The role, terms of reference, authority and powers of the audit committee are in conformity with the requirement of Companies Act, 1956, and Listing Agreement.

**Role/ Functions of the Committee:**

- Reviewing with management the annual financial statements before submission to the Board.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Review of policies relating to risk management – operational and financial.
- Reviewing with the management, external auditors and the adequacy of the internal control system.

**Powers of the Committee:**

- To investigate any activity within its terms of reference.
- To secure attendance of and seek any information from any employee including representative of the prime shareholders (subject to their internal approvals).
- Compliance with accounting standards.
- To obtain outside legal or other professional advice, if necessary.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Compliance with Stock Exchange and legal requirements concerning financial statements.

**Attendance at the Audit Committee Meetings- 2012**

During the year the Audit Committee met 4 times on 12.05.2011, 11.08.2011, 12.11.2011, and 13.02.2012 attendance of the members as under:

Name	Designation/ Category	No. of Meeting attended	
		Held	Attended
Mr. Navneet Singh	Executive & Non Independent	4	4
* Mr. Mahendra A. Solanki	Non Executive & Independent	4	1
# Mr. Rakesh Yagnesh Bhatt	Non Executive & Independent	4	3
** Mr. Ashok H. Shah	Non Executive & Independent	4	4
## Mr. Nileshkumar H. Khatri	Non Executive & Independent	4	--

\* Appointed w.e.f. 11.01.2012 and Resigned w.e.f. 15.06.2012

# Resigned w.e.f. 11.01.2012      ## Appointed 30.04.2012

\*\* Resigned w.e.f. 30.04.2012 and appointed w.e.f 15.06.2012

**4. REMUNERATION COMMITTEE**

As neither remuneration nor sitting fee paid to the directors as no remuneration Committee has been set up.

**5. SHAREHOLDERS TRANSFER AND GRIEVANCES COMMITTEE**

This committee presently consists of three directors namely, Mr. Navneet Singh, Mr. Nileshumar Hasmuklal Khatri and Mr. Ashok Hiralal Shah.

Mr. Navneet Singh is Chairman of the Committee. The committee was constituted to redress shareholders'/ investors' complaints etc. relating to delay in transfer of shares, non-receipt of annual accounts, delay in balance sheet, split-up share certificate, issue duplicate certificate, transmission of shares, dematerialization of shares etc. relating to the shares issued by the Company. Mr. Navneet Singh, Director of the Company has been authorized by the Board to approve such transfers within the time stipulated under the Listing Agreement. Further the complaints of the above nature are promptly attended by the Compliance Officer.

**Mr. Navneet Singh** has been appointed as the Compliance Officer of the Company by the Board of Directors.

There is no pending, unsolved complaint of Shareholders of the Company and no pending Share Transfer.

**6. GENERAL BODY MEETINGS****Location and time for last 3 years Annual General Meetings:**

Financial Year	Location	Date	Time A.M./ P.M.
29th 2010-11	20, Western Prabhadevi Building, Near Kismat Cinema, Prabhadevi, Mumbai-400004, Maharashtra, India.	15.06.2011	11.30 A.M.
28th 2009-10	20 United Western Building, Veer Savarkar Marg, Prabhadevi, Mumbai- 400025, INDIA.	19.08.2010	11:30 A.M
27th 2008-09	20 United Western Building, Veer Savarkar Marg, Prabhadevi, Mumbai- 400025, INDIA.	30.09.2009	10:30 A.M

There was no Special Resolution passed in the last 29th and 28th Annual General Meeting.

In 27th Annual General Meeting following Special Resolution passed:

- Increased Authorized Capital
- Alteration in MOA & AOA
- Issue of convertible warrant of the company on preferential basis

The above resolution which was put to vote by show of hands, was passed unanimously.

No Extra Ordinary General Meeting Held during the year. No special resolution was required to be carried out through postal ballot during year. No resolution is proposed by postal ballot at the ensuing Annual general meeting.

**7. DISCLOSURES**

- o There are no materially significant related partly transactions i.e. transactions of the Company of material natures, with its promoters, the directors or the managements, their subsidiaries or relatives etc., that may have potential conflict with interest of the Company at large.
- o No penalties or strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markers, during the last three years.
- o The Company has complied with various rules and regulations prescribed by the Stock Exchange and SEBI during the last three years. No penalties or strictures have been imposed by them on the Company.