

CHANDRIKA TRADERS LIMITED



**THE
ANNUAL REPORT
2009-2010**

BOARD OF DIRECTORS

ALOK KUMAR
DINESH PAREEK
RAJIV BANSAL
ANINDO BANERJI
SARABJEET SINGH

AUDITORS

MEHRA & COMPANY
7 RAJESHWARI PALACE
NEAR COMMISSIONER RESIDENCE
CIVIL LINES, MEERUT- 110 055.

REGISTERED OFFICE

37, SHANKER MARKET
CANNAUGHT PLACE
NEW DELHI – 110 019.

CONTENTS

1. Notice	01-06
2. Directors' Report	07-08
3. Corporate Governance Report	09-10
4. Auditors Certificate On Corporate Governance & Auditors' Report	11-12
5. Balance Sheet	13
6. Profit & Loss Account	14
7. Schedules to Balance Sheet & Profit & Loss Account	15-19
8. Cash Flow Statement	20
9. Balance Sheet Abstract	21
10. Attendance Slip / Proxy Form	Enclosed

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Company will be held on Friday, the 16th day of July, 2010 at 40/56 2nd Floor, C.R.Park, New Delhi-110019 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the period ended on that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Alok Kumar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting and to fix their remuneration.
M/s Mehra & Co., have offered to be re-appointed as Statutory Auditors of the Company. The members may consider and, if thought fit, to pass the following resolution, with or without modification, as an Ordinary Resolution:
"Resolved that M/s Mehra & Co. Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting at remuneration to be fixed by the Board of Directors in consultation with M/s Mehra & Co. Statutory Auditors"

SPECIAL BUSINESS

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

"Resolved that the appointment of Mr. Anindo Banerji as a Director of the Company, whose term of office as an Additional Director of the company expires at this Annual General Meeting and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Mr. Anindo Banerji whose term of office will be liable to determination by retirement by rotation be and is hereby approved".
5. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

"Resolved that the appointment of Mr. Sarabjeet Singh as a Director of the Company, whose term of office as an Additional Director of the company expires at this Annual General Meeting and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Mr. Sarabjeet Singh whose term of office will be liable to determination by retirement by rotation be and is hereby approved".
6. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) the appointment of Mr. Anindo Banerji as Managing Director w.e.f. 16.6.2010 for period of five years be and is hereby approved".
"Resolved further that Mr. Anindo Banerji, Managing Director shall be responsible for the implementation of the project of Trading, Export & Commission Agent including raising of capital and making all statutory and other compliances relating to project and raising of capital and to do all other ancillary and consequential matters".
"Resolved further that Mr. Anindo Banerji, Managing Director will not be paid any salary till the implementation of the project and Board of Directors be and is hereby authorized to fix the salary after the implementation of the project within the limits prescribed under Schedule XIII of the Companies Act, 1956".
7. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"Resolved that pursuant to Section 94, 16, 31 and other applicable provisions, if any, of the Companies Act, 1956 consolidation of the existing authorized and paid up capital from Rs 21,10,00,000 divided into 21,10,00,000 equity shares of Re 1- per share to Rs 21,10,00,000 divided into 2,11,00,000 equity shares of Rs 10/- per share and alteration by substituting the existing clauses of Memorandum of Association and Articles of Association, as under, be and is hereby approved:
In clause V of the Memorandum of Association of the company for the words and figures 'Rs .21,10,00,000 divided into 21,10,00,000 equity shares of Re 1/- each' be substituted by 'Rs 21,10,00,000 divided into 2,11,00,000 equity shares of Rs 10/- each'.
In Article 5 of the Articles of Association of the company for the words and figures 'Rs 21,10,00,000 divided into 21,10,00,000 equity shares of Re 1/- each' be substituted by 'Rs.21,10,00,000 divided into 2,11,00,000 equity shares of Rs.10/- each'."
8. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"Resolved that pursuant to Section 94, 16, 31 and other applicable provisions, if any, of the Companies Act, 1956 increase in authorized equity share capital from Rs 21,10,00,000 to Rs 80,00,00,000 and substitution of the existing clauses of Memorandum of Association and Articles of Association as under be and is hereby approved:
In clause V of the Memorandum of Association of the company for the words and figures 'Rs .21,10,00,000 divided into 2,11,00,000 equity shares of Rs 10/- each' be substituted by 'Rs.80,00,00,000 divided into 8,00,00,000 equity shares of Rs 10/- each'.
In Article 5 of the Articles of Association of the company for the words and figures 'Rs 21,10,00,000 divided into 2,11,00,000 equity shares of Rs 10/- each' be substituted by 'Rs.80,00,00,000 divided into 8,00,00,000 equity shares of Rs 10/- each'."

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all 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 SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations") and other applicable guidelines / regulations issued by the Securities and Exchange Board of India ("SEBI") and other statutory/ regulatory authorities and subject to all necessary approvals, consents, permissions and /or sanctions of the Government of India and any other statutory or regulatory authorities and other applicable laws, and the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to such terms and conditions as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include any Committee constituted for the time being thereof) and subject to such terms, conditions and modifications as the Board may in its discretion impose or agree to, the consent and approval of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized to offer, issue and allot on preferential basis 40,00,000 equity shares of Rs 10/- each at par each to M/s Devi Bagh Resorts Pvt. Ltd., M/s D & D Cement Pvt. Ltd., M/s Vardhaman Tradex Pvt. Ltd., M/s Compass Technologies Pvt. Ltd. and M/s Pankhuri Technowave (P) Ltd i.e. 2,00,00,000 equity shares of Rs 10/- per share at par aggregating to Rs.20,00,00,000 /- (Rupees twenty crores only).

RESOLVED FURTHER THAT the Equity Shares shall rank *pari passu* in all respects with the existing Equity Shares of the Company;

RESOLVED FURTHER THAT the Board/any Committee thereof be and is hereby authorized to determine, vary, modify or alter any of the terms and conditions of the issue and allotment of the number of Equity Shares to each company including reduction of the size of the issue, as it may deem expedient;

RESOLVED FURTHER THAT the Relevant Date for the preferential issue, in relation to the aforesaid Equity Shares, for the purpose of determining the issue price under the ICDR Regulations is 15th June, 2010 i.e. 30 days prior to the date of this Annual General Meeting;

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient including in relation to the issue or allotment of aforesaid securities and listing thereof with the Stock Exchanges as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, utilization of the issue proceeds, sign all documents and undertakings as may be required and generally to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors or to any Officer or Officers of the Company to give effect to this resolution."

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

"Resolved as a Special Resolution that pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and all other applicable laws and regulations including the Foreign Exchange Management Act, 2000 (FEMA), Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000 and issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, and such other statutes, notifications, clarifications, circulars, rules, regulations/guidelines, if any, prescribed by the Government of India, the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges or any other relevant authority from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions as might be required and subject to such conditions as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted/ to be constituted by the Board to exercise its power including the power conferred by this Resolution) is hereby authorized to accept, the consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot (including with provisions for reservation on firm and/or competitive basis of such part of the issue and for such categories of persons including employees of the company as may be permitted), in the course of one or more public or private offerings in domestic and/or one or more international market(s), with or without a green shoe option, equity shares and/or preference shares and/or equity shares through depository receipts including American Depository Receipts (ADRs), Global Depository Receipt (GDRs) and/or Convertible Bonds fully or partly paid up, Fully Convertible Debentures (FCDs), Partly Convertible Debentures (PCDs), Optionally Convertible Debentures (OCDs) and/or securities linked to equity shares and/or securities with or without detachable/non-detachable warrants with a right exercisable by the warrant holder to subscribe for the equity shares and/or warrants with an option exercisable by the warrant holder to subscribe for ordinary shares and/or any instruments or securities representing either equity shares, secured premium notes and/or any other financial instruments which would be converted into/exchanged with equity shares at a later date (the Securities) as the Board at its sole discretion or in consultation with underwriters, merchant bankers, financial advisors or legal advisors may at any time decide, by way of one or more public or private offerings in domestic and/or one or more international market(s), with or without a Green Shoe Option or private placement or issued/allotted through Qualified Institutions Placement in accordance with the norms for

"Qualified Institutions Placement" prescribed under Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended or by any one or more or a combination of the model/method as mentioned in this resolution or any other way as may be allowed under the laws of the land or otherwise and at such time/times in one or more tranches, whether rupee denominated or denominated in foreign currency, to any eligible investors (whether residents and/or non residents and /or Qualified Institutional Buyers including institutions/banks and/or incorporated bodies, foreign institutional investors (FIIs) and/or individuals and/or trustees and/or stabilizing agents and/or any other categories of investors and whether or not such investors are members of the company through prospectus and/or letter of offer and/or placement documents and/or circular and/or on public and/or private/preferential placement basis, on such terms and conditions as the Board, may, in its absolute discretion decide at the time of issue of securities, provided that the total amount raised through the issuance of such securities does not exceed Rs. 45 cores or its equivalent in one or more currencies, including premium, if any.

Resolved further that the securities to be created, issued, offered and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the equity shares allotted in terms of this resolution shall rank pari passu in all respect with the existing equity shares of the company.

Resolved further that if the issue or any part thereof is made for the Qualified Institutions Placement, the equity shares or fully convertible debentures (FCDs)/partly convertible debentures(PCDs)/optionally convertible debentures (OCDs) or any other securities, which are convertible into or exchangeable with the equity shares of the company (hereinafter collectively referred to as "Other Specified Securities" and together with equity shares referred to as the 'Specified Securities' within the meaning of the relevant SEBI regulations) or any combination of specified securities as may be decided by the Board, issued for such purpose shall be fully paid up and the allotment of such specified securities shall be completed within 12 months from the date of this resolution or such other time as may be allowed by the SEBI Regulations from time to time at such price being not less than the price determined in accordance with the pricing formula provided in SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Resolved further that the 'Relevant date' for pricing of the securities, under the QIP as per provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, for determination of minimum price for the issue of the securities and/or shares arising out of conversion of securities will be the date of meeting in which the Board decides to open the proposed issue of securities or, in case of securities which are convertible or exchangeable with equity shares, the date on which the holder of securities becomes entitled to apply for equity shares, as the Board may, at the time of decision to open the proposed issue decides.

Resolved further that for the purpose of giving effect to any offer, issue or allotment of ordinary shares or securities or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the entering into arrangements for appointment of agencies for managing, underwriting, marketing, listing, trading of securities issued, such as merchant bankers, lead managers, advisors, depository, custodian, registrar, stabilizing agent, paying and conversion agent, trustee and to issue any offer document(s), including but not limited to prospectus, and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion deem fit.

Resolved further that the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any officers of the company to give effect to this resolution".

Place: New Delhi
Date : 16.06.2010

By Order of the Board
For Chandrika Traders Limited
sd/-
(ANINDO BANERJI)
Managing Director

Notes:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member. The proxy in order to be effective must be received by the Company not less than 48 hours before the meeting. The blank proxy form is enclosed.**
2. The information pursuant to Corporate Governance Clause of the Listing Agreement regarding the Directors seeking re-appointment/appointment in the Annual General Meeting as proposed in item No.2 4 & 5 of the Notice is annexed hereto and forms part of the Notice.
3. Shareholders are requested to intimate the change of address, if any, immediately for updating of records.
4. The Register of Members and Share Transfer Books will remain closed from 15.07.2010 to 16.07.2010 (both days inclusive)
5. Members are requested to bring their copy of Annual Report along with them at the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. 4

Mr. Anindo Banerji was appointed Additional Director on 16.6.2010. His term of office is upto the date of Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956 a member has proposed his appointment as a Director of the company liable to retire by rotation. Mr. Anindo Banerji is MBA and the company would be benefited by his rich experience and the Board recommends the resolution for your approval. A brief profile of Mr. Banerji is given at the end of this Explanatory Statement.

None of the Directors except Mr. Anindo Banerji is interested in the resolution.

ITEM NO.5

Mr. Sarabjeet Singh was appointed Additional Director on 16.6.2010. His term of office is upto the date of Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956 a member has proposed his appointment as a Director of the company liable to retire by rotation. Mr. Sarabjeet Singh is Commerce Graduate with an experience in finance. The Board recommends the resolution for your approval. A brief profile of Mr. Sarabjeet Singh is given at the end of this Explanatory Statement.

None of the Directors except Mr. Sarabjeet Singh is interested in the resolution.

ITEM NO.6

Mr. Anindo Banerji was appointed as Managing Director of the company for a period of five years w.e.f. 16.6.2010 subject to the approval of shareholders. Mr. Anindo Banerji is MBA and has rich experience in corporate affairs. He has taken the responsibility of implementing the project of Trading, Export and Commission Agent and raising finances for the project. Further he has agreed not to take any salary till the implementation of the project and once company become profitable Board has been authorized to fix his salary and perks within Schedule XIII of the Companies Act, 1956.

The above may also be treated as the information required to be disclosed pursuant to Section 302 of the Companies Act, 1956.

Except Mr. Anindo Banerji none of the other Directors of the company is, in any way, concerned or interested in the resolution.

Your Directors recommend the resolution for your approval.

ITEM NO.7

In the last Annual General Meeting shareholders have approved the splitting of equity shares from Rs.10/- per share to Re.1 per share. The change was also registered with the Registrar of Companies but effect could not be given with the Stock Exchanges and Depositories. Now the Board has re-considered and it has been decided that we should keep the share value of Rs.10/- per share and to make the consequential changes in the Memorandum of Association and Articles of Association. The Board recommends the resolution for your approval.

None of the Directors is interested in the resolution except to the extent of shares held by them.

ITEM NO.8

In the Board meeting held on 16.6.2010 it has been approved to implement the project of Trading, Export and Commission Agent and to raise the means of finance through public, right, preferential, ADR, GDR issue etc. To meet the requirement of project and raise finance through capital market it has been decided by the Board to raise the capital from Rs 21.10 crores to Rs 80 crores, as proposed in the resolution. There is also consequential amendment in the Memorandum and Articles of Association of the company.

The Board recommends the resolution for your approval.

None of the Directors is interested in the resolution in personal capacity.

ITEM NO. 9

It is proposed to issue 2,00,00,000 equity shares of Rs 10/- each at par on preferential allotment basis in accordance with the Companies Act, 1956 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations").

The aforesaid issue and allotment of the equity shares shall be governed by the provisions of the ICDR Regulations and the relevant information is given below:

Information as required under Regulation 73 of the ICDR Regulations for Preferential Allotment is given below:

I. OBJECTS OF THE ISSUE

The Board of Directors in the meeting held on 16.6.2010 have approved the project of Trading, Export and Commission Agent for Rs 65 crores. To part finance the project it is proposed to issue 2, 00, 00,000 equity shares of Rs 10 each at par on preferential basis to the persons as per detail given below.

II. INTENTION OF THE PROMOTERS / DIRECTORS / KEY MANAGEMENT PERSONS TO SUBSCRIBE TO THE OFFER

No promoter/Director/key management person intends to subscribe to the offer.

III. CHANGE IN CONTROL

There will be no change in the management and control of the Company pursuant to the issue of Equity Shares on Preferential Basis.

iv. Shareholding pattern before and after the offer

The shareholding pattern before and after the completion of the proposed preferential issue would be as under:-

S.NO.	CATEGORY	PRE-ISSUE		POST -ISSUE	
		No. of Shares	%age in total capital	No. of Shares	%age in total capital
1.	Promoter Group	79,69,905	59.23	79,69,905	23.822
2.	Non-Promoters:				
a)	Institutional Investors	-	-	-	-
b)	Mutual Funds & Venture Capital funds	-	-	-	-
c)	Banks and Financial Institutions	-	-	-	-
d)	FII's	-	-	-	-
e)	Private Corporate Bodies	17,40,876	12.94	2,17,40,876	64.983
f)	NRI's	-	-	-	-
g)	Indian Public	37,23,437	27.67	37,23,437	11.129
h)	Any other	22,130	0.16	22,130	.066
S	Sub Total	54,86,443	40.77	2,54,86,443	76.178
	Grand Total	1,34,56,348	100.00	3,34,56,348	100.000

v LOCK IN PERIOD

The Equity Shares to be allotted shall be subject to lock-in for a period of 1 year from the date of allotment of Equity Shares as prescribed under the ICDR Regulations.

vi PROPOSED TIME WITHIN WHICH ALLOTMENT WILL BE COMPLETED

The Company will complete the allotment of shares within a period of 15 days from the date of passing of the special resolution by the shareholders or where the allotment on preferential basis requires any approval by any regulatory authority or Central Government, the allotment of shares will be completed within 15 days from the date of such approval.

vii DETAILS OF PROPOSED ALLOTTEES OF THE ISSUE

Name of the Proposed Allottee(s)	Category	No. of Equity Shares proposed to be allotted	% of Post Issued Equity Capital
M/s Devi Bagh Resorts Pvt. Ltd.	Public	40,00,000	11.956
M/s D & D Cement Pvt. Ltd.	Public	40,00,000	11.956
M/s Vardhaman Tradex Pvt. Ltd.	Public	40,00,000	11.956
M/s Compass Technologies Pvt. Ltd	Public	40,00,000	11.956
M/s Pankhuri Technowave (P) Ltd	Public	40,00,000	11.956

Your Directors recommend the resolution for your approval.

None of the other directors are in any way concerned or interested in this resolution.

Item No.10

Pursuant to the provisions of Section 81 (1A) of the Companies Act, 1956 any offer or issue of securities in the Company to persons other than the members of the Company requires prior approval of the members by way of special resolution. The listing agreement executed by the Company with the Stock Exchanges also provide that the company shall, in the first instance, offer all securities for subscription pro rata to the shareholders, unless the shareholders in a general meeting decide otherwise.

The shareholders' approval is sought pursuant to the provisions of Section 81 (1A) of the Act, for raising funds through the issue of securities in the domestic/international markets for an amount not exceeding Rs. 45 crores or its equivalent in one or more currencies, in one or more tranches, in such form, on such terms, in such manner, at such price or prices and at such time as may be considered appropriate by the Board, to various categories of investors in the domestic/international markets as set out in the resolution.

The detailed terms and conditions of the issue as and when made, will be determined/finalized by the Board of Directors in consultation with the legal advisors, merchant bankers, lead managers, underwriters and other experts in accordance with the applicable provisions of law.

Your Directors recommend the resolution for your approval.

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