
TRADE WINGS LIMITED

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50TH ANNUAL REPORT 1999-2000

TRADE WINGS LIMITED *Annual Report 1999-2000*

BOARD OF DIRECTORS

| | |
|----------------------------|----------------------------|
| DR. SHAILENENDRA P. MITTAL | <i>PRESIDENT</i> |
| MR. VINAYAK S. UBHAYKAR | <i>MANAGING DIRECTOR</i> |
| MR. RAJENDRA MITTAL | <i>DIRECTOR</i> |
| MR. SURESH MITTAL | <i>DIRECTOR</i> |
| MR. ASHOK MITTAL | <i>DIRECTOR</i> |
| MR. CHANNULAL JHUNJHUNWALA | <i>Ex. DIRECTOR</i> |
| MS. POOJA CHOTRANI | <i>ADDITIONAL DIRECTOR</i> |

AUDITORS

M/s N. A. Shah Associates
Chartered Accountants
Mumbai

REGISTERED OFFICE

6, Mascarenhas Bldg.,
Mahatma Gandhi Road, Panaji, Goa – 403 001.

HEAD OFFICE

30K, Dubhash Marg,
Fort, Mumbai – 400 023

PRINCIPAL BANKERS

Vijaya Bank
Excelsior Bldg., A.K. Nayak Marg, Mumbai – 400 001

TRADE WINGS LIMITED

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NOTICE

Notice is hereby given that the fiftieth Annual General Meeting of the members will be held at 6, Mascarenhas Bldg M G Road Panjim Goa 403001 on 30th December, 2000 at 3.30 PM to transact the following business as:-

ORDINARY BUSINESS:-

1. To receive, consider and adopt the audited balance Sheet and Profit & Loss account of the company for the year ended 31st March 2000 and the report of the board of directors and auditors thereon.
2. To appoint a Director in place of Shri Ashok Mittal who retires by rotation and is eligible for reappointment.

SPECIAL BUSINESS:-

3. To consider and if thought fit to pass with or without modification(s), the following Resolution as an Ordinary Resolution-

"RESOLVED THAT, M/s Karnik & Kulkarni, Chartered Accountants, be and are hereby, appointed as the Auditors of the company in place of the retiring Auditors, M/s N A Shah Associates, Chartered Accountants, to hold office until the conclusion of the next Annual General Meeting at a remuneration as the Board of Directors think fit."

4. To consider and if thought fit to pass with or without modification(s), the following Resolution as an Ordinary Resolution -

"RESOLVED THAT Smt Pooja A .Chotrani, who was appointed as an Additional Director of the company pursuant to Article 120 of the Articles of Association of the company and who holds office up to this Annual General Meeting, be and is hereby appointed as a Director of the company, liable to retire by rotation".

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5. To consider and, if thought fit, to pass with or without modifications the following resolution as Ordinary resolution-

"RESOLVED THAT, consent of the company be and is hereby accorded, pursuant to section 293 (1) (d) and other applicable provisions of the companies Act, 1956 and Article of Association of the company, to the board of directors of the company for borrowing from time to time, any sum or sums of money for the purposes of the company upon such terms and conditions and with to without security as the board of directors may in its discretion think fit, notwithstanding that the money or monies to be so borrowed by the company (apart from temporary loans obtained or to be obtained from time to time from the company's bankers in the ordinary course of business) together with the sums already borrowed may exceed the aggregate of the paid-up capital of the company and its free reserves, provides however that the sums so borrowed and remaining outstanding on account of principle shall not, at any time, exceed Rs.30 Crores (ruppes thirty crores)."

"RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorized to create any mortgage, hypothecation or other charge or encumbrance over the assets of the Company as security for the due repayment of the moneys so borrowed, the interest thereon and all other costs, charges and expenses in that behalf."

"AND RESOLVED FURTHER THAT, the Board of Directors be and hereby authorized to do and perform all such acts, deeds, matters and things and to take such steps as may be necessary or desirable to give effect to this resolution."

6. To consider and, if thought fit, to pass with or without modifications the following resolution as special resolution-

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"RESOLVED THAT, pursuant to the provisions of Section 372A of the Companies Act, 1956 and other applicable provisions of the Act, if any, and Article of Association, the Company hereby authorizes the Board of Directors to give guarantee(s) or security/securities, not exceeding Rs. 1 Crore, to the lenders of M/s Efficient Publicities Ltd, irrespective of the fact that the said company is under the same management or not, in connection with the loan(s) made by any other person(s) to, or any other person(s) by, any body corporate from time to time, notwithstanding the fact that the total amount of guarantees given or to be given, or securities provided or to be provided, may exceed 60% of the paid-up capital and free reserve or 100% of free reserves."

"FURTHER RESOLVED THAT, Board of Directors of the Company be and hereby authorizes to determine the actual amount of guarantees/securities that may be provided to the lenders of funds to M/s Efficient Publicity Ltd., within the above limit and to all or any of the matters arising out of and incidental to the giving of guarantees/providing securities by the company as aforesaid."

7. To consider and, if thought fit, to pass with or without modifications the following resolution as special resolution-

"RESOLVED THAT, pursuant to the provisions of Section 372A of the Companies Act, 1956 and other applicable provisions of the Act, if any, and Article of Association, the Company hereby authorizes the Board of Directors to give loan(s) up to Rs.1 Crore to the M/s Efficient Publicity Ltd., irrespective of the fact that it is under the same management or not, and on such terms and conditions as the Board of Directors think fit,

notwithstanding the fact that the total amount of loan(s) given or to be given, may exceed 60% of the paid-up capital and free reserve or 100% of free reserves."

For Trade Wings Limited



Dr Shailendra P. Mittal

Director

Mumbai, November 28, 2000

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 a proxy need not be a Member of the Company. The instrument appointing the proxy should however be deposited at the Registered Office of the company not less than 48 hours before the Commencement of the Meeting.
2. The relative Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, setting out the material facts in respect of the businesses are annexed hereto.
3. The Register of Members and the share transfer book of the company will be closed from 28th December 2000 to 30th December, 2000 both days inclusive.
4. Members are informed that in case of joint holders attending the meeting, only such joint-holder who is higher in order of names will be entitled to vote.

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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT,1956.

Item No. 3

M/s N A Shah Associates, Chartered Accountants, will retire at the conclusion of the meeting. Your Auditors vide their letter dated November 1, 2000, communicated their inability to continue as the Auditors due to their professional pre-occupation.

Further, a Special Notice has been received by the company, from a member, proposing to appoint M/s Kamik & Kulkarni, Chartered Accountants, as auditors of your company, in place of M/s N A Shah Associates, in ensuing Annual General Meeting. Necessary declarations have been obtained from M/s. Kamik & Kulkarni, Chartered Accountants.

No of the company director is interested or concerned in the said resolution.

Item No 4

Smt Pooja A.Chotrani was appointed by the Board of Directors as an Additional Director on 31st July 2000 in terms of Article 120 of the Articles of Association of the Company. Smt Pooja Chotrani is the Legal Advisor and also a Consultant to M/s Trade Wings Ltd. Smt Pooja A.Chotrani holds office as a Director upto the date of this Annual general meeting of the company.

The notice for the resolution set out in the above item have been received by the company from some members stating interalia that the services of Smt Pooja Chotrani should continue to be available to the company.

The said notices are accompanied by deposit of Rs.500/- as required by law. The Board of Directors are also of the opinion that it would be in the interest of the Company to continue the association of Smt Pooja Chotrani. Your Directors, therefore recommend the proposed resolution for your acceptance.

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Except Smt P A Chotrani no other director is interested or concerned in the said resolution.

Item No.5

Under section 293 (1) (d) of the Companies Act, 1956, the member's approval is required for the monies to be borrowed together with the monies already borrowed by the company, if such borrowing exceed the aggregate of the paid up capital of the company and its free reserves. The authority given to the Board of Directors of the company to borrow is required to be revised in the light of increased requirements of funds due to increase in the cost of assets and company's future business plans which entails a substantial borrowing in Indian as well as foreign currency. It is therefore proposed that the Board of directors be authorized to borrow up to Rs 30 Crores and hence the Board of Directors recommends the resolution for your approval.

Item No. 6 & 7

The Companies (Amendment) Act, 1999 has introduced a new Section 372A, which, inter-alia, provides that a company shall not be permitted to make inter-corporate loans or investments or give guarantees/provide securities beyond 60% of the aggregate of the company's paid-up share capital and free reserves or 100% of the company's free reserves, whichever is higher, except after obtaining prior approval from the public financial institutions where the term loan is subsisting and obtaining prior approval by special resolution passed at the general meeting of the shareholders.

The company's paid-up capital is Rs.3 Crores and free reserves on basis of the audited accounts as on 31st March, 2000 is Rs. 3.23 Crores. Hence, as a result of the restriction imposed by the new section 372A, the company can give loans, make investments or provide securities/give guarantees for an aggregate amount up to Rs.6.23 Crores without obtaining the prior approval of the shareholders.

The Board of Directors has unanimously approved making of loan(s), providing guarantees/securities in/for the M/s Efficient Publicity Ltd., to the extent mentioned in the resolution, subject to obtaining prior approval by way of special resolutions passed at the ensuing Annual General Meeting. These will make from internal accruals and/or such other sources as the Board of Directors thinks proper and in the interest of the company.

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fiftieth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2000.

Financial Results : During the year under review, the Company achieved an aggregate income of Rs. 16,74,20,376/-. Highlights of the financial results are as under :

(Rs.)

| PARTICULARS | 1999-2000 | 1998-1999 |
|----------------------------------|--------------|--------------|
| Total Income | 16,74,20,376 | 15,91,54,751 |
| Gross Profit before Depreciation | 56,55,979 | 52,40,172 |
| Depreciation | 52,77,161 | 51,45,739 |
| Profit before Tax | 3,78,818 | 94,433 |
| Provision for Taxation | 50,000 | 10,000 |
| Profit after Tax | 3,28,816 | 84,433 |

Dividends : In order to sustain growth and introduce new profitable projects in future, your Directors wish to conserve the cash resources. Therefore they do not recommend any dividend.

Subsidiary Companies :

As required under Section 212 of the Companies Act, 1956, the audited statements of accounts along with the Reports of the Boards of Directors for the year ended 31st March, 2000, are annexed.

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Conservation of Energy and Technology Absorption

Since the company is in service industry, the provisions of Section 217(e) regarding information on conservation of energy and technology absorption is not applicable.

Foreign Exchange Earnings and Outgo :

The Company earned foreign exchange to the tune of Rs 1,07,18,135/- and the Expenditure incurred during the same period were Rs. 20,36,482.76/-.

Personnel :

Healthy and cordial relations were maintained between the management and employees through out the year and the board wishes to place its appreciation on record for the same. Presently no employee of the company is drawing remuneration in excess of the limits specified under section 217(2A) of the Companies Act, 1956.

Directors :

Smt Pooja A. Chotrani was appointed as an Additional Director under Article 120 of the Articles of Association of the Company on 31st of July, 2000. She holds office upto the date of the forthcoming Annual General Meeting and is eligible for re-appointment. The Company has received notice in writing under Section 257 of the Companies Act, 1956, proposing the candidature of Smt Pooja Chotrani.

Shri Chhanaulal Jhunhunwala resigned from directorship as on 31st July, 2000 and his resignation was accepted by the Board of Directors. The Board of Directors places on record its appreciation for the valuable services rendered by him during his tenure as a Director.

Shri Ashok Mittal a director retires by rotation under Article 137 of the Articles of Association of the Company and is eligible for re-appointment.

Auditors :

M/s N A Shah Associates, Chartered Accountants, will retire at the conclusion of the ensuing General meeting. Your Auditors vide their letter dated November 1, 2000, communicated their inability to continue as the Auditors due to their professional pre-