

# TRADE WINGS LTD

## NOTICE

Notice is hereby given that the 52<sup>nd</sup> Annual General Meeting of the members of the Company will be held at 6, Mascarenhas Bldg M G Road Panjim Goa 403001 on Thursday the 31<sup>st</sup> October 2002 at 4.30 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 31<sup>st</sup> March 2002 and the report of the Board of Directors and Auditors there on.
2. To appoint a Director in place of Smt. P.A. Chotrani ,who retires by rotation and is eligible for reappointment.
3. To appoint the Auditors and fix their remuneration.

### **SPECIAL BUSINESS:**

4. To consider and if thought fit to pass with or without modification(s), the following Resolution as an Ordinary Resolution-  
"RESOLVED THAT, accounts of the Accounting year beginning from 1st April, 2002 of the existing branches of the Company and such other Branches as may be opened during the year in India be audited by the Company's Auditors and/or by one or more Auditor of the Company under Section 226 of the Companies Act, 1956 and of any other branch or branches that may be opened during the year in a

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country outside India, by the Company's Auditor or be a person who is qualified as aforesaid or by an Accountant or Accountants duly qualified to act as Auditors of the branch office in accordance with the law of the Country where the Branch office is situated and that the Board of Directors of the Company be and are hereby authorised to appoint such Auditor or Auditors for the aforesaid branches in consultation with the Company's Auditors and to fix their respective terms and condition of their appointment."

ON BEHALF OF THE BOARD OF DIRECTORS



CHAIRMAN

(DR SHAILENDRA MITTAL)

MUMBAI: 30<sup>th</sup> September, 2002

REGD OFF:

6, MASCARENHAS BLDG,

M G ROAD, PANAJI,

GOA-403 001

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## NOTES

- ♦ 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 hrs before the Commencement of the Meeting.
- ♦ The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out the material facts in respect of the business under Item No. 4 is annexed hereto.
- ♦ The Register of Members and the share transfer book of the company will be closed from Monday 28<sup>th</sup> October 2002 to Thursday 31<sup>st</sup> October, 2002 both days inclusive.
- ♦ 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. 4**

Member will recall that your company is operating a number of branches in India. The Company is required under section 227 (8) of the Companies Act, 1956 to have its books of Accounts audited for all such branches, either by its head office auditors or persons other than such auditors. The Board of Directors is authorized to appoint such auditors on such terms and conditions as it may consider fit.

None of the Directors is concerned or interested in this resolution.

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## **DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Fifty-Second Annual Report and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2002

**Financial Results :** During the year under review, the Company achieved an aggregate income of Rs 157818990/- and profit of Rs. 15664/-

**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 31<sup>st</sup> March, 2002, are annexed.

### **Technology Absorption and Foreign Exchange Earnings and Outgo :**

Since the company is in service industry, the provisions of Section 217(e) regarding information on conservation of energy and technology absorption is not made applicable. The Company earned foreign exchange to the tune of Rs. 2184300/- and the Expenditure incurred during the same period were Rs 48955/-

### **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 the 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. P.A.Chotrani will be retiring by rotation at this AGM of the company, and being eligible she has offered herself for re-appointment.

Shri Suresh Mittal has resigned as director during the year. The Board wishes to place on record its appreciation for the guidance given by Mr. Mittal during his tenure as director.

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## Directors Responsibility Statement pursuant to Section 217(2AA):

The Board of directors of your company hereby states:

- 1.that in preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
- 2.that the directors have selected such accounting policies and applied them consistently and made judge-ments and estimates that are responsible 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 of the company for that period.
- 3.that the directors have taken proper and sufficient care for the maintenance of adequate accounting reports in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4.that the directors have prepared the annual accounts on a going concern basis.

## Auditors :

M/s Kamik & Kulkarni, Chartered Accountants, Auditors, will retire at the conclusion of the meeting and are eligible for re-appointment. They have, pursuant to Section 224 (1B) of the Companies Act, 1956, furnished the certificate regarding their eligibility for re-appointment as the Auditors of the Company.

## Acknowledgement :

The Board of Directors wishes to thank the bankers, creditors, employees and all other agencies associated with the company at all levels for their continued co-operation and unstinted support extended to the Company.

On behalf of the Board of Directors

  
**Dr Shailendra P Mittal**  
Chairman

Mumbai: 30<sup>th</sup> September 2002

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## ANNEXURE 1 TO THE DIRECTORS' REPORT

Disclosure under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

- |     |                        |   |                |
|-----|------------------------|---|----------------|
| (A) | Conservation of Energy | : | Not Applicable |
| (B) | Technology Absorption  | : | Not Applicable |

### FORM 'B'

#### Research and Development (R & D)

1. Specific Areas in which R&D carried out by the Company : None
  2. Benefits derived as a result of the above R & D : NA
  3. Future Plan of Action : NA
  4. Expenditure on R & D : NA
- (C) **Foreign Exchange Earnings and Outgo:** The required information in respect of foreign exchange earnings and outgo is given in Note No. 7 of the Accounts.

On behalf of the Board of Directors

  
**Dr Shailendra P Mittal**

*Chairman*

Mumbai

#### Corporate Governance :

The recommendations contained in the Report of Shri Kumaramangalam Birla Committee on Corporate Governance as incorporated by Clause 49 to the Listing Agreement will have to be complied with by this Company within the Financial Year 2002-2003, but not later than 31<sup>st</sup> March, 2003.

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS.**

We have audited the attached Balance Sheet of Trade Wings Limited as at 31st March 2002 and also the Profit & Loss Account of the Company for the year ended on that date annexed thereto and in which are incorporated the Branches, which have been audited by the other auditors. 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.

We conducted our in accordance with auditing standards generally accepted in India. Those Standards require that auditors plan and perform the audit to obtain reasonable assurance about whether financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the 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.

Subject to our comments referred to above, we report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion the company has kept proper books of account as required by law so far as appears from our examination of the books except that in respect of the non-operational branch at Calcutta, the audited accounts/returns for year under consideration were not available. The necessary adjustments, if any, to the assets and liabilities of the said branch will be made on receipt of the returns (refer Note No. 23 – Schedule O). The audited returns adequate for the purpose of our audit have been received from the branches of the Company not visited by us;
3. The reports on the accounts of all the branches audited by other auditors have been forwarded to us and all these have been considered by us in preparing our report;
4. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and audited returns;
5. In our opinion, except in respect of non-compliance with Accounting Standard 13 relating to Investments, in so far as non provision for diminution in the value of the Investments made by the Company; the Balance Sheet and Profit and Loss Account subject to comment in Para 6 below, comply with the requirement of the accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
6. On the basis of our review of the confirmations received from the directors and from the companies in which the directors of the Company are directors and the information and explanations given to us, none of the directors of the company are prima facie disqualified as at 31st March, 2002 from being appointed as directors of the company under clause (g) of sub-section (1) of Section 274 of the Act.



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- 7 The company has investments in and granted loans to various companies (including subsidiary companies) whose net worth has eroded due to substantial losses. In the opinion of the management having regard to the long-term involvement in the subsidiary companies and business potential, no provision for diminution in value of such investments is considered necessary. We are however unable to express any opinion on the same. (Refer Note Nos. 20 & 21- Schedule O).
8. We further report that:
- (a) No provision has been made in accounts in respect of Sundry Debtors considered doubtful to the extent of Rs. 1,17,28,045/- and Advances considered doubtful to the extent of Rs. 84,96,665/- (Refer Note Nos. 8(a) & 8(b) - Schedule O)
  - (b) The provisions of section 295 of the Companies Act, 1956 has not been complied with in respect of loans and guarantees given on behalf of a private limited company in which Directors were interested. Necessary application in this regard is yet to be made to the Central Government (refer Note No. 22- Schedule O)
9. Subject to Para 7 and 8, in our opinion and to the best of our information and according to the explanations given to us, and read with the notes on Balance Sheet and the Profit and Loss Account, give the information required by the Companies Act 1956, in a manner so required and give a true and fair view:
- (a) In the case of Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2002 and
  - (b) In the case of Profit and Loss Account of the Profit the year ended on that date.
10. As required by the Manufacturing and other Companies (Auditors report) Order, 1988 issued by the Central Government in the terms of section 227(4A) of the Companies Act, 1956 we further report that:
- (i) The Company has generally maintained proper records to show full particulars including quantitative details and situation of fixed assets. The management during the year has physically verified most of the fixed assets. According to the information and explanation given to us, there is a regular program of verification which in our opinion is reasonable having regard to the size of the company and the nature of the assets. No material discrepancies have been noticed on such verification and the same has been properly dealt with in the books of.
  - (ii) None of the fixed assets has been revalued during the year.
  - (iii) The management at reasonable intervals has physically verified the stocks of foreign currencies of the Full Fledged Money changing division.
  - (iv) The procedure followed by the management for physical verification of stock of foreign currencies is, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (v) The discrepancies noticed on physical verification of stocks as compared to the book records were not material and have been properly dealt with in the books of account.



- (vi) On the basis of our examination of the stock records, we are of the opinion that the valuation of the stocks of foreign currency is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- (vii) The Company has taken unsecured loans from Appease Investment and Finance Ltd., the Holding Company and also from Companies and other parties listed in the register maintained under section 301 of the Companies Act, 1956 for which no terms and conditions have been specified for repayments. The rate of interest of these loans, in our opinion, is not prima facie prejudicial to the interest of the Company. We have been informed that there are no companies under the same management as defined under section 370 (1-B) of the Companies Act, 1956.
- (viii) The Company has granted unsecured loans to subsidiary companies amounting to Rs.20,17,698/- as also to Companies and other parties as listed in the register maintained under section 301 of the Companies Act, 1956 for which no repayment terms have been specified. Reference in this connection is invited to Note No.20 of Schedule O. The rate of interest, wherever applicable, in our opinion is not prima-facie prejudicial to the interest of the Company. We have been informed that there are no companies under the same management as defined under section 370(1-B) of the Companies Act, 1956.
- (ix) The employees (except few) and the parties to whom loans or advances in nature of loans have been granted are generally repaying the principal amounts as stipulated and are generally regular in payment of interest wherever applicable. In respect of the employees who have left the services, the company is taking steps for recovery of the principal amount and interest. In respect of loans granted to other parties, no repayment schedule has been stipulated. Interest on loans wherever applicable has been recovered as agreed with the management. Reference in this connection is invited to Note No.8 (b) and 21 of Schedule O.
- (x) In our opinion and according to the information and explanation given to us the internal control procedures for purchase of goods are generally adequate and commensurate with the size and nature of business. It however needs to be improved/ strengthened in respect of some of the activities of the company including cash and bank transactions. The internal control procedure, for sale of goods and services are in the process of being suitably modified and strengthened, so as to be fully adequate and commensurate with the size and nature of business.
- (xi) Transaction of purchase and sale of goods, materials and services made in pursuance of contracts of arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices of such goods, materials or services, where such market prices are available with the Company or at prices at which transactions for similar goods or services have been made with other parties.
- (xii) The Company has not accepted any deposits from the public within the meaning of provision of Section 58A of the Companies Act, 1956 and the rules framed thereunder.
- (xiii) The Company does not have any formal internal audit system.



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