

# **Trade-wings**

**Limited**

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Regd. Office

6, Mascarenhas Bldg., M.G.Road, Panajim, Goa – 403 001

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Corp. Office

18/20, K.Dubhash Marg, Kalaghoda, Fort, Mumbai – 400023

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## **ANNUAL REPORT**

**2006-2007**

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**YADAV PUJARA & SHAH**  
**Chartered Accountants**

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B-56/222, Opp.Weigh Bridge, Siddharth Nagar II, Goregaon (West),  
Mumbai-400023

## TRADE WINGS LIMITED

Regd. Office: 6, Mascarenhas Bldg, M.G.Road, Panjim, Goa – 403001

Corp Office: 18/20 K Dubash Marg, Kalaghoda, Fort, Mumbai- 400 023.

### NOTICE

Notice is hereby given that the 57<sup>th</sup> Annual General Meeting of the Members of the Company will be held on 29<sup>th</sup> September, 2007 at the Registered Office of the company at 6, Mascarenhas Bldg, M.G.Road, Panjim, Goa – 403001 at 10.30 A.M to transact the following Business as:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31<sup>st</sup> March 2007 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint the Auditors and fix their remuneration.

#### SPECIAL BUSINESS

3. To consider and if thought fit, to pass, with or without modification, the following Resolution:

“RESOLVED THAT accounts of the Accounting year beginning from 1<sup>st</sup> April 2007 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 Auditors 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 country outside India, by the company's Auditor or by a person who is qualified as aforesaid 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 hereby authorized 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”.

By Order of the Board  
For TRADE WINGS LIMITED

  
Dr. Shailendra Mittal  
Chairman

Corporate Office  
18/20 k Dubash Marg  
Kalaghoda, Fort  
Mumbai – 400 023  
3<sup>rd</sup> September, 2007.

**TRADE WINGS LIMITED****FIFTY SEVENTH ANNUAL REPORT 2006-2007.****Directors Report****To the members of Trade Wings limited**

The Directors are pleased to present the fifty Seventh Annual Report and the Audited Statements of Accounts for the year ended March 31, 2007.

**Financial Results****(In Rupees)**

<b>Particulars</b>	<b>Year Ended</b>	
	<b>31<sup>st</sup> March,2007</b>	<b>31<sup>st</sup> March,2006</b>
Net Sales/ Income from Operations	7,20,32,420	8,72,21,586
Other Income	1,38,96,538	59,56,153
<b>Profit/ (Loss) before Interest, Depreciation and Taxes</b>	<b>1,48,12,963</b>	<b>1, 21, 86,852</b>
Interest	1,17,25,789	1, 15,12,335
Depreciation	18,01,486	24,51,743
<b>Profit/ (Loss) before Taxes</b>	<b>12,85,688</b>	<b>(17,45,383)</b>
Provision for Taxes:		
Current	1,26,953	-
Fbt	11,10,083	14,78,400
Deferred	1,02,818	24,65,857
Provision of Taxes for earlier year written back		
Provision for Profit or (Loss) in Partnership firm	21,36,949	(11,41,422)
<b>Profit/ (Loss) after Taxes</b>	<b>22,88,419</b>	<b>(68,31,062)</b>
Profit/ (Loss) brought forward	1,23,66,734	1,91,97,795
<b>Balance in Profit &amp; Loss Accounts carried forward</b>	<b>1,46,55,153</b>	<b>1,23,66,733</b>

**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 for the year under review.

**Conservation of energy and technology Absorption**

Since the company is in service industry, the provisions of Section 217 (1) ( e) regarding information on conservation of energy and technology absorption are not applicable.

**TRADE WINGS LIMITED****FIFTY SEVENTH ANNUAL REPORT 2006-2007.****Foreign Exchange Earnings and Outgo****( In Rupees)**

<b>Particulars</b>	<b>March 31,2007</b>	<b>March 31,2006</b>
<b>Earnings</b>	<b>16,44,621/-</b>	<b>38,55,843/-</b>
<b>Outgo</b>	<b>1,03,013/-</b>	<b>12,75,396/-</b>

**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 responsibility Statement pursuant to section 217 (2AA)**

The Board of Directors of your Company hereby states that:

1. In preparation of Annual accounts for the financial year ended March, 31 2007, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view if the state of affairs of the company at the end of financial year and of the profit of the company for that period.
3. Directors have proper and sufficient care for the maintenance of adequate accounting reports in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on going concern basis.

**TRADE WINGS LIMITED****FIFTY SEVENTH ANNUAL REPORT 2006-2007.**

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**Auditors**

Mr. Yadav Pujara & Shah, Chartered accountant, Statutory Auditor of the Company, will retire at the conclusion of the next Annual general meeting and is eligible for re-appointment. He has, pursuant to section 224(1B) of the Companies Act, 1956 furnished the certificate regarding his eligibility for re-appointment as the Auditors of the Company.

**Corporate Governance**


The Company is listed on Stock Exchange, Mumbai and it has from time to time, complied with the conditions of clause 49 of the listing Agreement till date. The detailed report on corporate governance forms part of directors Report and same is annexed to Annual Report.

The certificate of the auditors in respect of clause 49 of the Companies Act, 1956 is also attached with the Annual Report for the year 2006-2007.

**Acknowledgement**

Your directors would like to express their grateful appreciation for the assistance and co-operation received from the financial institutions, Banks, Government Authorities and shareholders during the year under review. Your Directors wish to place on record their deep appreciation to all the employees for their commendable teamwork, Exemplary professionalism and enthusiastic contribution during the year.

By Order of the Board  
**For TRADEWINGS LIMITED**

  
**Dr. Shailendra Mittal**  
Chairman

**Corporate Office**

18/20 K Dubash Marg  
Kalaghoda Fort,

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## ANNEXURE TO THE DIRECTOR'S REPORT

### REPORT ON CORPORATE GOVERNANCE PHILOSOPHY:

The Company strongly believes in enhancing the stake holder's values through good corporate governance. The Company aims at attainment of the highest levels of transparency, accountability and equity in its operations. The Company believes that good corporate governance demands participation of all stakeholders in the decision making exercise. The company in its pursuit of attaining the norms and requirements of a formal code of corporate governance has complied with clause 49 of the listing agreement and follows the fair and legal procedures prescribed under the Companies Act and other allied laws for the transaction of business by a corporate entity. The Company realizes that it must disseminate information pertaining to its affairs so that all stakeholders may gain true understanding of its activities and aspirations.

The Company believes and follows the Committee system of governance for smooth, purposeful and effective functioning.

### BOARD OF DIRECTORS

The composition and category of directors as of March 31, 2007 is as follows:

Name of Director	Category	No. of directorships in
		Other public companies
Dr. Shailendra Mittal	Executive Director	05
Mr. Vinayak Ubhayakar	Executive Director	01
Mr. Ashok Mittal	Non-executive Independent Director	02
Mrs. P.A. Chotrani	Non-executive Independent Director	03
Mr. R. Vaidhyanathan	Non-executive Independent Director	01

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## Notes

- (a) Directorship in Private Companies excluded.
- (b) None of the directors are on any of the committees of other companies.
- (c) None of the Directors of the company was a member of more than ten Committees nor was the Chairman of more than five Committee across all Companies in which he is a Director.
- (d) Except Mr. Ashok Mittal none of the directors is related to any other director.
- (e) The Company did not have any pecuniary relationship or transactions with non-executive directors during 2006-07.

As on 31<sup>st</sup> March, 2007 the Company has a fair composition of the Board of Directors. The Company has an Executive Chairman and one-half of the Directors were independent.

The Board of Directors met Nineteen times during the financial year 2006-2007. The gap between two board meetings did not exceed four months. The dates on which the nineteen board meetings were held are as follows:

22.05.2006	05.06.2006	07.06.2006	30.06.2006
07.07.2006	18.07.2006	27.07.2006	02.08.2006
10.08.2006	01.09.2006	28.09.2006	25.10.2006
27.10.2006	15.12.2006	02.01.2007	05.01.2007
29.01.2007	27.02.2007	01.03.2007	

## Attendance of each Director at the Board Meetings and the last AGM

Name of Director	No. of Board Meeting attended	Attendance at the last AGM (30.09.2006)
Dr. Shailendra Mittal	19	Yes
Mr. Vinayak Ubhayakar	19	Yes
Mrs. P A Chotrani	19	Yes
Mr. Ashok Mittal	6	Yes
Mr. R. Vaidyanathan	15	Yes

## AUDIT COMMITTEE

The Company has constituted an Audit Committee on 31st March 2003 consisting of three non-executive independent Directors to assist the members of the Board of Directors in discharging their individual and collective legal responsibilities. The present Audit Committee consists of three members. The Chairman of the Audit Committee is Mr. R. Vaidyanathan an independent non-executive director having necessary and sufficient financial and accounting background. The other members of the Committee are Mr. Ashok Mittal and Mrs. P.A. Chotrani

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The Company Secretary acts as a Secretary to the Audit Committee. Audit Committee meeting were attended by the General Manager, Mr. Ajay Vageria. The representatives of the statutory auditors were invited to the meetings of the Audit Committee.

Pursuant to Clause 49 of the Listing Agreement, the present Audit Committee has within its terms of reference the following:

- Hold periodic discussions with the Statutory Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors
- Review compliance with internal control systems
- Review quarterly, half-yearly and annual financial results of the Company before submission to the Board
- Review statement of significant 'related party disclosures
- Review of the investments made by the unlisted subsidiary companies
- To recommend the appointment and remuneration of statutory auditors

At the Annual General Meeting held on 30<sup>th</sup> September, 2006, the Chairman of the Audit Committee Mr. R. Vaidhyanathan was Present. During the financial year under review the Audit Committee met five times. The dates of the five Audit Committee meetings were held were as follows:

19.04.2006	07.08.2006	18.10.2006
16.01.2006	13.03.2006	

## Attendance at the Audit Committee Meetings

Name	No. of Audit Committee Meetings (2006 – 07)	
	Held	Attended
Mr. R. Vaidhyanathan	05	05
Mr. Ashok Mittal	05	03
Mrs. P.A. Chotrani	05	05

## REMUNERATION COMMITTEE

The Committee was formed to review and approve inter alia the recommendation for appointment of Managing Director(s)/ Whole Time Director(s) and Senior Executives of the Company and their compensation package, annual increments, incentives, additional perquisites etc.

The present Remuneration Committee consists of three members. The Chairman of the Committee is Mr. R. Vaidhyanathan, non-executive independent director. The other members

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are Mr. Ashok Mittal and Mrs. P.A. Chotrani. One meeting of the Remuneration Committee was held on 10<sup>th</sup> August, 2006

Details of the Remuneration paid to the Executive Directors during the period April 2006-March 2007

Particulars	Dr. Shailendra Mittal	Mr. Vinayak Ubhayakar
Salary	118572	120012
HRA	Nil	35100
Perquisites	Nil	48458
Total	118572	203570

The Company does not pay any remuneration to its non-executive directors including sitting fees for attending the meetings of the Board and Committees thereof.

## INVESTORS' GRIEVANCES COMMITTEE

The Board of Directors has constituted an Investor Grievance Committee to specifically look into the redressal of investors' grievances and complaints in respect of share transfers, non-receipt of Annual Reports etc. Mrs. P A Chotrani, is the Chairman of the Committee and Mr. R. Vaidhyanathan is the member. During the company has received two complaints which were resolved to the satisfaction of the investors. No complaints were received from the SEBI or stock exchanges during the year and no complaints were pending at the end of the year.

The meeting of the Investors' Grievance Committee was held on 5<sup>th</sup> January, 2007 and both the members of the Committee were present.

## SHARE TRANSFER COMMITTEE

The Board of Directors have constituted the Share Transfer Committee to approve the transfer of shares and to issue duplicate, renewed, consolidated, sub-divided share certificates. The Share Transfer Committee consists of Mrs. P A Chotrani, Chairman of the Committee and Mr. R. Vaidhyanathan. The meetings of the Share Transfer Committee were held from time to time and the minutes were placed before the Board meetings for confirmation and approval

## DETAILS OF GENERAL BODY MEETINGS

Year	AGM/EGM	Date	Time	Location
2003-2004	AGM	30 <sup>th</sup> Sept 2004	3.00 PM	-- as above --
2004-2005	EGM	28 <sup>th</sup> June 2004	3.00 PM	-- as above --
2004-2005	AGM	30 <sup>th</sup> Sept. 2005	3.00 PM	-- as above --
2005-2006	AGM	30 <sup>th</sup> September 2006	3.00 PM	-- as above --
2006-2007	EOGM	1 <sup>st</sup> September 2006	11.00 AM	-- as above --
2006-2007	AGM	29 <sup>th</sup> September 2007	10.30 AM	-- as above --

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## Whether Special Resolutions

- (a) Were put through postal ballot last year - No  
Details of voting pattern - Not Applicable  
Persons who conducted the postal ballot exercise - Not Applicable
- (b) Are proposed to be conducted through postal ballot - No  
Procedure for postal ballot - Not Applicable

## Disclosures

### a) Related Party Transactions during the year 2006-2007

(in Rupees)

Particulars	Holding Company	Subsidiary Company	Group company	Key Management Personnel	Relative of KMP
Cabin Services Charges	--	--	6,00,000	--	--
Management Fees	--	63,72,657	--	--	--
Interest	4,58,980	--	9,59,102	17,93,607	--
Courier Services	--	--	18,967	--	--
Salary & Wages	--	--	--	3,22,142	--
Commission	--	--	--	--	--

## Details of non-compliance

- b) There has not been any non-compliance, penalties or strictures imposed on the company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets during the last three years.
- c) The Company has laid down Whistle Blower Policy providing protection to 'whistle blowers' from the unfair termination and other unfair or prejudicial employment practices. Personnel of the company are not denied any personnel access to the Audit Committee of the Company in respect of matter involving unethical or improper practice.

## Means of Communication

- The Company has been disclosing corporate financial performance on quarterly, half-yearly and annual basis well within the stipulated period to the Stock Exchange and general public after being approved by the Board. The results are normally published in