

# 62<sup>nd</sup> Annual Report 2011 -12



**Trade-wings**

L I M I T E D



# **TRADE-WINGS LIMITED**

**SIXTY SECOND ANNUAL REPORT 2011-2012**

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## **BOARD OF DIRECTORS**

**Dr. Shailendra P. Mittal**

Chairman & Chief Finance Officer

**Mr. Vinayak S. Ubhayakar**

Managing Director &

Chief Executive Officer

**Mr. R. Vaidhyanathan**

Director

**Mr. Rajan N. Dani**

Director

**Mr. A. G. Merchant**

Additional Director

(Appointed on 17<sup>th</sup> March, 2012)

## **AUDITORS**

**Yadav Pujara & Shah**

Chartered Accountants,

Mumbai

## **COMPLIANCE OFFICER**

**Mr. Dnyanesh D. Mulay**

## **BANKERS**

Vijaya Bank

Union Bank of India

The National Co-operative Bank Limited

## **REGISTERED OFFICE**

6, Mascarenhas Building,

Mahatma Gandhi Road,

Panjim, Goa- 403001

## **CORPORATE OFFICE**

Bhogilal Building, 1<sup>st</sup> Floor,

18/20, K. Dubash Marg,

Kalaghoda, Fort,

Mumbai- 400 023

## **REGISTRAR AND SHARE**

## **TRANSFER AGENTS**

## **BIGSHARE SERVICES PRIVATE LIMITED**

E-2/3, Ansa Industrial Estate,

Saki Vihar Road,

Andheri East, Mumbai - 400 072

Tel no: - (022) 2847 0652



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### NOTICE

Notice is hereby given that the 62<sup>nd</sup> Annual General Meeting of the Members of the Company will be held on Friday, 30<sup>th</sup> November, 2012 at the Registered Office of the Company at 6, Mascarenhas Building, Mahatma Gandhi Road, Panjim, Goa - 403 001 at 12:00 P.M. to transact the following business :

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2012 and Profit and Loss Account for the year ended as on that date and the Reports of the Directors and the Auditors thereon.
2. To re-appoint Mr. Rajan N. Dani, Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors 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. Yadav Pujara & Shah, Chartered Accountants, be and is hereby appointed as the Statutory Auditors of the Company for the financial year ended 31<sup>st</sup> March, 2013, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors."

4. To appoint the Branch Auditors and fix their respective terms and conditions of their appointment.

#### SPECIAL BUSINESS:

5. Appointment of Mr. A. G. Merchant as Director.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** Mr. A. G. Merchant, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company be and is hereby appointed as Director of the Company under the provisions of the Articles of Association of the Company and he is liable to retire by rotation."

6. Revision in remuneration payable to Dr. Shailendra Mittal, Whole-Time Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

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**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, read with Section II (B) Part II of Schedule XIII thereto and subject to the approval of the members of the Company, the remuneration payable to Dr. Shailendra P. Mittal, Chairman and Whole-Time Director, also designated as Chief Finance Officer of the Company, shall be as under with effect from 1<sup>st</sup> April 2012:

Since the Company has inadequate profit, the Company shall pay remuneration calculated and provided in Section II of Schedule XIII of the Companies Act, 1956. The Board has approved the remuneration, which is subject to further revision of the same from time to time at the discretion of the Board, as under:

- i. Salary: Rs.2,00,000/- (Rupees Two Lac Only) per month or Rs.24,00,000/- (Rupees Twenty-four Lacs Only) per annum.
- ii. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- iv. Encashment of leave at the end of the tenure.

In case the Company has adequate profits in future, the Company shall pay remuneration by way of salary, dearness allowance, perquisites, commission and allowances which shall not exceed 5% of the net profits calculated as per the provisions of Sections 198 and 309 of the Companies Act, 1956.

**"RESOLVED FURTHER THAT** all other terms and conditions of the appointment shall be as per the De Novo agreement executed between the company and the appointee."

**"RESOLVED FURTHER THAT** Mr. Vinayak Ubhayakar, Managing Director & Chief Executive Officer of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to the aforesaid Resolution."

Date: 27<sup>th</sup> September, 2012.

Place: Mumbai

By Order of the Board  
For TRADE-WINGS LIMITED

  
Dr. Shailendra P. Mittal  
Chairman

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### Notes:

- a) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll, instead of himself / herself and the proxy need not be a member of the company. The instrument appointing proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
- b) The Register of Members and the Share Transfer Register of the company shall remain closed from 23<sup>rd</sup> November, 2012 to 30<sup>th</sup> November, 2012 (both days inclusive).
- d) The Members / Proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
- f) Members are requested to address all correspondence to the Registrar and Share Transfer Agents, Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai - 400 072.
- g) Members holding shares in electronic mode are requested to direct change of address intimation to their depository participants. Members holding shares in physical mode are requested to advise any change of address immediately to the Registrar and Share Transfer Agents - Bigshare Services Private Limited.

Members/Proxy holders are requested to bring their copies of the Annual Report with them to the Annual General Meeting.

- h) At the ensuing Annual General Meeting, Mr. Rajan N. Dani, Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.
- i) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special business to be transacted at the Annual General Meeting forms a part of this notice and annexed hereto.

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

#### Item No. 5:

#### Appointment of Mr. A. G. Merchant as a Director.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company, the Board of Directors in its meeting held on 17<sup>th</sup> March, 2012 has appointed Mr. A. G. Merchant as an Additional Director of the Company. In terms of Section of 260 of the Companies Act, 1956, Mr. A. G. Merchant would holds office up to the date of this Annual General Meeting.

Accordingly, Mr. A. G. Merchant is proposed to be appointed as a Non - Executive, Independent Director on the Board of the Company, liable to retire by rotation.

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Mr. A. G. Merchant is accounts professional from Mumbai and has accumulated vast experience of 40 years in various fields such as tour costing, tour accounting, supply chain management for in-bound, out-bound and domestic tours. He has also acquired experience in foreign exchange, money transfers and regulations on money changers in India. He has vast contacts in travel / tourism industry throughout India. He has developed great amount of skill in man management in travel agencies. He has made representations at various industry forums.

The Board recommends the resolution as set out in Item No.5 of the Notice for the approval of the members of the company.

Except Mr. A. G. Merchant, none of the other directors of the company are in anyway concerned or interested in the said resolution.

### Item No. 6:

**Revision in managerial remuneration payable to Dr. Shailendra P. Mittal, Whole Time Director of the Company:**

Dr. Shailendra P. Mittal was re-appointed as Chairman and the Whole Time Director, also designated as Chief Finance Officer of the company with effect from 1<sup>st</sup> April, 2012 for a period of three years on the terms and conditions approved by the Board of Directors and subject to approval of the shareholders in the Annual General Meeting of the Company.

Dr. Shailendra P. Mittal has benefited the company through his knowledge, expertise and dedication. Also his multi disciplinary approach has immensely contributed in achieving new heights of success of the company over a period of time.

Dr. Shailendra P. Mittal has taken corrective steps to protect the company from repercussions which arise due to recessionary pressures hovering over the globe and he enabled the company to achieve the sustained and steady growth during these times.

In view of the same it is now proposed to revise the remuneration payable to Dr. Shailendra P. Mittal, Chairman and the Whole Time Director of the company to Rs.2,00,000/- p.m. or Rs. 24,00,000/- p.a. from 1<sup>st</sup> April, 2012 till 31<sup>st</sup> March, 2015 and further revision of the same from time to time at the discretion of the Board as stated in Item No.6 of the Notice of Annual General Meeting.

The Remuneration Committee of Directors and Board of Directors in their meetings held on 17<sup>th</sup> March, 2012 and 28<sup>th</sup> March, 2012 respectively have, subject to the approval of the shareholders, approved the proposed remuneration payable to Dr. Shailendra P. Mittal, Whole Time Director of the Company.

Pursuant to Schedule XIII Part II(B)(iv) the following information is provided to the shareholders with regard to the proposed remuneration payable to Dr. Shailendra P. Mittal.



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### GENERAL INFORMATION:

#### 1. Nature of Industry:

The Company is engaged in the business of Travel and Travel related Services. The Company is the Travel Service Partner of American Express. The Company is associated with many national and international trade associations such as IATA, ASTA, PATAA, TAAI, IATO, UFTAA, AFTA, JATA, USTOA. The Company has maintained a consistent performance over a period of time.

#### 2. Date of Commencement of Commercial Production/operations: since last 6 decades.

#### 3. In case of new Company, expected date of Commencement of activities as per projects approved by Financial Institutions appearing in the prospectus: Not Applicable

#### 4. Financial Performance:

Currently the Company is performing well. However, in the event of unforeseen circumstances and conditions beyond the Control of the Company, the profitability of the Company may be affected. Barring unforeseen circumstances, it is expected that the Company will perform well in the future.

#### 5. Export Performance, Net Foreign Exchange Earnings and Collaborations:

The Existing business of the Company does not have much scope for foreign exchange earnings. The Company has not earned any foreign exchange earnings during the year under review. The Company does not have any collaboration with any other entities.

### INFORMATION ABOUT THE APPOINTEE:

#### (A) Dr. Shailendra P. Mittal

##### (1) Background Details:

Dr. Shailendra P. Mittal is the President of the Company. His educational qualifications includes Industrial Engineering from Mumbai University (erstwhile known as Bombay University), MBA from Wharton School of Business, PHD and OPM from Harvard University, USA. He has knowledge and expertise in travel, tourism and related activities.

##### (2) Past Remuneration:

During the financial year ended 31<sup>st</sup> March, 2012 the managerial remuneration paid to Dr. Shailendra P. Mittal was Rs.65,000/- p.m.

##### (3) Recognition/Awards

No

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### **(4) Job Profile and Suitability:**

Dr. Shailendra P. Mittal is Executive Chairman of the company. He possesses the necessary qualifications and expertise to be Chairman of the Company. He oversees all the activities of the Company including financial, personnel and commercial management and corporate planning and implementation. He also reviews all financials of the Company, creates plans and programs for the overall development of the Company. He also oversees corporate Board of Directors' meeting and ensures that senior management follows directors' recommendations while implementing internal controls procedures and systems.

### **(5) Remuneration proposed**

Rs.2,00,000/- (Rupees Two Lacs Only) per month or Rs.24,00,000/- (Rupees Twenty-four Lacs Only) per annum.

### **(6) Pecuniary relationship, directly or indirectly with the Company or relationship with the managerial person, if any.**

Dr. Shailendra P. Mittal has no pecuniary relationship, directly or indirectly with the Company or relationship with the managerial person.

### **OTHER INFORMATION:**

#### **(1) Reason for loss/inadequate profits**

The Company has inadequate profits due to the increasing competition and recession in the industry.

#### **(2) Steps taken or proposed to be taken for improvement**

The Company is in the process of maintaining a consistent performance under the guidance and directions of Dr. Shailendra P. Mittal.

#### **(3) Expected increase in profits and profits in measurable terms**

With the steps taken by the Company on operations front in improving the operating parameters by increasing the capacity through upgradation and expansion at its locations, wherever feasible, it is expected that the costs will come down resulting in an increase in profitability of the Company.

### **DISCLOSURES:**

#### **(1) Remuneration Policy**

The Remuneration policy of the Company is based upon well defined criteria such as success and performance of its managerial persons and the Company, industry