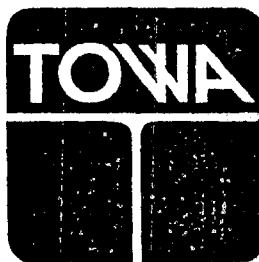


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TRA	NA		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

SIXTH ANNUAL REPORT 1997-98

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Towa Sokki Limited

TOWA SOKKI LIMITED

BOARD OF DIRECTORS

Shri O. J. Bansal	Managing Director
Shri S. J. Bansal	Director
Smt. S. O. Bansal	Director
Smt. S. S. Bansal	Director
Shri. R. S. Patel	Director
Shri M. S. Agarwal	Director
Shri G. C. Agarwala	Director

BANKERS

Bank of Baroda
Indian Overseas Bank
State Bank of India

AUDITORS

M/S. A. M. GANDHI & CO.
211-A, Narmada Apartments,
Raopura, Baroda - 390 001.

NOTICE

6th Annual General Meeting will be held at the Company's Registered Office on Wednesday, 30th September, 1998 at 11.00 a.m.

COMPANY LAW CONSULTANTS

MRS. DARSHA R. KIKANI
14, Upkar Society, Ellora Park,
Baroda - 390 007.

REGISTERED OFFICE

919/3, G.I.D.C. Estate,
Makarpura, Baroda - 390 010.

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NOTICE

Notice is hereby given that the 6th Annual General Meeting of the members of TOWA SOKKI LIMITED will be held at the Registered Office of the Company at 919/3, GIDC, MAKARPURA, BARODA -390 010 on WEDNESDAY, 30th September, 1998, at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1998 and the Profit & Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint Director in place of Shri G. C. Agarwala who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

DATE : 29-6-1998.

PLACE :

919/3, G.I.D.C.,
Makarpura,
BARODA-390 010.

By the Order of the Board

TOWA SOKKI LIMITED

S. J. BANSAL
DIRECTOR

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. Proxies, in order to be effective, should be duly stamped, completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
3. Pursuant to Secion 154 of the Companies Act, 1956, Register of members and Shares Transfer Books of the Company will remain closed from 30th September, 1998 to 8th October, 1998 (both days inclusive).
4. Members intending to require information about accounts at the meeting are requested to write to the Company atleast 10 days in advance of the Annual General Meeting.
5. Members are requested to intimate, if shares are held in the same name or in the same order and names, but in more than one account to enable the Company to club the said accounts into one account and to notify immediately any change in registered address, to the Company.

DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present their 6th Annual Report with the Audited Statement of Accounts of your Company for the year ended on 31st March, 1998.

1. SUMMARY OF FINANCIAL RESULTS

	Year Ended	(Rs. in Lacs) Year Ended
	31-03-1998	31-03-1997
TOTAL INCOME	41.66	28.96
TOTAL EXPENDITURE	41.14	27.23
GROSS PROFIT	0.52	1.73
DEPRECIATION	3.80	3.49
PROFIT/(LOSS) BEFORE TAXATION	(3.28)	(1.76)
PROFIT/(LOSS) AFTER TAX	(3.28)	(1.76)
RESERVES (EXCLUDING REVALUATION RESERVE)	6.32	9.59

2. DIVIDEND

In the absence of profit, your Directors regret their inability to propose any Dividend.

3. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri G. C. Agarwala retire by rotation and being eligible, offer himself for re-appointment.

4. FIXED DEPOSITS

The Company has not accepted Fixed Deposits from Public as envisaged under Section 58 A and 58 B of Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975.

5. AUDITOR'S REPORT

In respect of the observations made by Auditors the Notes on Accounts are self explanatory.

6. AUDITORS

The present auditors M/s A. M. Gandhi & Co., Chartered Accountants, Baroda are retiring at the conclusion of Sixth Annual General Meeting. Because of Preoccupation they have not opted for re-appointment. It is proposed to appoint M/s. Bhavan Patel & Co. Chartered Accountants, Bombay as the statutory auditors of the Company from the conclusion of this Annual General Meeting to the next Annual General Meeting.

TOWA SOKKI LIMITED**7. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO.**

In terms of Section 217(e) (1) of the Companies Act, 1956 (as amended) and the Companies (disclosure of particulars in the report of Board of Directors) Rules of 1988, your Directors furnish here under the additional information :

- a) The Company is taking all the measures for conservation of energy.
- b) **TECHNOLOGY ABSORPTION** : A substantial amount is planned to be invested in Research and Development activity, the technology to in part the right physical properties to the Company's products, to improve quality, to reduce cost of production and to identify the areas for diversification for future improvements.
- c) **FOREIGN EXCHANGE INFLOW AND OUTFLOW** :
- | | | |
|-------------------------|---|-----------------|
| Foreign Exchange earned | : | NIL. |
| Foreign Exchange used | : | Rs. 12.80 Lacs. |

8. PARTICULARS OF EMPLOYEES

Particulars of Employees as required under Section 217 (2A) of the Companies Act, 1956 during the year under report is as per the Annexure.

9. ACKNOWLEDGEMENT

The Board of Directors are pleased to place on record, their sincere appreciation for the co-operation of employees of the Company at all levels, unstinted support of the Company's Bankers, Other Associates and the Shareholders.

DATE : 29-6-1998.

PLACE :

919/3, G.I.D.C.,

Makarpura,

BARODA-390 010.

By the Order of the Board

TOWA SOKKI LIMITED

O. J. BANSAL

CHAIRMAN

ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 1998.

Sr. No.	Name	Age (Yrs)	Qualification	Date of commencement of Employment	Designation	Remuneration (Rs.)	Expe. (Yrs.)	Last Employment, Designation, Employer.
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— NIL —

TOWA SOKKI LIMITED**AUDITOR'S REPORT**

To,
The Members of TOWA SOKKI LIMITED,

We have audited the attached Balance Sheet of Towa Sokki Limited, as at 31st March, 1998 and the Profit and Loss Account of the Company for the Year ended on that date, annexed thereto. We report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we report that :
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of Account;
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Significant Accounting Policies (Schedule - 21) and Notes on Accounts (Schedule - 22) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 1998, and
 - ii) in the case of the Profit and Loss Account of the Loss of the Company for the year ended on that date.

For A. M. GANDHI & CO.
Chartered Accountants
A. M. GANDHI
Proprietor

DATE : 30TH JUNE, 1998
PLACE : BARODA

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

1. The Company has generally maintained proper records showing broadly the particulars of fixed assets. Fixed Assets have been physically verified by the management during the Year.
2. The Company has not revalued its fixed assets during the year.
3. As reported to us, the stocks of raw materials, finished goods and stores and spares have been physically verified by the management at reasonable intervals during the Year.
4. The procedure for physical verification of stocks followed by the management are generally reasonable and adequate in relation to the size of the company and nature of its business.
5. The discrepancies noticed on physical verification of stocks as compared to book records which in our opinion, were not material have been properly dealt with in the books of account.
6. In our opinion and on the basis of our examination the valuation of stocks of raw materials, finished goods and stores and spares is fair and proper and in accordance with the normally accepted accounting principles.
7. The Company has not taken secured or unsecured loans from the Parties or Firms listed in the Register maintained under section 301 of the Companies Act, 1956 and or from companies under the same management within the meaning of section 370(1-B) of the Companies Act, 1956.
8. The Company has not granted any loans, secured or unsecured to companies, firms, or other parties listed in the register maintained under section 301 of the companies Act, 1956. As explained to us, there are no companies under the same management within the meaning of section 370(1-B) of the Companies Act, 1956.
9. The Company has given interest free advances to employees and repayment of such advances, as to principal is being received regularly as stipulated.
10. According to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of stores, raw-materials, plant and machinery, equipment and other assets.