

Towa Sokki Limited



Annual Report

2000 - 2001

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BOARD OF DIRECTORS

| | |
|-------------------|-------------------------|
| Shri O.J.Bansal | Managing Director |
| Shri S.J.Bansal | Joint Managing Director |
| Smt. S.O.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

NOTICE

9th Annual General Meeting will be held at the Company's Registered office on Thursday, 20th September, 2001 at 11.00 A.M.

AUDITORS

M/S. BHAVAN PATEL & CO.
206-B, Vertex Vikas,
Sir M. V. Road
Andheri (East)
MUMBAI-400 069.

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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



NOTICE

Notice is hereby given that the 9th 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 - 390010 on THURSDAY, 20th September, 2001, 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, 2001 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 Smt. S.O. Bansal who retires by rotation and is eligible, offer herself for reappointment.
3. To appoint Director in place of Shri G.C. Agarawala who retires by rotation and is eligible, offer himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

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. Proxies in order to be effective must be received at the registered office of the company not less than forty eight hours before the commencement of the meeting.
2. Pursuant to Section 154 of the Companies Act, 1956 the Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2001 to 29th, September 2001. (both days inclusive).
3. 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.
4. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of Annual Report at the Meeting.

DATE : 28-6-2001

PLACE :

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

Makarpura,

BARODA-390 010.

By the Order of the Board

TOWA SOKKI LIMITED

O. J. BANSAL

CHAIRMAN

Towa Sokki Limited**DIRECTORS' REPORT**

To,
The Members,

Your Directors have pleasure in presenting the 9th Annual Report with the Audited Statement of Accounts of your Company for the year ended on 31st March, 2001.

1. SUMMARY OF FINANCIAL RESULTS

| | Year Ended 31-03-2001 | (Rs. in Lacs) Year Ended 31-03-2000 |
|--|--|--|
| Sale & Income from Job Work | 47.03 | 52.21 |
| Other Income | 0.75 | - |
| Increase/(Decrease) In Stock | 3.03 | (0.03) |
| Profit on Sale of Vehicle | - | 0.01 |
| Total Income | 50.81 | 52.19 |
| Total Expenditure | 46.56 | 47.49 |
| Gross Profit | 4.25 | 4.70 |
| Depreciation | 3.89 | 3.88 |
| Profit / (Loss) before Taxation | 0.36 | 0.82 |
| Provision for Taxation | 0.04 | 0.06 |
| Profit/(Loss) after Tax | 0.32 | 0.76 |
| Reserves (Excluding Revaluation Reserve) | 8.11 | 7.79 |

2. DIVIDEND

In view of inadequate profits, the Directors are not in a position to recommend any dividend for the current year.

3. DIRECTORS

Smt. S.O. Bansal and Shri G.C. Agarwala, Directors, retire by rotation and are eligible, offer themselves for reappointment.

4. DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors confirm :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relation to material departures.
- that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable 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 or loss of the Company for that period.



- c. that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of The Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ; and
- d. that they have prepared annual accounts on a going concern basis.

5. 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.

6. AUDITORS

M/s. Bhavan Patel & Co., Chartered Accountants, retire as Auditors of the Company at the conclusion of the Ninth Annual General Meeting and are eligible for reappointment.

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 impart the right physical proper ties 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 EARNING AND OUTGO :

1. Earnings in Foreign Exchange

| | |
|----------------------------------|-----|
| Value of Exports on F.O.B. basis | NIL |
| Others | NIL |

2. Expenditure in Foreign Currency

| | |
|---|-----------|
| Imports of Raw Materials, Spares and Components | 5.69 Lacs |
| Foreign Travelling | NIL |
| Machinery | NIL |

—Towa Sokki Limited—



8. PARTICULARS OF EMPLOYEE

There are no employees during the period drawing remuneration specified under Section 217(2)(A) of the Companies Act, 1956. As such, no particulars are required to be furnished.

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 : 28-6-2001
PLACE : 919/3, G.I.D.C.,
Makarpura,
BARODA-390 010.

By the Order of the Board
TOWA SOKKI LIMITED

O. J. BANSAL
CHAIRMAN



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, 2001 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, the Balance Sheet and Profit and Loss Account complies with the mandatory Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e) On the basis of the written representations received from the Directors and taken on record by the Company, we report that none of the Director is disqualified, as on the Balance Sheet date, from being appointed as a Director in terms of Section 274 (1)(g) of the Companies Act, 1956 ;
 - f) 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 - 20) and Notes on Accounts (Schedule - 21) 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, 2001, and
 - ii) In the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date.

PLACE : MUMBAI

DATE : 28-6-2001

For BHAVAN PATEL & CO.
CHARTERED ACCOUNTANTS

B. H. PATEL
PROPRIETOR



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 or to 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 in 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.
11. The Company has not sold goods and material pursuant to the contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, aggregating to Rs.50,000/- or more in respect of each party.



12. The Company has not accepted deposits from the public under Section 58 A of the Companies Act, 1956.
13. The Company has a regular procedure for determination of the unservicable and damaged stores.
14. We have been informed that there is no saleable scrap and hence there are no records of the same. However, as informed, wherever feasible certain metal scrap is casted and recycled for use.
15. There is no Internal Audit system in the context of the size and nature of the Company's present business.
16. Maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.
17. The Company has been regular in depositing Provident Fund dues and Employees State Insurance Scheme dues with the appropriate authorities.
18. According to the information and explanations, given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax and Sales Tax were outstanding as at 31st March, 2001 for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses have been charged to the revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company is not a sick Industrial company within the meaning of clause (O) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In respect of trading activity of the Company, we are informed that there are no damaged stocks

PLACE : MUMBAI

DATE : 28-6-2001

For BHAVAN PATEL & CO.
CHARTERED ACCOUNTANTS

B. H. PATEL
PROPRIETOR