

# Towa Sokki Limited



**TWELFTH ANNUAL REPORT 2003 - 2004**



## BOARD OF DIRECTORS

Shri O.J.Bansal	Managing Director
Shri S.J.Bansal	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

## AUDITORS

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

## COMPANY LAW CONSULTANTS

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

## REGISTERED OFFICE

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

### NOTICE

12th Annual General Meeting will be held at the Company's Registered office on Wednesday, 29th September, 2004 at 11.00 A.M.

### CONTENTS

Notice  
Directors' Report  
Auditor's Report  
Balance Sheet  
Profit and Loss Account  
Schedules forming part of Balance Sheet and Profit and Loss Account  
Notes on Accounts  
Balance Sheet Abstract  
Cash Flow Statement  
Proxy Form

## —Towa Sokki Limited—

**NOTICE**

Notice is hereby given that the 12th 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, VADODARA-390 010 on WEDNESDAY, 29th September, 2004, 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, 2004 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 R.S. Patel who retires by rotation and is eligible, offer himself for reappointment.
3. To appoint Director in place of Shri M.S. Agarwal 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 21st September, 2004 to 29th, September 2004. (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.

PLACE : VADODARA  
DATE : 22-5-2004

By the Order of the Board  
**TOWA SOKKI LIMITED**  
**O. J. BANSAL**  
MANAGING DIRECTOR

# Towa Sokki Limited



## DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 12th Annual Report with the Audited Statement of Accounts of your Company for the year ended on 31st March, 2004.

### 1. SUMMARY OF FINANCIAL RESULTS

	Year Ended 31-03-2004	(Rs. in Lacs) Year Ended 31-03-2003
Sale & Income from Job Work	37.45	54.82
Other Income	--	50.47
Increase/(Decrease) In Stock	(11.23)	31.81
Total Income	26.22	137.10
Total Expenditure	33.03	126.31
Gross Profit	(6.81)	10.79
Depreciation	2.50	2.89
Profit / (Loss) before Taxation	(9.30)	7.90
Provision for Taxation	--	0.28
Profit/(Loss) after Tax	(9.30)	7.62
Reserves (Excluding Revaluation Reserve)	(9.20)	0.10

### 2. DIVIDEND

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

### 3. DIRECTORS

Shri R.S. Patel and Shri M.S. Agarwal, 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 safe guarding 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 Twelfth 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 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 EARNING AND OUTGO :

### 1. Earnings in Foreign Exchange

Value of Exports on F.O.B. basis  
Others

NIL  
NIL

### 2. Expenditure in Foreign Currency

Imports of Raw Materials, Spares and Components  
Foreign Travelling

4.96 Lacs  
3.77 Lacs

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**Towa Sokki Limited**

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**8. PARTICULARS OF EMPLOYEE**

None of the employees of the Company is covered under Section 217(2 A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975. 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.

PLACE : VADODARA

DATE : 22-5-2004

By the Order of the Board  
**TOWA SOKKI LIMITED**

**O. J. BANSAL**  
MANAGING DIRECTOR

Report  Junction.com



## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The company believes in good corporate governance and has always been committed to the system of good corporate governance practices. The company recognises the implementation of corporate governance to ensure fairness to shareholders and is committed to practice and attain maximum level of transparency, disclosures, accountability and equity and its all interactions with shareholders.

### 2. BOARD OF DIRECTORS :

The combination of the Board is as per the Clause 49 of the Listing Agreement. The Board of Directors consists of six Directors, two Executive Directors and four Non-Executive Directors.

The Composition of the Board of Directors and attendance record is as follows:

Name of Director	Category	Membership in Committees of Board	No. of Board Meeting Attended	Whether Attended AGM held on 30-9-2003
Mr. O.J. Bansal	Promoter/Executive	0	3	No
Mr. S.J. Bansal	Promoter/Executive	2	4	Yes
Mrs. S.O. Bansal	Promoter/Non-Executive	2	4	Yes
Mr. R.S. Patel	Promoter/Independent	0	0	No
Mr. M.S. Agarwal	Independent	1	0	No
Mr. G.C. Agarwala	Independent	0	0	No

The Board normally meets once in every quarter. During the year 2003-04, The Board of Directors met four times on 30-6-2003, 31-7-2003, 31-10-2003 and 31-1-2004.

### 3. AUDIT COMMITTEE :

As per the requirements of Part II of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 the Company has formed an Audit Committee under the Chairmanship of Shri M.S. Agarwal, the other members of the Committee being Smt. S.O. Bansal and Shri S. J. Bansal.

During the financial year under consideration, four meetings of the Committee were held on 30-6-2003, 31-7-2003, 31-10-2003 and 31-1-2004.

### 4. REMUNERATION COMMITTEE (Non-Mandatory) :

The non-mandatory requirement of setting up of a remuneration committee for remuneration of executive directors has not been adopted considering the nature and size of Company.

**5. SHAREHOLDERS / INVESTOR GRIEVANCE COMMITTEE :**

Name of Non-Executive Director heading the Committee.	Mrs. S.O. Bansal
Compliance Officer.	Mr. S.J. Bansal
No. of Shareholders complaints received during the year 2003-2004.	NIL
Complaints not solved to the satisfaction of Shareholders.	NIL
Complaints pending on 31-3-2004.	NIL

**6. GENERAL BODY MEETINGS :****A. The details of last three Annual General Meetings are as under :**

Date	Time	Location
30-9-2003	11.00 a.m.	919/3, G.I.D.C. Estate, Makarpura, Baroda – 390010
30-9-2002	11.00 a.m.	—do—
20-9-2001	11.00 a.m.	—do—

**B. Postal Ballot:**

Postal ballot was not conducted in any of the general body meetings held so far by the Company.

**7. DISCLOSURES :**

- A. There were no material transactions with Directors or the Management or their relatives having potential conflicts with the interest of the Company at large.
- B. No penalties or strictures were imposed on the Company by Stock Exchange or SEBI on any matter related to capital markets during the last three years.

**8. MEANS OF COMMUNICATION :**

The Company's quarterly financial results are approved and taken on record by the Board within the prescribed time and sent to Stock Exchanges. The annual results are also published in two news papers one in English and other in Regional Language (Gujarati).

**9. GENERAL SHAREHOLDER INFORMATION :**

AGM : The Company's AGM will be held on 29-9-2004 at 11.00 a.m. at the Registered office at 919/3, GIDC Estate, Makarpura, Vadodara-390010

Financial Calendar : April to March.

Date of Book Closure : 21-9-2004 to 29-9-2004.

Dividend Payment Dates : No Dividend proposed.





Listing on Stock Exchanges : Listed on Mumbai Stock Exchange, Vadodara Stock Exchange, The Stock Exchange Ahmedabad, The Stock Exchange Jaipur and Madras Stock Exchange Association Ltd. Due to the technological developments the trading of shares are possible through the nation wide trading terminals, therefore the Company is planning for de-listing of shares from all other stock exchanges and remain listed only in one Stock Exchange which is having nation wide trading terminals.

Market Price Data : Not being traded since last four years.

#### Distribution of Shareholdings:

##### Distribution of Shareholdings as on 31-3-2004

Shareholding	No. of Share Holders	% of Share Holders to Total	No. of shares held	% of Total
0 - 5000	591	61.31	156200	2.07
5001 - 10000	292	30.29	279500	3.71
10001 - 20000	18	1.87	30200	0.40
20001 - 30000	9	0.93	26100	0.35
30001 - 40000	9	0.93	36000	0.48
40001 - 50000	6	0.62	30000	0.40
50001 - 100000	7	0.73	49200	0.65
100001 and above	32	3.32	6932900	91.94
TOTAL	964		7540100	

##### Shareholding Pattern as on 31-3-2004

Category	No. of Shares	Percentage
Indian Promoters	2213500	29.36
NRI Promoters	200000	2.65
FII, Banks, Mutual Funds	--	--
Private Corporate Bodies	165000	2.19
Indian Public	4961600	65.80
TOTAL	7540100	

Registrar and Transfer Agent : Towa Sokki Limited, 919/3, G.I.D.C. Estate, Makarpura, Vadodara-390010

Registered Office Location : 919/3, G.I.D.C. Estate, Makarpura, Vadodara- 390010.

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members of,  
Towa Sokki Limited, Baroda.

We have examined the compliance of conditions of Corporate Governance by Towa Sokki Limited ('The Company') for the year ended March 31, 2004 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that as per the records maintained by the Registrars and Share Transfer Agents of the Company and presented to the Shareholders / Investors Grievance Committee no investor grievance are pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the further viability to the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Bhavan Patel & Co.**  
Chartered Accountants

PLACE : MUMBAI  
DATE : 22-5-2004

**B.H. Patel**  
Proprietor