

Towa Sokki Limited



SIXTEENTH ANNUAL REPORT 2007 - 2008

Towa Sokki Limited



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

AUDITORS

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

NOTICE

16th Annual General Meeting will be held at the Company's Registered office on Tuesday, 12th August, 2008 at 11.00 A.M.

COMPANY LAW CONSULTANTS

MR. KASHYAP SHAH
B-203, Manubhai Tower,
Sayajigunj, Vadodara - 390 005

REGISTERED OFFICE

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

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



NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the members of TOWA SOKKI LIMITED will be held on Tuesday, 12th August 2008, at 11.00 a.m. at the Registered office of the Company at 919/3, GIDC, Makarpura, Vadodara-390 010 to transact the following Business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2008, Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To appoint Director in place of Shri R. S. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri M. S. Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**.

"RESOLVED THAT approval be and is hereby accorded in terms of Section 293 (1) (a) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 to the sale of Company's unit situated at Plot No. 459 at GIDC Industrial Estate, Por Ramangamdi to M/s. Shivam Developers (hereinafter called as purchaser) at a value not less than Rs. 90 Lacs free from all encumbrances and on the terms and conditions contained herein below:"

- (a) The Company shall sell and M/s. Shivam Developers (purchaser) shall purchase the unit of the company situated at Plot No. 459 at GIDC Industrial Estate, Por Ramangamdi and such sale shall include all construction, compound fencing, electrical installation, implements, appendages and all other property situated at the said unit.
- (b) On or before completion of the sale, the Company shall transfer or procure the transfer of all existing licenses in favor of the purchaser.
- (c) The sale shall be completed within 6 months time being essence of the Contract.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalise with the aforesaid party, the documents required for sell or dispose of such assets and to do all such acts, deeds, matters and things and to execute all such documents and writing as it may consider necessary, for the purpose of giving effect to the resolution"

Towa Sokki Limited



6. To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, (hereinafter referred to as the "Delisting Guidelines") (including any statutory Modifications (s) or re-enactments thereof for the time being in force), the Companies Act, 1956, Securities Contracts (regulation) Act, 1956 and the rules framed there under, Listing Agreement (s) and all other applicable laws, rules, regulations and guidelines and subject to approval(s), consent(s), permission(s) or sanction(s), of the Securities and Exchange Board of India, Stock Exchange(s) where the shares of the company are listed and other appropriate authorities, institutions or regulators as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed by any authority while granting such approval(s), permission(s) and sanction(s), which may be agreed to by the Board of Directors of the company, the consent of the Company be and is hereby accorded to the Board of Directors to delist the equity shares of the Company from Vadodara Stock Exchange Limited (VSE), Ahmedabad Stock Exchange Limited (ASE), Jaipur Stock Exchange limited (JSE) and Madras Stock Exchange Limited (MSE)".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to sign and submit all applications, forms, papers and other documents and to comply with all other formalities / procedures and to do all such acts, deeds and things as may be required by the above Stock Exchange, SEBI, and / or by any other statutory / regulatory authorities, in connection with delisting of the equity shares of the Company Vadodara Stock Exchange Limited (VSE), Ahmedabad Stock Exchange Limited (ASE), Jaipur Stock Exchange Limited (JSE) and Madras Stock Exchange Limited (MSE)."

Regd. Office :
919/3, GIDC, Makarpura,
Vadodara-390 010
Date : 29.05.2008

By order of the Board,
For Towa Sokki Limited

(O. J. Bansal)
Managing Director

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, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The Explanatory Statement, relating to Special Business mentioned in items No. 5 to 6 of the notice, as required under Section 173(2) of the Companies Act, 1956, is attached herewith.

Towa Sokki Limited



3. The Register of Members and Share Transfer Books of the Company will remain closed from 8-8-2008 to 12-8-2008 [Both days inclusive]
4. Shareholders seeking any information with regard to accounts are requested to write to the Company at least seven days in advance so as to enable the Company to keep the information ready.
5. Re-appointment of Directors :
At the ensuing Annual General Meeting Shri R. S. Patel and Shri M. S. Agarwal retire by rotation and being, eligible offer themselves for re-appointment. The details pertaining to the Directors required to be provided under Clause of the Listing Agreement are furnished in the statement of Corporate Governance.





ANNEXURE TO THE NOTICE

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

Item No. 5

Under Section 293(1) (a) of the Companies Act, 1956, the Board of Directors of a public limited Company cannot, except with the consent of such company in General Meeting, sell and dispose off the property of the Company

As a part of business policy matters, the Company may have to sell, dispose off immovable properties of the Company. Accordingly, it is necessary for the members to pass a resolution under section 293 (1) (a) of the Act, for the sell or dispose off immovable property.

None of the Directors of the Company is concerned or interested in the Resolution proposed under item No. 5 of the Notice.

Your directors recommend the Resolution contained in item No. 5 for approval by the members.

Item No. 6

The Equity Shares of the Company are listed on the following five Stock Exchange in India.

- a. The Vadodara Stock Exchange Limited-Vadodara (Regional Stock Exchange)(VSE)
- b. The Ahmedabad Stock Exchange Limited-Ahmedabad (ASE),
- c. The Bombay Stock Exchange Limited-Mumbai (BSE)
- d. The Jaipur Stock Exchange Limited-Jaipur (JSE), and
- e. The Madras Stock Exchange Limited-Chennai (MSE)

Pursuant to the Securities and Exchange Board of India (De-listing of Securities) Guidelines, 2003 (the Guidelines), it is open for the listed companies to voluntarily de-list its securities from all other Stock Exchanges provided its securities continue to remain listed at a Stock Exchange having nation wide trading terminal.

During the last couple of years, there has been almost Nil trading of the Company's equity shares in the exchange at Vadodara, Ahmedabad, Jaipur and Chennai. The Company's equity shares have been mandated by SEBI for compulsory trading in demat form by all investors. The BSE has trading terminals in various cities affording to the investors access to trade and deal in the Company's equity shares across the country. Thus, after having considered the cost vs. benefits of listing at VSE, ASE, JSE and MSE and since the shares of the Company will continue to be listed at the BSE having wide spread terminals and networking, it is proposed to de-list the equity shares of the company from the stock exchange at Vadodara, Ahmedabad, Jaipur and Chennai, respectively.

Pursuant to the de-listing of the equity shares of the company, there would be no change in the capital structure and shareholding pattern of the Company.

Towa Sokki Limited



None of the Directors of the Company is concerned or interested in the Resolution proposed under item No. 6 of the Notice.

Your directors recommend the Resolution contained in item No. 6 for approval by the members.

Regd. Office :
919/3, GIDC, Makarpura,
Vadodara-390 010
Date : 29.05.2008

By order of the Board,
For Towa Sokki Limited

(O. J. Bansal)
Managing Director



Towa Sokki Limited



DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 16th Annual Report with the Audited Statement of Accounts of your Company for the year ended on 31st March, 2008.

1. SUMMARY OF FINANCIAL RESULTS

	(Rs. in Lacs)	
	Year Ended	Year Ended
	31-03-2008	31-03-2007
Sale & Income from Job Work	16.76	19.99
Increase/(Decrease) In Stock	(4.48)	0.58
Total Income	12.28	20.57
Total Expenditure	13.05	22.70
Gross Profit	(0.77)	(2.13)
Depreciation	1.32	1.75
Profit / (Loss) before Taxation	(2.09)	(3.88)
Provision for Taxation	0.07	0.22
Profit/(Loss) after Tax	(2.16)	(4.10)
Reserves (Excluding Revaluation Reserve)	(56.16)	(54.00)

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.



- b. 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 Sixteenth 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	NIL
Others	NIL

2. Expenditure in Foreign Currency

Imports of Raw Materials, Spares and Components	2.56 Lacs
Foreign Travelling	NIL



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. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Industry Structure :

Indian Surveying Instrument industry is largely dependent in the Indian demand, Governments initiative in improving and expanding the necessary infrastructure facilities. Though, the global demand is expected to show a considerable increase in coming years, the same can not be considered with certainty as the recent developments show.

The developments in Survey Instruments and other related industries due to Asian urbanization further investment by India in real estates and infrastructure, estimate increase in demand for consumer goods including durables in developing nations, investment in and infrastructure facilities etc., lead to the belief that the industry is heading for a bright future.

b) Corporate Governance :

Your company has adopted corporate governance and corporate responsibilities such as no discrimination of cast/sex/religion/culture, conservation of energy, education, training for staff for handling disaster management, human face of economics etc.

c) Opportunities and Threats :

The improvement in the world wide economy has fuelled greater demand for infrastructure developments which have, in turn, led to increase in the Survey Instruments demand all over the world. India as a Survey Instruments producer offers an excellent business opportunity which is expected to continue for more years to come.

The Major threats that affect the performance of the Survey Instruments industry are often attributed to low Survey Instruments consumption, higher cost of various inputs, higher transportation cost, cheaper imports of finished products etc.

Your company has, however, analyzed the trends in the Survey Instruments industry and rapid development occurring in the world Survey Instruments. Strategies are constantly reworked to minimize the adverse implications.