

# Towa Sokki Limited



**NINETEENTH ANNUAL REPORT 2010 - 2011**

## BOARD OF DIRECTORS

Shri O.J.Bansal	Managing Director
Shri S.J.Bansal	Director
Smt. S.O.Bansal	Director
Shri M.S.Agarwal	Director
Shri G.C.Agarwala	Director
Shri Anil Gupta	Director

## BANKERS

Bank of Baroda  
Axis Bank Ltd.

## AUDITORS

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

## 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

### NOTICE

19th Annual General Meeting will be held at Matrushaya Farm & Garden Restaurant, National Highway No - 8, Tarsali By Pass, Makarpura Vadodara on Thursday, 29th September, 2011 at 10.00 A.M.

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## **NOTICE**

Notice is hereby given that the Ninteenth Annual General Meeting of the members of TOWA SOKKI LIMITED will be held on Thursday, 29th September 2011, at 10.00 a.m. at Matruchhaya Farm & Garden Restaurant, National Highway No - 8, Tarsali By-Pass, Makarpura, Vadodara, to transact the following Business :

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2011, Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To appoint Director in place of Smt. S. O. Bansal, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Shri Anil Gupta 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 a Special Resolution :

"RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Delisting of Securuties) Guidelines 2009, (hereinafter referred to as the "Delisting Guidlines") (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 Aggreement(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 Exchanges, SEBI, and / or by any other statutory / regulatory authorities, in connection with delisting of 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)."

**Regd. Office :**  
**919/3, GIDC Estate,**  
**Makarpura,**  
**Vadodara-390 010**  
**Date : 23-08-2011**

**By order of the Board,**  
**TOWA SOKKI LIMITED**

**O. J. Bansal**  
**Chairman**

**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 Register of Members and Share Transfer Books of the Company will remain closed from 24-9-2011 to 29-9-2011 [Both days inclusive]
3. 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.
4. Re-appointment of Directors :  
At the ensuing Annual General Meeting Smt. S.O. Bansal and Shri Anil Gupta 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.
5. The Explanatory statement relating to special business mentioned in item No. 5 of the notice, as required under section 173(2) of the Companies Act, 1956, is attached herewith.
6. Members are requested to bring their copy of the annual report and the duly filled in attendance slip with them at the annual general meeting.



## **ANNEXURE TO THE NOTICE**

**Explanatory Statement Under Section 173(2) of the Companies Act, 1956.**

**Item No. 5**

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

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

Pursuant to the Securities and Exchange Board of India (De-listing of Securities) Guidelines, 2009 (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 stock 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.

None of the Directors of the company is in any way concerned or interested in this resolution.

The Board recommends the Resolution set out in Item No. 5 of the Notice for approval by Members

**Regd. Office :**  
**919/3, GIDC Estate,**  
**Makarpura,**  
**Vadodara-390 010**  
**Date : 23-08-2011**

By order of the Board,  
**TOWA SOKKI LIMITED**

**O. J. Bansal**  
Chairman

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 19th Annual Report together with audited statement of accounts for the year ended 31st March, 2011.

**WORKING RESULTS :****(Amount in Rs.)**

Particulars	31-03-2011	31-03-2010
Total Income	14865584	1735703
Depreciation	260482	239931
Profit (Loss) Before Tax	579378	37064
Provision for Tax	--	--
Profit (Loss) after Tax	579378	37064

**OPERATIONS AND FUTURE PLANS :**

The operations for the year under review shows a profit of Rs. 579378

For the past few years the company was in the process of gradually liquidating all debts with Bank. Your Directors are glad to report that the Company has closed all Bank loan. The Directors feel that having addressed the issue of clearing the debts, it is an appropriate time to start planning for the future. It is the sincere intention of the Directors to bring value to the Shareholders but the current economic environment being what it is we will have to choose our path with care and caution.

Your Directors are also looking and examining other business options including acquisition of running businesses as well as other good and viable opportunities where some value and synergies can be perceived. It is our Objective that we commence more activities in 2011-2012 and consolidate in 2012-2013. We would like to see that the Company is enroute to generate a healthy top line and bottom line from 2013-2014 onwards.

**DIVIDEND :**

The Company has generated profits but in view of the accumulated losses, management does not propose any dividend for the year 2010-2011

**DIRECTORS :**

Smt. S.O. Bansal and Shri Anil Gupta retire at the ensuing Annual General Meeting, and being eligible offers themselves for re-appointment.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Your Directors State :

- a) that in the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanations relating to material departures;

- b) that the Directors had 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 of the Company for the period;
- c) that the Directors had 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 ;
- d) that the Directors had prepared the annual accounts on a going concern basis.

**FIXED DEPOSITS :**

Your company has neither invited nor accepted any Fixed Deposits from the public during the financial year under review.

**CORPORATE GOVERNANCE AND COMPLIANCE CERTIFICATE**

Separate notes on Corporate Governance and Management Discussion and Analysis Report are set out as Anneture "A" and "B" respectively. A Certificate from the Auditor of the Company certifying compliance conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

**LISTING AGREEMENTS REQUIREMENTS :**

The securities of your company are listed at Bombay, Vadodara, Ahmedabad, Jaipur and Madras Stock Exchanges. Annual Listing Fee for the year 2011-12 has been paid to the exchanges.

**BUY-BACK OF SHARES :**

There was no buy-back of shares during the year under review.

**PARTICULARS OF THE EMPLOYEES :**

None of the employees employed during the year was in receipt of remuneration in excess of the prescribed limit specified in section 217 (2A) of the Companies Act, 1956. Hence, furnishing of particulars under the Companies (Particulars of Employees) 1975 does not arise.

**AUDITORS**

M/s BHAVAN PATEL & COMPANY, Chartered Accountants, Mumbai, Auditors of the Company retire at the ensuing Annual General Meeting. They have expressed their willingness for reappointment.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

During the year under review, there were no activities, which required heavy consumption of energy. However adequate measures have been taken to make sure that there is no wastage of energy. Since the requisite information with regard to the conservation of energy, technology absorption (Disclosure of Particulars in the report of Board of Directors) Rules are irrelevant/not applicable to the Company during the year under review, the same are not reported.

**FOREIGN EXCHANGE EARNING AND OUTGO :**

1. Earnings in Foreign Exchange	NIL
2. Expenditure in Foreign Currency	
Imports of Raw Materials, Spares and Components	Rs. 216698

**ACKNOWLEDGEMENTS**

The Board of Directors wish to place on record their appreciation for the co-operation and support of the Company's Bankers, its valued customers, employees and all other intermediaries concerned with the Company's business.

Your directors sincerely thank all members for supporting us during the difficult days. We look forward to your continued support and reiterate that we are determined to ensure that the plans are successfully implemented.

Place : Vadodara  
Date : 23-08-2011

**For TOWA SOKKI LIMITED**  
**O. J. Bansal**  
Managing Director



**CORPORATE GOVERNANCE:**

**“Annexure - A”**

**COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

Towa Sokki Limited aims at ensuring high ethical standards in all areas of its business operations to enhance its stake holder's value.

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, the details of governance including compliances by the Company with the provisions of Clause 49 as under:

**1. BOARD OF DIRECTORS:**

As on 31-03-2011, the Company's Board consisted of two promoter Executive Directors, one promoter Non-Executive Director, and three Independent Directors.

The Board of the Company met Six times during the last financial year on the following dates : 30-05-2010, 13-08-2010, 20-08-2010, 12-11-2010, 24-01-2011 and 12-03-2011

**Code of Conduct:**

The Company has already implemented a Code of Conduct for all Board Members and Senior Management of the Company in compliance with Clause 49(1) of the Listing Agreement. But, since the operations of the Company were not much, the application of the code of conduct was limited to that extent. The constitution of the Board (as on 31-03-2011) and the attendance of the Directors is given below:

Name of the Director	Category of the Director	No. of other Directorship (*)	No. of Board Meetings Attended	Attendance at Last AGM
O.J. Bansal	Promoter / Executive	NIL	6	Yes
S.J. Bansal	Promoter / Executive	NIL	6	Yes
S.O. Bansal	Promoter / Non-Executive	NIL	6	Yes
M.S. Agarwal	Independent	1	1	No
G.C. Agarwala	Independent	NIL	0	No
Anil Gupta	Independent	NIL	6	Yes

\* Excludes Directorship in Indian Private Limited Companies, Foreign Companies, Companies u/s 25 of the Companies Act, 1956

\* The Director(s) are neither Chairman nor members of any other committee(s) other than Audit committee, Grievance committee, remuneration committee of Towa Sokki as mentioned in this report.

\* Leave of absence was given to M.S. Agarwal and G.C. Agarwala for those Board meetings which they could not attend.

Detailed Agenda is circulated / sent to the members of the Board in advance. The Board discuss deliberate and decides on all the topics / matters including those suggested in the Listing Agreement, as and when the requirement arises.

Risk Mitigation Plan : The Company has already adopted a risk mitigation plan, suitable to the Company. During the year there were no activities that required the assessment of risk.

## **2. AUDIT COMMITTEE:**

The total strength of the Audit Committee is three. The said committee was constituted to exercise powers and discharge functions as stipulated in Clause 49 of the listing Agreement and other relevant statutory and regulatory provisions. The Chairman of the audit committee is an non-executive director, and of the other two members are independent directors.

During the relevant financial year, four Audit Committee Meetings were held on 30-05-2010, 13-08-2010, 12-11-2010 and 24-01-2011

The constitution of the committee (as on 31-03-2011) and the attendance of each member of the Committee is given below:

Name of the Member	Category	No. of Meetings	Attendance (Nos.)
S.O. Bansal	Non-Executive Director	4	4
M.S. Agarwal	Independent Director	4	1
Anil Gupta	Independent Director	4	4

## **3. SHARE HOLDERS' GRIEVANCE / SHARE TRANSFER COMMITTEE:**

Share Holders' Grievance Committee

Share Holders Grievance Committee consists of two independent directors and one compliance officer who have met on 30-05-2010, 13-08-2010, 12-11-2010 and 24-01-2011

The data for the year is as follows: No complaint is received from share holders. No complaint is pending as on 31-03-2011.

The constitution of the committee (as on 31-03-2011) and the attendance of each member of the Committee is given below:

Name of the Member	Category	No. of Meetings	Attendance (Nos.)
S.J. Bansal	Compliance Officer	4	4
G.C. Agarwala	Independent Director	4	0
Anil Gupta	Independent Director	4	4

Share Transfer Committee:

The same members of Share Holders Grievance Committee are the members of this committee also. The Committee has met four times on 30-05-2010, 13-08-2010, 12-11-2010 and 24-01-2011

## **4. REMUNERATION PAID TO DIRECTORS DURING THE YEAR:**

Name of Director	Designation	Salary / Remuneration
1) Shri O.J. Bansal	Managing Director	Rs. 360000
2) Shri S. J. Bansal	Director	Rs. 180000