

Towa Sokki Limited



TWENTEETH ANNUAL REPORT 2011 - 2012



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

20th Annual General Meeting will be held at the Registered Office of the Company at 919/3, GIDC Estate, Makarpura Vadodara-390 010 on Saturday, 29th September, 2012 at 10.00 A.M.

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NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the members of TOWA SOKKI LIMITED will be held on Saturday, 29th September 2012, at 10.00 a.m. at the Registered Office of the Company at 919/3, GIDC Estate, Makarpura Vadodara-390010 to transact the following Business

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2012, Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri G. C. Agarwala, 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.

Regd. Office :
919/3, GIDC Estate,
Makarpura,
Vadodara-390 010
Date : 24-08-2012

By order of the Board,
For Towa Sokki Limited
Sd/-
O. J. Bansal
Chairman & 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 Register of Members and Share Transfer Books of the Company will remain closed from 24-9-2012 to 29-9-2012 [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. The Information as per clause-49 of the Listing Agreement with Bombay Stock Exchange Limited is annexed hereto in respect of item No. 2 and 3 (Annexure to the Notice)
5. 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

THE INFORMATION AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH BOB MAY STOCK EXCHANGE LTD. (ITEM No. 2 & 3)

Name and Designation	Shri G. C. Agarwala	Shri M. S. Agarwal
Age	70 Years	48 Years
Qualification	B. Com LLB	Chartered Account
Experties / Experience	Advocate & Notary having more than 35 years of experience in the field	Practicing Chartered Accountant having more than 24 years of experience in the field
Date of Appointment	1-04-1995	1-04-1995
Other Directorship	Nil	Yaaweh Textiles (P) Ltd.
No. of Shares Held	Nil	Nil

Regd. Office :
919/3, GIDC Estate,
Makarpura,
Vadodara-390 010
Date : 24-08-2012

By order of the Board,
For Towa Sokki Limited
Sd/-
O. J. Bansal
Chairman & Managing Director

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 20th Annual Report together with audited statement of accounts for the year ended 31st March, 2012.

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

Particulars	31-03-2012	31-03-2011
Total Income	19028005	14811149
Depreciation	256602	260482
Profit (Loss) Before Tax	202116	579378
Provision for Tax	--	--
Profit (Loss) after Tax	202116	579378

OPERATIONS AND FUTURE PLANS :

The operations for the year under review shows a profit of Rs. 202116

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 2012-2013 and consolidate in 2013-2014. We would like to see that the Company is enroute to generate a healthy top line and bottom line from 2014-2015 onwards.

DIVIDEND :

The Company has generated profits but in view of the accumulated losses, management does not propose any dividend for the year 2011-2012

DIRECTORS :

Shri G. C. Agarwala and Shri M. S. Agarwal 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 Annexure "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 Stock Exchange Ltd. The Annual Listing Fee for the year 2012-13 has been paid to the Bombay Stock Exchange Ltd.

VOLUNTARY DELISTING :

On the Company's application made in compliance with the provisions of the SEBI (Delisting of Equity Shares) Regulations, 2009, for voluntary delisting of its Equity Shares from the Vadodara Stock Exchange Limited (VSE), Ahmedabad Stock Exchange Limited (ASE), Jaipur Stock Exchange Limited (JSE) and Madras Stock Exchange Limited (MSE), the Equity Shares of the Company has been voluntary delisted from the following Stock Exchanges. The delisting from VSE, ASE, JSE and MSE will not affect investors as the Company's shares will continue to remain listed on the Bombay Stock Exchange Limited (BSE), which have nationwide terminals.

Name of Stock Exchange	Date of Voluntary Delisting
Vadodara Stock Exchange Ltd. (VSE)	07-02-2012
Ahmedabad Stock Exchange Ltd (ASE)	01-02-2012
Jaipur Stock Exchange Ltd. (JSE)	14-03-2012
Madras Stock Exchange Ltd. (MSE)	22-12-2011

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	NIL

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.

Regd. Office :
919/3, GIDC Estate,
Makarpura,
Vadodara-390 010
Date : 26-05-2012

By order of the Board,
For Towa Sokki Limited
Sd/-
O. J. Bansal
Chairman & 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 Bombay Stock Exchange, the details of governance including compliances by the Company with the provisions of Clause 49 as under:

1. BOARD OF DIRECTORS:

As on 31-03-2012, 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 Four times during the last financial year on the following dates : 30-05-2011, 11-08-2011, 08-11-2011 and 09-02-2012

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 31-03-2012) 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 LastAGM
O.J. Bansal	Promoter / Executive	NIL	4	Yes
S.J. Bansal	Promoter / Executive	NIL	4	Yes
S.O. Bansal	Promoter / Non-Executive	NIL	4	Yes
M.S. Agarwal	Independent	1	1	No
G.C. Agarwala	Independent	NIL	0	No
Anil Gupta	Independent	NIL	4	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 Ltd. 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 independent director, and of the other two members are independent director and non-executive director.

During the relevant financial year, four Audit Committee Meetings were held on 30-05-2011, 11-08-2011, 08-11-2011 and 09-02-2012

The constitution of the committee (as on 31-03-2012) and the attendance of each member of the Committee is given below:

Name of the Member	Category	No. of Meetings	Attendance (Nos.)
Anil Gupta	Independent Director	4	4
M.S. Agarwal	Independent Director	4	1
S.O. Bansal	Non-Executive 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 30-05-2011, 11-08-2011, 08-11-2011 and 09-02-2012

The data for the year is as follows: No complaint is received from share holders during the year. No complaint is pending as on 31-03-2012.

The constitution of the committee (as on 31-03-2012) 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 30-05-2011, 11-08-2011, 08-11-2011 and 09-02-2012

4. REMUNERATION PAID TO DIRECTORS DURING THE YEAR:

Name of Director	Designation	Salary / Remuneration
1) Shri O.J. Bansal	Managing Director	Rs. 480000
2) Shri S. J. Bansal	Director	Rs. 360000

5. OTHER DETAILS / INFORMATION:

The details of Annual General Meeting held in last 3 years are as under:

Year Ended	Venue	Date	Time
31-03-2011	Matruchhaya Farm & Garden Resturant N. H. No.-8, Tarsali By Pass, Makarpura, Vadodara	29-09-2011	10.00AM
31-03-2010	919/3, GIDC Estate, Makarpura, Vadodara – 390010	29-09-2010	11.00AM
31-03-2009	919/3, GIDC Estate, Makarpura, Vadodara – 390010	30-09-2009	11.00AM

*** Postal Ballot**

During the year under review, there was no special resolution propose and/or transaction through Postal Ballot

*** Means of Communication:**

The Company is filing all the quarterly / half yearly / annual results with the Stock Exchanges and press release are made in English and Gujarati news papers. The Company has its own website and all vital informations relating to the company's quarterly share holding pattern and quarterly results etc. are posted on the website. The Company's website address is www.towasokki.com

*** Compliance of Insider Trading Norms:**

Company has adopted the code of internal procedure and thus complies with the insider trading norms.

*** General shareholder's information:**

a) AGM date, time and venue:

Venue	Date	Time
919/3, GIDC Estate, Makarpura, Vadodara – 390010	29-09-2012	10.00 AM

b) Financial year ending : 31st March 2012.

c) Book Closure date : 24th September 2012 to 29th September 2012 (both days inclusive)

d) Listing on Stock Exchanges : The shares are listed in Bombay Stock Exchange.

The securities of the Company has been voluntarily delisted from VSE w.e.f. 7th February 2012, ASE w.e.f. 1st February 2012, JSE w.e.f. 14th March 2012 and MSE w.e.f. 22nd December 2011.