

# Towa Sokki Limited



**TWENTY FIRST ANNUAL REPORT 2012 - 2013**



## 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

21st Annual General Meeting will be held at the Registered Office of the Company at 919/3, GIDC Estate, Makarpura Vadodara-390 010 on Saturday, 28th September, 2013 at 10.00 A.M.

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## **NOTICE**

Notice is hereby given that the Twenty First Annual General Meeting of the members of TOWA SOKKI LIMITED will be held on Saturday, 28th September 2013, 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, 2013, Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To appoint a 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 an Ordinary Resolution :

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 314 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to approval from Central Government, if required, the consent of the Company be and is hereby accorded to the re-appointment of Shri O.J.Bansal as Managing Director of the Company, for a period of three years with effect from 1st October 2013 on the terms and conditions, including remuneration, as are set out in the agreement to be entered into between the Company and Shri O.J.Bansal, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board") to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactments thereof, for the time being in force), or any amendments and/or modifications that may hereafter be made thereof by the Central Government in that behalf from time to time, or amendments thereto as may be agreed to between the Board and Shri O.J.Bansal.

6. To consider, and, if thought fit, to pass, with or without modification(s) as an Ordinary Resolution :

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 314 read with Schedule XIII and all other applicable provisions of the Company Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to approval from Central Government, if required, the consent of the Company be and is hereby accorded to the re-appointment of



Shri S.J.Bansal as whole Time Director of the Company, for a period of three year with effect from 1st October 2013 on the terms and conditions, including remuneration, as are set out in the agreement be entered into between the Company and Shri S.J.Bansal, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board") to after and vary the terms and conditions the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactments thereof, for the time being in force), or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Shri S.J.Bansal.

7. 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 provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactments thereof, the approval of the Company be and is hereby accorded to the re-appointment of Mr. Somesh O. Bansal as Instrument Engineer, for a period of 3 years with effect from 1st October, 2013 on terms and conditions including remunerations as set out in the explanatory statement annexed to the Notice convening this meeting and to his holding and continuing to hold an office or place of profit as such in the Company.

Regd. Office :  
919/3, GIDC Estate,  
Makarpura,  
Vadodara-390 010  
Date : 26-08-2013

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 24-9-2013 to 28-9-2013 [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.

**Explanatory Statement Under Section 173(2) of the Companies Act, 1956.****Item No. 5**

The present term of office of Shri O.J.Bansal as Managing Director is expiring on 30th September 2013. The Board of Directors, has re-appointed him as Managing Director for a further period of three years from the expiry of his term.

Upon the recommendation of Remuneration Committee of the Board of Directors, the Board has revised the proposed remuneration and the broad particulars of terms of the re-appointment of Shri O.J.Bansal for a further period of three years as also the payment of remuneration during his tenure are as under

- I. Salary of Rs.40,000/- per month (upto Rs. 75,000/- p.m.) with power to the Board of Directors to increase the salary from time to time within the overall ceiling prescribed by the Central Government.
- II. The Managing Director shall also be entitled to the following Perquisites.
  - a. Free furnished residential accommodation or House Rent Allowance as may be fixed by the Board from time to time.
  - b. Reimbursement of Gas, Electricity, Water and furnishings at his residence.
  - c. Reimbursement of Medical expenses incurred for self and family.
  - d. Personal accident insurance premium.

Notwithstanding anything contained herein above, where in any financial year during the currency of tenure of the Managing Director, the Company had made no profit or its profit are inadequate, the Company shall pay to the Managing Director the above remuneration not exceeding the ceiling limit prescribed in Schedule XIII of the Companies Act, 1956.

- III. Provision of Car and Telephone at the residence of the Managing Director shall not be treated as perquisites.

Shri O.J.Bansal is concerned or interested in the said resolution, Shri S.J.Bansal and Smt. S.O.Bansal Directors of the Company being related to Shri O.J.Bansal are deemed to be concerned or interested in the said resolution.

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

The above statements may be treated as an abstract of the terms of contract with the Managing Director and the Memorandum of Interest as required u/s. 302 of the Companies Act, 1956.

**Item No. 6**

The present term of office of Shri S.J.Bansal as Whole Time Director is expiring on 30th September 2013. The Board of Directors, has re-appointed him as Whole Time Director for a further period of three years from the expiry of his term.

Upon the recommendation of Remuneration Committee of the Board of Directors, the Board has revised the proposed remuneration and the broad particulars of terms of the re-appointment of Shri S.J.Bansal for a further period of three years as also the payment of remuneration during his tenure are as under

- I. Salary of Rs.35,000/- per month (upto Rs. 75,000/- p.m.) with power to the Board of Directors to increase the salary from time to time within the overall ceiling prescribed by the Central Government.
- II. The Whole Time Director shall also be entitled to the following Perquisites.
  - a. Free furnished residential accommodation or House Rent Allowance as may be fixed by the Board from time to time.
  - b. Reimbursement of Gas, Electricity, Water and furnishings at his residence.
  - c. Reimbursement of Medical expenses incurred for self and family.
  - d. Personal accident insurance premium.

Notwithstanding anything contained herein above, where in any financial year during the currency of tenure of the Whole Time Director, the Company had made no profit or its profit are inadequate, the Company shall pay to the Whole Time Director the above remuneration not exceeding the ceiling limit prescribed in Schedule XIII of the Companies Act, 1956.

- III. Provision of Car and Telephone at the residence of the Whole Time Director shall not be treated as perquisites.

Shri S.J.Bansal is concerned or interested in the said resolution, Shri O.J.Bansal and Smt. S.O.Bansal Directors of the Company being related to Shri S.J.Bansal are deemed to be concerned or interested in the said resolution.

The Board recommends the Resolution set out in Item No. 6 of the Notice for approval by Members.

The above statements may be treated as abstract of the terms of contract with the Whole Time Director and the Memorandum of Interest as required u/s. 302 of the Companies Act, 1956



**Item No.7**

The present term of office of Mr. Somesh. O. Bansal as Instrument Engineer is expiring on 30th September 2013. The Board of Directors, has re-appointed him as Instrument Engineer for a further period of three years from the expiry of his term.

Mr. Somesh O. Bansal holds a Bachelor of Engineering (I.T.) Degree from the Rajasthan Technical University, Jodhpur Campus.

The present proposal is to seek the members approval for appointment of Mr. Somesh O. Bansal as Instrument Engineer of the Company and approve his remuneration and to his holding and continuing to hold an office or place of profit as such in the Company.

Mr. Somesh O. Bansal is related to Mr. O.J.Bansal, Managing Director of the Company. Thus, approval of shareholders is required by way of Special Resolution under Section 314 of the Companies Act, 1956.

The Monthly Salary payable to Mr. Somesh O. Bansal will be Rs. 25,000/- P.M. with an annual increase of Rs. 2,000/- in his Salary.

Shri O.J.Bansal, Managing Director of the Company is the father of Mr. Somesh O. Bansal and hence is deemed to be concerned or interested in the said resolution.

The Board recommends the resolution set out in Item No. 7 of the Notice for approval by Members.



**ANNEXURE TO THE NOTICE**

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

Name of the Director	Smt. S. O. Bansal	Shri Anil Gupta
Age	60 Years	47 Years
Qualification	Non Matric	B. Com.
Experties / Experience	Having more than 24 years of experience in Business	Having more than 22 years of experience in Business
Date of Appointment	10-03-1993	20-08-2010
Other Directorship	Nil	Nil
No. of Shares Held	491300	Nil

Regd. Office :  
919/3, GIDC Estate,  
Makarpura,  
Vadodara-390 010  
Date : 26-08-2013

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 21st Annual Report together with audited statement of accounts for the year ended 31st March, 2013.

### **WORKING RESULTS :**

**(Amount in Rs.)**

<b>Particulars</b>	<b>31-03-2013</b>	<b>31-03-2012</b>
Total Income	3503929	19028005
Depreciation	254515	256602
Profit (Loss) Before Tax	(621261)	202116
Provision for Tax	--	--
Profit (Loss) after Tax	(621261)	202116

### **OPERATIONS AND FUTURE PLANS :**

The operations for the year under review shows a loss of Rs. 621261

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 2013-2014 and consolidate in 2014-2015 onwards.

### **DIVIDEND :**

In view of the accumulated losses, management does not propose any dividend for the year 2012-2013

### **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 :

- 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 loss 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.

**DAMAGE OF RECORDS :**

Because of heavy rain and due to water logging, some of the important records like old share transfer forms, old account books and other old administrative records have been damaged. However, no major material losses have been incurred because of the rain.

**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 Stock Exchange Ltd. The Annual Listing Fee for the year 2013-14 has been paid to the Bombay Stock Exchange Ltd.

**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.

Place : Vadodara  
Date : 26-08-2013

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 31-03-2013, 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 : 29-05-2012, 22-06-2012, 13-08-2012, 5-11-2012, 11-02-2013 and 16-3-2013

**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 31-03-2013) 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	5	Yes
S.J. Bansal	Promoter / Executive	NIL	5	Yes
S.O. Bansal	Promoter / Non-Executive	NIL	5	Yes
M.S. Agarwal	Independent	NIL	1	No
G.C. Agarwala	Independent	NIL	0	No
Anil Gupta	Independent	NIL	5	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 29-05-2012, 13-08-2012, 5-11-2012 and 11-02-2013

The constitution of the committee (as on 31-03-2013) 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 29-05-2012, 13-08-2012, 5-11-2012 and 11-02-2013

The data for the year is as follows: No complaint is received from share holders during the year. No complaint is pending as on 31-03-2013.

The constitution of the committee (as on 31-03-2013) 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

## 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 / INFORMATIONS:**

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

Year Ended	Venue	Date	Time
31-03-2012	919/3, GIDC Estate, Makarpura, Vadodara – 39001031-03-2010	29-09-2012	10.00 AM
31-03-2011	Matruchhaya Farm & Garden Resturant N. H. No.-8, Tarsali By Pass, Makarpura, Vadodara	29-09-2011	10.00 AM
31-03-2010	919/3, GIDC Estate, Makarpura, Vadodara – 390010	29-09-2010	11.00 AM

**\* 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](http://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	28-09-2013	10.00 AM

**b) Financial year ending :** 31<sup>st</sup> March 2013.

**c) Book Closure date :** 24<sup>th</sup> September 2013 to 28<sup>th</sup> September 2013 (both days inclusive)

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

**e) Distribution schedule as on 31-03-2013 :**

Category	Number of Shareholders	Number of Share Held	% (percentage)
1 - 1000	571	394400	89.080
1001 - 2000	13	20800	2.028
2001 - 3000	10	29100	1.560
3001 - 4000	1	4000	0.156
4001 - 5000	5	25000	0.780
5001 - 10000	3	22500	0.468
10001 and above	38	7044300	5.928
<b>Total</b>	<b>641</b>	<b>7540100</b>	<b>100.00</b>

**f) Share price movements:**

There was no trading of the shares at the BSE during the year and the data regarding the price movements are not available. Hence the management is unable to provide to statement showing the monthly high and low prices of the shares of the company as required in the Listing Agreement.

**g) Share Holding Pattern as on 31-03-2013 :**

Category	No. of shares	% of Equity
Promoter Group	2658200	35.25
NRI Promoters	--	--
Resident Body Corporate	--	--
Banks/FI/FII/MF/Trust	--	--
NRI/OCB	--	--
Indian Public	4881900	64.75
<b>TOTAL</b>	<b>7540100</b>	<b>100.00</b>

**h) Additional information:**

**a) Director retiring by rotation / reappointment:**

- \* Smt. S. O. Bansal who retires by rotation and being eligible offers herself for reappointment. She is having more then 24 years of experience. She is Non Executive Director of the Company.
- \* Shri Anil Gupta who retires by rotation and being eligible offers himself for reappointment. He is having more then 22 years of experience. He is Independent Director of the Company.

**b) The shares of the Company are in physical and dematerialized forms.**

**c) Share transfer system: The Company is having facility of shares transfer at the share transfer Agent.**

- d) The Company has not proposed / declared any dividend during the year.  
e) Financial Calender for the year 2013-2014

Financial reporting for 2013-14 (tentative and subject to change)

- \* 1<sup>st</sup> Quarter : Mid August, 2013
- \* 2<sup>nd</sup> Quarter : Mid November, 2013
- \* 3<sup>rd</sup> Quarter : Mid February, 2014
- \* Financial Year Closing : 31-03-2014
- \* 4<sup>th</sup> Quarter : End May, 2014

- f) Address for correspondence:

- \* **Registered Office :** 919/3, GIDC Estate, Makarpura, Vadodara – 390010
- \* **E-mail id of the Company :** towasurvey@yahoo.co.in
- \* **Telephone No. :** 0265-2652851
- \* **Share Transfer Agents :** System Support Services,  
209, Shivai Ind. Estate, 89, Andheri Kurla Road,  
Near Logitech Park, Saki Naka, Andheri (E), Mumbai-400 072.  
Phone : 022-28500835, Fax : 022-28501438  
E-mail : sysss72@yahoo.com

- g) Stock Code: 531771 (BSE)  
ISIN No. : The ISIN allotted to the Company by NSDL and CDSL is INE311M01018  
The Annual Listing Fee for the year 2013-14 has been paid to the Bombay Stock Exchange Ltd.
- h) Dematerialization of shares.  
about (39.44 %) Equity Shares of the Company have been Dematerialized
- i) Outstanding GDRs / ADRs / Warrants or any other convertible instruments, conversion date and likely impact on equity : **NIL**
- j) Conversion date and likely impact on Equity Shares: No such warrants instruments have so far been issued by the Company.
- k) There are no materially significant transactions with there related parties viz, Promoters, Directors and their relatives, Subsidiary Company conflicting with Company's interest. The transactions with related parties are disclosed in Note No. 22 to the Accounts in the Annual Report.
- l) No Penalties or strictures have been imposed on the Company by BSE or SEBI or any statutory authority or any matter related to capital markets during the period under review:



- m) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.
  - a) There were no rating such as CRISIL or by any other authorities / bodies.
  - b) No data were available for comparison purpose.
- n) Whistle Blower Policy: The Company is yet to implement such a system due to the low level of operations. The management will introduce / implement such a policy as and when the need comes and the operations become more complex and diversified.
- o) Training of Board Members: Company is yet to commence such a program. Lack / shortage of fund were one of the reasons.
- p) Mechanism for evaluating non-executive Board members: At present company does not have any such mechanism, because the activities of the company are still in a minimum scale which does not call for such evaluation.

## Management Discussion And Analysis

### Overall review, Industry Structure and Developments:

As mentioned in the Directors report the Company in the past few years was too preoccupied in solving the internal financial problems and hence the question of review of Global industry scenario and structure did not arise.

The Directors believe that the time has come now to evaluate opportunities and developments in the light of the plans to activate the operations.

In the current scenario the Board believed that Indian market will offers the opportunities for the revival of the product.

### Opportunities and Threat

The opportunities in the domestic market is large though at the moment it is also affected by the economic scenario the world over. But we believe it is a passing phase and the signs of recovery are already there. By the time the Company launches its plans it is expected that the economic recovery would be well on its way.

### Segment wise Performance

The Company does not have multiple products / segments

### Out look

The Board is positive on the future outlook of the company and is examining various business options.

### Internal control System

Company at present has internal control procedures, which is commensurate with the present requirements. Internal controls are being monitored, reviewed and upgraded on an ongoing basis.

### Human relations

The Board is keen to have a fully equipped HR Department, once the activity is started in a big way. During the year under review, the activities were in a minimal scale and manpower utilization was meager and so there was no need for such a department.

Financial performance with respect to operational performance

Particulars	(Amount in Rs.)	
	31-03-2013	31-03-2012
Total Income	3503929	19028005
Depreciation	254515	256602
Profit (Loss) Before Tax	(621262)	202116
Provision for Tax	--	--
Profit (Loss) after Tax	(621262)	202116

### Caution

The views expressed in the Management Discussions and Analysis are based on available information, assessments and judgment. They are subject to alterations. The Company's actual performance may differ due to national or international ramifications, government regulations, policies, Tax Laws, and other unforeseen factors over which the Company may not have any control.

**CEO & CFO CERTIFICATION**

The Board of Directors  
Towa Sokki Limited  
Vadodara

Re- financial Statements for the year 2012-13 – Certification

We, O.J. Bansal, Chairman & Executive Director and S.J. Bansal, CFO, on the basis of the review of the financial statements and the cash flow statement for the financial year ending March 31, 2013 and to the best of our knowledge and belief, thereby certify that: -

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transaction entered into by the company during the year ended March 31, 2013 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that :
  - a) There have been no significant changes in the internal control over financial reporting during this year
  - b) There have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements.
  - c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

O.J. Bansal  
Chairman & Executive Director

S.J. Bansal  
CFO

Place : Vadodara  
Date : 26-08-2013

**DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT**

In accordance with clause 49 of the Listing Agreement with the Stock Exchange, I, O.J. Bansal, Chairman & Executive Director of the Company, hereby declare that the Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended March 31, 2013.

Place : Vadodara  
Date : 26-08-2013  
Limited

For Towa Sikki

O.J. Bansal  
Chairman & Executive Director

**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, 2013 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.

Place : Mumbai  
Date : 26-08-2013

**For BHAVAN PATEL & CO.**  
CHARTERED ACCOUNTANTS  
(Firm Registration No. : 101362W)  
**B. H. PATEL**  
Proprietor  
(Membership No. 36103)

**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, 2013 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that :

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in 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 written representations received from the directors and taken on record by the Company, we report that none of the director is disqualified as on 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 and Notes to Financial Statements 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, 2013; and
    - ii) In the case of the Profit and Loss Account, of the loss for the year ended on that date.
    - iii) In the case of the Cash Flow Statment of cash flow for the year ended on that date.

Place : Mumbai  
Date : 22-05-2013

**For BHAVAN PATEL & CO.**  
CHARTERED ACCOUNTANTS  
(Firm Registration No. : 101362W)  
**B. H. PATEL**  
Proprietor  
(Membership No. 36103)

**ANNEXURE TO THE AUDITOR'S REPORT**

**(Referred to in paragraph 1 of our report of even date)**

1. (i) The Company has maintained proper records showing full particulars including Quantitative details and situation of its fixed assets.  
(ii) As explained to us, the fixed assets have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and having regard to the size of the Company and nature of its assets and on the basis of the explanations received, no material discrepancies were noticed on such physical verification and the same has been appropriately dealt with.
2. (i) During the year, inventory has been physically verified by the management at a reasonable interval.  
(ii) In our opinion and according to the information and explanations given to us, the procedures of physical verification/confirmation of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
(iii) In our opinion and according to the information and explanation given to us and on the basis of our examination of the record of inventory the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
3. The Company has not granted any loans to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.  
(i) The Company has taken unsecured loans, from companies, firms or other parties from Directors & Relatives amounting to Rs. 400336/- listed in the register maintained under Section 301 of the Companies Act, 1956.  
(ii) In our opinion, the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.  
(iii) The payment of the interest and principal in respect of loans taken from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, is regular.  
(iv) There are no overdue amounts of more than Rupees one lakh in respect of loan taken.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regards to purchase inventories and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.

5. (i) Based on the information and explanations given to us, the transactions pertaining to contracts and arrangements that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered.  
(ii) According to information and explanations given to us, there are no transactions of purchase and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 500000/- or more in respect of each party.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. As informed to us, the Central Government has not prescribed the maintenance of cost records under 209-(1) (d) of the Companies Act, 1956 for any of the products of the Company.
9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Gujarat VAT, Wealth Tax, Custom Duty, Excise Duty, Cess and any other dues during the year with the appropriate authorities. As at 31st March 2013, there are no undisputed dues payable for a period of more than six months from the date they become payable.  
(b) According to the information and explanations given to us, there are no amounts in respect of income tax, customs duty, wealth tax, cess that have not been deposited with the appropriate authorities on account of any dispute.
10. The Company has an accumulated business losses.
11. Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank during the year.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund / nidhi / mutual benefit fund / society.
14. In our opinion, the Company is not dealing in shares, securities, debentures or other interments and hence, the requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion, the working capital loan has been applied for the purpose for which it was raised.
17. According to information & explanations given to us & on the basis of our over all examination of the Cash Flow statement, the funds raised on short term and long term basis have not been used for long-term investments and short-term investments respectively.

18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company did not have outstanding debentures during the year. Accordingly, no securities have been created.
20. The Company has not raised any money by way of public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place : Mumbai  
Date : 22-05-2013

**For BHAVAN PATEL & CO.**  
CHARTERED ACCOUNTANTS  
(Firm Registration No. : 101362W)  
**B. H. PATEL**  
Proprietor  
(Membership No. 36103)



**BALANCE SHEET AS AT 31st MARCH, 2013**

**Rupees**

Particulars	Note No.	As at 31-3-2013	As at 31-3-2012
<b>EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	2	56472000	56472000
(b) Reserves and Surplus	3	(7136967)	(6515706)
		<u>49335033</u>	<u>49956294</u>
<b>2. Current Liabilities</b>			
(a) Short-terms Borrowings	4	400336	106120
(b) Trade Payables	5	58637	115149
(c) Other Current Liabilities	6	164254	127667
		<u>623227</u>	<u>348936</u>
<b>Total</b>		<b><u>49958260</u></b>	<b><u>50305230</u></b>
<b>II ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets - Tangible Assets	7	4185190	4274705
(b) Loans and Advances	8	35254240	35278187
		<u>39439430</u>	<u>39552892</u>
<b>2. Current Assets</b>			
(a) Inventories	9	1836150	2152880
(b) Trade Receivable	10	8473100	5729465
(c) Cash and Bank Balance	11	209580	2869993
		<u>10518830</u>	<u>10752338</u>
<b>Total</b>		<b><u>49958260</u></b>	<b><u>50305230</u></b>

**Significant Accounting Policies**

1

The accompanying notes are an integral part of the financial statement

As per our report of even date attached

For and on behalf of the Board of Directors

**For BHAVAN PATEL & CO.**  
CHARTERED ACCOUNTANTS  
(Firm Registration No. : 101362W)

**B. H. PATEL**

Proprietor

(Membership No. 36103)

Place : Mumbai

Date : 22nd May 2013

**O. J. BANSAL**

**S. J. BANSAL**

Directors

Place : Baroda

Date : 22nd May 2013



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013**

Particulars	Note No.	Rupees	
		2012-13	2011-12
<b>INCOME</b>			
Revenue from Operations (Net)	12	3375875	18362013
Other Income	13	128054	665992
<b>Total Revenue</b>		<b>3503929</b>	<b>19028005</b>
<b>EXPENSES</b>			
Cost of Raw Materials Consumed	14	1578690	2896293
Purchase of Traded Goods		121536	14702445
(Increase) / Decrease of Inventories of Finished Goods	15	272840	(1273640)
Employee Benefit Expenses	16	480084	730142
Other Expenses	17	1413341	1507338
<b>Total Expenses</b>		<b>3866491</b>	<b>18562578</b>
<b>Earning before Interest, Tax &amp; Depreciation</b>		<b>(362562)</b>	<b>465427</b>
Depreciation	18	254515	256602
Finance Costs	19	4184	6709
<b>Profit (Loss) Before Tax</b>		<b>(621261)</b>	<b>202116</b>
Tax Expenses		--	--
<b>Profit (Loss) for the Year</b>		<b>(621261)</b>	<b>202116</b>
Earning Per Equity Share (Face Value of Rs. 10 each)			
Basic & Diluted before Exceptional item		(0.08)	0.03
Basic & Diluted after Exceptional item		(0.08)	0.03

As per our report of even date attached

For and on behalf of the Board of Directors

**For BHAVAN PATEL & CO.**  
CHARTERED ACCOUNTANTS  
(Firm Registration No. : 101362W)

**B. H. PATEL**

Proprietor  
(Membership No. 36103)

Place : Mumbai  
Date : 22nd May 2013

**O. J. BANSAL**

**S. J. BANSAL**

Directors

Place : Baroda  
Date : 22nd May 2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013**

Rupees		
Particulars	2012-2013	2011-2012
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Tax	(621261)	202116
Adjustments for :		
Depreciation	254515	256602
Interest and Finance charges Paid	4184	6709
Operating Profit Before Working Capital Changes	(362562)	465427
Adjustments for Change in Working Capital & Provisions		
(Increase) / Decrease in Liabilities	36587	(90035)
(Increase) / Decrease in Trade Receivables	(2743635)	(2360574)
(Increase) / Decrease in Inventories	316730	(1158997)
(Increase) / Decrease in Short Terms Advances	23947	(1482067)
(Increase) / Decrease in Trade Payables	(56512)	61537
<b>Net Cash Flow From Operating Activities</b>	<b>(2785445)</b>	<b>(4564709)</b>
<b>(B) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Purchase of Fixed Assets	(165000)	(257500)
Interest Received on Allotment Money Due	--	854500
<b>Net Cash Flow from Investing Activities</b>	<b>(165000)</b>	<b>597000</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest and Finance Charges Paid	(4184)	(6709)
Increase / (Decrease) in short term borrowings	294216	--
<b>Net Cash Used in Financing Activities</b>	<b>290032</b>	<b>(6709)</b>
Net Cash Outflow During the Year	(2660413)	(3974418)
Cash & Cash Equivalents at the Begining of the Year	2869993	6844411
Cash & Cash Equivalents at the End of the Year	209580	2869993

The above Cash Flow statement has been prepared under the "Indirect Method" set out in Accounting Standard 3 on Cash Flow Statement by the ICAI

As per our report of even date attached

For and on behalf of the Board of Directors

**For BHAVAN PATEL & CO.**  
 CHARTERED ACCOUNTANTS  
 (Firm Registration No. : 101362W)  
**B. H. PATEL**  
 Proprietor  
 (Membership No. 36103)

Place : Mumbai  
 Date : 22nd May 2013

**O. J. BANSAL**  
**S. J. BANSAL**  
 Directors  
 Place : Baroda  
 Date : 22nd May 2013

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013****Corporate Information**

Towa Sokki Limited is a public limited company domiciled in India and incorporated under the Companies Act, 1956. Equity shares of the company are listed in Bombay Stock Exchange Ltd. in India. The Company is engaged in manufacturing and selling of Survey Instruments.

**Note 1 – Basis of Accounting**

- i) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles to comply with the applicable Accounting Standards as prescribed under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- ii) The Company generally follows the mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.
- iii) Use of estimates : The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements.

**1.1 Summary of Significant Accounting Policies****i) Fixed Assets :**

- a) Fixed Assets are shown at cost of acquisition including direct material, labour and overheads if any, less accumulated depreciation and less sold during the year.
- b) Works under erection / installation / execution for capital works are shown as "Capital Advances and includes interest on borrowings and advances to suppliers etc.

**ii) Inventories :**

- a) Raw Materials, Stores, & Spares are valued at cost.
- b) Finished Goods are valued at cost or market value whichever is lower. Stock of purchased items traded is valued as lower of the landed cost or realisable value.

**iii) Depreciation :**

- a) Depreciation on all fixed assets is provided on "Straight Line Method" at the rates specified in the Schedule XIV to the Companies Act, 1956. Depreciation on additions to fixed assets is charged on prorata basis.
- b) Depreciation in respect of assets acquired and put to use for implementation of the new project is grouped under Pre-Operative Expenses.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013****iv) Encashment Of Leave and Other Retirement Benefits :**

The company extends benefit of encashment of leave to its employees while in service as well as on retirement. Encashment of leave accumulated while in service is generally accounted when paid on yearly basis. Further, any liability on this account is recognised only when claim is received. Other retirement benefits such as Gratuity etc. are recognised only when the liability for such payments arises.

**v) Accounting For Miscellaneous Expenditure :**

Preliminary Expenses (for New Project) and Share Capital Expenses / Public Issue Expenses (for New Project) will be amortised over the period of ten years from the year in which the commencement of commercial production (for New Project) is started.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013**

Particulars	As at 31-3-2013		As at 31-3-2012	
	No. of Shares	Rupees	No. of Shares	Rupees
<b>Note 2 - Shareholders' Fund</b>				
a) Authorised				
Equity shares of Rs. 10 each with voting rights	8000000	80000000	8000000	80000000
b) Issued				
Equity shares of Rs. 10 each with voting rights	7540100	75401000	7540100	75401000
c) Subscribed and fully paid up				
Equity shares of Rs. 10 each with voting rights	3704800	37048000	3704800	37048000
d) Subscribed but not fully paid up				
Equity shares of Rs. 10 each with voting rights subject to fully paid up	3835300	19424000	3835300	19424000
	<b>7540100</b>	<b>56472000</b>	<b>7540100</b>	<b>56472000</b>

- e) Reconciliation of the number of shares and amount outstanding at the beginning and at end of the reporting period :

Particulars	Opening Balance	Addition on receipt of Allotment Money	Duction on receipt of Allotment Money	Closing Balance
Equity Shares with voting rights				
Year ended 31 March, 2013				
No. of Shares	3704800	--	--	3704800
Amount (Rupees)	37048000	--	--	37048000
Year ended 31 March, 2012				
No. of Shares	3533900	170900	--	3704800
Amount (Rupees)	35339000	1709000	--	37048000
Equity Shares with voting rights subject to fully paid up				
Year ended 31 March, 2013				
No. of Shares	3835300	--	--	3835300
Amount (Rupees)	19424000	--	--	19424000
Year ended 31 March, 2012				
No. of Shares	4006200	--	170900	3835300
Amount (Rupees)	20278500	--	854500	19424000

- f) Terms / rights attached to equity shares

The company has only one class of equity shares having face value of Rupees 10 per share. Each holder of fully paid up equity shares is entitled to one vote per share.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013**

**g)** Details of shares held by each shareholder holding more than 5% shares :

Class of shares / Name of shareholder	As at 31-3-2013		As at 31-3-2012	
	No. of Shares	%	No. of Shares	%
Equity Shares with voting rights				
O. J. Bansal	866200	11.48	866200	11.48
S. J. Bansal	503400	6.67	503400	6.67
S. O. Bansal	491300	6.51	491300	6.51
S. S. Bansal	672800	8.92	672800	8.92
Equity shares with voting rights subject to fully paid up				
Rashmikanth Thakkar	450500	5.97	450500	5.97
Veenaben Thakkar	450500	5.97	450500	5.97
Chirag Thakkar	450500	5.97	450500	5.97
Monal Thakkar	450500	5.97	450500	5.97
Reetaben Thakkar	450500	5.97	450500	5.97
Yaswantbhai Thakkar	450500	5.97	450500	5.97

**h)** Details of calls unpaid:

Particulars	As at 31-3-2013		As at 31-3-2012	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares with voting rights				
Aggregate of calls unpaid				
- by directors	--	--	--	--
- by officers	--	--	--	--
- by others	--	--	--	--
Equity shares with voting rights subject to fully paid up				
Aggregate of calls unpaid				
- by directors	--	--	--	--
- by officers	--	--	--	--
- by others	3835300	18929000	3835300	18929000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Rupees

Particulars	As at 31-3-2013	As at 31-3-2012
<b>Note 3 - Reserves and Surplus</b>		
<b>a Capital Reserve</b>		
Balance as per last Financial Statements	715334	715334
<b>b General Reserve</b>		
Balance as per last Financial Statements	37000	37000
<b>Closing Balance</b>	<b>752334</b>	<b>752334</b>
<b>c Surplus in the Statement of Profit and loss</b>		
Balance as per last Financial Statements	(7268040)	(7470156)
Profit for the year	(621261)	202116
Net Surplus in the Statement of Profit and Loss	(7889301)	(7268040)
<b>Total</b>	<b>(7136967)</b>	<b>(6515706)</b>
<b>Note 4 - Short Term Borrowings</b>		
Deposits from others - Unsecured	--	106120
Deposits from Directors - unsecured	400336	--
<b>Total</b>	<b>400336</b>	<b>106120</b>
<b>Note 5 - Trade Payables</b>		
Due to Micro Small and Medium Enterprises	--	15771
Due to Others	58637	99378
<b>Total</b>	<b>58637</b>	<b>115149</b>
<b>Note 6 - Other current Liabilities</b>		
<b>Statutory Liabilities</b>		
VAT Payable	46993	--
CST Payable	1000	--
TDS Payable	11438	744
Salary Payable	97850	117850
Other Payables	6973	6973
Advance from Customers	--	2100
<b>Total</b>	<b>164254</b>	<b>127667</b>

Note 7 - Fixed Assets (Tangible Assets)				Amount in Rupees		
DESCRIPTION	GROSS BLOCK (AT COST)		DEPRECIATION		NET BLOCK	
	As at 1-4-2012	Additions during the year	Deductions during the year	As at 1-4-2012	Provided during the year	As at 31-3-2013
Land	1816315	142500	--	1958815	--	1958815
Factory Shed	2267523	--	--	2267523	75736	1059491
G.I.D.C. Flats	383246	--	--	383246	6248	273393
Machinery	693507	--	--	693507	32940	111453
Electrical Installation	91275	--	--	91275	4336	12215
Office Equipments	179304	22500	--	201804	9451	110715
Furniture and Fixtures	211261	--	--	211261	--	--
Computer Systems	146800	--	--	146800	23796	41073
Vehicals	1111042	--	--	1111042	102008	618035
<b>Current Year Total</b>	<b>6900273</b>	<b>165000</b>	<b>--</b>	<b>7065273</b>	<b>254515</b>	<b>4185190</b>
<b>Previous year Total</b>	<b>6642773</b>	<b>257500</b>	<b>--</b>	<b>6900273</b>	<b>2625568</b>	<b>4274705</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Rupees

Particulars	As at 31-3-2013	As at 31-3-2012
<b>Note 8 - Loans and Advances</b>		
(Unsecured, considered good)		
Capital Advances	21834548	21834548
Security Deposit	30000	30000
Others Loans and Advances		
Advance Tax (TDS)	67375	76301
Balance with Central Excise	17755	17755
Misc. Expenses	3576388	3576388
Preliminary Expenses (Project)	40000	40000
Pre-Operative Expenses	9688174	9688174
Other Advance (VAT receivable)	--	15021
<b>Total</b>	<b>35254240</b>	<b>35278187</b>
<b>Note 9 - Inventories (At lower of Cost or Net Realisable Value)</b>		
Raw Materials	16800	60690
Finished Goods	1819350	2092190
<b>Total</b>	<b>1836150</b>	<b>2152880</b>
<b>Note 10 - Trade Receivables</b>		
(Unsecured, considered good)		
Trade receivables due for more than six months	1835395	1035965
Others	6637705	4693500
<b>Total</b>	<b>8473100</b>	<b>5729465</b>
<b>Note 11 - Cash and Bank Balances</b>		
Cash and Cash Equivalents		
Cash on Hand	90048	263571
Balances with Banks		
On Current Accounts	119532	129371
Deposits with maturity of less than 3 months	--	359617
Deposits with maturity between 3 to 12 months	--	2117434
<b>Total</b>	<b>209580</b>	<b>2869993</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013**

	<b>Rupees</b>	
<b>Particulars</b>	<b>As at 31-3-2013</b>	<b>As at 31-3-2012</b>
<b>Note 12 - Revenue from Operations</b>		
<b>Sale of Products</b>		
Finished Goods	2792700	17583473
Job Work	583175	778540
<b>Net Sales</b>	<b>3375875</b>	<b>18362013</b>
<b>Note 13 - Other Income</b>		
<b>Interest Income on</b>		
Bank Deposits	128054	281698
Others	--	384294
<b>Total</b>	<b>128054</b>	<b>665992</b>
<b>Note 14 - Cost of Raw Material &amp; Components Consumed</b>		
Inventory at the beginning of the year	60690	175333
Add: Purchases	1534800	2781650
Total	1595490	2956983
Less: Inventory at the end of the year	16800	60690
<b>Total</b>	<b>1578690</b>	<b>2896293</b>
<b>Details of Raw Material &amp; Components Consumed</b>		
Imported items	--	--
% to RMC	--	--
Indiginious items	1578690	2896293
% to RMC	100%	100%
<b>Total</b>	<b>1578690</b>	<b>2896293</b>
<b>Note 15 - (Increase) / Decrease in Inventories</b>		
Inventories at the end of the year - Finished Goods	1819350	2092190
Inventories at the beginning of the year - Finished goods	2092190	818550
<b>(Increase) / Decrease in Inventories</b>	<b>272840</b>	<b>(1273640)</b>
<b>Note 16 - Employee Benefit Expenses</b>		
Salaries Wages & Bonus	480000	730058
Staff Welfare Expenses	84	84
<b>Total</b>	<b>480084</b>	<b>730142</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013**

**Rupees**

<b>Particulars</b>	<b>As at 31-3-2013</b>	<b>As at 31-3-2012</b>
<b>Note 17 - Other Expenses</b>		
Power and Electricity	19190	12660
Tools and Stores	90	--
Freight and Octroi	5787	8633
Packing Materials	--	170
Office Expenses	1459	13367
Printing and Stationery	8318	18771
Vehical running and maintainence (Motor Car)	69655	46400
Vehical running and maintainence (Scooter)	4570	9505
Professional and Other charges	115730	118219
Post and Telegram	17252	10036
Audit Fees	22472	22060
Travelling Expenses	2960	10810
Advertisement and Publicity	13387	34271
Building Repairs	1964	6223
Telephone Expenses	34274	26712
Freight Outward	1208	475
Books and Periodicals	1506	1852
Electrical Repairs	2615	4750
Entertainment Expenses	726	3014
Insurance Expenses	25107	25226
Filing Fees	--	1500
Computer Consumables	1350	3735
Professional Tax	2400	2400
Directors' Salary	840000	840000
Legal and other Charges	5000	5000
Listing Fees	175027	143052
Licence Fees	509	500
Municipal Taxes	23568	25245
GIDC Misc. Charges	12051	111937
VAT Disallowable	119	815
CST Disallowable	5047	--
<b>Total</b>	<b>1413341</b>	<b>1507338</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Rupees

Particulars	As at 31-3-2013	As at 31-3-2012
<b>Payment to Auditors</b>		
Statutory Audit Fee	22472	22060
<b>Total</b>	<b>22472</b>	<b>22060</b>
<b>Note 18 - Depreciation</b>		
Depreciation - Tangible Assets	254515	256602
<b>Total</b>	<b>254515</b>	<b>256602</b>
<b>Note 19 - Financial Cost</b>		
Bank Charges	4184	6709
<b>Total</b>	<b>4184</b>	<b>6709</b>

**20) Earning Per Share**

	2012-13	2011-12
Profit available for Equity Shareholder - Rupees	(621261)	202116
Weighted average paid-up Equity Shares - Numbers	7540100	7540100
Earning Per Equity Share (Basic and Diluted) - Rupees	(0.08)	0.03
Nominal value per Equity Share - Rupees	10	10

**21) Segment Information**

The Company has identified manufacturing and trading of Survey Instruments as its sole Primary segment. Thus the disclosure requirements as set out in Accounting Standard 17 (AS-17) "Segment Reporting" are not applicable.

**22) Related Party Disclosures**

i) Key Management Personnel

Name	Relationship
O.J. Bansal	Managing Director
S.J. Bansal	Director

ii) Name of Related Party and Nature of Relationship	Nature of Transaction	2012-13 Rupees	2011-12 Rupees
Miss Preeti S. Bansal (Daughter of Director)	Salary	204000*	252000
Mr. Somesh O. Bansal (Son of Managing Director)	Salary	276000	252000

\* Part of the year

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013**

iii) Remuneration to Key Management Personnel

Name	Remuneration (Rupees)	
O. J. Bansal	480000	480000
S. J. Bansal	360000	360000

23) Capital and other commitments

Estimated amounts of contracts remaining to be executed on capital account & not provided for net of advance Rs. 1.39 lacs (Previous year Rs. 1.39 lacs)

24) The Company has made Public Issue of Equity Shares in the year 1995-96 and the total expenditure of Rs. 35.76 Lacs incurred on the said Issue has been treated as Deferred Revenue Expenditure and shown under the head of "Miscellaneous Expenditure".

25) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 Based on the information available with the Company and relied upon by the auditors, the disclosure requirement as prescribed under the Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 is as under :

**Rupees**

The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year

Principal amount due to micro and small enterprises	--	15771
Interest due on above	--	--
	<u>--</u>	<u>15771</u>

The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of payment made to the supplier beyond the appointed day during each accounting year

-- --

The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of payment made to the supplier beyond the appointed day during each accounting year

-- --

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006

-- --

The amount of interest accrued and remaining unpaid at the end of each accounting year.

-- --

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

26) The tax effect of the carried forward loss as tax assets in accordance with the AS-22 "Accounting for Taxes on Income" has not been reckoned in the books of accounts for the year under review in view of the perception of the management that such asset may not be realized within the applicable / reasonable time limit.

27) In the opinion of the management, there are no indications, internal or external which could have the effect of impairment of the assets of the Company to any material extent as at the Balance Sheet date, which requires recognition in terms of Accounting Standard 28 (AS-28) on "Impairment of Assets".

28) CIF Value of Imports

Rupees

	2012-13	2011-12
Import of Raw Materials, Spares and components	NIL	NIL

29) Expenditure in Foreign Currency

NIL

NIL

30) Earning in Foreign Exchange

NIL

NIL

31) Previous years figures have been regrouped and reclassified wherever necessary to be in conformity with the figures of the current year which is as per Revised schedule VI.

As per our report of even date attached

For and on behalf of the Board of Directors

**For BHAVAN PATEL & CO.**  
CHARTERED ACCOUNTANTS  
(Firm Registration No. : 101362W)

**B. H. PATEL**

Proprietor

(Membership No. 36103)

Place : Mumbai

Date : 22nd May 2013

**O. J. BANSAL**

**S. J. BANSAL**

Directors

Place : Baroda

Date : 22nd May 2013



## Towa Sokki Limited

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

### ATTENDANCE SLIP

Member attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the Twenty First Annual General Meeting of the above named company being held at 919/3, GIDC Estate, Makarpura Vadodara-390010. on 28-09-2013 at 10.00 a.m.

Full Name of the Member / Proxy \_\_\_\_\_

Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

Signature :



## Towa Sokki Limited

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

### PROXY FORM

I/We \_\_\_\_\_

of \_\_\_\_\_ in the district \_\_\_\_\_

being a member/members of TOWA SOKKI LIMITED hereby appoint

\_\_\_\_\_ of \_\_\_\_\_

failing him/her \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at TWENTY FIRST ANNUAL GENERAL MEETING of the company to be held at 919/3, GIDC Estate, Makarpura Vadodara-390010 on 28-09-2013 at 10.00 a.m. and any adjournment thereof.

signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Signature \_\_\_\_\_

Folio No. \_\_\_\_\_

No. of Shares \_\_\_\_\_

Re. 1.00  
Revenue  
Stamp

Note :

1. A Member entitles to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself/herself
2. The proxy form duly signed across Revenue Stamp of Re. 1.00 should reach the Company's Registered office at least 48 hours before the time of meeting.

**BOOK-POST**

**To,**



**If Undelivered Please Return to :**




**Towa Sokki Limited**

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

**FORM A**

**Format of covering letter of the annual audit report to be filled with the stock exchanges**

1	Name of the company	Towa Sokki Limited
2	Annual financial statements for the year ended	31 <sup>st</sup> March, 2013
3	Type of the audit observation	Unqualified / <del>Matter of Emphasis</del>
4	Frequency of observation	Whether appeared first time ...../ repetitive ...../ since how long period ..... N/A
5	To be signed by:	
	* Managing Director	
	* CFO	
	* Auditor of the company	 M.NO. 36103.
	* Audit Committee Chairman	