

Towa Sokki Limited



TWENTY SIXTH ANNUAL REPORT 2017 – 2018

BOARD OF DIRECTORS

Shri O.J. Bansal	Managing Director
Shri S.J. Bansal	Director
Smt. S.O. Bansal	Director
Shri G.C. Agarwala	Director
Shri H.R. Patel	Director
Shri H.L. Barot	Director

COMPANY SECRETARY

Mrs. Vandana Yadav	Upto 4-07-2017
Mrs. Preethi Suresh	From 1-08-2017

CHIEF FINANCIAL OFFICER

Mr. Somesh Bansal

BANKERS

Bank of Baroda
Indian Overseas Bank

AUDITORS

M/s Doogar & Associates
13, Community Centre
East of Kailash
New Delhi - 110065

REGISTERED OFFICE

FF-6, Amrapali Apartment
Near Air Force Station
Makarpura
Vadodara - 390014
CIN: L51909GJ1993PLC019111
Tele./Fax: 0265-2652851
Email: towasurvey@yahoo.co.in
Website: www.towasokki.in

NOTICE

26th Annual General Meeting will be held at Gypsy Grand, 101/102, Pancham Avenue, Near Essar Petrol Pump, Susen - Tarsali Road, Tarsali, Vadodara – 390009 on Saturday, 29th September, 2018 at 10.00 A.M.

CONTENTS

Notice
Board's Report
Auditor's Report
Balance Sheet
Statement of Profit and Loss Account
Cash Flow Statement
Notes to Financial Accounts
Ballot Paper
Proxy Form
Attendance Slip

NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the members of TOWA SOKKI LIMITED will be held on Saturday, 29th September 2018, at 10.00 a.m. at Gypsy Grand, 101/102, Pancham Avenue, Near Essar Petrol Pump, Susen Tarsali Road, Tarsali, Vadodara - 390009, to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31st March, 2018 and the Reports of Board and Auditors' thereon.
2. To appoint a Director in place of Smt. Sushila Omprakash Bansal (DIN: 01488071), who retires by rotation and being eligible, offers herself for re-appointment.

Registered Office :
FF-6, Amrapali Apartment
Near Air Force Station
Makarpura
Vadodara – 390014
CIN : L51909GJ1993PLC019111
E-mail : towasurvey@yahoo.co.in
Website : www.towasokki.in
Date : 14-08-2018

By Order of the Board
For Towa Sokki Limited
Sd/-
S.J. Bansal
Director
(DIN : 01364898)

NOTES:

1. **A Member entitled to attend and vote at this Annual General Meeting is entitled to appoint a proxy to attend and vote, instead of himself/herself.** A proxy need not be a Member of the Company. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.
2. The instrument of proxy in order (duly completed & signed) to be effective must reach at the Registered Office of the Company not less than 48 hours before the commencement of meeting.
3. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority authorizing their representative to attend and vote at the Annual General Meeting.
4. A proxy shall not vote except on a poll. A proxy form is appended with the attendance slip.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. Member seeking any clarification on account of the company are requested to send their query in writing to the company at registered office addressing to Managing Director or through e-mail at towasurvey@yahoo.co.in. The query must reach to the company either by mail or e-mail at least seven working days before the date of AGM (excluding the date of AGM).
7. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September 2018 to 29th September, 2018 (both days inclusive).
8. As a measure of economy, copies of the Annual Report will not be distributed at the Meeting. Members are, therefore, requested to bring their copies of Annual Report.
9. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository.
10. Members are requested to send all their communications pertaining to shares & notify change in their address/mandate/bank details to The Registrar & Share Transfer Agent, M/s Link Intime India Pvt. Ltd., to facilitate better servicing.
11. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to The Registrar & Share Transfer Agent, M/s Link Intime India Pvt. Ltd., for their doing the needful.
12. In furtherance of the Green Initiative and Section 101 of the Companies Act, 2013 read with Rule 18(3) (i) of the Companies (Management & Administration) Rules, 2014 and Rule 11 of the Companies (Accounts) Rules, 2014, the Company urges the Members to register their email address with the Company and/or its Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Ltd., for receiving the Annual Report, Notices etc. in electronic mode. In future all the Annual Report, Notices and other communications etc. will be sent in electronic mode to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member requests for a physical copy of the same.
13. In future electronic copy of the Notice of General Meetings of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form will be sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member requests for a physical copy of the same.

14. Members are advised that it is mandatory to furnish copy of PAN Card both side signed as self attested in the following cases:

- i) Transferees' PAN Cards for transfer of shares,
- ii) Legal heirs' PAN Cards for transmission of shares,
- iii) Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder and
- iv) Joint holders' PAN Cards for transposition of shares.

15. Members may also note that the Notice of the Annual General Meeting and the Annual Report 2017-2018 will also be available on the Company's website www.towasokki.in for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id : towasurvey@yahoo.co.in

16. Process and manner for members opting for E-voting.

I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members holding shares either in physical form or in dematerialized form the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

II. Similarly, members opting to vote physically can do the same by remaining present at the meeting and should exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall be only taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid.

The instructions for e-voting are as under:

i) The e-voting period begins on 26-09-2018 from 9.00 A.M. and ends on 28-09-2018 till 5.00 P.M. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on Cut-Off Date (Record Date) of 23-09-2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.

iii) Click on Shareholders.

iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

v) Next enter the Image Verification as displayed and Click on Login.

vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>* If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

viii) After entering these details appropriately, click on "SUBMIT" tab.

ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi) Click on the relevant EVSN for "Towa Sokki Limited" on which you choose to vote.

xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi) You can also take a print of the vote casted by you by clicking on "Click here to print" option on the Voting page.

xvii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix) Note for Non - Institutional Shareholders and Custodians

* Non-Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.

* A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

* After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

* The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

* A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

17. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e 23-09-2018.

18. Mr. Kashyap Shah, Practicing Company Secretary, C.P. Membership No. 6672 have been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

19. The Chairman shall, at the AGM, allow voting with the assistance of scrutinizer, by use of "Ballot/Polling Paper" for all those members who are present at the AGM but have not cast their votes through the remote e-voting facility.

20. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

21. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be forwarded to BSE Limited.

Registered Office :
FF-6, Amrapali Apartment
Near Air Force Station
Makarpura
Vadodara – 390014
CIN : L51909GJ1993PLC019111
E-mail : towasurvey@yahoo.co.in
Website : www.towasokki.in
Date : 14-08-2018

By Order of the Board
For Towa Sokki Limited
Sd/-
S.J. Bansal
Director
(DIN : 01364898)

BOARD'S REPORT

Your Directors have pleasure in presenting the 26th Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31st March 2018.

1. FINANCIAL RESULTS

Particulars	(Amount in Rs.)	
	31-03-2018	31-03-2017
Total Income	14381139	1535861
Total Expenses	39597601	4282602
Earning before Depreciation & Tax	(25216462)	(2746741)
Depreciation	18354	207857
Profit / (Loss) Before Tax	(25234816)	(2954598)
Provision for Tax	--	--
Profit / (Loss) after Tax	(25234816)	(2954598)

2. DIVIDEND

In view of the loss, management does not propose any dividend for the year 2017-2018.

3. REVIEW OF OPERATIONS

The operations for the year under review shows a loss of Rs. 25234816/-. During the year under review, the manufacturing sales have not been much improved. This is mainly attributed to overall economic slowdown in the Country.

Your directors are hopeful of achieving a steady growth in sales and job work activity and resultant net margin in the years to follow.

4. RESERVES

There is no creation of reserves in the F.Y. 2017-18.

5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no amount required to be transferred to Investor Education & Protection Fund.

6. SHARE CAPITAL

During the year under review, there is no change in the Authorized and paid up share capital of the Company.

BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review

BONUS SHARES

No Bonus Shares were issued during the year under review.

EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

7. MATERIAL CHANGES

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) Conservation of energy:

Steps taken / impact on conservation of energy, with special reference to the following:

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.

(B) Technology absorption:

Since no significant business has generated from manufacturing activities, the company will review technology absorption gradually upon achieving significant manufacturing activities.

(C) Foreign Exchange Earnings and Outgo:

Particulars	2017-18	2016-17
Foreign Exchange earned in terms of actual inflows during the year (On F.O.B Basis)	NIL	NIL
Foreign Exchange outgo during the year in terms of actual outflows	721645	NIL

9. RISK MANAGEMENT

The Company has framed a sound Risk Management Policy to identify and evaluate business risks and opportunities and the same has become integral part of Company's day to day operations. The key business risks identified by the Company are as follows viz. Industry Risk, Management and Operations Risk, Market Risk, Government Policy Risk, Liquidity Risk, and Systems Risk. The Company has in place adequate mitigation plans for the aforesaid risks.

10. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Since the Company's net worth does not exceed Rs. 500 crores or Company's turnover does not exceeds Rs. 1000 crores or the Company's net profit does not exceed Rs. 5 crore for any financial year, the provisions of section 135 of the Companies Act, 2013 are not applicable.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the furnishing above information is not applicable.

12. RELATED PARTY TRANSACTIONS

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as Annexure-1.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules there under and the Listing Agreement. This Policy was considered and approved by the Board and has been uploaded on the website of the Company at www.towasokki.in

13. DIRECTORS

Mrs. Sushila O. Bansal, Director, retiring by rotation, being eligible for reappointment offers herself for re-election.

COMPANY SECRETARY

Mrs. Vandana Yadav has been resigned as Company Secretary of the Company w.e.f. 05-07-2017.

Mrs. Preethi Suresh has been appointed as Company Secretary of the Company w.e.f. 01-08-2017.

13.1 BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees

13.2 REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

13.3 DISCLOSURES PURSUANT TO SECTION 197(14) OF THE COMPANIES ACT, 2013

None of the Directors of the Company is in receipt of any commission from the Company

13.4 MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors.

Sr. No.	Date of Board Meeting	Total Number of Directors as on the date of Board Meeting	Attendance	
			No. of Directors attended	% of attendance
1	29-05-2017	6	5	83%
2	31-07-2017	6	6	100%
3	14-11-2017	6	5	83%
4	08-12-2017	6	5	83%
5	12-02-2018	6	5	83%

13.5 DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

13.6 COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are applicable to the Company and hence the Company has devised policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 and for details refer website www.towasokki.in

14. AUDIT COMMITTEE AND VIGIL MECHANISM

The above composition of the Audit Committee consists of Independent Directors who form the majority. The Company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of co-employees and the Company

Following Audit Committee Meeting were held during the year.

Sr. No.	Date of Audit Committee Meeting	Total Number of Directors as on the date of Committee Meeting	Attendance	
			No. of Directors attended	% of attendance
1	29-05-2017	3	3	100%
2	31-07-2017	3	3	100%
3	14-11-2017	3	3	100%
4	08-12-2017	3	3	100%
5	12-02-2018	3	2	67%

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.towasokki.in

15. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:-

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments 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 and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. ANNUAL RETURN

The Extract of Annual Return pursuant to the provisions of Section 92 (3) has been placed at the website of the Company at www.towasokki.in

17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

18. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

19. WEBSITE

The corporate website www.towasokki.in displays relevant information as required under the Companies Act, 2013 and Rules framed there under and as per SEBI regulations.

20. AUDITORS

20.1 STATUTORY AUDITORS

Appointed M/s. Doogar & Associates, New Delhi (Firm Registration No. 000561N) Chartered Accountants, as Auditors of the Company to hold the Office from the conclusion of ensuing Annual General Meeting until conclusion of 30th Annual General Meeting. As required under Listing Regulations, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

20.2 SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Hemang Shah, a Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as Annexure-2.

20.3 OBSERVATION OF AUDITORS

There are no qualifications, reservations or adverse remarks made either by the Auditors or by the Practicing Company Secretary in their respective reports.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

22. DETAILS OF SIGNICANT & MUTUAL ORDERS PASSED BY THE REGULATORS OR COURTS

No such order passed.

23. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company.

The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

24. CORPORATE GOVERNANCE

The Compliance with the corporate governance provision as specified in Regulation 46 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and para c, d, e, of schedule V shall not apply in respect the listed entity having paid up capital shall not exceeding rupees Ten Crores and net worth not exceeding rupees Twenty Five Crores as on the last days of Previous financial year

As the Company falls in category of exemption given above, particulars of corporate governance disclosure are not applicable.

25. STATEMENT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Disclosure required under section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration) Rules, 2014 have been annexed as Annexure-3.

Further, there is no employee of the Company drawing remuneration of Rs. 5 lacs per month or Rs. 60 lacs per annum.

26. OTHER MATTERS

Following are the other matters to be covered pursuant to Section 134(3) (q) of the Companies Act, 2013 read with Rules made thereunder:

1. Change in nature of business

- There is no change in the nature of the business

2. Details of significant and material orders passed by the Regulators or courts or tribunals impacting the going concern status and company's operation in future

- There is no significant and material orders passed by the Regulators, Courts, or Tribunals

3. Adequacy of Internal Financial Controls with reference to Financial Statements

- There is an adequate system in place for internal financial controls which commensurate with the working operation of the Company

27. DISCLOSURE IN RESPECT OF SCHEME FORMULATED UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013

Since the Company has not formulated any scheme in terms of Section 67(3) of the Companies Act, 2013.

28. REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT {Section 131 (1) S}

The Company has not made any modification or alteration in its Financial Statement / Board Report in respect of the last three financial years.

29. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has zero tolerance for sexual harassment at its workplace. The Company has adopted an Anti-harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Company through this policy has constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints were received under this policy during the Financial Year 2017-2018.

30. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

The Company has complied with the provisions of Secretarial Standards (I & II) issued by the Institute of Company Secretaries of India and approved by the Central Government under section 118(10) of the Companies Act, 2013.

31. MAINTENANCE OF COST RECORD:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the activity of your Company falls under Non-regulated sectors and hence, maintenance of cost record is not applicable to the Company for the Financial Year 2017-2018.

32. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

Registered Office :
FF-6, Amrapali Apartment
Near Air Force Station
Makarpura
Vadodara – 390014
CIN : L51909GJ1993PLC019111
E-mail : towasurvey@yahoo.co.in
Website : www.towasokki.in
Date : 14-08-2018

By Order of the Board
For Towa Sokki Limited
Sd/-
S.J. Bansal
Director
(DIN : 01364898)

**Annexure to Boards' Report
FORM No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third provision is given below:

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sr. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	Nil
b)	Nature of contracts/arrangements/transactions	Nil
c)	Duration of the contracts / arrangements/transactions	Nil
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions	Nil
f)	Date(s) of approval by the Board	Nil
g)	Amount paid as advances, if any:	Nil
h)	Date on which the special resolution was passed in general meeting as required under first provision to section 188	Nil

2. Details of contracts or arrangements or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangement/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	date(s) of approval by the Board	Amount paid as advances, if any
Son of Managing Director	Mr. Somesh Bansal as CFO with yearly remuneration of Rs. 360000/-	01-04-2017 to 31-03-2018	Appointment as CFO with yearly remuneration of Rs. 360000/-	28-07-2014	---
Wife of Managing Director	Mrs. Sushila O. Bansal women director sitting fees of Rs. 5000/-	01-04-2017 to 31-03-2018	Mrs. Sushila O. Bansal women director sitting fees of Rs. 5000/-	28-07-2014	---

Place : Vadodara
Date : 14-08-2018

By Order of the Board
S.J. Bansal
Director
(DIN : 01364898)

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Date: 14th August, 2018

To
The Members
Towa Sokki Limited
FF-6, Amrapali Apartment,
Near Air Force Station,
Makarpura, Vadodara – 390014

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by M/S Towa Sokki Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2018, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings. – Not Applicable to the Company during the Audit period;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
 - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. – Not Applicable to the Company during the Audit Period;
 - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable to the Company during the Audit Period;

E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable to the Company during the Audit Period;

F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable to the Company during the Audit Period;

H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable to the Company during the Audit Period;

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the Audit period, all the decisions were taken by the Board of Directors or Committee of the Board without any dissent by any of the Directors of the Company as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

FOR HEMANG SHAH
PRACTICING COMPANY SECRETARY

HEMANG SHAH
PROPRIETOR
MEMBERSHIP NUMBER: A42892
COP NUMBER: 16114
PLACE: Vadodara
DATE: 14th August, 2018

Note: This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

Annexure to Secretarial Audit Report

Date: 14th August, 2018
To
The Members
Towa Sokki Limited
FF-6, Amrapali Apartment,
Near Air Force Station,
Makarpura, Vadodara – 390014

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on My audit.
2. I have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and the practices, I followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

FOR HEMANG SHAH
PRACTICING COMPANY SECRETARY

HEMANG SHAH
PROPRIETOR
MEMBERSHIP NUMBER: A42892
COP NUMBER: 16114
PLACE: Vadodara
DATE: 14th August, 2018

Statement pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Name	Designation	Ratio
Mr. O.J. Bansal	Managing Director	Nil
Mr. S.J. Bansal	Whole Time Director	Nil

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

During the financial year the remuneration of Managing Director, Whole Time Director, Chief Financial Officer and Company Secretary was not increased.

(iii) The percentage increase in the median remuneration of employees in the financial year;

During the year the percentage increase in the median remuneration of employees as compared to previous year was Nil.

(iv) The number of permanent employees on the rolls of company;

The numbers of on-rolls permanent employees are 2 (excluding Directors).

(v) The explanation on the relationship between average increase in remuneration and company performance;

The increase in the remuneration was dependent upon the individual performance.

(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

The details of remuneration to KMP's have been elaborated in Form No. MGT 9 placed on the website of company at www.towasokki.in The remuneration paid to all 5 KMPs aggregate to 5.58% of revenue. The net revenue during the year is 143.81 Lacs.

vii) variations in the market capitalization of the company and price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;

Since there was very less trading in the shares during F.Y. 2017-18 and 2016-17 at BSE, where the shares are listed, details not generated. The closing price at BSE is Rs. 5.50 as on 31-03-2018 and Rs. 6.36 as on 31-03-2017.

(viii) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

Particulars	Remuneration	% of Gross revenue	% of PBT
Mr. O.J. Bansal, M.D.	135000	0.94	In view of loss, Details not generated
Mr. S.J. Bansal, WTD	135000	0.94	
Mr. Somesh O. Bansal, CFO	360000	2.50	
Mrs. Vandana Yadav, CS	48500	0.34	
Mrs. Preethi Suresh, CS	124000	0.86	

(ix) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average increase in remuneration is Nil for Employees other than Managerial Personnel and Nil for Managerial Personnel.

(x) The key parameters for any variable component of remuneration availed by the directors;

The Managing Director and Whole Time Director was paid remuneration as approved by the Members in General Meeting. No other Director has received any remuneration other than sitting fees.

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and

No employee has received remuneration in excess of remuneration received by the Director.

(xii) Affirmation that the remuneration is as per the remuneration policy of the company.

The Board hereby affirms that the remuneration is as per the remuneration policy of the company

Management Discussion And Analysis

Overall review, Industry Structure and Developments

As mentioned in the Directors report, your Directors are hopeful of achieving a steady growth in sales and job work activity and resultant net margin in the years to follow. 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 are 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.)	
	31-03-2018	31-03-2017
Total Income	14381139	1535861
Total Expenses	39597601	4282602
Earning before Depreciation & Tax	(25216462)	(2746741)
Depreciation	18354	207857
Profit / (Loss) Before Tax	(25234816)	(2954598)
Provision for Tax	--	--
Profit / (Loss) after Tax	(25234816)	(2954598)

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.

B. Disclosures

(i) Related party Transactions

Sr. No.	Particulars of Party	Relationship	Nature of Transactions	Amount in Rupees	
				2017-18	2016-17
1.	Somesh O. Bansal	Son of Managing Director	Remuneration	360000	360000
2.	Mrs. Sushila O. Bansal	Wife of Managing Director	Director sitting fees	5000	5000

The Company does not have any related party transactions, which may have potential conflict with its interest at large.

In terms of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Company is complying with the relevant Accounting Standards with reference to Related Party Disclosures. Further, the Company does not have any holding / subsidiary and associate company and hence disclosure requirement under Para A.2 of Schedule V of the Regulations are not applicable. Policy dealing with related party transaction can be accessed at website www.towasokki.in

(ii) Cases of Non-Compliance

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

(III) Whistle Blower Policy / Vigil Mechanism

The Company has designed Whistle Blower Policy / Vigil Mechanism to enable any person dealing with the Company to raise the alarm to the Audit Committee of the Company if he has reliable information about a malpractice, unethical practice, impropriety, abuse or financial wrongdoing. The disclosure will be thoroughly investigated by the Committee. The members of the Committee may seek information from any sources inside and outside the organization to investigate this, as deemed fit.

Place : Vadodara
Date : 14-08-2018

By Order of the Board
S.J. Bansal
Director
(DIN : 01364898)

Independent Auditor's Report on the Indian Accounting Standards (Ind AS) Financial Statements

To the Members of Towa Sokki Limited,

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of Towa Sokki Limited ('the Company'), which comprise the balance sheet as at 31st March 2018, the statement of profit and loss (including other comprehensive income), the cash flow statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018 and its loss (including other comprehensive income) its cash flows and the statement of changes in equity for the year ended on that date.

Other Matters

The Financial information of the Company for the year ended 31st March 2018 and the transition date opening balance sheet as at 1.4.2016 included in the Ind AS financial statements, are based on the previously issued statutory financial statements for

the years ended 31.3.2017 and 31.3.2016 prepared in accordance with the Accounting Standards as per section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These financial statements were audited by the predecessor auditor, whose reports dated 29th May, 2017 and 26th May, 2016 respectively expressed an unmodified opinion. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to Ind AS have been audited by us, on which we have expressed an unmodified opinion vide our report dated 29th May, 2018. Our opinion is not qualified in respect of other matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A", a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The balance sheet, the statement of profit and loss (including other Comprehensive income) the cash flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
- e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - I. The Company does not have any pending litigation which could impact the financial position in its financial statements.
 - II. There are no foreseeable loss on long term contracts including derivative contracts requiring provision under applicable laws or Accounting Standards.
 - III. There are no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Doogar & Associates
Chartered Accountants
Firm's registration number: 000561N

M.S. Agarwal

Partner
Membership number: 086580
Place: Vadodara
Date: 29.05.2018

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31st March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanation given to us and on the basis of our examination of the records of the company, physical verification of the inventory has been conducted at reasonable intervals by the management and discrepancies noticed which were not material in nature have been properly dealt with in the books of accounts..
- (iii) According to the information and explanation given to us, during the year the company has not granted any loans, secured or unsecured to companies, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted during the year in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) According to information & explanations given to us, Central Government has not specified the maintenance of cost records under sub-section (i) 148 of the companies Act 2013.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employee state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, Goods and Service Tax (GST) and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, GST and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of income tax, or sales tax, or service tax, or duty of custom, or duty of excise, or value added tax, or cess, GST which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company does not have any outstanding loan or borrowing to a financial institution, bank, government or dues to debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). According to the information and explanation given to us, no term loans has been obtained during the year by the Company.

- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Doogar& Associates
Chartered Accountants
Firm's registration number: 000561N

M.S. Agarwal
Partner
Membership number: 086580
Place: Vadodara
Date: 29.05.2018

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Towa Sokki Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Doogar & Associates
Chartered Accountants
Firm's registration number: 000561N

M.S. Agarwal

Partner
Membership number: 086580
Place: Vadodara
Date: 29.05.2018

BALANCE SHEET AS AT 31st MARCH, 2018

(Amount in Rupees)				
	Note No.	As at 31-03-2018	As at 31-03-2017	As at 1-04-2016
ASSETS				
Non-Current Assets				
Property plant and equipment	1	720984	3583735	3468944
Financial Assets				
(i) Loans	2	12000	12000	30000
Other non-current assets	3	145637	35898235	35877184
Total Non-Current Assets		878621	39493970	39376128
Current Assets				
Inventories	4	983120	1416868	2326300
Financial Assets				
(i) Trade receivables	5	2610746	3146679	4411453
(ii) Cash and cash equivalents	6	915809	2877854	251882
(iii) Bank balance other than (ii) above	7	12662497	12097674	--
Other current assets	3	165438	115	17755
Total Current Assets		17337610	19539190	7007390
TOTAL ASSETS		18216231	59033160	46383518
EQUITY QND LIABILITIES				
EQUITY				
(a) Equity share capital	8	64474500	64474500	64474500
(b) Other equity	9	(46380966)	(21146150)	(18191552)
Total Equity		18093534	43328350	46282948
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities		--	--	--
Total Non-Current Liabilities		--	--	--
Current Liabilities				
Financial Liabilities				
(i) Trade Payables	10	71207	44681	59065
(ii) Other Current Financial Liabilities	11	45100	135500	30000
Other current liabilities	12	6390	15524630	11505
Total Current Liabilities		122697	15704811	100570
TOTAL EQUITY AND LIABILITIES		18216231	59033160	46383518
Significant accounting policies				

The Notes referred to above form an integral part of the Financial Statements

As per our report of even date annexed

For DOOGAR & ASSOCIATES

Firm Reg. No: 000561N

Chartered Accountants

M.S. Agarwal

Partner

Membership No: 86580

Place: Vadodara

Date: 29-05-2018

For and on behalf of the Board of Directors

S.J. Bansal

Director

DIN No. 01364898

Somesh O. Bansal

CFO

S.O. Bansal

Director

DIN No. 01488071

Preethi Suresh

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

(Amount in Rupees)

Particulars	Note No.	For the year ended 31-03-2018	For the year ended 31-03-2017
INCOME			
Revenue from operations	13	941275	1314250
Other income	14	13439864	221611
Total Revenue (I)		14381139	1535861
EXPENDITURE			
Cost of materials consumed	15	791000	136500
Purchase of Stock-in-Trade		681993	105126
Changes in inventories of finished goods & work-in-progress	16	(357252)	772932
Employee benefits expense	17	983700	1627200
Depreciation and amortization expense	18	18354	207857
Other expenses	19	37498160	1640844
Total Expenses (II)		39615955	4490459
Profit / (Loss) before Tax (I-II)		(25234816)	(2954598)
Tax expense:			
(1) Current tax		--	--
(2) Differed tax		--	--
Total tax expenses		--	--
Profit / (Loss) for the year		(25234816)	(2954598)
Other comprehensive Income (Loss)		--	--
Total comprehensive income for the year {Comprising profit (loss) and other comprehensive income for the year}		--	--
Net Profit / (Loss) for the year		(25234816)	(2954598)
Earning per equity share: (Face value of Rs. 10 each) in Rupees	26		
Basic		(5.54)	(0.65)
Diluted		(5.54)	(0.65)

Significant accounting policies

The Notes referred to above form an integral part of the Financial Statements

As per our report of even date annexed

For DOOGAR & ASSOCIATES

Firm Reg. No: 000561N

Chartered Accountants

For and on behalf of the Board of Directors

M.S. Agarwal

Partner

Membership No: 86580

S.J. Bansal

Director

DIN No. 01364898

S.O. Bansal

Director

DIN No. 01488071

Place: Vadodara

Date: 29-05-2018

Somesh O. Bansal

CFO

Preethi Suresh

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2018

(Amount in Rupees)

	Year Ended 31-03-2018	Year Ended 31-03-2017
Cash flow from operative activities		
Profit / (Loss) before tax	(25234816)	(2954598)
Add: Non Operative Expenses		
Depreciation	18354	207857
Provision for Expected Credit Loss	903099	840124
Less: Non Operative Income		
Interest income	(854635)	(221611)
Profit on sale of Property, Plant & Equipments	(12585229)	--
Operative profit (loss) before working capital changes	(37753227)	(2128229)
Adjustments for changes in working capital		
(increase) / decrease in Trade Receivables	(367166)	424650
(increase) / decrease in Inventories	433748	909432
(increase) / decrease in Loans & Advances	--	18000
(increase) / decrease in Other Assets	35587275	(3411)
increase / (decrease) in Trade Payables	26527	(14385)
increase / (decrease) in Other Liabilities	(15518240)	15513125
increase / (decrease) in Other Financial Liabilities	(90400)	105500
Net cash generated from operative activities before tax	(17681483)	14824683
Direct tax paid (Net of refund)	---	--
Net cash used in operative activities	(17681483)	14824683
Cash flows from investing activities		
Purchase of Property, Plant & Equipments	(620174)	(322648)
Proceeds from Sales of Property, Plant & Equipments	16049800	--
Interest received	854635	221611
Investment in bank deposit (having original maturity period of more than 3 months)	(564823)	(12097674)
Net cash flow from investing activities	15719438	(12198711)
Cash flows from financing activities	--	--
Increase / (Decrease) in cash and cash equivalents	(1962045)	2625972
Cash and cash equivalents at the beginning of the year	2877854	251882
Cash and cash equivalents at the end of the year	915809	2877854
Components of cash and cash equivalents at the end of the year		
Cash in hand	589804	287752
Balances with bank in current accounts	326005	2590102
	915809	2877854
	As at 31-03-2018	As at 31-03-2017
Reconciliation Statement of Cash and bank Balances		
Cash and cash equivalents at the end of the year as per above	915809	2877854
Add: Deposits with more than 3 months but less than 12 months maturity period	12662497	12097674
Cash and bank balance as per balance sheet (refer note 6 & 7)	13578306	14975528

Note: Disclosure as required by IND AS -7 relating to reconciliation of liabilities arising from financing activities have not been given, as there are no cash flow from financing activities.

As per our report of even date attached

For DOOGAR & ASSOCIATES

Chartered Accountants

Firm Reg. No: 000561N

M.S. Agarwal

Partner

Membership No: 86580

Place: Vadodara

Date: 29-05-2018

For and on behalf of the Board of Directors

S.J. Bansal

Director

DIN No. 01364898

S.O. Bansal

Director

DIN No. 01488071

Somesh O. Bansal

CFO

Preethi Suresh

Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018

(Amount in Rupees)

A. Equity Share Capital

	Balance as at 01-04-2016	Changes in Equity share capital during the year	Balance as at 31-03-2017
For the year ended 31-03-2017	45548000	--	45548000
Add: Share forfeited account	18926500	--	18926500
	64474500	--	64474500
	Balance as at 01-04-2017	Changes in Equity share capital during the year	Balance as at 31-03-2018
For the year ended 31-03-2018	45548000	--	45548000
Add: Share forfeited account	18926500	--	18926500
	64474500	--	64474500

B. Other Equity

Particulars	Reserves and surplus			Items of other comprehensive income	Total Other Equity
	Retained Earnings	Capital Reserve	General Reserve		
Balance as at 01-04-2016	(18943886)	715334	37000	--	(18191552)
Profit / (Loss) for the year	(2954598)	--	--	--	(2954598)
Balance as of 31-03-2017	(21898484)	715334	37000	--	(21146150)
Balance as at 01-04-2017	(21898484)	715334	37000	--	(21146150)
Profit / (Loss) for the year	(25234816)	--	--	--	(25234816)
Balance as of 31-03-2018	(47133300)	715334	37000	--	(46380966)

Significant accounting policies

The Notes referred to above form an integral part of the Financial Statements

As per our report of even date annexed

For DOOGAR & ASSOCIATES

Chartered Accountants

Firm Reg. No: 000561N

M.S. Agarwal

Partner

Membership No: 86580

Place: Vadodara

Date: 29-05-2018

For and on behalf of the Board of Directors

S.J. Bansal

Director

DIN No. 01364898

Somesh O. Bansal

CFO

S.O. Bansal

Director

DIN No. 01488071

Preethi Suresh

Company Secretary

DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARDS (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

				(Amount in Rupees)			
	Refer ence Note No.	As at 31 March 2017 as per previous GAAP	Ind AS Adjustme nt	As at 31 March 2017 as per Ind AS	As at April 1, 2016 as per previous GAAP	Ind AS Adjustment	As at April 1, 2016 as per Ind AS
ASSETS							
Non-Current Assets							
Property plant and equipment		3583735	--	3583735	3468944	--	3468944
Financial Assets							
(i) Loans		12000	--	12000	30000	--	30000
Other Non-Current Assets		35898235	--	35898235	35877184	--	35877184
Total Non-Current Assets		39493970	--	39493970	39376128	--	39376128
Current Assets							
Inventories		1416868	--	1416868	2326300	--	2326300
Financial Assets							
(i) Trade receivables	1	13068537	(9921858)	3146679	13493187	(9081734)	4411453
(ii) Cash and cash equivalents		2877854	--	2877854	251882	--	251882
(iii) Bank balance other than (ii) above		12097674	--	12097674	--	--	--
Other current assets		115	--	115	17755	--	17755
Total Current Assets		29461048	(9921858)	19539190	16089124	(9081734)	7007390
TOTAL ASSETS		68955018	(9921858)	59033160	55465253	(9081734)	46383518
EQUITY AND LIABILITIES							
EQUITY							
(a) Equity share capital		64474500	--	64474500	64474500	--	64474500
(b) Other equity		(11224292)	(9921858)	(21146150)	(9109817)	(9081734)	(18191552)
Total Equity		53250208	(9921858)	43328350	55364683	(9081734)	46282948
LIABILITIES							
Non-Current Liabilities							
Financial liabilities		--	--	--	--	--	--
Total Non-Current Liabilities		--	--	--	--	--	--
Current Liabilities							
Financial Liabilities							
(i) Trade payables		44681	--	44681	59065	--	59065
(ii) Other Current Financial Liabilities		135500	--	135500	30000	--	30000
Other Current Liabilities		15524630	--	15524630	11505	--	11505
Total Current Liabilities		15704811	--	15704811	100570	--	100570
TOTAL EQUITY AND LIABILITIES		68955018	(9921858)	59033160	55465253	(9081734)	46383518

Reconciliation of Equity

Particulars	Note No.	As at 31 st March, 2017	As at 1 st April, 2016
Equity as per Previous GAAP		53250208	55364683
Less			
Expected Credit loss recognised on Debtors	1	(9921859)	(9081734)
Equity as per IND AS		43328350	46282948

Notes:

- Under Indian GAAP, no provision for doubtful debts was made. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Due to this model, the company impaired its trade receivables by Rs. 9081734 as on transition date which has been adjusted as on 1st April, 2016 in retained earnings. The impairment of Rs.840124 for the year ended 31st March, 2017 has been recognised in trade receivables and Statement of Profit and Loss for the year ended 31st March, 2017.
- Deferred Tax Assets on Ind AS adjustment has not been created, as it is not probable that sufficient taxable profits will be available in future against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.
- Under previous GAAP, the Company has not presented Other Comprehensive Income separately. Hence, it has reconciled previous GAAP loss to total comprehensive income/(loss) as per Ind AS.
- The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.
- In line with the requirements of Ind AS, the Company has reclassified certain assets and liabilities as at 1st April, 2016 and 31st March, 2017. These majority includes reclassification between current, non current assets/financial assets and liabilities/financial liabilities.

DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARDS (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

Reconciliation of total comprehensive income / (loss) for the year ended 31st March, 2017

(Amount in Rupees)				
Particulars	Reference Note No.	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
I REVENUE				
Revenue from Operations		1314250	--	1314250
Other Income		221611	--	221611
TOTAL REVENUE		1535861	--	1535861
II EXPENSES				
Cost of raw materials consumed		136500	--	136500
Purchase of Stock-in-Trade		105126	--	105126
Changes in inventories of finished goods, work-in-progress and stock-in-trade		772932	--	772932
Employees benefits expenses		1627200	--	1627200
Depreciation and amortization expense		207857	--	207857
Other expenses	1	800721	840124	1640844
TOTAL EXPENSES		3650336	840124	4490459
III PROFIT (LOSS) BEFORE TAX (I-II)		(2114475)	(840124)	(2954598)
IV TAX EXPENSE		--	--	--
V PROFIT (LOSS) AFTER TAX (III-IV)		(2114475)	--	(2954598)
VI OTHER COMPREHENSIVE (INCOME) / LOSS		--	--	--
VII TOTAL COMPREHENSIVE INCOME / (LOSS) (V+VI)		(2114475)	--	(2954598)
VIII EARNING PER SHARE (In Rs.)				
Basic and Dilutive		(0.46)	--	(0.65)

Reconciliation of total comprehensive income / (loss) as per previously reported under IGAAP to IND AS

Particulars	Note No.	For the year ended 31 st March, 2017
Net Profit / (Loss) as per previous GAAP		(2114475)
Less:		
Expected Credit loss recognized on Debtors	1	(840124)
Total Comprehensive Income (Loss) as per IND AS		(2954598)
Net Profit / (Loss) as per previous IND AS		(2954598)
Other Comprehensive Income (Loss)		--
Total Comprehensive Income for the year		
{Comprising profit (loss) and other Comprehensive income for the year}		(2954598)

Note:

1. Under Indian GAAP, no provision for doubtful debts was made. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Due to this model, the company impaired its trade receivables by Rs. 9081734 as on transition date which has been adjusted as on 1st April, 2016 in retained earnings. The impairment of Rs. 840124 for the year ended 31st March, 2017 has been recognised in trade receivables and Statement of Profit and Loss for the year ended 31st March 2017 .

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Corporate Information

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

NOTE:

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the company has adopted Indian Accounting Standard (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017 and comply with the requirement under Para 3 of Ind AS 101.

These financial statements are the first financial statements of the company under Ind AS. The date of Transition to Ind AS is 1st April, 2016.

The financial statements were authorised for issue in accordance with resolution of Board of directors of the company passed on 29.05.2018

1.2 Basis of Preparation

The financial statements of the company are consistently prepared and presented under historical cost conversion on an accrual basis in accordance with Ind AS except for certain financial assets and liabilities that are measured at fair values.

The company's functional currency and presentation currency is Indian Rupees (INR). All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees, except otherwise indicated.

Classification of Assets and Liabilities into current and Non- Current

The Company presents its assets and liabilities in the Balance Sheet based on current / non-current classification.

As asset is treated as current when it is:

- a) expected to be realised or intended to be sold or consumed in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) expected to be realised within twelve months after the reporting period; or
- d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when :

- a) it is expected to be settled in normal operating cycle;
- b) it is held primarily for the purpose of trading;
- c) it is due to be settled within twelve months after the reporting period; or
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle being a period within twelve months for the purpose of current and non-current classification of assets and liabilities.

1.3 Use of judgements, estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment in the future periods in the carrying amount of assets or liabilities affected.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

In the company's accounting policies, management has made judgements in respect of evaluation of recoverability of deferred tax assets, which has the most significant effect on the amounts recognised in the financial statements:

The following are the key assumptions concerning the future, and the key sources of estimation, uncertainty at the end of reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets & liabilities within:

a) Useful life of property, plant and equipment and intangible assets: The company has estimated useful life of Property, Plant and Equipment as specified in Schedule II to Companies Act 2013. However, the actual useful life for individual equipments could turn out to be different, there could be technology changes, breakdown, unexpected failure leading to impairment or complete discard. Alternatively, the equipment may continue to provide useful service well beyond the useful life assumed.

b) Fair value measurement of financial instruments: When the fair values of financial assets and financial liabilities cannot be measured based on quoted process in active market, the fair value is measured using valuation techniques including book value, the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not possible, a degree of judgement is required in establishing fair values.

c) Impairment of financial and non-financial assets: The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the input for the impairment calculations, based on Company's past history, existing market conditions, technology, economic developments as well as forward looking estimates at the end of each reporting period.

d) Taxes: Taxes have been paid / provided, exemptions availed, allowances considered etc. are based on the extant laws and the company's interpretation of the same based on the legal advice received, wherever required. These could differ in the view taken by the authorities, clarifications issued subsequently by the government and court, amendments to statutes by the government etc.

e) Contingencies: A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligations at the end of the reporting period. However, the actual liability could be considerably different.

1.4 Property, Plant and Equipment

Freehold land is carried at historical cost. All other property, plant and equipment are stated at cost, net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, initial estimation of any decommissioning obligations and finance cost.

When significant parts of the Property, Plant and Equipment are required to be replaced at interval, the company derecognises the replaced part, and recognises the new part with its own associated useful life and depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Cost of Software directly identified with hardware is recognised along with the cost of hardware.

Stores and spares which meet the definition of Property, Plant and Equipment and satisfy recognition criteria of Ind AS 16 are capitalised as Property, Plant and Equipment

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.

Capital Work-in- progress includes cost of Property, Plant and Equipment which are not ready for their intended use.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.

Depreciation on Property, Plant and Equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013 using straight line method. Property, Plant and Equipment which are added / disposed off during the year, depreciation is provided on pro rata basis with reference to the month of addition / deletion.

In line with the provisions of Schedule II of the Companies Act 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components has been assessed based on the historical experience and internal technical inputs.

1.5 Intangible Assets

Intangible Assets are recognised only if they are separately identifiable and the Company expects to receive future economic benefits arising out of them. Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

Intangible assets with finite lives are amortised on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each year end. The amortised expense on intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and Loss.

The useful lives of intangible assets are assessed as either finite or indefinite.

Gains or losses arising from derecognition of an intangible asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets with indefinite useful lives, are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment loss on intangible assets with indefinite life is recognised in the Statement of Profit and Loss.

1.6 Impairment of Non-Financial assets

At each Balance Sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1.7 Inventories

Inventories are valued as under:

Raw materials, packing material, stores and spares are valued at lower of cost (on a weighted average basis) and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above manufacturing cost.

Stock in process is valued at lower of cost (on a weighted average basis) and net realisable value.

Finished goods (including in transit) are valued at cost (on a weighted average basis) or net realisable value whichever is lower. Cost for this purpose includes direct materials, direct labour utilities, other variable direct costs and manufacturing overheads, based on the normal operating capacity and depreciation.

1.8 Cash and cash Equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of statement of cashflows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts as they are considered as an integral part of the Company's cash management.

Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Bank Balances other than above

Dividend escrow account balances, deposits with banks as margin money for guarantees issued by the banks, deposits kept as security deposits for statutory authorities are accounted as bank balances other than Cash and Cash equivalents and includes interest accrued.

1.9 Non-current Assets Held for Sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

1.10 Financial Instruments

A Financial instrument is any contract that gives rise to a Financial asset of one entity and a Financial liability or equity instrument of another entity.

A. Financial Assets:

(i) Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit and loss on the basis of its business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

(ii) Initial recognition and measurement

All Financial assets are recognised initially at fair value plus. In the case of financial assets not recognised at fair value through profit and loss, transaction costs that are attributable to the acquisition of the Financial asset.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(iii) Financial assets measured at amortised cost:

Financial assets are subsequently measured at amortised cost using effective interest rate method (EIR), if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. The losses arising from the impairment are recognised in the Statement of Profit and Loss.

(iv) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal outstanding.

(v) Financial assets measured at fair value through profit and loss

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in profit and loss.

(vi) Derecognition of financial assets

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

A. Impairment of Financial Assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

B. Financial Liabilities

(i) Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

(ii) Initial recognition and measurement

All financial liabilities are recognised initially at fair value. In the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(iii) Subsequent measurement

All financial liabilities are re-measured at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

(iv) Loans and borrowings

Interest bearing loans and borrowings are subsequently measured at amortised cost using effective interest rate (EIR) method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through EIR amortisation process. The EIR amortisation is included as finance cost in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(v) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(vi) Derivative financial instruments

The Company uses derivative financial instruments such as forward currency contracts and options to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The gain or loss in the fair values is taken to Statement of Profit and Loss at the end of every period. Profit or loss on cancellations / renewals of forward contracts and options are recognised as income or expense during the period.

C. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

1.11 Fair value measurement

The Company measures certain financial assets and financial liabilities including derivatives and defined benefit plans at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability; or

In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1.12 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.13 Provisions, Contingent liabilities, Contingent Assets

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligations at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the changes in the provision due to the passage of time are recognised as a finance cost.

Contingent liabilities are disclosed in the case of :

a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;

a present obligation arising from the past events, when no reliable estimate is possible;

a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefit is probable.

1.14 Employee Benefits

A. Short Term Benefits – Provident Fund

Short Term Benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the period in which the related service is rendered.

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the services entitling them to the contribution. As the number of employees in the company are below threshold limit for provident fund registration, provident fund is not applicable in the company.

B. Post Employment benefits – Gratuity (Unfunded)

There are only 2 employees of the company, for which the company accounts for post employment benefit obligations on accrual basis, accordingly, disclosures as per IND AS -19 " Employee Benefits" are not given. The company has not taken any defined benefit plan.

1.15 Segment Information

The Company operates in one operating segment namely "Survey Instruments" and is considered as operating Segment in accordance with IND AS 108.

1.16 Revenue Recognition

The Company recognizes revenue when the amount of revenue can be reliably measured and it is fairly certain that it will be realised.

Sale of Goods

Sales are accounted on passing of risks, rewards and control of ownership attached to the goods to external customers. Gross sales measured at the fair value of the consideration received or receivable and are net of returns and discounts. Goods and Services Tax (GST) is excluded from Sales.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Dividend Income

Dividend income is recognised when the right to receive is established and there is a reasonable certainty of its collection.

Interest Income

Interest income is recognised using the effective interest rate method (EIR). The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments (for example, prepayment, extension, call and similar options) but does not consider the expected credit loss.

Insurance Income

Income in respect of insurance claims are recognised on acceptance basis or when there is reasonable certainty that the ultimate collection will be made.

Others

Income in respect of other claims and commissions are measured at fair value and recognised when there is reasonable certainty that the ultimate collection will be made.

1.17 Taxes on Income

Income Tax expenses comprise current tax expenses and the net change in the deferred tax asset or liabilities during the year. Current and Deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

Current Tax

The Company provides current tax based on the provisions of the Income Tax Act, 1961 applicable to the Company.

Deferred Tax

Deferred tax is recognised using the Balance Sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1.18 Earnings per Share

Basic earnings per share are calculated by dividing the profit after tax or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. In case there are any dilutive securities during the period presented, the impact of the same is given to arrive at diluted earnings per share.

1.19 Leases

Determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset(s) or the arrangement conveys right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor effectively retains substantially all the rights and benefits of ownership of the leased assets are classified as operating leases. Lease payments under operating leases are recognised as an expense in the Statement of Profit and Loss on a straight line basis.

1.20 Foreign exchange transactions

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing at the reporting date. All exchange differences arising on translation of monetary items are dealt with in the Statement of Profit and Loss.

1.21 First-time adoption - mandatory exceptions, optional exemptions

The Company has prepared the opening Balance Sheet as per Ind AS as of the transition date which is 1st April 2016, by

- (a) recognising all assets and liabilities whose recognition is required by Ind AS;
- (b) not recognising items of assets or liabilities which are not permitted by Ind AS;
- (c) reclassifying items from previous GAAP to Ind AS as required under Ind AS; and
- (d) applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below:

a) Derecognition of financial assets and liabilities

The Company has applied the derecognition requirements of financial assets and liabilities prospectively for transactions occurring on or after 1st April, 2016 (date of transition).

b) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

c) Deemed cost for property, plant and equipment, investment property and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment recognised as of 1st April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 1 : Property, Plant and Equipment

(Amount in Rupees)

Particulars	Land	Building Shed	Plant & Mach inery	Electr ical Inst allation	Office Equip ments	Furnitu re and Fixtures	Compu ters & Printers	Vehicles	Total
Gross carrying amount									
Balance as at 1 April 2016	2177315	2650769	693507	91275	201804	211261	146800	1111042	7283773
Additions	--	322648	--	--	--	--	--	--	322648
Disposals	--	--	--	--	--	--	--	--	--
Balance as at 31 March 2017	2177315	2973417	693507	91275	201804	211261	146800	1111042	7606421
Balance as at 1 April 2017	2177315	2973417	693507	91275	201804	211261	146800	1111042	7606421
Additions	--	588174	--	--	30000	--	--	2000	620174
Disposals	2177315	2801087	690388	91275	178966	107600	10400	37270	6094301
Balance as at 31 March 2018	--	760504	3119	--	52838	103661	136400	1075772	2132294
Accumulated depreciation									
Balance as at 1 April 2016	--	1586045	658832	86711	185257	211261	139460	947263	3814829
Depreciation charge during the year	--	110583	--	--	6457	--	--	90817	207857
Disposals	--	--	--	--	--	--	--	--	--
Balance as at 31 March 2017	--	1696628	658832	86711	191714	211261	139460	1038080	4022686
Balance as at 1 April 2017	--	1696628	658832	86711	191714	211261	139460	1038080	4022686
Depreciation charge during the year	--	8346	--	--	4500	--	--	5508	18354
Disposals	--	1562383	655868	86711	170018	107600	9880	37270	2629730
Balance as at 31 March 2018	--	142591	2964	--	26196	103661	129580	1006318	1411310
Net carrying amount as at 31 March 2018	--	617913	155	--	26642	--	6820	69454	720984
Net carrying amount as at 31 March 2017	2177315	1276789	34675	4564	10090	--	7340	72962	3583735

Notes:

1) The Company has elected to value its property, plant & equipments at historical cost as per IGAAP

2) On Transition date i.e. 01.04.2016, the gross block of tangible assets was Rs. 7283773, accumulated depreciation was Rs. 3814829 and net book value was Rs. 3468944.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 2: Loans

Particulars	Non-current			(Amount in Rupees) Current		
	As at 31-03-2018	As at 31-03-2017	As at 1-04-2016	As at 31-03-2018	As at 31-03-2017	As at 1-04-2016
Security Deposits						
Considered good	12000	12000	30000	--	--	--
Total	12000	12000	30000	--	--	--

Note 3: Other Assets

Particulars	Non-current			Current		
	As at 31-03-2018	As at 31-03-2017	As at 1-04-2016	As at 31-03-2018	As at 31-03-2017	As at 1-04-2016
Capital Advances	--	21819548	21819548	--	--	--
Advance tax / tax deducted at source (net of provision)	145637	42887	21836	--	--	--
Balance with revenue authorities	--	--	--	165438	115	17755
Pre-operative Expenses	--	10419412	10419412	--	--	--
Preliminary Expenses	--	40000	40000	--	--	--
Misc. Expenses	--	3576388	3576388	--	--	--
Other Loans and Advances						
Advance for goods / services						
Considered Good	--	--	--	--	--	--
Considered Doubtful	--	--	--	--	--	--
Total	145637	35898235	35877184	165438	115	17755

Note 4: Inventories

	As at 31-03-2018	As at 31-03-2017	As at 1-04-2016
(Valued at lower of cost and net realizable value)			
Raw Materials	--	791000	927500
Finished Goods	983120	625868	1398800
Total	983120	1416868	2326300

Note 5: Trade Receivables

	As at 31-03-2018	As at 31-03-2017	As at 1-04-2016
Unsecured			
Trade Receivables (Considered Good)	2610746	3146679	4411453
Trade Receivables (Considered Doubtful)	10824957	9921858	9081734
Less: Provision for Expected Credit Loss	(10824957)	(9921858)	(9081734)
Total	2610746	3146679	4411453

Note: The company has used a practical expedient by computing the Expected Credit Loss allowance based on a provision matrix. The expected credit loss allowance is based on the ageing of the days, the receivables are due and recognises impairment loss allowance based on lifetime expected loss on each reported date right from its initial recognition. The provision matrix at the end of each reporting period is as under:-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in Rupees)

Particulars	31-03-2018	31-03-2017	1-04-2016
Trade Receivables	13452397	13068537	13493187
Trade Receivables considered for ECL Ageing	13452397	13068537	13493187

Movement in the expected credit loss allowance

Particulars	31-03-2018	31-03-2017
Balance at the beginning of the year	9921858	9081734
Add:		
Increase in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	903099	840124
Balance at the end of the year	10824957	9921858

Note 6: Cash and Cash Equivalents

Particulars	As at 31-03-2018	As at 31-03-2017	As at 1-04-2016
Balance with Banks in current accounts	326005	2590102	126954
Cash on hand	589804	287752	124928
Total	915809	2877854	251882

Note 7: Other Bank Balances

	As at 31-03-2018	As at 31-03-2017	As at 1-04-2016
Deposits with more than 3 months but less than 12 months maturity period*	12662497	12097674	--
Total	12662497	12097674	--
* Includes Interest accrued	528187	197674	

Note 8: Equity Share Capital

Particulars	As at 31-03-2018	As at 31-03-2017	As at 1-04-2016
Authorised Share Capital			
9000000 (previous year 9000000) shares of Rs. 10 each	90000000	90000000	90000000
Issued			
8340100 (previous year 8340100) shares of Rs. 10 each	83401000	83401000	83401000
Subscribed & paid up			
4554800 (previous year 4554800) shares of Rs. 10 each fully paid up	45548000	45548000	45548000
Share Forfeited Account	18926500	18926500	18926500
Total	64474500	64474500	64474500

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31-03-2018		As at 31-03-2017		As at 1-04-2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Paid up equity share capital						
At the beginning of the year	4554800	45548000	4554800	45548000	4554800	45548000
Outstanding at the end of the year	4554800	45548000	4554800	45548000	4554800	45548000
Share Forfeited Account						
At the beginning of the year	--	18926500	--	18926500	--	18926500
Outstanding at the end of the year	--	18926500	--	18926500	--	18926500

Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10/- (previous year Rs. 10/). Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has not allotted any fully paid up equity shares pursuant to contracts without payment being received in cash during the period of five years immediately preceding the balance sheet date.

Details of shareholders' holding more than 5% shares in the company

Equity Share of Rs. 10 each (Previous Year Rs. 10 each)	As at 31-03-2018		As at 31-03-2017		As at 1-04-2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
O.J. Bansal	1066200	23.41%	1066200	23.41%	1066200	23.41%
S.J. Bansal	683400	15.00%	683400	15.00%	683400	15.00%
S.O. Bansal	641300	14.08%	641300	14.08%	641300	14.08%
S.S. Bansal	792800	17.41%	792800	17.41%	792800	17.41%

Note 9: Other Equity

(Amount in Rupees)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 1-04-2016
Capital Reserve			
As per last balance sheet	715334	715334	
Add: Addition during the year	--	--	
	715334	715334	715334
General Reserve			
As per last balance sheet	37000	37000	
Add: Addition during the year	--	--	
	37000	37000	37000
Retained Earnings			
As per last balance sheet	(21898484)	(18943886)	
Add: Profit / (Loss) during the year	(25234816)	(2954598)	
	(47133300)	(21898484)	(18943886)
Total	(46380966)	(21146150)	(18191552)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 10: Trade Payables

(Amount in Rupees)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 1-04-2016
Total outstanding dues to micro enterprises and small enterprises	--	--	--
Total outstanding dues of creditors other than micro enterprises and small enterprises	71207	44681	59065
Total	71207	44681	59065

The disclosure under section 22 of Micro, Small and Medium Enterprises Development Act, 2006, to the extent information available with the company is as under:

Particulars	As at 31-03-2018	As at 31-03-2017	As at 1-04-2016
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;			
- Principal Amount	--	--	--
- Interest due	--	--	--
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	--	--	--
(c) 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 Micro, Small and Medium Enterprises Development Act, 2006	--	--	--
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	--	--	--
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	--	--	--

Note 11: Other Financial Liabilities

Particulars	Non-current			Current		
	As at 31-03-2018	As at 31-03-2017	As at 1-04-2016	As at 31-03-2018	As at 31-03-2017	As at 1-04-2016
Other payables						
Employees related liabilities	--	--	--	45100	135500	30000
Total	--	--	--	45100	135500	30000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 12: Other Liabilities

(Amount in Rupees)

Particulars	Non-current			Current		
	As at 31-03-2018	As at 31-03-2017	As at 1-04-2016	As at 31-03-2018	As at 31-03-2017	As at 1-04-2016
Other payables						
Statutory dues	--	--	--	6390	24630	11505
Advance against sale of Land & building	--	--	--	--	15500000	--
Total	--	--	--	6390	15524630	11505

There are no outstanding dues to be paid to Investor Education and Protection Fund

Note 13: Revenue From Operations

Particulars	Year ended March 31 2018	Year ended March 31 2017
Sale of products		
Traded Goods	864800	1034000
Other operating revenues		
Job Work	76475	280250
Total	941275	1314250

Note 14: Other Income

Particulars	Year ended March 31 2018	Year ended March 31 2017
Interest Income	854635	221611
Profit on sale of Property, Plant & Equipment	12585229	--
Total	13439864	221611

Note 15: Cost of Materials Consumed

Particulars	Year ended March 31 2018	Year ended March 31 2017
Raw Materials Consumed		
Inventory at the beginning of the year	791000	927500
Add: Purchases during the year	--	--
Less: Inventory at the end of the year	--	791000
Cost of raw materials consumed	791000	136500
Total	791000	136500

Note 16: Changes in Inventories of Finished Goods & Stock in Trade

Particulars	Year ended 31-03-2018	Year ended 31-03-2017	(increase) / Decrease
Inventories at the end of the year			
Finished Goods and Stock In Trade	983120	625868	(357252)
	983120	625868	(357252)
Inventories at the beginning of the year			
Finished Goods and Stock In Trade	625868	1398800	772932
	625868	1398800	772932

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 17: Employee Benefits Expenses

(Amount in Rupees)

Particulars	Year ended March 31 2018	Year ended March 31 2017
Salaries, wages and bonus	982500	1626000
Gratuity Expenses	--	--
Contribution to Provident Fund and others	--	--
Staff Welfare Expenses	1200	1200
Total	983700	1627200

Note 18: Depreciation and Amortisation Expenses

Particulars	Year ended March 31 2018	Year ended March 31 2017
Depreciation on tangible assets	18354	207857
Total	18354	207857

Note 19: Other Expenses

Particulars	Year ended March 31 2018	Year ended March 31 2017
Power and Fuel	10422	17565
Repairs to Building	--	558
Repairs to Machinery	52449	12242
Insurance	15461	25226
Rent	74000	6000
Rates, Taxes & Fee	164827	34906
Legal & Professional Fees	153157	204250
Auditors' Remuneration	47200	23000
Other Selling Expenses	29575	33678
Sundry Balance Written Off	35478085	--
Other Miscellaneous Expenses	569885	443296
Allowance for Expected Credit Loss	903099	840124
Total	37498160	1640844

Note 20: Payment to Auditors

Particulars	Year ended March 31 2018	Year ended March 31 2017
Audit Fee	47200	23000
Total	47200	23000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 21: Financial Instruments: Accounting classification, Fair value measurements

31st March, 2018

(Amount in Rupees)

Particulars	Carrying Value	FVTPL	Classification		Amortised Cost	Fair Value		
			FVTOCI			Level 1	Level 2	Level 3
Financial Assets								
Trade receivables	2610746				2610746			
loans	12000				12000			
Cash and cash equivalents	915809				915809			
Bank balance other than above	12662497				12662497			
	16201052	--	--		16201052	--	--	--

Particulars	Carrying Value	FVTPL	Classification		Amortised Cost	Fair Value		
			FVTOCI			Level 1	Level 2	Level 3
Financial Liabilities								
Trade Payables	71207				71207			
Others	45100				45100			
	116307	--	--		116307	--	--	--

31st March, 2017

Particulars	Carrying Value	FVTPL	Classification		Amortised Cost	Fair Value		
			FVTOCI			Level 1	Level 2	Level 3
Financial Assets								
Trade receivables	3146679				3146679			
loans	12000				12000			
Cash and cash equivalents	2877854				2877854			
Bank balance other than above	12097674				12097674			
	18134207	--	--		18134207	--	--	--

Particulars	Carrying Value	FVTPL	Classification		Amortised Cost	Fair Value		
			FVTOCI			Level 1	Level 2	Level 3
Financial Liabilities								
Trade Payables	44681				44681			
Others	135500				135500			
	180181	--	--		180181	--	--	--

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1st April, 2016

(Amount in Rupees)

Particulars	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial Assets							
Trade receivables	4411453			4411453			
loans	30000			30000			
Cash and cash equivalents	251882			251882			
Bank balance other than above	0			0			
	4693335	--	--	4693335	--	--	--

Particulars	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial Liabilities							
Trade Payables	59065			59065			
Others	30000			30000			
	89065	--	--	89065	--	--	--

The Management Assessed that carrying amount of Trade Receivables, Loans, cash and cash equivalents, bank deposit approximates their fair value largely due to short term maturities of these instruments.

Note: 22 Financial Risk Management

The company's activities expose it to a variety of financial risks: interest rate risk, credit risk and liquidity risk. The company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the company's financial performance.

Interest rate risk

Interest rate risk primarily arises from floating rate borrowings. The Company do not have any borrowings, hence the management of the company considers interest rate risk as immaterial.

Credit risk

Credit risk is the risk of financial loss to the company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables. The company has made provision for expected credit loss (ECL) for Rs. 10824957 as at 31.03.2018. Credit risk from cash and cash equivalents, bank deposits are considered as immaterial in view of credit worthiness of the bank the company works with. The company has specific policies for managing customer credit risk on an on-going basis. Financial assets are written off when there is no reasonable expectation of its recovery.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company's finance department is responsible for fund management. In addition, processes and policies related to such risks are overseen by senior management.

Particulars	31st March, 2018	31st March, 2017
Cash, Cash Equivalent & Bank Balances (Note 6 and 7)	13578306	14975528
Total	13578306	14975528

The Company is debt free and has adequate liquidity to meet any exigencies. It is therefore considered adequate by the management that the company is not exposed to any kind of liquidity risk.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Capital Risk Management

The Company's capital risk management policy objective is to ensure that at all times, it remains a going concern and safeguard the interest of its shareholders and other stakeholders.

(Amount in Rupees)		
Particulars	31st March, 2018	31st March, 2017
Net Financial Debt		
Total Equity	18093534	43328350

The company's total owned funds of Rs. 18093534 with zero debt is considered adequate by the management to meet its business interest and any capital risk, it may face in future.

Foreign Currency Risk

The exposure to foreign currency transaction is not material, hence, the company does not foresee any foreign currency risk.

Note: 23: Contingent Liabilities & Capital Commitments not provided for:-

Particulars	31st March, 2018	31st March, 2017
Estimated amount of Committed Contracts (Net of Advances)	--	124000

Note 24:

Since the tax expenses for the year ended 31.03.2018 is NIL and there are no deferred tax assets / liability, effective tax rate reconciliation has not been furnished.

Note 25: Related party disclosures

Related party disclosures as required by Indian Accounting Standard (Ind AS) -24 is as under:-

A. List of related parties and relationship

Key Management Personnel
Mr. O.J. Bansal
Mr. S.J. Bansal
Mr. Somesh O. Bansal
M. Sushila O. Bansal
Mrs. Vandana Yadav (upto 4-07-2017)
Mrs. Preethi Suresh (w.e.f. 1-08-2017)

B. Transactions with related parties

Disclosure of Transactions with Related Parties, as required by Ind AS 24 'Related Party Disclosure' is given below

Description	Key Management Personal and their relatives	
	Current Year	Previous Year
Short-term employee benefits to Directors and Key Managerial Personnel		
Mr. O.J. Bansal (Managing Director)	225000	540000
Mr. S.J. Bansal (Whole Time Director)	225000	540000
Mr. Somesh O. Bansal (CFO)	360000	360000
Mrs. Vandana Yadav (Company Secretary) (upto 4-07-2017)	48500	186000
Mrs. Preethi Suresh (Company Secretary) (w.e.f. 1-08-2017)	124000	--

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Rent Paid	Amount in Rupees	
	Current Year	Previous Year
Particulars		
Mr. Somesh O. Bansal	56000	--

Short-term employee benefits - Directors Sitting Fees

Particulars	Current Year	Previous Year
Mrs.. Sushila O. Bansal	5000	5000
Mr. H.R. Patel	5000	5000
Mr. H.L. Barot	5000	5000
Mr. G.C. Agarwala	4000	4000

Post- employee benefits

Particulars	Current Year	Previous Year
Mr. O.J. Bansal	--	--
Mr. S.J. Bansal	--	--
Mr. Somesh O. Bansal	--	--
M. Sushila O. Bansal	--	--

Note 26: Earning Per Share (EPS)

Particulars	For the Year ended 31-03-2018	For the Year ended 31-03-2017
Basic and Diluted Earnings Per Share		
Profit / (Loss) after tax as per profit & loss account (In Rs.) (A)	(25234816)	(2954598)
No. of Equity Shares (B)	4554800	4554800
Basic and Diluted Earnings Per Share (Rs.) (A/B)	(5.54)	(0.65)

Note 27: Segment

a. The Company is engaged in manufacturing and selling of Survey Instruments. These in context of Indian Accounting Standard 108 (Ind AS 108) on Segment Reporting are considered to constitute one single operating segment.

b. Revenue on Product Group use basis (IND AS 108 Para-32)

Description	31-03-2018	31-03-2017
Traded Goods	864800	1034000
Job Work	76475	280250
	<u>941275</u>	<u>1314250</u>

c. Revenue as per Geographical area (IND AS Para 33(a))

Description	31-03-2018	31-03-2017
Within India	941275	1314250
Outside India	--	--
	<u>941275</u>	<u>1314250</u>

d. The entire noncurrent assets are located in India.

e. None of the customer individually account for 10% or more sales.

Note 28: The provisions of section 135 of Companies Act, 2013 relating to expenditure on Corporate Social Responsibility are not applicable to the company as networth / Turnover / net Profit criteria are not achieved.

Note 29: Standards issued but not effective

The Ministry of Corporate affairs have issued Companies (Indian Accounting Standard) Amendment Rules 2017 and Companies (Indian Accounting Standard) Amendment Rules 2018 amending IND AS 115, which is applicable to company on or after 01.04.2018. The effect of applying IND AS 115 on the financial Statements will be immaterial.

Note 30: Previous year / period have been re-grouped, reclassified to conform to current year IND AS presentation requirements.

The Notes referred to above form an integral part of the Financial Statements

As per our report of even date annexed

For DOOGAR & ASSOCIATES

Firm Reg. No: 000561N

Chartered Accountants

M.S. Agarwal

Partner

Membership No: 86580

Place: Vadodara

Date: 29-05-2018

For and on behalf of the Board of Directors

S.J. Bansal

Director

DIN No. 01364898

S.O. Bansal

Director

DIN No. 01488071

Somesh O. Bansal

CFO

Preethi Suresh

Company Secretary

TOWA SOKKI LIMITED

Registered Office : FF-6, Amrapali Apartment, Near Air Force Station, Makarpura, Vadodara – 390 014

CIN : L51909GJ1993PLC019111

Tel / Fax : 0265-2652851 E-mail : towasurvey@yahoo.co.in Website : www.towasokki.in

FORM No. MGT-12: Polling Paper/ Ballot Form/ Attendance Form

(TO BE USED BY SHAREHOLDERS PERSONALLY PRESENT/THROUGH PROXY AT THE MEETING AND HAVE NOT OPTED FOR E-VOTING)

[Persuant to Section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rule, 2014]

Note : This ballot paper duly filled is to be submitted by the Members of the Company attending AGM in person/ proxy during Poll as ordered by the chairman of the Company on Saturday, 29th September, 2018. The Members can participate in Poll only if they have not exercised their vote electronically.

TOWA SOKKI LIMITED

Registered Office: FF-6, Amrapali Apartment, Near Air Force Station, Makarpura, Vadodara – 390 014

BALLOT PAPER

Sr. No.	Particulars	Details
1	Name of the first Named Shareholder (In block Letters)	
2	Postal Address	
3	Registered Folio No. / *Client Id No.	
4	Number of Shares : Class : Equity Shares	

(* Applicable to investors holding shares in dematerialized form)

I hereby exercise my vote in respect of Ordinary Resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No.	Item No.	No of Shares Held	I assent to the resolution (Yes in favor)	I Dissent from the resolution (Not in favor)
	Ordinary Resolution			
1	Approval of Financial Statements for the year ended 31-03-2018			
2	Re-appointment of Smt. Sushila O. Bansal as director liable to retire by rotation			

Place : Vadodara

Date ;

Signature of shareholder

TOWA SOKKI LIMITED

Registered Office : FF-6, Amrapali Apartment, Near Air Force Station, Makarpura, Vadodara – 390 014

CIN : L51909GJ1993PLC019111

Tele / Fax : 0265-2652851 E-mail : towasurvey@yahoo.co.in Website : www.towasokki.in

FORM No. MGT-11: PROXY FORM

[Persuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s) :	
Registered Address :	
Email ID :	
Folio No. / DP & Client ID	

I/We, being the member (s) of _____ shares of the above named Company, hereby appoint:

1.	Name	:	_____
	Address	:	_____
	Email ID	:	_____
	Signature	:	_____ or falling him
1.	Name	:	_____
	Address	:	_____
	Email ID	:	_____
	Signature	:	_____ or falling him
1.	Name	:	_____
	Address	:	_____
	Email ID	:	_____
	Signature	:	_____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of Towa Sokki Limited to be held on Saturday, 29th day of September, 2018 at 10:00 a.m. at Gypsy Grand, 101/102, Pancham Avenue, Near Essar Petrol Pump, Susen-Tarsali Road, Tarsali, Vadodara – 390009, and at any adjournment hereof in respect of such Resolutions as are indicated below:

	Ordinary Resolution
1	Approval of Financial Statements for the year ended 31-03-2018
2	Re-appointment of Smt. Sushila O. Bansal as director liable to retire by rotation

Signed this _____ day of _____, 2018

Signature of Shareholder

Signature of Proxy holder(s)

Rs. 1/-
Revenue
Stamp

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. For the resolutions, Explanatory Statement and Notes please refer Notice of the Annual General Meeting.



TOWA SOKKI LIMITED

Registered Office : FF-6, Amrapali Apartment, Near Air Force Station, Makarpura, Vadodara – 390 014

CIN : L51909GJ1993PLC019111

Tele / Fax : 0265-2652851 E-mail : towasurvey@yahoo.co.in Website : www.towasokki.in

ATTENDANCE SLIP

Name and Address Of Shareholder	
No. of Shares	
Folio No. / Client ID	

I / We, hereby record my / our attendance at the Twenty Sixth Annual General Meeting at 10:00 a.m. on Saturday, 29th day of September, 2018 at 10:00 a.m. at Gypsy Grand, 101/102, Pancham Avenue, Near Essar Petrol Pump, Susen-Tarsali Road, Tarsali, Vadodara – 390009

Signature of Shareholder or Proxy _____

E-mail address _____

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report at the meeting.

PRINTED MATTER

To,

If Undelivered Please Return to :



Towa Sokki Limited

Regd. Office : FF-6, Amrapali Apartment, Near Air Force Station,
Makarpura, VADODARA – 390 014

CIN : L51909GJ1993PLC019111 * Tele. Fax : 0265-2652851

E-mail : towasurvey@yahoo.co.in * Website : www.towasokki.in