

Towa Sokki Limited



EIGHTEENTH ANNUAL REPORT 2009 - 2010

BOARD OF DIRECTORS

| | |
|-------------------|-------------------|
| Shri O.J.Bansal | Managing Director |
| Shri S.J.Bansal | Director |
| Smt. S.O.Bansal | Director |
| Shri R.S.Patel | Director |
| Shri M.S.Agarwal | Director |
| Shri G.C.Agarwala | Director |

BANKERS

Bank of Baroda

AUDITORS

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

COMPANY LAW CONSULTANTS

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

REGISTERED OFFICE

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

NOTICE

18th Annual General Meeting will be held at the Company's Registered office on Wednesday, 29th September, 2010 at 11.00 A.M.

CONTENTS

| |
|---|
| Notice |
| Directors' Report |
| Auditor's Report |
| Balance Sheet |
| Profit and Loss Account |
| Schedules forming part of Balance Sheet and Profit and Loss Account |
| Notes on Accounts |
| Balance Sheet Abstract |
| Cash Flow Statement |
| Proxy Form |

NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the members of TOWA SOKKI LIMITED will be held on Wednesday, 29th September 2010, at 11.00 a.m. at the Registered office of the Company at 919/3, GIDC, Makarpura, Vadodara-390 010 to transact the following Business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2010, Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To appoint Director in place of Shri. G.C. Agarwala, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri M. S. Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT Shri Anil Gupta who was appointed as an additional director by the Board to hold office up to the date of this Annual General Meeting and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from a member signifying its intention to propose, Shri Anil Gupta as a candidate for the office of the director be and is hereby elected and appointed as Director of the company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board or any other person authorized by the Board in this regard, be and is hereby authorized to do all such acts, deeds and things as may be necessary, desirable or expedient for giving effect to this resolution"

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 314 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to approval from Central Government, if required, the consent of the Company be and is hereby accorded to the re-appointment of Shri O.J.Bansal as Managing Director of the Company, for a period of three years with effect from 1st October 2010 on the terms and conditions, including remuneration, as are set out in the agreement to be entered into between the Company and Shri O.J.Bansal, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board") to alter and vary the terms and conditions

of the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactments thereof, for the time being in force), or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Shri O.J.Bansal.

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 314 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to approval from Central Government, if required, the consent of the Company be and is hereby accorded to the re-appointment of Shri S.J.Bansal as Whole Time Director of the Company, for a period of three years with effect from 1st October 2010 on the terms and conditions, including remuneration, as are set out in the agreement to be entered into between the Company and Shri S.J.Bansal, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board") to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactments thereof, for the time being in force), or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Shri S.J.Bansal.

8. To consider, and, if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactments thereof, the approval of the Company be and is hereby accorded to the appointment of Miss Preeti S. Bansal as Marketing Executive, for a period of 3 years with effect from 1st October, 2010 on terms and conditions including salary as set out in the explanatory statement annexed to the Notice convening this meeting and to his holding and continuing to hold an office or place of profit as such in the Company.

9. To consider, and, if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactments thereof, the approval of the Company be and is hereby accorded to the appointment of Mr. Somesh O. Bansal as Instrument Engineer, for a period of 3 years with effect from 1st October, 2010 on terms and conditions including remunerations as set out in the explanatory statement annexed to the Notice convening this meeting and to his holding and continuing to hold an office or place of profit as such in the Company.

10. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :

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

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

11. To consider, and, if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution :

"RESOLVED THAT, pursuant to the Provision of Section 31 and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof), the existing Articles of Association of the Company be and are hereby altered in the manner and to the extent following:

(1) Following new expressions/definitions shall be inserted in Article 2 (a) (Interpretation Clause) after the Marginal Notes definitions:

"Beneficial Owner"

"Beneficial Owner" means a persons as defined by section 2(1) (a) of Depository Act, 1996.

"Bye-Laws"

"Bye-Laws" means "Bye-Laws" as defined under Section 26 of Depository Act, 1996.

"Depository Act, 1996"

"Depository Act, 1996" means Depository Act, 1996 and includes any statutory modification reenactment thereof the time being in force.

"Depository"

"Depository" means and include a company as defined under section 2(1) (e) of the Depositories Act.

"Regulations"

"Regulations" means a made by SEBI.

"SEBI"

"SEBI" means Securities and Exchange Board of India.

"Security"

"Security" means such security as may be specified by SEBI from time to time.

"Share Equivalents"

"Share Equivalents" means any debenture, preference Shares, foreign currency convertible bonds, floating rate notes, instruments, options, warrants or other securities or rights which are by their terms convertible or exchangeable into shares of the Company's issued share capital.

(2) Following new Articles be inserted after the existing Article 6 :

6A. Share Equivalent

The Company shall, subject to the provisions of the Act, and in compliance with all applicable laws, rules and regulations, have power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

6B. Power to issue of ADRs / GDRs / FCCBs etc.

The Company shall, subject to the provision of the Act, and in compliance with all applicable laws, rules and regulations, have power to issue ADRs (American Depository Receipts), GDRs (Global Depository Receipts), FCCBs (Foreign Currency Convertible Bonds) and any other instruments or securities convertible into shares of the Company on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include, at the discretion of the Board, limitations on voting rights, including without limitation, exercise of voting rights in accordance with the directions of the board or otherwise.

6C. Employees Stock Option Scheme / Employee Stock Purchase Scheme

The Board shall have the power to grant, offer, issue and allot options/shares to such of the employees of the Company or its Subsidiary and/or Holding Company or managing and whole time directors of the Company (hereinafter collectively referred to as "employees") as may be selected by the Board or by the trustees of the trust that may be set up for the benefit of the employees in accordance with the terms and conditions of the scheme, trust, plan or proposal which may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in accordance with the applicable laws and regulations in that behalf in force from time to time; and on such terms and conditions as the Board may in its discretion deem fit.

6D. Power to Issue Sweat Equity Shares

The Board shall have a power to issue sweat equity shares in manner and subject to conditions contained in section 79 (A) of the Act.

6E. Power of Company to purchase its own Securities

Notwithstanding anything contained in the Act, but subject to the provision of Sub-section (2) and Section 77 B of the Act, the Company shall have power to purchase its own shares or other specified securities (Referred to as Buy-Back) from.

- (a) Out of free Reserve or,
- (b) Out of Share Premium Account or,
- (c) Out of proceeds of an earlier Issue other than fresh Issue of share made specifically for the purpose of Buy-Back Shares.

6F. Term of issue of Debenture

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

Debentures with voting rights not to be issued

- (a) The Company shall not issue any debenture carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business, Debenture-stock, bonds or other securities with the right to allotment of or conversion into share shall not be issued except with the sanction of the Company in general meeting.
- (b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.
- (c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.
- (d) Certain charges (whether expression includes mortgages) mentioned in Section 125 of the Act, shall be void against the Liquidator or Creditors unless registered as provided in Section 125 of the Act.
- (e) A contract with the Company to take up and pay any debentures of the Company may be enforced by a decree for specific performance.
- (f) Unless the conditions of issue thereof otherwise provide, the Company shall (Subject to the provision of Section 113 of the Act) within three months after the allotment of its debentures or debenture-stock and within one month after the application for the transfer of any such debentures or debenture-stock have completed and delivered the certificate of all debenture-stock allotted or transferred.

- (g) The Company shall comply with the provisions of Section 118 of the Act as regards supply of copies of Debenture Trust Deed and inspection thereof.
- (h) The Company shall comply with the provision of Sections 124 to 145 (inclusive) of the Act as regards registration of Charges.

(3) Article 64 be replaced by following and be read as below:

64. (A) Custody of Instrument of transfer

The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

Dematerialisation/ Rematerialisation

Notwithstanding anything contained in these Articles the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depository Act, 1996.

Option for Investors

Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the Securities can at any time option out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issued to the beneficial owner the required Certificates for the Securities. If a person options to hold its Security with Depository, the Company shall intimate such depository the details of allotment of the Security.

Securities in Depository to be in fungible form

All securities of the Company held by the Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187C and 372A of the Act shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

Rights of Depositories and Beneficial Owners

- (i) Notwithstanding any thing to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.
- (ii) Save as otherwise provided in (i) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
- (iii) Every person holding Securities of the Company and whose name is entered as the beneficial owner in the record of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.

Service of Documents

Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

Nothing contained in Section 108 of the Act, shall apply to a transfer of Securities effect by a transferor and transferee both of whom are entered as beneficial owners in the record of a depository.

Allotment of Securities dealt with in a depository

Notwithstanding anything contained in the Act, where Securities are dealt with by a depository the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Register and Index of Members

The company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996 shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

Applicability of the depositories Act

In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form with a Depository, the provisions of the Depositories Act, 1996 shall apply.

64 (B) Nomination of Shares/ Debentures

(c) (i) Every Shareholder or Debenture-holder or deposit holder of the Company, may at any time, nominate a person to whom his Shares or Debentures or Deposit shall vest in the event of his death in such manner as may be prescribed under the Act, and shall have all powers vested under Section 1098 of the Depository Act, 1996.

(ii) Where the Shares or Debentures or deposits of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the Shares or Debentures or Deposits as the case may be shall vest in the event of death of all the joint holders.

(iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purpose to confer on any person the right to vest the Shares or Debentures or Deposits, the nominee shall, on the death of the Shareholder or Debenture holder or deposit holder, as the case may be on the death of the joint holders become entitled to all the rights in such Shares or Debentures or Deposits as the case may be, all the joint

holders, in relation to such Shares or Debentures or Deposits, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may prescribed under the Act.

(iv) Where the nominee is a minor, it shall be lawful for the holder of the Shares or Debentures or Deposits, to make the nomination to appoint any person to become entitled to Share in, or Debentures or deposits of, the Company, in the manner prescribed under the Act, in the event of his death, during the minority.

Claimant to be entitled to same advantage

The person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and others advantages to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with."

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24-9-2010 to 29-9-2010 [Both days inclusive]
3. Shareholders seeking any information with regard to accounts are requested to write to the Company at least seven days in advance so as to enable the Company to keep the information ready.
4. Re-appointment of Directors :
At the ensuing Annual General Meeting Shri G. C. Agarwala and Shri M. S. Agarwala retire by rotation and being, eligible offer themselves for re-appointment. The details pertaining to the Directors required to be provided under Clause of the Listing Agreement are furnished in the statement of Corporate Governance.
5. The Explanatory statement, relating to special business mentioned in items No. 5 to 11 of the notice, as required under section 173(2) of the Companies Act, 1956, is attached herewith.
6. Members are requested to bring their copy of the annual report and the duly filled in attendance slip with them at the annual general meeting.

Regd. Office :
919/3, GIDC, Makarpura,
Vadodara-390 010
Date : 20-08-2010

By order of the Board,
TOWA SOKKI LIMITED

O. J. Bansal
Chairman

The Board recommends the Resolution set out in Item No. 6 of the Notice for approval by Members
The above statement may be treated as an abstract of the terms of contract with the Managing Director and the Memorandum of Interest as required u/s.302 of the Companies Act, 1956.

Item No.7

The present term of office of Shri S.J.Bansal as Whole Time Director is expiring on 30th September 2010. The Board of Director, has re-appointed him as Whole Time Director for a further period of three years from the expiry of his term.

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

- I. Salary of Rs. 30,000/- per month (upto Rs. 75,000/- p.m.) with power to the Board of Directors to increase the salary from time to time within the overall ceiling prescribed by the Central Government.
- II. The Whole Time Director shall also be entitled to the following Perquisites.
 - a. Free furnished residential accomodation or House Rent Allowance as may be fixed by the Board from time to time.
 - b. Reimbursement of Gas, Electricity, Water and furnishings at his residence.
 - c. Reimbursement of Medical expenses incurred for self and family.
 - d. Personal accident insurance premium.

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

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

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

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

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

Item No. 8

The Board of Directors at their meeting held on 20th August 2010 have, subject to the approval of the Members in the general meeting, approved the proposal of appointment of Miss Preeti S. Bansal as Marketing Executive for a period of 3 (three) years from 1st October 2010.

Miss Preeti S. Bansal holds a Masters of Business Administration Degree from the ICFAI University, Baroda Campus.

The present proposal is to seek the members approval for appointment of Miss Preeti S. Bansal as Marketing Executive of the Company and approve her remuneration and to her holding and continuing to hold an office or place of profit as such in the Company.

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

The Monthly Salary payable to Miss Preeti S. Bansal will be Rs. 20,000/- P.M. with an annual increase of Rs. 2,000 in her salary.

Shri S.J. Bansal, Director of the Company is the father of Miss Preeti S. Bansal and hence is deemed to be concerned or interested in the said resolution.

The Board recommends the Resolution set out in Item No. 8 of the Notice for approval by Members

Item No. 9

The Board of Directors at their meeting held on 20th August 2010 have, subject to the approval of the Members in the general meeting, approved the proposal of appointment of Mr. Somesh O. Bansal as Instrument Engineer for a period of 3 (three) years from 1st October 2010.

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

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

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

The Monthly Salary payable to Mr. Somesh O. Bansal will be Rs. 20,000/- P.M. with an annual increase of Rs. 2,000 in his salary.

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

The Board recommends the Resolution set out in Item No. 9 of the Notice for approval by Members

Item No. 10

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

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

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

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

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

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

The Board recommends the Resolution set out in Item No. 10 of the Notice for approval by Members

Item No. 11

The existing Articles of Association of the Company necessitate certain changes to incorporate and reflect in them some of the relevant amendments brought about, from time to time, in the Companies Act, 1956, (the Act) and other statutes. The proposed alterations, detailed in the special resolution, are therefore recommended to bring Articles of Association of the company in conformity with the existing applicable provisions of the laws, rules, regulations. Accordingly, some new articles are proposed to be incorporated in the Articles of Association of the Company. At the same time, certain articles requiring amendments to provide flexibility and ease in the business operations of the Company are proposed to be suitable altered, whereas, few articles are required to be enlarged in its scope and applicability. Hence your directors recommend to make necessary alterations in the Articles of Association as contained in proposed resolution.

As per the provisions of Section 31 of the Companies Act, 1956, any alteration to the Articles of Association shall be subject to approval of Members by means of Special Resolution.

Copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. on any working day of the Company.

Towa Sokki Ltd.



None of the Directors of the Company is in any way concerned or interested in this resolution.
The Board recommends the Resolution set out in Item No. 11 of the Notice for approval by Members

PLACE : VADODARA
DATE : 20-08-2010

By Order of the Board
TOWA SOKKI LIMITED
O. J. Bansal
Chairman

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 18th Annual Report together with audited statement of accounts for the year ended 31st March, 2010.

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

| Particulars | 31-03-2010 | 31-03-2009 |
|--------------------------|------------|------------|
| Total Income | 1735703 | 1987392 |
| Depreciation | 239931 | 191293 |
| Profit (Loss) Before Tax | 37064 | (1600246) |
| Provision for Tax (FBT) | — | 20060 |
| Profit (Loss) after Tax | 37064 | (1620306) |

OPERATIONS AND FUTURE PLANS :

The operations for the year under review shows a profit of Rs. 37064

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

Your Directors are also looking and examining other business options including acquisition of running businesses as well as other good and viable opportunities where some value and synergies can be perceived. It is our Objective that we commence more activities in 2010-11 and consolidate in 2011-12. We would like to see that the Company is enroute to generate a healthy top line and bottom line from 2012-13 onwards.

DIVIDEND :

The Company has generated profits but in view of the accumulated losses, management does not propose any dividend for the year 2009-10.

DIRECTORS :

Shri G. C. Agarwala and Shri M.S. Agarwal retire at the ensuing Annual General Meeting, and being eligible offers themselves for re-appointment. Shri Anil Gupta was appointed as additional director of the Company on 20-8-2010 and hold office till the date of Annual General Meeting. Notice is received for his re-appointment at the Annual General Meeting. Shri R.S. Patel resigned from the Board with effect from 20-8-2010.

DIRECTOR'S RESPONSIBILITY STATEMENT :

Your Directors State :

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

- b) that the Directors had selected such accounting policies and applied the mconsistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- d) that the Directors had prepared the annual accounts on a going concern basis.

FIXED DEPOSITS :

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

CORPORATE GOVERNANCE AND COMPLIANCE CERTIFICATE

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

LISTING AGREEMENTS REQUIREMENTS :

The securities of your company are listed at Bombay, Vadodara, Ahmedabad, Jaipur and Madras Exchanges. Trading in company's securities remain suspended at Stock Exchanges for various reasons including non submission of documents and all possible steps are being taken by the management to get shares traded at the floor of the Exchange.

BUY-BACK OF SHARES :

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

PARTICULARS OF THE EMPLOYEES :

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

AUDITORS

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

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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



FOREIGN EXCHANGE EARNING AND OUTGO :

| | |
|---|------------|
| 1. Earnings in Foreign Exchange | NIL |
| 2. Expenditure in Foreign Currency Imports of Raw Materials, Spares and Components | Rs. 174226 |

ACKNOWLEDGEMENTS

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

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

Place : Vadodara
Date : 20-08-2010

For TOWA SOKKI LIMITED
O. J. Bansal
Managing Director

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

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

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

1. BOARD OF DIRECTORS:

As on 31-03-2010, the Company's Board consisted of two promoter Executive Directors, one promoter Non-Executive Director, one Promoter Independent and two Independent Directors. Shri R. S. Patel, who was a Promoter/Independent Director, resigned from the Board on 20-08-2010 and Shri Anil Gupta joined the Board as Additional Director (Independent) with effect from 20-08-2010.

The Board of the Company met four times during the last financial year on the following dates : 29-06-2009, 31-07-2009, 31-10-2009 and 30-01-2010.

Code of Conduct:

The Company has already implemented a Code of Conduct for all Board Members and Senior Management of the Company in compliance with Clause 49(1) of the Listing Agreement. But, since the operations of the Company were not much, the application of the code of conduct was limited to that extent.

The constitution of the Board (as on 31-03-2010) and the attendance of the Directors is given below:

| Name of the Director | Category of the Director | No. of other Directorship (*) | No. of Board Meetings Attended | Attendance at Last AGM |
|----------------------|--------------------------|-------------------------------|--------------------------------|------------------------|
| O.J. Bansal | Promoter / Executive | NIL | 2 | No |
| S.J. Bansal | Promoter / Executive | NIL | 4 | Yes |
| S.O. Bansal | Promoter / Non-Executive | NIL | 4 | Yes |
| R.S. Patel | Promoter / Independent | NIL | 0 | No |
| M.S. Agarwal | Independent | NIL | 1 | Yes |
| G.C. Agarwala | Independent | NIL | 0 | No |

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

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

* Leave of absence was given to O.J. Bansal, R.S. Patel, M.S. Agarwal and G.C. Agarwala for those Board meetings which they could not attend.

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



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

2. AUDIT COMMITTEE:

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

During the relevant financial year, four Audit Committee Meetings were held on 29-06-2009, 31-07-2009, 31-10-2009 and 30-01-2010.

The constitution of the committee (as on 31-03-2010) and the attendance of each member of the Committee is given below:

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

3. SHARE HOLDERS' GRIEVANCE / SHARE TRANSFER COMMITTEE:

Share Holders' Grievance Committee

Share Holders Grievance Committee consists of two independent directors and one compliance officer who have met on 29-06-2009, 31-07-2009, 31-10-2009 and 30-01-2010.

The data for the year is as follows: No complaint is received from share holders. No complaint is pending as on 31-03-2010.

The constitution of the committee (as on 31-03-2010) and the attendance of each member of the Committee is given below:

| Name of the Member | Category | No. of Meetings | Attendance (Nos.) |
|--------------------|----------------------|-----------------|-------------------|
| S.J. Bansal | Compliance Officer | 4 | 4 |
| G.C. Agarwala | Independent Director | 4 | 0 |
| M.S. Agarwal | Independent Director | 4 | 1 |

Share Transfer Committee:

The same members of Share Holders Grievance Committee are the members of this committee also. The Committee has met four times on 29-06-2009, 31-07-2009, 31-10-2009 and 30-01-2010.

4. REMUNERATION PAID TO DIRECTORS DURING THE YEAR:

| Name of Director | Designation | Salary / Remuneration |
|---------------------|-------------------|-----------------------|
| 1) Shri O.J. Bansal | Managing Director | Rs. 240000 |

5. OTHER DETAILS / INFORMATIONS:

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

| Year Ended | Venue | Date | Time |
|------------|--|------------|----------|
| 31-03-2009 | 919/3, GIDC Estate, Makarpura, Vadodara – 390010 | 30-09-2009 | 11.00 AM |
| 31-03-2008 | 919/3, GIDC Estate, Makarpura, Vadodara – 390010 | 12-08-2008 | 11.00 AM |
| 31-03-2007 | 919/3, GIDC Estate, Makarpura, Vadodara – 390010 | 29-09-2007 | 11.00 AM |

The Company has neither used Postal Ballot nor passed any special resolutions, and there was no Extra Ordinary General Meetings of the members of the Company during the relevant year.

*** Means of Communication:**

The Company is filing all the quarterly / half yearly / annual results with the Stock Exchanges and press release are made in English and Gujarati news papers. The Company does not have a web site. It also has not displayed in official news releases and no presentations were made to the analyst. We do not send half yearly financial reports to the share holders. The management discussion and analysis is a part of the Annual Report.

*** Compliance of Insider Trading Norms:**

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

*** General shareholder's information:**

a) AGM date, time and venue:

| Venue | Date | Time |
|--|------------|----------|
| 919/3, GIDC Estate, Makarpura, Vadodara – 390010 | 29-09-2010 | 11.00 AM |

b) Financial year ending 31st March 2010.

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

d) Listing on Stock Exchanges: The shares are listed in Bombay, Vadodara, Ahmedabad, Jaipur and Madras Stock Exchanges.

e) Distribution schedule as on 31-03-2010:

| Category | Number of Shareholders | % (percentage) | Number of Share Held | % (percentage) |
|------------------|------------------------|----------------|----------------------|----------------|
| Upto 5000 | 609 | 93.96 | 522100 | 6.92 |
| 5001 - 10000 | 5 | 0.77 | 44800 | 0.60 |
| 10001 - 20000 | 7 | 1.08 | 108700 | 1.44 |
| 20001 - 30000 | 3 | 0.47 | 72700 | 0.96 |
| 30001 - 40000 | 3 | 0.47 | 107200 | 1.42 |
| 40001 - 50000 | 4 | 0.62 | 183200 | 2.43 |
| 50001 - 100000 | 3 | 0.47 | 234300 | 3.11 |
| 100001 and above | 14 | 2.16 | 6267100 | 83.12 |
| Total | 648 | 100.00 | 7540100 | 100.00 |

f) Share price movements:

There was no trading of the scripts at the Stock Exchange(s) during the year. The data regarding the price movements are not available and the management is unable to provide the statement showing the monthly high and low prices of the script of the Company as required in the Listing Agreement.

g) Share Holding Pattern as on 31-03-2010:

| Category | No. of shares | % of Equity |
|-------------------------|----------------|---------------|
| Promoter Group | 2282900 | 30.28 |
| NRI Promoters | 200000 | 2.65 |
| Resident Body Corporate | — | — |
| Banks/FI/FII/MF/Trust | — | — |
| NRI/OCB | — | — |
| Indian Public | 5057200 | 67.07 |
| TOTAL | 7540100 | 100.00 |

h) Additional information:

a) Director retiring by rotation / reappointment:

- * G.C. Agarwala who retires by rotation and being eligible offers himself for reappointment. He is an Advocate. He is Independent Director of the Company.
- * M.S. Agarwal who retires by rotation and being eligible offers himself for reappointment. He is a Chartered Accountant. He is Independent Director of the Company.
- * Anil Gupta: He was appointed as Additional Director. Born in 1965. He is having more than 2 decades of business experience. Notice is received for his reappointment. He will be an Independent Director and does not hold any shares of the Company.

b) The shares of the Company is in physical form and are to be dematerialized. The Company is taking all possible steps for dematerialize the shares.

c) Share transfer system: The Company is having facility of shares transfer at their registered office at 919/3, GIDC Estate, Makarpura, Vadodara - 390010.

d) The Company has not proposed / declared any dividend during the year.

e) Financial Year: April to March

For the current financial year, following is the calendar (tentative and subject to change).

Financial reporting for 2010-11:

- * 1st Quarter : 13-08-2010
- * 2nd Quarter : 12-11-2010
- * 3rd Quarter : 11-02-2011
- * Financial Year Closing : 31-03-2011
- * 4th Quarter : 30-05-2011

f) Address for correspondence:

- * **Registered Office :** 919/3, GIDC Estate, Makarpura, Vadodara – 390010
- * **E-mail id of the Company :** towasurvey@yahoo.co.in
- * **Telephone No. :** 0265-2652851
- * **Share Transfer Agents :** Towa Sokki Limited
919/3, GIDC Estate, Makarpura, Vadodara – 390010



- g) Stock Code: 531771 (Bombay Stock Exchange)
- h) Dematerialization of shares & liquidity: All the shares are in physical mode.
- i) Outstanding GDRs / ADRs / Warrants or any other convertible instruments, conversion date and likely impact on equity : NIL
- j) Conversion date and likely impact on Equity Shares. No such warrants instruments have so far been issued by the Company.
- k) The details of related parties viz., Promoters, Directors or the Management, their Subsidiaries or relatives conflicting with Company's interest : NIL
- l) Penalties or structures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority or any matter related to capital markets during the period under review:

The shares were not allowed to be traded in the Stock Exchange, due to non compliance of various clauses of the Listing Agreement. Due to serious cash crunch, which the company was facing in the past years, was the main reason for such non- compliance. The management is of the belief that the suspension of the securities will be lifted by Stock Exchanges(s) soon.
- m) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.
 - a) The shares were not traded in any of the stock exchanges.
 - b) There were no rating such as CRISIL or by any other authorities / bodies.
 - c) No data were available for comparison purpose.
- n) Whistle Blower Policy: The Company is yet to implement such a system due to the low level of operations. The management will introduce / implement such a policy as and when the need comes and the operations become more complex and diversified.
- o) Training of Board Members: Company is yet to commence such a program. Lack / shortage of fund were one of the reasons.
- p) Mechanism for evaluating non-executive Board members: At present company does not have any such mechanism, because the activities of the company are still in a minimum scale which does not call for such evaluation.

Management Discussion And Analysis**Overall review, Industry Structure and Developments:**

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

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

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

Opportunities and Threat

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

Segment wise Performance

The Company does not have multiple products / segments

Out look

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

Internal control System

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

Human relations

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

Financial performance with respect to operational performance

| Particulars | (Amount in Rs.) | |
|--------------------------|-----------------|------------|
| | 31-03-2010 | 31-03-2009 |
| Total Income | 1735703 | 1987392 |
| Depreciation | 239931 | 191293 |
| Profit (Loss) Before Tax | 37064 | (1600246) |
| Provision for Tax (FBT) | — | 20060 |
| Profit (Loss) after | 37064 | (1620306) |

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.



The Board of Directors
Towa Sokki Limited
Vadodara

Re- financial Statements for the year 2009-10 – Certification

We, O.J. Bansal, Chairman & Executive Director and S.J. Bansal, CFO, on the basis of the review of the financial statements and the cash flow statement for the financial year ending March 31, 2010 and to the best of our knowledge and belief, thereby certify that: -

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transaction entered into by the company during the year ended March 31, 2010 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that :
 - a) There have been no significant changes in the internal control over financial reporting during this year
 - b) There have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements.
 - c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

O.J. Bansal
Chairman & Executive Director

S.J. Bansal
CFO

Place : Vadodara
Date : 20-08-2010

DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, I, O.J. Bansal, Chairman & Executive Director of the Company, hereby declare that the Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended March 31, 2010.

Place : Vadodara
Date : 20-08-2010

For TOWA SOKKI LIMITED
O.J. Bansal
Chairman & Executive Director



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of,
Towa Sokki Limited, Baroda.

We have examined the compliance of conditions of Corporate Governance by Towa Sokki Limited ('The Company') for the year ended March 31, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that as per the records maintained by the Registrars and Share Transfer Agents of the Company and presented to the Shareholders / Investors Grievance Committee no investor grievance are pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the further viability to the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Bhavan Patel & Co.
Chartered Accountants

PLACE : MUMBAI
DATE : 20th August 2010

B.H. PATEL
Proprietor

AUDITOR'S REPORT

To
The Members of TOWA SOKKI LIMITED,

We have audited the attached Balance Sheet of Towa Sokki Limited, as at 31st March, 2010 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that :

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we report that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account ;
 - d) In our opinion, the Balance Sheet and Profit and Loss Account complies with the mandatory Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors and taken on record by the Company, we report that none of the director is disqualified, as on the Balance Sheet date, from being appointed as a Director in terms of Section 274 (1)(g) of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Significant Accounting Policies (Schedule - 19) and Notes to Accounts (Schedule - 20) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
 - ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date.
 - iii) In the case of the Cash Flow Statement of cash flow for the year ended on that date.

PLACE : MUMBAI
DATE : 21st May 2010

For BHAVAN PATEL & CO.
CHARTERED ACCOUNTANTS

B. H. PATEL
PROPRIETOR

ANNEXURE TO THE AUDITOR'S REPORT

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

1. (i) The Company has maintained proper records showing full particulars including Quantitative details and situation of its fixed assets.
(ii) As explained to us, the fixed assets have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and having regard to the size of the Company and nature of its assets and on the basis of the explanations received, no material discrepancies were noticed on such physical verification and the same has been appropriately dealt with.
2. (i) During the year, inventory has been physically verified by the management at a reasonable interval.
(ii) In our opinion and according to the information and explanations given to us, the procedures of physical verification/confirmation of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
(iii) In our opinion and according to the information and explanation given to us and on the basis of our examination of the record of inventory the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
3. The Company has not granted any loans to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
 - (i) The Company has taken unsecured loans, from companies, firms or other parties from Directors & Relatives amounting to Rs. 106120/- listed in the register maintained under Section 301 of the Companies Act, 1956.
 - (ii) In our opinion, the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.
 - (iii) The payment of the interest and principal in respect of loans taken from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, is regular.
 - (iv) There are no overdue amounts of more than Rupees one lakh in respect of loan taken.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regards to purchase inventories and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. (i) Based on the information and explanations given to us, the transactions pertaining to contracts and arrangements that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
(ii) According to information and explanations given to us, there are no transactions of purchase and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 500000/- or more in respect of each party.

6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. As informed to us, the Central Government has not prescribed the maintenance of cost records under 209-(1) (d) of the Companies Act, 1956 for any of the products of the Company.
9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other dues during the year with the appropriate authorities. As at 31st March 2010, there are no undisputed dues payable for a period of more than six months from the date they become payable.
(b) According to the information and explanations given to us, there are no amounts in respect of income tax, customs duty, wealth tax, cess that have not been deposited with the appropriate authorities on account of any dispute.
10. The Company carry's accumulated losses and capital losses but has earned a profit in the current financial year.
11. Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank during the year.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund / nidhi / mutual benefit fund / society.
14. In our opinion, the Company is not dealing in shares, securities, debentures or other interments and hence, the requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion, the working capital loan has been applied for the purpose for which it was raised.
17. According to information & explanations given to us & on the basis of our over all examination of the Cash Flow statement, the funds raised on short term and long term basis have not been used for long-term investments and short-term investments respectively.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company did not have outstanding debentures during the year. Accordingly, no securities have been created.
20. The Company has not raised any money by way of public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

PLACE : MUMBAI
DATE : 21st May 2010

For BHAVAN PATEL & CO.
CHARTERED ACCOUNTANTS

B. H. PATEL
PROPRIETOR

Towa Sokki Ltd.



BALANCE SHEET AS AT 31st MARCH, 2010

| Particulars | Schedule | Rupees | As at 31-3-2010 Rupees | As at 31-3-2009 Rupees |
|--|----------|----------------|------------------------------|------------------------------|
| SOURCES OF FUNDS : | | | | |
| Shareholders' Fund : | | | | |
| Share Capital | 1 | 55064500 | | 55064500 |
| Reserves and Surplus | 2 | <u>752334</u> | | <u>752334</u> |
| | | | 55816834 | 55816834 |
| Loan Funds : | | | | |
| Unsecured Loans | 3 | | 106120 | 106120 |
| TOTAL | | | <u>55922954</u> | <u>55922954</u> |
| APPLICATION OF FUNDS : | | | | |
| Fixed Assets : | | | | |
| Gross Block | 4 | 6408753 | | 5901057 |
| Less : Depreciation | | <u>2108484</u> | | <u>1868553</u> |
| Net Block | | 4300269 | | 4032504 |
| Capital Work-in-Progress on New Project | 5 | 21834548 | | 21834548 |
| Pre-Operative Expenditure (pending capitalisation) | 6 | <u>8160871</u> | | <u>7718572</u> |
| | | | 34295688 | 33585624 |
| Current Assets, Loans and Advances : | | | | |
| Inventories | 7 | 782385 | | 944820 |
| Sundry Debtors | 8 | 1470056 | | 1525928 |
| Cash and Bank Balances | 9 | 7643566 | | 7814835 |
| Loans and Advances | 10 | <u>195817</u> | | <u>479249</u> |
| | | 10091824 | | 10764832 |
| Less : Current Liabilities and Provisions : | | | | |
| Current Liabilities | 11 | 130480 | | 130488 |
| Net Current Assets | | | 9961344 | 10634344 |
| Miscellaneous Expenditure : (To the extent not writtenoff or adjusted) | 12 | | | |
| Profit & Loss A/C | | | 3616388 | 3616388 |
| TOTAL | | | <u>8049534</u> | <u>8086598</u> |
| | | | <u>55922954</u> | <u>55922954</u> |
| Significant Accounting Policies | 19 | | | |
| Notes on Accounts | 20 | | | |

As per our report of even date attached
For BHAVAN PATEL & CO.
CHARTERED ACCOUNTANTS
B. H. PATEL
Proprietor

Place : Mumbai
Date : 21st May 2010

For and on behalf of the Board of Directors

O. J. BANSAL
S. O. BANSAL
Directors

Place : Baroda
Date : 21st May 2010

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON
31st MARCH, 2010**

| Particulars | Schedule | For the Year ended 31-3-2010 Rupees | For the Year ended 31-3-2009 Rupees |
|--|----------|--|--|
| INCOME: | | | |
| Sales | | 955800 | 1185725 |
| Job Work | | 151015 | 286893 |
| Incom From other Sources | | 628888 | 514774 |
| Increase/(Decrease) in Stocks | 13 | <u>(148400)</u> | <u>(166785)</u> |
| | | 1587303 | 1820607 |
| EXPENDITURE : | | | |
| Purchases for Resale | | 165455 | 554299 |
| Raw Materials consumed | 14 | 381371 | 71190 |
| Manufacturing and Operating Exps. | 15 | 67940 | 67951 |
| Employees' Remuneration and Benefits | 16 | 90084 | 84 |
| Administrative and Other Exps. | 17 | 604676 | 671761 |
| Interest | 18 | 782 | 20504 |
| Depreciation | | 239931 | 191293 |
| Loss on sale of Land etc | | -- | 1843771 |
| | | <u>1550239</u> | <u>3420853</u> |
| Profit / (Loss) before Taxation | | 37064 | (1600246) |
| Provision for Taxation (F.B.Tax) | | -- | 20060 |
| Profit / (Loss) after Taxation | | 37064 | (1620306) |
| Balance brought forward from previous year | | <u>(8086598)</u> | <u>(6466292)</u> |
| Amount available for Appropriations | | <u>(8049534)</u> | <u>(8086598)</u> |
| Appropriations | | | |
| Balance carried to Balance Sheet | | <u>(8049534)</u> | <u>(8086598)</u> |
| Significant Accounting Policies | 19 | <u>(8049534)</u> | <u>(8086598)</u> |
| Notes on Accounts | 20 | | |

As per our report of even date attached

For BHAVAN PATEL & CO.
CHARTERED ACCOUNTANTS
B. H. PATEL
Proprietor

For and on behalf of the Board of Directors

O. J. BANSAL
S. O. BANSAL
Directors

Place : Mumbai
Date : 21st May 2010

Place : Baroda
Date : 21st May 2010

**SCHEDULES FORMING PART OF THE ACCOUNTS AS AT
31st MARCH, 2010**

| | As at 31-3-2010 Rupees | As at 31-3-2009 Rupees |
|--|------------------------------|------------------------------|
| SCHEDULE 1 - Share Capital | | |
| Authorised | | |
| 8000000 Equity Shares of Rs. 10/- each | 80000000 | 80000000 |
| Issued, Subscribed and Paid-up | | |
| 7540100 Equity Shares of Rs. 10/- each | 75401000 | 75401000 |
| Less : Allotment Money Due | (-) 20336500 | (-) 20336500 |
| TOTAL | 55064500 | 55064500 |
| SCHEDULE 2 - Reserves and Surplus | | |
| Capital Reserve : | | |
| As per last Balance Sheet | 715334 | 715334 |
| General Reserve : | | |
| As per last Balance Sheet | 37000 | 37000 |
| TOTAL | 752334 | 752334 |
| SCHEDULE 3 - Unsecured Loans | | |
| From Directors | -- | -- |
| From Others | 106120 | 106120 |
| TOTAL | 106120 | 106120 |
| SCHEDULE 5 - Capital Work-in-Progress on New Project (Pending Capitalisation) | | |
| Dies & Moulds | 2618410 | 2618410 |
| Advances to Shell Fincaps Pvt Ltd. and others for other machineries, Finance & Technical Know-How for the Project on Trunky Basis | 19700000 | 18700000 |
| Advances to other suppliers | 138880 | 138880 |
| Interest and Finance Charges | 377258 | 377258 |
| TOTAL | 21834548 | 21834548 |



| DESCRIPTION | Amount in Rupees | | | | | | | |
|-------------------------|-----------------------|---------------------------|-----------------------------|----------------|--------------------------|-----------------------------|-----------------|-----------------|
| | GROSS BLOCK (AT COST) | | | DEPRECIATION | | | NET BLOCK | |
| | As at 1-4-2009 | Additions during the year | Deductions during 31-3-2010 | As at 1-4-2009 | Provided during the year | Deductions during 31-3-2010 | As at 31-3-2010 | As at 31-3-2009 |
| Land | 1364715 | 55800 | -- | 1420515 | -- | -- | -- | 1420515 |
| Factory Shed | 1936977 | 330546 | -- | 2267523 | 66942 | -- | 980824 | 1286699 |
| G.I.D.C. Flats | 383246 | -- | -- | 383246 | 6248 | -- | 91109 | 1023095 |
| Machinery | 693507 | -- | -- | 693507 | 32940 | -- | 483234 | 292137 |
| Electrical Installation | 91275 | -- | -- | 91275 | 4336 | -- | 66052 | 243213 |
| Office Equipments | 107954 | 47850 | -- | 155804 | 58634 | 6223 | 64857 | 29559 |
| Furniture and Fixtures | 211261 | -- | -- | 211261 | 180965 | 13372 | 194337 | 90947 |
| Computer Systems | 56100 | 73500 | -- | 129600 | 23558 | 13090 | 36648 | 16924 |
| Vehicals | 1056022 | -- | -- | 1056022 | 94643 | 96780 | 191423 | 82952 |
| Current Year Total | 5901057 | 507696 | -- | 6408753 | 1868553 | 239931 | 2108484 | 4300269 |
| Previous year Total | 7087649 | 1043452 | 2240044 | 5901057 | 2487304 | 191293 | 810044 | 1888553 |
| | | | | | | | | 4032504 |
| | | | | | | | | 4610345 |

| | As at 31-3-2010 Rupees | As at 31-3-2009 Rupees |
|--|------------------------------|------------------------------|
| SCHEDULE 6 - Pre-Operative Expenditure (pending capitalisation) | | |
| Travelling Exp. | 442299 | -- |
| TOTAL | <u>442299</u> | <u>--</u> |
| Add: Pre-Operative Expenditure incurred upto previous year | 7718572 | 7718572 |
| TOTAL | <u>8160871</u> | <u>7718572</u> |
| SCHEDULE 7 - Inventories (As Certified by Management) | | |
| Raw Materials | 18270 | 32305 |
| Finished Goods | 764115 | 912515 |
| TOTAL | <u>782385</u> | <u>944820</u> |
| (For mode of valuation refer Note No. 3 of Significant Accounting Policies-Schedule-20) | | |
| SCHEDULE 8- Sundry Debtors (Unsecured, Considered Good) | | |
| Exceeding 6 Months | 1365816 | 1365816 |
| Others | 104240 | 160112 |
| TOTAL | <u>1470056</u> | <u>1525928</u> |
| SCHEDULE 9 - Cash and Bank Balances | | |
| Cash on Hand | 58390 | 59939 |
| With Bank | 7585176 | 7754896 |
| TOTAL | <u>7643566</u> | <u>7814835</u> |
| SCHEDULE 10 - Loans and Advances (Unsecured Considered Good) | | |
| Advances recoverable in cash or in kind or for value to be received | | |
| Security Deposits | 30000 | 380000 |
| Balance with Central Excise | 17755 | 17755 |
| T. D. S. | 148062 | 81494 |
| TOTAL | <u>195817</u> | <u>479249</u> |
| SCHEDULE 11 - Current Liabilities | | |
| Sundry Creditors : | | |
| For Goods & Supply | -- | -- |
| For Expenses | 22045 | 38063 |
| Other Liabilities | 108435 | 92425 |
| TOTAL | <u>130480</u> | <u>130488</u> |



| | As at 31-3-2010 Rupees | As at 31-3-2009 Rupees |
|---|------------------------------|------------------------------|
| SCHEDULE 12 - Miscellaneous Expenditure | | |
| (To the extent not written off or adjusted) | | |
| Preliminary Expenses (Project) | 40000 | 40000 |
| Public Issue Expenses/Share Capital Exps. | 3576388 | 3576388 |
| TOTAL | <u>3616388</u> | <u>3616388</u> |
| SCHEDULE 13 - Increase / (Decrease) in Stock | | |
| Stock as on 31-3-2010 | | |
| Finished Goods | 764115 | 912515 |
| | <u>764115</u> | <u>912515</u> |
| Less : Stock as on 1-4-2009 | | |
| Finished Goods | 912515 | 1079300 |
| TOTAL | <u>(148400)</u> | <u>(166785)</u> |
| SCHEDULE 14 - Raw Materials Consumed | | |
| Opening Stock | | |
| Add : Purchases during the year | 32305 | 50645 |
| | <u>367336</u> | <u>52850</u> |
| Less : Closing Stock | 399641 | 103495 |
| TOTAL | <u>18270</u> | <u>32305</u> |
| | <u>381371</u> | <u>71190</u> |
| SCHEDULE 15 - Manufacturing and Operating Expenses | | |
| Labour charges | 45 | 43 |
| Power and Electricity | 12766 | 17469 |
| Machinery Repairs | 9450 | 2535 |
| Consumable Stores | 4550 | 5019 |
| Tools and Stores | -- | 25 |
| Freight and Octroi | 31206 | 36980 |
| Packing Materials | 223 | 85 |
| Instruments Repairing Expenses | 9700 | 5795 |
| TOTAL | <u>67940</u> | <u>67951</u> |
| SCHEDULE 16 - Employees Remuneration and Benefits | | |
| Salary, Wages and Bonus | | |
| Welfare Expenses | 90000 | -- |
| TOTAL | <u>84</u> | <u>84</u> |
| | <u>90084</u> | <u>84</u> |

| | Year Ended 31-3-2010 Rupees | Year Ended 31-3-2009 Rupees |
|--|-----------------------------------|-----------------------------------|
| SCHEDULE 17 - Administrative and Other Expenses | | |
| Office Expenses | 12587 | 5906 |
| Printing and Stationery | 30825 | 14367 |
| Vehical running and maintainence (Motor Car) | 41342 | 52985 |
| Vehical running and maintainence (Scooter) | 9318 | 18803 |
| Professional and Other charges | 57120 | 65730 |
| Post and Telegram | 14454 | 7989 |
| Audit Fees | 16545 | 16545 |
| Travelling Expenses | 51135 | 27340 |
| Advertisement and Publicity | 6439 | 19259 |
| Building Repairs | 15472 | 45850 |
| Telephone Expenses | 13420 | 23405 |
| Freight Outward | -- | 665 |
| Books and Periodicals | 1442 | 2399 |
| Electrical Repairs | 541 | 8991 |
| Entertainment Expenses | 4949 | 7769 |
| Insurance Expenses | 22510 | 41173 |
| Filing Fees | 3000 | 2500 |
| Computer Consumables | 810 | -- |
| Professional Tax | 2400 | 2400 |
| Directors' Salary | 240000 | 240000 |
| Legal and other Charges | 5000 | 5000 |
| Listing Fees | 19395 | 16625 |
| Licence Fees | 500 | 515 |
| Municipal Taxes | 22672 | 22011 |
| GIDC Misc. Charges | 12800 | 18428 |
| Membership Fees | -- | 500 |
| TDS Expense | -- | 4606 |
| TOTAL | <u>604676</u> | <u>671761</u> |
| SCHEDULE 18 - Interest | | |
| Interest on Bank Loan | 59 | 18852 |
| Bank charges | 723 | 1652 |
| TOTAL | <u>782</u> | <u>20504</u> |

SCHEDULE 19 - SIGNIFICANT ACCOUNTING POLICIES

1. SYSTEM OF ACCOUNTING :

The company follows the accrual concept of accounting for income and expenditure generally under the historical cost convention in accordance with the generally accepted accounting practices prevailing in India.

2. FIXED ASSETS :

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

3. INVENTORIES :

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

4. DEPRECIATION :

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

5. ENCASHMENT OF LEAVE AND OTHER RETIREMENT BENEFITS :

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

6. ACCOUNTING FOR MISCELLANEOUS EXPENDITURE :

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

SCHEDULE 20 - NOTES ON ACCOUNTING

1. Corresponding figures of the previous year have been regrouped to make them comparable with current year's figures, wherever necessary.
2. All the revenue type expenditure incurred on estwhile project at Por-Ramangamdi, Dist. Baroda, Gujarat, since discontinued & disposed off prior to commencement, has been treated & shown as "Pre-Operative Expenditure" (Pending Capitalisation) is shown under Schedule 6, Direct Capital Expenditure are shown as "Capital Work-in-Progress on New Project" under Schedule-5, net of sale / written off during the year as substantial assets already disposed off by the company during the last year.
3. Estimated amount of contracts remaining to be executed on capital account & not provided for net of advance Rs. 1.39 lacs (Previous year Rs. 1.39 lacs).
4. The Company has made Public Issue of Equity Shares in the year 1995-96 and the total expenditure of Rs. 35.76 Lacs incurred on the said Issue has been treated as Deferred Revenue Expenditure and shown under the head of "Miscellaneous Expenditure".
5. In view of adjustment against carried forward losses of the Company does not expect any income tax liability for the year 2009-2010 on the profit earned during the year hence no provision for tax liability has been made on this account
6. The Company has also given advance to Shell Fincaps Pvt. Ltd. and others amounting to Rupees 18700000/- for other machineries, finance and technical know-how for the Project on Trunky basis, in respect of new project at Por-Ramangamdi, since discontinued and disposed off. The advances are unsecured and are subject to the terms of the agreement/ contract executed with them.
7. Managing Director's Remuneration

| | (Rs. in lacs) | |
|--------|---------------|-------------|
| | 2009-2010 | 2008-2009 |
| Salary | <u>2.40</u> | <u>2.40</u> |
| | <u>2.40</u> | <u>2.40</u> |

8. Details of Auditors' Remuneration

| | (Rs. in lacs) | |
|------------|---------------|-------------|
| | 2009-2010 | 2008-2009 |
| Audit Fees | <u>0.17</u> | <u>0.17</u> |
| | <u>0.17</u> | <u>0.17</u> |

9. Earning per share :

| Sr. No. | Earning Per Share (Basic and Diluted) has been computed as under. | Unit of measurement | 31.3.2010 | 31.3.2009 |
|---------|---|---------------------|-----------|-----------|
| 1 | Net profit / (loss) after tax | Rs. in Lacs | 0.37 | (16.20) |
| 2 | Equity shares of Rs. 10/- each. | Numbers | 7540100 | 7540100 |
| 3 | Earning per share. | | (71.99) | (72.36) |

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

11. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3,4C AND 4D OF PART II OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956.

| | | | | |
|---------------------------|----|-----------|----|-----------|
| a) LICENCED CAPACITY | | N.A. | | N.A. |
| b) INSTALLED CAPACITY | | N.A. | | N.A. |
| c) OPENING STOCK | | 2009-2010 | | 2008-2009 |
| Raw Materials | | | | |
| Instruments Box | 33 | Nos. | 37 | Nos. |
| Part of Auto Level | 14 | Nos. | 26 | Nos. |
| Finished Goods | | | | |
| Automatic Level (BK-20 c) | 12 | Nos. | 40 | Nos. |
| Automatic Level (BK-24) | 43 | Nos. | 36 | Nos. |
| Automatic Level (TA-2) | 43 | Nos. | 47 | Nos. |
| Theodolite Model J2-2 | 4 | Nos. | 5 | Nos. |
| Theodolite Vernier | 4 | Nos. | 5 | Nos. |
| Levelling Staves (4 Mts.) | 18 | Nos. | 7 | Nos. |
| Levelling Staves (5 Mts.) | 9 | Nos. | 6 | Nos. |
| Aluminium Tripod (RK) | 13 | Nos. | 60 | Nos. |
| Aluminium Tripod (AQ-2) | 35 | Nos. | - | |
| Aluminium Tripod (AQ-3) | 24 | Nos. | - | |

d) PRODUCTION

| | | |
|---------------------------|---------|---------|
| Automatic Level (BK-20) | -- | 50 Nos. |
| Automatic Level (BK-24-N) | 85 Nos. | -- |

e) RAW MATERIALS CONSUMPTION

| | 2009-2010 | | 2008-2009 | |
|--------------------------|---------------|--------------|--------------|-------------|
| | (Rs.) | (%) | (Rs.) | (%) |
| Indigenous raw materials | 207145 | 54 % | 71190 | 100% |
| Imported raw materials | 174226 | 46 % | -- | -- |
| | <u>381371</u> | <u>100 %</u> | <u>71190</u> | <u>100%</u> |

(Quantity Details not ascertained / ascertainable)

f) SALES

| | 2009-2010 | | 2008-2009 | |
|---------------------------|-----------|--|-----------|--|
| Automatic Level (BK-20 e) | 12 Nos. | | 40 Nos. | |
| Automatic Level (BK-24) | 43 Nos. | | 131 Nos. | |
| Automatic Level (BK-24-N) | 49 Nos. | | -- | |
| Automatic Level (DSZ-2) | -- | | 1 No. | |
| Automatic Level (TA-2) | 20 Nos. | | 4 Nos. | |
| Theodolite Model (J2-2) | 1 Nos. | | 2 Nos. | |
| Theodolite (Vernier) | 5 Nos. | | 1 No. | |
| Levelling Staves (4 Mts.) | 10 Nos. | | 9 Nos. | |
| Levelling Staves (5 Mts.) | 6 Nos. | | 19 Nos. | |
| Aluminium Tripod (RK) | 13 Nos. | | 57 Nos. | |

g) PURCHASES

| | (Rs.) | (Rs.) |
|--------------------------|---------------|--------------|
| Indigenous raw materials | 193110 | 52850 |
| Imported raw materials | 174226 | -- |
| | <u>367336</u> | <u>52850</u> |

(Quantity Details not ascertained / ascertainable)

h) DETAILS OF TRADED GOODS

| | Automatic Level (DSZ-2) | | Theodolite Model (J2-2) | | Theodolite (Vernier) | |
|-----------------|-------------------------|------------|-------------------------|----------|----------------------|------------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| Opening Stock | NIL | NIL | 4 | 5 | 4 | 5 |
| Add : Purchases | <u>NIL</u> | <u>1</u> | <u>1</u> | <u>1</u> | <u>4</u> | <u>NIL</u> |
| | NIL | 1 | 5 | 6 | 8 | 5 |
| Less : Sales | <u>NIL</u> | <u>1</u> | <u>1</u> | <u>2</u> | <u>5</u> | <u>1</u> |
| Closing Stock | <u>NIL</u> | <u>NIL</u> | <u>4</u> | <u>4</u> | <u>3</u> | <u>4</u> |

| | Alum. Tripod (RK) | | Alum. Tripod (AQ -2) | | Alum. Tripod (AQ -3) | |
|-----------------|-------------------|-----------|----------------------|-----------|----------------------|------------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| Opening Stock | 13 | 60 | 35 | NIL | 24 | NIL |
| Add : Purchases | <u>NIL</u> | <u>10</u> | <u>18</u> | <u>36</u> | <u>13</u> | <u>24</u> |
| | 13 | 70 | 53 | 36 | 37 | 24 |
| Less : Sales | <u>13</u> | <u>57</u> | <u>23</u> | <u>1</u> | <u>NIL</u> | <u>NIL</u> |
| Closing Stock | <u>NIL</u> | <u>13</u> | <u>30</u> | <u>35</u> | <u>37</u> | <u>24</u> |

| | Alum. Tripod (AT-1) | | Levelling Staves 4 Mts. | | Levelling Staves 5 Mts. | |
|-----------------|---------------------|------------|-------------------------|-----------|-------------------------|-----------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| Opening Stock | NIL | NIL | 18 | 7 | 9 | 6 |
| Add : Purchases | <u>6</u> | <u>NIL</u> | <u>12</u> | <u>20</u> | <u>24</u> | <u>22</u> |
| | 6 | NIL | 30 | 27 | 33 | 28 |
| Less : Sales | <u>NIL</u> | <u>NIL</u> | <u>10</u> | <u>9</u> | <u>6</u> | <u>19</u> |
| Closing Stock | <u>6</u> | <u>NIL</u> | <u>20</u> | <u>18</u> | <u>27</u> | <u>9</u> |

| | Levelling Staves 6 Mts. | |
|-----------------|-------------------------|------------|
| | 2009-10 | 2008-09 |
| Opening Stock | NIL | NIL |
| Add : Purchases | <u>6</u> | <u>NIL</u> |
| | 6 | NIL |
| Less : Sales | <u>NIL</u> | <u>NIL</u> |
| Closing Stock | <u>6</u> | <u>NIL</u> |



| i) CLOSING STOCK | | 2009-2010 | | 2008-2009 | |
|---------------------------|----------|----------------|----------|----------------|--|
| Raw Materials | | | | | |
| ITEM | QUANTITY | VALUE (Rs.) | QUANTITY | VALUE (Rs.) | |
| Instruments Box | 22 Nos. | 8470 | 33 Nos. | 12705 | |
| Part of Auto Level | 7 Nos. | 9800 | 14 Nos. | 19600 | |
| | | <u>18270</u> | | <u>32305</u> | |
| Finished Goods | | | | | |
| Automatic Level (BK-24-N) | 36 Nos. | 165600 | -- | -- | |
| Automatic Level (BK-20) | -- | -- | 12 Nos. | 50400 | |
| Automatic Level (BK-24) | -- | -- | 43 Nos. | 107500 | |
| Automatic Level (TA-2) | 23 Nos. | 207000 | 43 Nos. | 387000 | |
| Theodolite Model (J2-2) | 4 Nos. | 254000 | 4 Nos. | 254000 | |
| Theodolite (Vernier) | 3 Nos. | 22125 | 4 Nos. | 24000 | |
| Levelling Staves (4 Mts.) | 20 Nos. | 16200 | 18 Nos. | 14580 | |
| Levelling Staves (5 Mts.) | 27 Nos. | 25110 | 9 Nos. | 8370 | |
| Levelling Staves (6 Mts.) | 6 Nos. | 5340 | -- | -- | |
| Aluminium Tripod (RK) | -- | -- | 13 Nos. | 11245 | |
| Aluminium Tripod (AQ-2) | 30 Nos. | 29400 | 35 Nos. | 34300 | |
| Aluminium Tripod (AQ-3) | 37 Nos. | 32560 | 24 Nos. | 21120 | |
| Aluminium Tripod (AT-1) | 6 Nos. | 6780 | -- | -- | |
| | | <u>764115</u> | | <u>912515</u> | |

| | (Rs. in lacs) 2009-2010 | (Rs. in lacs) 2008-2009 |
|---|----------------------------|----------------------------|
| 12. C.I.F. Values of Imports | | |
| Imports of Raw Materials, Spares and Components | 1.74 | -- |
| Import of Goods for Resale | -- | 2.78 |
| | <u>1.74</u> | <u>2.78</u> |
| 13. F.O.B. Value of Exports | NIL | NIL |

CASH FLOW STATEMENT

| | 2009-2010 Rupees | 2008-2009 Rupees |
|---|---------------------|---------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit / (Loss) before Tax & Extraordinary Items | 37064 | (1600246) |
| Adjusted for : | | |
| Depreciation and Expenses amortised | 239931 | 191293 |
| Interest | 782 | 20504 |
| Other Income | -- | -- |
| Operating Profit before Working Capital Changes | 277777 | (1388449) |
| Adjusted for : | | |
| Trade & Other Receivables | 55872 | (115601) |
| Inventories | 162435 | 185125 |
| Loans and Advances | 257142 | (76888) |
| Trade Payables | (8) | (28404) |
| Cash Generated from Operations | -- | -- |
| Interest Paid | (782) | (20504) |
| Tax Paid | -- | (20060) |
| NET CASH FROM OPERATING ACTIVITIES (TOTAL : A) | 752436 | (1464781) |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of Fixed Assets | (507696) | (1043452) |
| Sale of Land | -- | 1430000 |
| Capital Work-in-Progress on New Project (including Advances) | -- | 9323882 |
| Pre-Operative Expenditure (Pending Capitalisation) | (442299) | -- |
| Other Income | -- | -- |
| NET CASH USED IN INVESTING ACTIVITIES (TOTAL : B) | (949995) | 9710430 |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Proceeds from Term Borrowings | -- | -- |
| Proceeds from Unsecured Loans | -- | -- |
| Proceeds from Secured Loans | -- | (471540) |
| NET CASH USED IN FINANCING ACTIVITIES (TOTAL : C) | -- | (471540) |
| NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C) | (197559) | 7774109 |
| OPENING BALANCE - CASH & CASH EQUIVALENTS | 7814835 | 40726 |
| CLOSING BALANCE - CASH & CASH EQUIVALENTS | 7617276 | 7814835 |

Place : Baroda
Date : 21st May 2010

For and on Behalf of the Board
For TOWA SOKKI LIMITED
O. J. BANSAL
Director

AUDITOR'S CERTIFICATE

We have verified the attached Cash Flow Statement of Towa Sokki Limited derived from the audited annual financial statements for the years ended March 31, 2010 and March 31, 2009, and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreements with Stock Exchanges.

Place : Mumbai
Date : 21st May 2010

For BHAVAN PATEL & CO.
CHARTERED ACCOUNTANTS
B. H. PATEL
PROPRIETOR

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

| | | | |
|---|-------------------|----------------------|----------|
| a. Registration Details | | | |
| Registration No. | : 19111 | State Code | : 04 |
| Balance Sheet Date | : 31st March 2010 | | |
| b. Capital Raised during the Year (Amount in Rs. Lacs) | | | |
| Public Issue | : NIL | Right Issue | : NIL |
| Bonus Issue | : NIL | Private Issue | : NIL |
| c. Position of Mobilisation and Deployment of Funds (Amount in Rs. Lacs) | | | |
| Total Liabilities | : 559.23 | Total Assets | : 559.23 |
| SOURCES OF FUNDS | | | |
| Paid-up Capital | : 550.65 | Reserves and Surplus | : 7.52 |
| Secured Loans | : NIL | Unsecured Loans | : 1.06 |
| APPLICATION OF FUNDS | | | |
| Net Fixed Assets | : 43.00 | Investments | : NIL |
| Net Current Assets | : 99.61 | Misc. Expenditure | : 36.16 |
| Accumulated losses | : 80.50 | | |
| d. Performance of Company (Amount in Rs. Lacs) | | | |
| Total Turnover | : 15.87 | Total Expenditure | : 15.50 |
| Profit Before Tax | : 0.37 | Profit After Tax | : 0.37 |
| Earning per share | : N.A. | Dividend Rate | : NIL |
| e. Generic Names of Three Principal Products/Services of Company (As per Monetary terms) | | | |
| PRODUCT NAME | ITEM CODE | | |
| 1. Automatic Level | 9015.30 | | |
| 2. Theodolite | 9015.20 | | |
| 3. Levelling Staff | 9015.40 | | |

As per our report of even date attached
 For **BHAVAN PATEL & CO.**
 CHARTERED ACCOUNTANTS
B. H. PATEL
 Proprietor

Place : Mumbai
 Date : 21st May 2010

For and on behalf of the Board of Directors

O. J. BANSAL
S. O. BANSAL
 Directors

Place : Baroda
 Date : 21st May 2010



Towa Sokki Limited

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

ATTENDANCE SLIP

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

I hereby record my presence at the Eighteenth Annual General Meeting of the above named company being held at 11.00 a.m. on Wednesday the 29th day of September, 2010.

Full Name of the Member / Proxy _____

Folio No. _____ No. of Shares held _____

Signature : _____



Towa Sokki Limited

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

PROXY FORM

I/We _____

of _____ in the district _____

being a member/members of TOWA SOKKI LIMITED hereby appoint

_____ of _____

failing him/her _____ of _____

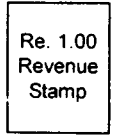
as my/our proxy to vote for me/us on my/our behalf at EIGHTEENTH ANNUAL GENERAL MEETING of the company to be held on Wednesday the 29th day of September, 2010. at 11.00 a.m. and any adjournment thereof.

signed this _____ day of _____ 2010

Signature _____

Folio No. _____

No. of Shares _____



Note :

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

BOOK-POST

To

If Undelivered Please Return to :

Towazoki Limited



Regd Office : A-8103 GIDC Estate, Makarpura, VADODRA - 390 010