

# Towa Sokki Limited



**NINETEENTH ANNUAL REPORT 2010 - 2011**



## BOARD OF DIRECTORS

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

## BANKERS

Bank of Baroda  
Axis Bank Ltd.

## AUDITORS

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

## COMPANY LAW CONSULTANTS

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

## REGISTERED OFFICE

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

### NOTICE

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

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## NOTICE

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

### ORDINARY BUSINESS :

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

### SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2009, (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 Exchanges, SEBI, and / or by any other statutory / regulatory authorities, in connection with delisting of the equity shares of the Company from Vadodara Stock Exchange Limited (VSE), Ahmedabad Stock Exchange Limited (ASE), Jaipur Stock Exchange Limited (JSE) and Madras Stock Exchange Limited (MSE)."

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

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

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



**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24-9-2011 to 29-9-2011 [Both days inclusive]
3. Shareholders seeking any information with regard to accounts are requested to write to the Company at least seven days in advance so as to enable the Company to keep the information ready.
4. Re-appointment of Directors :  
At the ensuing Annual General Meeting Smt. S.O. Bansal and Shri Anil Gupta retire by rotation and being, eligible offer themselves for re-appointment. The details pertaining to the Directors required to be provided under Clause of the Listing Agreement are furnished in the statement of Corporate Governance.
5. The Explanatory statement relating to special business mentioned in item No. 5 of the notice, as required under section 173(2) of the Companies Act, 1956, is attached herewith.
6. Members are requested to bring their copy of the annual report and the duly filled in attendance slip with them at the annual general meeting.



## **ANNEXURE TO THE NOTICE**

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

### **Item No. 5**

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

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

Pursuant to the Securities and Exchange Board of India (De-listing of Securities) Guidelines, 2009 (the Guidelines), it is open for the listed companies to voluntarily de-list its securities from all other Stock Exchanges provided its securities continue to remain listed at a Stock Exchange having nation wide trading terminal.

During the last couple of years, there has been almost Nil trading of the Company's equity shares in the stock exchange at Vadodara, Ahmedabad, Jaipur and Chennai. The Company's equity shares have been mandated by SEBI for compulsory trading in demat form by all investors. The BSE has trading terminals in various cities affording to the investors access to trade and deal in the Company's equity shares across the country. Thus, after having considered the cost vs. benefits of listing at VSE, ASE, JSE and MSE and since the shares of the Company will continue to be listed at the BSE having wide spread terminals and networking, it is proposed to de-list the equity shares of the company from the stock exchange at Vadodara, Ahmedabad, Jaipur and Chennai, respectively. Pursuant to the de-listing of the equity shares of the company, there would be no change in the capital structure and shareholding pattern of the Company.

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

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

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

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

**O. J. Bansal**  
Chairman

**DIRECTORS' REPORT**

Dear Shareholders,

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

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

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

**OPERATIONS AND FUTURE PLANS :**

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

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

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

**DIVIDEND :**

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

**DIRECTORS :**

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

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Your Directors State :

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



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

**FIXED DEPOSITS :**

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

**CORPORATE GOVERNANCE AND COMPLIANCE CERTIFICATE**

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

**LISTING AGREEMENTS REQUIREMENTS :**

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

**BUY-BACK OF SHARES :**

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

**PARTICULARS OF THE EMPLOYEES :**

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

**AUDITORS**

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

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

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



**FOREIGN EXCHANGE EARNING AND OUTGO :**

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

**ACKNOWLEDGEMENTS**

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

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

Place : Vadodara  
Date : 23-08-2011

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



**CORPORATE GOVERNANCE:**

“Annexure - A”

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

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

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

**1. BOARD OF DIRECTORS:**

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

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

**Code of Conduct:**

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

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

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

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

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

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

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

**2. AUDIT COMMITTEE:**

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

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

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

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

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

Share Holders' Grievance Committee

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

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

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

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

Share Transfer Committee:

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

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

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

#### 5. OTHER DETAILS / INFORMATIONS:

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

Year Ended	Venue	Date	Time
31-03-2010	919/3, GIDC Estate, Makarpura, Vadodara – 390010	29-09-2010	11.00 AM
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

#### \* Postal Ballot

During the year, two Special Resolutions were passed through Postal Ballot. Shri Kashyap Shah, Practicing Company Secretary was appointed as the Scrutinizer for the Postal Ballot process. The results of the Postal Ballot were announced by the Chairman of the Company at the Registered Office of the Company on 12th March, 2011 and also advertised in the newspapers.

**Details of the Resolutions passed through Postal Ballot are as follows :**

**Resolution No. 1 :** Special Resolution u/s 17 for addition of Other Objects Clause.

**Resolution No. 2 :** Special Resolution u/s 149 (2A) for commencement of business listed under amended Other Object Clause.

#### Voting Pattern

Voting	Number of Votes	Percentage of total Votes
Votes in favour	2603300	99.94
Votes Against	1600	00.06
Total	2604900	100.00

The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 have been followed for the Postal Ballot conducted during the year for the resolutions mentioned above.

#### \* Means of Communication:

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

#### \* Compliance of Insider Trading Norms:

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



**\* General shareholder's information:**

**a) AGM date, time and venue:**

Venue	Date	Time
Matruchhaya Farm & Garden Restaurant, National Highway No - 8, Tarsali By Pass, Makarpura, Vadodara.	29-09-2011	10.00 AM

b) Financial year ending : 31<sup>st</sup> March 2011.

c) Book Closure date : 24<sup>th</sup> September to 29<sup>th</sup> 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 31-03-2011:**

Category	Number of Shareholders	% (percentage)	Number of Share Held	% (percentage)
Upto 5000	606	93.37	482800	6.40
5001 - 10000	5	0.77	43100	0.57
10001 - 20000	7	1.08	116100	1.54
20001 - 30000	7	1.08	176600	2.34
30001 - 40000	7	1.08	220100	2.92
40001 - 50000	--	--	--	--
50001 - 100000	3	0.46	234300	3.11
100001 and above	14	2.16	6267100	83.12
Total	649	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 31-03-2011:**

Category	No. of shares	% of Equity
Promoter Group	2467700	32.73
NRI Promoters	200000	2.65
Resident Body Corporate	—	—
Banks/FI/FII/MF/Trust	—	—
NRI/OCB	—	—
Indian Public	4872400	64.62
TOTAL	7540100	100.00



**h) Additional information:**

a) Director retiring by rotation / reappointment:

- \* Smt. S.O. Bansal who retires by rotation and being eligible offers herself for reappointment. She is having more than 2 decades of business experience. She is Non Executive Director of the Company.
- \* Shri Anil Gupta who retires by rotation and being eligible offers himself for reappointment. He is having more than 2 decades of business experience. He is Independent Director of the company.

b) The shares of the Company are in physical form and are to be dematerialized.

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

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

e) Financial Year: April to March

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

Financial reporting for 2011-12:

- \* 1<sup>st</sup> Quarter : Mid August, 2011
- \* 2<sup>nd</sup> Quarter : Mid November, 2011
- \* 3<sup>rd</sup> Quarter : Mid February, 2012
- \* Financial Year Closing : 31-03-2012
- \* 4<sup>th</sup> Quarter : End May, 2012

**f) Address for correspondence:**

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

**g) Stock Code: 531771 (Bombay Stock Exchange)**

ISIN No. : The ISIN allotted to the Company by NSDL and CDSL is INE311M01018

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) No 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 suspension of the securities is lifted by the Bombay stock Exchange and the shares are allowed to be traded in BSE
- 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.



**“Annexure - B”**

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

**Caution**

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

**CEO & CFO CERTIFICATION**

**The Board of Directors**  
**Towa Sokki Limited**  
Vadodara

Re- financial Statements for the year 2010-11 – 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, 2011 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, 2011 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 : 23-08-2011

**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, 2011.

Place : Vadodara  
Date : 23-08-2011

**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, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

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

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

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

PLACE : MUMBAI  
DATE : 23rd August 2011

**For Bhavan Patel & Co.**  
Chartered Accountants

**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, 2011 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, 2011; 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 : 27th May 2011

**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 2011, there are no undisputed dues payable for a period of more than six months from the date they become payable.  
(b) According to the information and explanations given to us, there are no amounts in respect of income tax, customs duty, wealth tax, cess that have not been deposited with the appropriate authorities on account of any dispute.
10. The Company has an accumulated business losses and capital losses. However the Company 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 : 27th May, 2011

**For BHAVAN PATEL & CO.**  
CHARTERED ACCOUNTANTS

**B. H. PATEL**  
PROPRIETOR



**BALANCE SHEET AS AT 31st MARCH, 2011**

Particulars	Schedule	Rupees	As at 31-3-2011 Rupees	As at 31-3-2010 Rupees
<b>SOURCES OF FUNDS :</b>				
Shareholders' Fund :				
Share Capital	1	55617500		55064500
Reserves and Surplus	2	<u>752334</u>		<u>752334</u>
			56369834	<u>55816834</u>
Loan Funds :				
Unsecured Loans	3		<u>106120</u>	<u>106120</u>
<b>TOTAL</b>			<u>56475954</u>	<u>55922954</u>
<b>APPLICATION OF FUNDS :</b>				
Fixed Assets :				
Gross Block	4	6642773		6408753
Less : Depreciation		<u>2368966</u>		<u>2108484</u>
Net Block		<u>4273807</u>		<u>4300269</u>
Capital Work-in-Progress on New Project	5	21834548		21834548
Pre-Operative Expenditure (pending capitalisation)	6	<u>8160871</u>		<u>8160871</u>
			34269226	<u>34295688</u>
Current Assets, Loans and Advances :				
Inventories	7	993883		782385
Sundry Debtors	8	3368891		1470056
Cash and Bank Balances	9	6844411		7643566
Loans and Advances	10	<u>184313</u>		<u>195817</u>
		<u>11391498</u>		<u>10091824</u>
Less : Current Liabilities and Provisions :				
Current Liabilities	11	<u>271314</u>		<u>130480</u>
Net Current Assets			11120184	<u>9961344</u>
Miscellaneous Expenditure : (To the extent not written off or adjusted)	12		3616388	3616388
Profit & Loss A/C			<u>7470156</u>	<u>8049534</u>
<b>TOTAL</b>			<u>56475954</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 : 27th May 2011

For and on behalf of the Board of Directors

**O. J. BANSAL**  
**S. J. BANSAL**  
Directors

Place : Baroda  
Date : 27th May 2011



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON  
31st MARCH, 2011**

Particulars	Schedule	For the Year ended 31-3-2011 Rupees	For the Year ended 31-3-2010 Rupees
<b>INCOME:</b>			
Sales		13238669	955800
Job Work		861875	151015
Incom From other Sources		710605	628888
Increase/(Decrease) in Stocks	13	54435	(148400)
		<u>14865584</u>	<u>1587303</u>
<b>EXPENDITURE :</b>			
Purchases for Resale		10616103	165455
Raw Materials consumed	14	1708006	381371
Manufacturing and Operating Exps.	15	343963	67940
Employees' Remuneration and Benefits	16	453007	90084
Administrative and Other Exps.	17	903074	604676
Interest	18	1571	782
Depreciation		260482	239931
		<u>14286206</u>	<u>1550239</u>
Profit / (Loss) before Taxation		579378	37064
Provision for Taxation (F.B.Tax)		--	--
Profit / (Loss) after Taxation		579378	37064
Balance brought forward from previous year		(8049534)	(8086598)
Amount available for Appropriations		<u>(7470156)</u>	<u>(8049534)</u>
Appropriations			
Balance carried to Balance Sheet		<u>(7470156)</u>	<u>(8049534)</u>
		<u>(7470156)</u>	<u>(8049534)</u>
Significant Accounting Policies	19		
Notes on Accounts	20		

As per our report of even date attached

For and on behalf of the Board of Directors

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

**O. J. BANSAL**  
**S. J. BANSAL**  
Directors

Place : Mumbai  
Date : 27th May 2011

Place : Baroda  
Date : 27th May 2011

## SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2011

	As at 31-3-2011 Rupees	As at 31-3-2010 Rupees
<b>SCHEDULE 1 - Share Capital</b>		
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	(-) 19783500	(-) 20336500
<b>TOTAL</b>	<b>55617500</b>	<b>55064500</b>
<b>SCHEDULE 2 - Reserves and Surplus</b>		
Capital Reserve :		
As per last Balance Sheet	715334	715334
General Reserve :		
As per last Balance Sheet	37000	37000
<b>TOTAL</b>	<b>752334</b>	<b>752334</b>
<b>SCHEDULE 3 - Unsecured Loans</b>		
From Directors	--	--
From Others	106120	106120
<b>TOTAL</b>	<b>106120</b>	<b>106120</b>
<b>SCHEDULE 5 - Capital Work-in-Progress on New Project (Pending Capitalisation)</b>		
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	18700000	18700000
Advances to other suppliers	138880	138880
Interest and Finance Charges	377258	377258
<b>TOTAL</b>	<b>21834548</b>	<b>21834548</b>

DESCRIPTION	Amount in Rupees								
	GROSS BLOCK (AT COST)		DEPRECIATION		NET BLOCK				
	As at 1-4-2010	Additions during the year	Deductions during the year	As at 31-3-2011	As at 1-4-2010	Provided during the year	Deductions during the year	As at 31-3-2011	As at 31-3-2010
Land	1420515	148800	--	1569315	--	--	--	1569315	1420515
Factory Shed	2267523	--	--	2267523	980824	75736	--	1056560	1286699
G.I.D.C. Flats	383246	--	--	383246	91109	6248	--	97357	285889
Machinery	693507	--	--	693507	483234	32940	--	516174	210273
Electrical Installation	91275	--	--	91275	66052	4336	--	70388	25223
Office Equipments	155804	23500	--	179304	64857	8265	--	73122	90947
Furniture and Fixtures	211261	--	--	211261	194337	13372	--	207709	16924
Computer Systems	129600	6700	--	136300	36648	22017	--	58665	92952
Vehicals	1056022	55020	--	1111042	191423	97568	--	288991	864599
Current Year Total	6408753	234020	--	6642773	2108484	260482	--	2368966	4300269
Previous year Total	5901057	507696	--	6408753	1868553	239931	--	2108484	4032504



	As at 31-3-2011 Rupees	As at 31-3-2010 Rupees
<b>SCHEDULE 6 - Pre-Operative Expenditure</b>		
(pending capitalisation)		
Travelling Exp.	--	442299
TOTAL	<u>--</u>	<u>442299</u>
Add: Pre-Operative Expenditure incurred upto previous year	8160871	7718572
TOTAL	<u>8160871</u>	<u>8160871</u>
<b>SCHEDULE 7 - Inventories</b>		
(As Certified by Management)		
Raw Materials	175333	18270
Finished Goods	818550	764115
TOTAL	<u>993883</u>	<u>782385</u>
(For mode of valuation refer Note No. 3 of Significant Accounting Policies-Schedule-19)		
<b>SCHEDULE 8- Sundry Debtors</b>		
(Unsecured, Considered Good)		
Exceeding 6 Months	1369581	1365816
Others	1999310	104240
TOTAL	<u>3368891</u>	<u>1470056</u>
<b>SCHEDULE 9 - Cash and Bank Balances</b>		
Cash on Hand	452966	58390
With Bank	6391445	7585176
TOTAL	<u>6844411</u>	<u>7643566</u>
<b>SCHEDULE 10 - Loans and Advances</b>		
(Unsecured Considered Good)		
Advances recoverable in cash or in kind or for value to be received		
Security Deposits	30000	30000
Balance with Central Excise	17755	17755
T. D. S.	136558	148062
TOTAL	<u>184313</u>	<u>195817</u>
<b>SCHEDULE 11 - Current Liabilities</b>		
Sundry Creditors :		
For Goods & Supply	--	--
For Expenses	59585	22045
Other Liabilities	211729	108435
TOTAL	<u>271314</u>	<u>130480</u>

	As at 31-3-2011 Rupees	As at 31-3-2010 Rupees
<b>SCHEDULE 12 - Miscellaneous Expenditure</b>		
(To the extent not written off or adjusted)		
Preliminary Expenses (Project)	40000	40000
Public Issue Expenses/Share Capital Exps.	<u>3576388</u>	<u>3576388</u>
TOTAL	<u>3616388</u>	<u>3616388</u>
<b>SCHEDULE 13 - Increase / (Decrease) in Stock</b>		
Stock as on 31-3-2011		
Finished Goods	818550	764115
Less : Stock as on 1-4-2010		
Finished Goods	<u>764115</u>	<u>912515</u>
TOTAL	<u>54435</u>	<u>(148400)</u>
<b>SCHEDULE 14 - Raw Materials Consumed</b>		
Opening Stock	18270	32305
Add : Purchases during the year	<u>1865069</u>	<u>367336</u>
	1883339	399641
Less : Closing Stock	<u>175333</u>	<u>18270</u>
TOTAL	<u>1708006</u>	<u>381371</u>
<b>SCHEDULE 15 - Manufacturing and Operating Expenses</b>		
Labour charges	155	45
Power and Electricity	15822	12766
Machinery Repairs	30	9450
Consumable Stores	4902	4550
Tools and Stores	160	--
Freight and Octroi	30437	31206
Packing Materials	105	223
Instruments Repairing Expenses	--	9700
Wages	<u>292352</u>	<u>--</u>
TOTAL	<u>343963</u>	<u>67940</u>
<b>SCHEDULE 16 - Employees Remuneration and Benefits</b>		
Salary	452923	90000
Welfare Expenses	<u>84</u>	<u>84</u>
TOTAL	<u>453007</u>	<u>90084</u>



	Year Ended 31-3-2011 Rupees	Year Ended 31-3-2010 Rupees
<b>SCHEDULE 17 - Administrative and Other Expenses</b>		
Office Expenses	27125	12587
Printing and Stationery	29858	30825
Vehical running and maintainence (Motor Car)	48659	41342
Vehical running and maintainence (Scooter)	9758	9318
Professional and Other charges	50020	57120
Post and Telegram	17528	14454
Audit Fees	22060	16545
Travelling Expenses	22550	51135
Advertisement and Publicity	19318	6439
Building Repairs	3533	15472
Telephone Expenses	18925	13420
Freight Outward	557	--
Books and Periodicals	2706	1442
Electrical Repairs	3322	541
Entertainment Expenses	7966	4949
Insurance Expenses	21398	22510
Filing Fees	9500	3000
Computer Consumables	550	810
Professional Tax	2400	2400
Directors' Salary	540000	240000
Legal and other Charges	2500	5000
Listing Fees	16545	19395
Licence Fees	500	500
Municipal Taxes	22672	22672
GIDC Misc. Charges	--	12800
Round Up	13	--
VAT Disallowable	3111	--
<b>TOTAL</b>	<b>903074</b>	<b>604676</b>
<b>SCHEDULE 18 - Interest</b>		
Interest on Bank Loan	--	59
Bank charges	1571	723
<b>TOTAL</b>	<b>1571</b>	<b>782</b>

**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.
- 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.

**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. 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).
3. 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".
4. In view of adjustment against carried forward losses of the Company does not expect any income tax liability for the year 2010-2011 on the profit earned during the year hence no provision for tax liability has been made on this account
5. 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.

**6. Managing Director's Remuneration**

	(Rs. in lacs)	
	2010-2011	2009-2010
Salary	3.60	2.40
	<u>3.60</u>	<u>2.40</u>

**7. Details of Auditors' Remuneration**

	(Rs. in lacs)	
	2010-2011	2009-2010
Audit Fees	0.22	0.17
	<u>0.22</u>	<u>0.17</u>

8. Earning per share :

Sr. No.	Earning Per Share (Basic and Diluted) has been computed as under.	Unit of measurement	31.3.2011	31.3.2010
1	Net profit / (loss) after tax	Rs. in Lacs	5.79	0.37
2	Equity shares of Rs. 10/- each.	Numbers	7540100	7540100
3	Earning per share.		(66.20)	(71.99)

9. 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.

10. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARA GRAPH 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** **2010-2011** **2009-2010**

Raw Materials

Instruments Box	22	Nos.	33	Nos.
Part of Auto Level	7	Nos.	14	Nos.

**Finished Goods**

Automatic Level (BK-24 N)	36	Nos.	–	
Automatic Level (BK-20 i)	–		12	Nos.
Automatic Level (BK-24)	–		43	Nos.
Automatic Level (TA-2)	23	Nos.	43	Nos.
Theodolite Model J2-2	4	Nos.	4	Nos.
Theodolite Vernier	3	Nos.	4	Nos.
Levelling Staves (4 Mts.)	20	Nos.	18	Nos.
Levelling Staves (5 Mts.)	27	Nos.	9	Nos.
Levelling Staves (6 Mts.)	6	Nos.	–	
Aluminium Tripod (RK)	–		13	Nos.
Aluminium Tripod (AQ-2)	30	Nos.	35	Nos.
Aluminium Tripod (AQ-3)	37	Nos.	24	Nos.
Aluminium Tripod (AT-1)	6	Nos.	–	

<b>d) PRODUCTION</b>		<b>2010-2011</b>	<b>2009-2010</b>
Automatic Level (BK-24-N)		102 Nos.	85 Nos.
Automatic Level (TA-2)		135 Nos.	--
<b>e) RAW MATERIALS CONSUMPTION</b>		<b>2010-2011</b>	<b>2009-2010</b>
	(Rs.)	(%)	(Rs.) (%)
Indegenous raw materials	1491308	87%	207145 54 %
Imported raw materials	<u>216698</u>	<u>13%</u>	<u>174226</u> 46 %
	<u>1708006</u>	<u>100%</u>	<u>381371</u> 100 %

(Quantity Details not ascertained / ascertainable)

<b>f) SALES</b>		<b>2010-2011</b>	<b>2009-2010</b>
Automatic Level (BK-20 c)		--	12 Nos.
Automatic Level (BK-24)		--	43 Nos.
Automatic Level (BK-24-N)		126 Nos.	49 Nos.
Automatic Level (TA-2)		109 Nos.	20 Nos.
Theodolite Model (J2-2)		--	1 Nos.
Theodolite (Vernier) 20"		3 Nos.	5 Nos.
Theodolite (Vernier) 10"		1 No.	--
Levelling Staves (4 Mts.)		17 Nos.	10 Nos.
Levelling Staves (5 Mts.)		31 Nos.	6 Nos.
Aluminium Tripod (RK)		--	13 Nos.
Instruments Box		7 Nos.	--
Parts for Auto Level		14 Nos.	--
Slow Motion Set.		5 Nos.	--

<b>g) PURCHASES</b>	(Rs.)	(Rs.)
Indegenous raw materials	1648371	193110
Imported raw materials	<u>216698</u>	<u>174226</u>
	<u>1865069</u>	<u>367336</u>

(Quantity Details not ascertained / ascertainable)

h) DETAILS OF TRADED GOODS

	Theodolite Model (J2-2)		Theodolite (Vernier) 20"		Theodolite (Vernier) 10"	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Opening Stock	4	4	3	4	NIL	NIL
Add : Purchases	<u>—</u>	<u>1</u>	<u>6</u>	<u>4</u>	<u>2</u>	<u>NIL</u>
	4	5	9	8	2	NIL
Less : Sales	<u>—</u>	<u>1</u>	<u>3</u>	<u>5</u>	<u>1</u>	<u>NIL</u>
Closing Stock	<u>4</u>	<u>4</u>	<u>6</u>	<u>3</u>	<u>1</u>	<u>NIL</u>

	Alum. Tripod (AQ-2)		Alum. Tripod (AQ-3)		Alum. Tripod (AT-1)	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Opening Stock	30	35	37	24	6	NIL
Add : Purchases	<u>30</u>	<u>18</u>	<u>—</u>	<u>13</u>	<u>—</u>	<u>6</u>
	60	53	37	37	6	6
Less : Sales	<u>56</u>	<u>23</u>	<u>37</u>	<u>NIL</u>	<u>6</u>	<u>NIL</u>
Closing Stock	<u>4</u>	<u>30</u>	<u>NIL</u>	<u>37</u>	<u>NIL</u>	<u>6</u>

	Levelling Staves 4 Mts.		Levelling Staves 5 Mts.		Levelling Staves 6 Mts.	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Opening Stock	20	18	27	9	6	NIL
Add : Purchases	<u>—</u>	<u>12</u>	<u>10</u>	<u>24</u>	<u>6</u>	<u>6</u>
	20	30	37	33	12	6
Less : Sales	<u>17</u>	<u>10</u>	<u>31</u>	<u>6</u>	<u>9</u>	<u>NIL</u>
Closing Stock	<u>3</u>	<u>20</u>	<u>6</u>	<u>27</u>	<u>3</u>	<u>6</u>

	Parts of Auto Level (Kit)	
	2010-11	2009-10
Opening Stock	NIL	NIL
Add : Purchases	<u>200</u>	<u>NIL</u>
	200	NIL
Less : Sales	<u>6</u>	<u>NIL</u>
Closing Stock	<u>194</u>	<u>NIL</u>





i) CLOSING STOCK		2010-2011		2009-2010	
Raw Materials					
ITEM	QUANTITY	VALUE (Rs.)	QUANTITY	VALUE (Rs.)	
Instruments Box	51	19635	22 Nos.	8470	
Part of Auto Level	95	133000	7 Nos.	9800	
Parts of Auto Level (Kit)	194	22698	--	--	
		<u>175333</u>		<u>18270</u>	
<b>Finished Goods</b>					
Automatic Level (BK-24-N)	12	55200	36 Nos.	165600	
Automatic Level (TA-2)	49	441000	23 Nos.	207000	
Theodolite Model (J2-2)	4	254000	4 Nos.	254000	
Theodolite (Vernier) 20"	6	44250	3 Nos.	22125	
Theodolite (Vernier) 10"	1	9500	--	--	
Levelling Staves (4 Mts.)	3	2430	20 Nos.	16200	
Levelling Staves (5 Mts.)	6	5580	27 Nos.	25110	
Levelling Staves (6 Mts.)	3	2670	6 Nos.	5340	
Aluminium Tripod (AQ-2)	4	3920	30 Nos.	29400	
Aluminium Tripod (AQ-3)	--	--	37 Nos.	32560	
Aluminium Tripod (AT-1)	--	--	6 Nos.	6780	
		<u>818550</u>		<u>764115</u>	
			(Rs. in lacs)	(Rs. in lacs)	
			2010-2011	2009-2010	
<b>12. C.I.F. Values of Imports</b>					
Imports of Raw Materials, Spares and Components			2.17	1.74	
Import of Goods for Resale			--	--	
			<u>2.17</u>	<u>1.74</u>	
<b>13. F.O.B. Value of Exports</b>			NIL	NIL	



**CASH FLOW STATEMENT**

	2010-2011 Rupees	2009-2010 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit / (Loss) before Tax & Extraordinary Items	579378	37064
Adjusted for :		
Depreciation and Expenses amortised	260482	239931
Interest	1571	782
Other Income	--	--
Operating Profit before Working Capital Changes	841431	277777
Adjusted for :		
Trade & Other Receivables	(1898835)	55872
Inventories	(211498)	162435
Loans and Advances	11504	283432
Trade Payables	140834	(8)
Cash Generated from Operations	--	--
Interest Paid	(1571)	(782)
Tax Paid	--	--
<b>NET CASH FROM OPERATING ACTIVITIES (TOTAL : A)</b>	<b>(11 18135)</b>	<b>778726</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(234020)	(507696)
Capital Work-in-Progress on New Project (including Advances)	--	--
Pre-Operative Expenditure (Pending Capitalisation)	--	(442299)
Other Income	--	--
<b>NET CASH USED IN INVESTING ACTIVITIES (TOTAL : B)</b>	<b>(234020)</b>	<b>(949995)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Term Borrowings	--	--
Proceeds from Unsecured Loans	--	--
Proceeds from Secured Loans	--	--
Proceeds from Allotment Money Due	553000	--
<b>NET CASH USED IN FINANCING ACTIVITIES (TOTAL : C)</b>	<b>553000</b>	<b>--</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(799155)</b>	<b>(171269)</b>
<b>OPENING BALANCE - CASH &amp; CASH EQUIVALENTS</b>	<b>7643566</b>	<b>7814835</b>
<b>CLOSING BALANCE - CASH &amp; CASH EQUIVALENTS</b>	<b>6844411</b>	<b>7643566</b>

Place : Baroda  
Date : 27th May 2011

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, 2011 and March 31, 2010, 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 : 27th May 2011

**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 2011

**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 : 564.76 Total Assets : 564.76

**SOURCES OF FUNDS**

Paid-up Capital : 556.18 Reserves and Surplus : 7.52  
 Secured Loans : NIL Unsecured Loans : 1.06

**APPLICATION OF FUNDS**

Net Fixed Assets : 42.74 Investments : NIL  
 Net Current Assets : 111.20 Misc. Expenditure : 36.16  
 Accumulated losses : 74.70

**d. Performance of Company (Amount in Rs. Lacs)**

Total Turnover : 148.65 Total Expenditure : 142.86  
 Profit Before Tax : 5.79 Profit After Tax : 5.79  
 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 : 27th May 2011

For and on behalf of the Board of Directors

**O. J. BANSAL**

**S. J. BANSAL**

Directors

Place : Baroda  
 Date : 27th May 2011



### 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 Nineteenth Annual General Meeting of the above named company being held at Matruchhaya Farm & Garden Restaurant, National Highway No - 8, Tarsali By Pass, Makarpura Vadodara. on 29-09-2011 at 10.00 a.m.

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

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

Signature :



### Towa Sokki Limited

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

#### PROXY FORM

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

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

being a member/members of TOWA SOKKI LIMITED hereby appoint

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

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

as my/our proxy to vote for me/us on my/our behalf at NINETEENTH ANNUAL GENERAL MEETING of the company to be held at Matruchhaya Farm & Garden Restaurant, National Highway No - 8, Tarsali By Pass, Makarpura Vadodara. on 29-09-2011 at 10.00 a.m. and any adjournment thereof.

signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Signature \_\_\_\_\_

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

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

Re. 1.00  
Revenue  
Stamp

Note :

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

**BOOK-POST**

To,

**If Undelivered Please Return to :**



**Towa Sokki Limited**

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