

# **Towa Sokki Limited**



**TWENTY SEVENTH ANNUAL REPORT 2018 – 2019**



**BOARD OF DIRECTORS**

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

**COMPANY SECRETARY**

Mrs. Preethi Suresh

**CHIEF FINANCIAL OFFICER**

Mr. Somesh Bansal

**BANKERS**

Bank of Baroda  
Indian Overseas Bank

**AUDITORS**

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

**REGISTERED OFFICE**

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

**NOTICE**

27th Annual General Meeting will be held at Vatika Inn,  
102, Sakar Complex, Opp, Bhavans School,  
Makarpura Road, Vadodara – 390009  
On Friday, 27th September, 2019 at 10.00 A.M.

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## NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of TOWA SOKKI LIMITED will be held on Friday, 27th September 2019, at 10.00 a.m. at Vatika Inn, 102, Sakar Complex, Opp. Bhavans School, Makarpura Road, Vadodara - 390009, to transact the following Business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31st March, 2019 and the Reports of Board and Auditors' thereon.
2. To appoint a Director in place of Smt. Sushila Omprakash Bansal (DIN: 01488071), who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:-

3. Re-appointment of Mr. O.J. Bansal (DIN: 01488025), as Managing Director of the Company.

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

"RESOLVED THAT in accordance with the provisions of Sections 196,197,203 and Schedule V and all other applicable provisions of the Companies Act, 2013 (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 Mr. O.J. Bansal (DIN: 01488025) as Managing Director of the Company, for a period of three years with effect from 1st October 2019 on the terms and conditions, including remuneration, as are set out in the agreement to be entered into between the Company and Mr. O.J. Bansal, a draft whereof is placed before this meeting which agreement 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 V of the Companies Act, 2013 (including any statutory modification or re-enactments thereof, for the time being in force), or any amendments and/or modifications that may hereafter be made thereof by the Central Government in that behalf from time to time, or amendments thereto as may be agreed to Between the Board and Mr. O.J. Bansal."

4. Re-appointment of Mr. S.J. Bansal (DIN: 01364898), as Whole Time Director of the Company

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

"RESOLVED THAT in accordance with the provisions of Sections 196,197,203 and Schedule V and all other applicable provisions of the Companies Act, 2013 (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 Mr. S.J. Bansal (DIN: 01364898) as whole Time Director of the Company, for a period of three year with effect from 1st October 2019 on the terms and conditions, including remuneration, as are set out in the agreement to be entered into between the Company and Mr. S.J.Bansal, a draft whereof is placed before this meeting which agreement is specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board") to alter and vary the terms and conditions the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in schedule V of the Companies Act, 2013 (including any statutory modification or re-enactments there of, 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 Mr. S.J. Bansal".

5. Appointment of Mr. Ajay Kumar Pithi (DIN: 00866809), as Independent Director of the Company.

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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Clause 49 of the Listing Agreement, Mr. Ajay Kumar Pithi (DIN: 00866809), who was appointed as an Additional Director by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to the conclusion of 32nd Annual General Meeting of the Company in the calendar year 2024.”

6. Appointment of Mrs. Alka Agarwal (DIN: 08467037), as Independent Director of the Company.

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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Clause 49 of the Listing Agreement, Mrs. Alka Agarwal (DIN: 08467037), who was appointed as an Additional Director by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to the conclusion of 32nd Annual General Meeting of the Company in the calendar year 2024.”

7. Re-appointment of Mr. Heeralal Barot (DIN: 06920366), as Independent Director of the Company.

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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Clause 49 of the Listing Agreement, Mr. Heeralal Barot (DIN: 06920366), who was appointed as an Independent Director by the Members. As he has attained an age of 75 years he has resigned as Independent Director on 1-04-2019. The Company has received his willingness to appoint him as an Independent Director for 5 years. With the consent of the members, Mr. Heeralal Barot be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years up to the conclusion of 32nd Annual General Meeting of the Company in the calendar year 2024.”

Registered Office :  
FF-6, Amrapali Apartment  
Near Air Force Station, Makarpura  
Vadodara – 390014  
CIN : L51909GJ1993PLC019111  
E-mail : [towasurvey@yahoo.co.in](mailto:towasurvey@yahoo.co.in)  
Website : [www.towasokki.in](http://www.towasokki.in)  
Date : 28-08-2019

By Order of the Board  
For Towa Sokki Limited  
Sd/-  
O.J. Bansal  
Chairman & Managing Director  
(DIN : 01488025)

**NOTES:**

1. **A Member entitled to attend and vote at this Annual General Meeting is entitled to appoint a proxy to attend and vote, instead of himself/herself.** A proxy need not be a Member of the Company. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.
2. The instrument of proxy in order (duly completed & signed) to be effective must reach at the Registered Office of the Company not less than 48 hours before the commencement of meeting.
3. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution / authority authorizing their representative to attend and vote at the Annual General Meeting.
4. A proxy shall not vote except on a poll. A proxy form is appended with the attendance slip.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. Member seeking any clarification on account of the company are requested to send their query in writing to the company at registered office addressing to Managing Director or through e-mail at [towasurvey@yahoo.co.in](mailto:towasurvey@yahoo.co.in). The query must reach to the company either by mail or e-mail at least seven working days before the date of AGM (excluding the date of AGM).
7. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September 2019 to 27th September, 2019 (both days inclusive).
8. As a measure of economy, copies of the Annual Report will not be distributed at the Meeting. Members are, therefore, requested to bring their copies of Annual Report.
9. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository.
10. Members are requested to send all their communications pertaining to shares & notify change in their address/mandate/bank details to The Registrar & Share Transfer Agent, M/s Link Intime India Pvt. Ltd., to facilitate better servicing.
11. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to The Registrar & Share Transfer Agent, M/s Link Intime India Pvt. Ltd., for their doing the needful.
12. In furtherance of the Green Initiative and Section 101 of the Companies Act, 2013 read with Rule 18(3) (i) of the Companies (Management & Administration) Rules, 2014 and Rule 11 of the Companies (Accounts) Rules, 2014, the Company urges the Members to register their email address with the Company and/or its Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Ltd., for receiving the Annual Report, Notices etc. in electronic mode. In future all the Annual Report, Notices and other communications etc. will be sent in electronic mode to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member requests for a physical copy of the same.

13. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019. Accordingly the Company / Link Intime India Pvt. Ltd. has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialization.

14. Members may also note that the Notice of the Annual General Meeting and the Annual Report 2018-2019 will also be available on the Company's website [www.towasokki.in](http://www.towasokki.in) for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id : [towasurvey@yahoo.co.in](mailto:towasurvey@yahoo.co.in)

**15. Process and manner for members opting for E-voting.**

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

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

**The instructions for e-voting are as under:**

i) The e-voting period begins on 24-09-2019 from 9.00 A.M. and ends on 26-09-2019 till 5.00 P.M. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off Date (Record Date) of 20-09-2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

iii) Click on Shareholders.

iv) Now Enter your User ID

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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



**xix) Note for Non - Individual Shareholders and Custodians**

\* Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

\* A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

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

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

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

16. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e 20-09-2019.

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

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

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

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

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E-mail : [towasurvey@yahoo.co.in](mailto:towasurvey@yahoo.co.in)  
Website : [www.towasokki.in](http://www.towasokki.in)  
Date : 28-08-2019

By Order of the Board  
For Towa Sokki Limited  
Sd/-  
O.J. Bansal  
Chairman & Managing Director  
(DIN : 01488025)

**Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013.**

**Item, No. 3 & 4:**

As you are aware, the tenure of Mr. O.J. Bansal as Managing Director and Mr. S.J. Bansal as Whole Time of Director expires on 30-09-2019. Accordingly it has been proposed for their re-appointment for further period of 3 years with effect from 1-10-2019 on term and condition of appointment of Mr. O.J. Bansal as Managing Director and Mr. S.J. Bansal as Whole Time of Director as are under

**I. REMUNERATION**

By the way of salary, perquisites and allowances, aggregating amount as may be determined by the Board of Directors from time to time.

<b>Name of Director</b>	<b>Amount</b>
1. Mr. O. J. Bansal - Managing Director	Upto Rs. 100000/- P.M.
2. Mr. S. J. Bansal - Whole Time Director	Upto Rs. 100000/- P.M.

**MINIMUM REMUNERATION:**

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of tenure of Mr. O.J. Bansal and Mr. S.J. Bansal if the Company has no profits or its profits are in-adequate, Mr. O.J. Bansal and Mr. S.J. Bansal will be paid the minimum remuneration by way of salary, perquisites and allowances, as specified above, which shall be governed by the limits prescribed under Schedule V of the Companies Act, 2013 and any amendments thereto.

**ENTRUSTED DUTIES:**

Subject to the supervision and control of the Board of Directors of the Company, the Whole Time Directors shall look after the day to day affairs and overall operations of the Company and shall carry out such other duties as may be entrusted to them by the Board of Directors from time to time.

**CONFIDENTIALITY:**

Mr. O.J. Bansal & Mr. S.J. Bansal will perform their duties truly and faithfully and comply with the directives given to them from time to time by the Board, and further not disclose to any person, firm or Company any confidential information.

**LIABLE TO RETIRE BY ROTATION:**

During their tenure period as Whole time Director of the Company, Mr. O.J. Bansal & Mr. S.J. Bansal shall be reckoned for the purpose of arriving Directors liable to retire by rotation.

**SITTING FEES:**

As long as Mr. O.J. Bansal & Mr. S.J. Bansal functions as Whole time Directors, they will not be paid any sitting fees for attending the meetings of the Board of Directors or any committee(s) thereof.



**TERMINATION:**

Either party shall have liberty to terminate the aforesaid appointment, by giving six months notice in writing to the other.

In terms of provisions contained in section II of Part II (A) of Schedule V of the Companies Act, 2013, the relevant details regarding the performance of the Company and of the appointee is furnished hereunder:

**GENERAL INFORMATION:**

1)	Nature of Industry	Manufacturing and trading of Survey Instrument
2)	Date of Commencement of Commercial Production	Year 1995
3)	Financial Performance for the Financial Year ended 31-03-2019	Turnover : Rs. 1485588 Net Profit : Rs. (2266910)
4)	Export Performance	NIL
5)	Foreign Investment or Collaboration	NIL

**INFORMATION ABOUT THE APPOINTEES:**

Mr. O.J. Bansal and S.J. Bansal are promoters of the Company.

Name of Director	Mr. O. J. Bansal	Mr. S. J. Bansal
Date of Appointment	1-10-2016	1-10-2016
Expertise in specific functional areas	Survey Instruments	Survey Instruments
Qualifications	D.M.E.E.	D.C.E.
List of other companies in which directorship held	Nil	Nil
Chairman / Member of the committee of other public companies on which the individual is a director	Nil	Nil

**REORGANIZATION OF AWARDS: Nil**

**JOB PROFILE AND SUITABILITY:**

Mr. O.J. Bansal and Mr. S.J. Bansal, have been associated with the Company since long time and are experts in the field of Survey Instruments. Their appointment will be immensely beneficial to the Company.

**REMUNERATION PROPOSED:**

Name of Director	Amount
1. Mr. O. J. Bansal - Managing Director	Upto Rs. 100000/- P.M.
2. Mr. S. J. Bansal - Whole Time Director	Upto Rs. 100000/- P.M.

**COMPARATIVE REMUNERATION, PROFILE WITH RESPECT OF INDUSTRY:**

The proposed remuneration to the above appointees is in commensurate to the size of units in the industry.

**PECUNIARY RELATIONSHIP:**

Mr. O.J. Bansal and Mr. S.J. Bansal, promoter and executive director have pecuniary relation so far as relatives have business transactions with the Company.

## II. Other information:

Reason for loss or inadequate profits - The Company is not able to tap market opportunities due to adverse economic scenario since last couple of years, and hence operating income is not adequate for meeting losses. Steps taken or proposed to be taken for improvement & Expected increase in productivity and profits in measurable terms:

The Company has been exploring new market opportunities for the business and certain strategic management changes made during the previous financial would result in further cost reduction and thereby contributing to the profitability in the years to come.

The above explanatory statement (together with Annexure thereto) shall be construed to be memorandum setting out the terms of the Appointment / re-appointment as specified under Section 190 of the Companies Act, 2013 and the same is available for inspection by the Members at the Registered Office of the Company on all working days except Sundays and holidays between 11.00 A.M. and 1.00 P.M., up to the date of the Annual General Meeting.

The Board of Directors feels that aforesaid terms of re-appointment, appointment and remuneration of Mr. O.J. Bansal and Mr. S.J. Bansal in the interest of the Company.

All promoter Directors are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item no. 3 & 4 of the Notice.

The Board recommends the Special Resolution set out at Item No. 3 and 4 of the Notice for approval by the shareholders.

### Item No. 5 and 6

Mr. Ajay Kumar Pithi and Mrs. Alka Agarwal has joined the Board with effect from 30<sup>th</sup> May, 2019 as Additional Directors of the Company. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Ajay Kumar Pithi and Mrs. Alka Agarwal will hold the office up to the date of ensuing AGM. The Company has received notice in writing from members proposing the candidature of Mr. Ajay Kumar Pithi and Mrs. Alka Agarwal for their appointment as Independent Directors.

Mr. Ajay Kumar Pithi and Mrs. Alka Agarwal are not disqualified from being appointed as a Directors in terms of Section 164 of the Act and has given their consent to act as a Director.

As per the provision of Section 149 of the Act inter alia prescribed the criteria for acting as Independent Director a Company propose to appoint Independent Director on its Board. As per the said Section 149, an Independent Director can hold office for a term upto 5 (five) consecutive years on the Board of a Company and he shall not be included in the total number of Directors for retirement by rotation.

In the opinion of the Board, Mr. Ajay Kumar Pithi and Mrs. Alka Agarwal fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company and are independent of the management.

The Company has received declaration from Mr. Ajay Kumar Pithi and Mrs. Alka Agarwal that they meets with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mr. Ajay Kumar Pithi has appropriate skills, experience and knowledge, inter alia, in the field of Construction and Survey Work and Mrs. Alka Agarwal has appropriate skills, experience and knowledge, inter alia, in the field of Marketing and Finance.

Brief resume of Mr. Ajay Kumar Pithi and Mrs. Alka Agarwal, nature of their expertise in specific functional areas and names of Companies in which they holds directorships and memberships / chairmanships of Board Committees, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is provided in the Annexure to the Notice forming part of the Annual Report.

Copy of the draft letter for respective appointment of Mr. Ajay Kumar Pithi and Mrs. Alka Agarwal appropriate skills, experience and knowledge, inter alia, in their field as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company during Business hours on any week days excluding Sunday and Public Holiday.

This Statement may also be regarded as a disclosure under the Listing Regulations with the Stock Exchange.

Except Mr. Ajay Kumar Pithi and Mrs. Alka Agarwal, being appointees, None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 and 6 of the Notice.

The Board recommends the Special Resolutions set out at Item No. 5 and 6 of the Notice for approval by the shareholders.

**Item No. 7**

Mr. Heeralal Barot (DIN: 06920366), who was appointed as an Independent by the Members in the AGM on 29-09-2014 for holding the office up to the date of ensuing AGM. As he has attained the age of 75 years he has resigned as Independent Director on 1-04-2019. The Company has received his willingness to re-appoint him as an Independent Director for 5 years. The Company has received notice in writing from member proposing the candidature of Mr. Heeralal Barot for his re-appointment as Independent Director.

Mr. Heeralal Barot is not disqualified from being appointed as a Directors in terms of Section 164 of the Act and has given his consent to act as a Director.

In the opinion of the Board, Mr. Heeralal Barot fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as Independent Directors of the Company and is independent of the management.

The Company has received declaration from Mr. Heeralal Barot that he meets with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under Listing Regulations. Mr. Heeralal Barot has appropriate skills, experience and knowledge, inter alia, in the field of Banking and Finance. Brief resume of Mr. Heeralal Barot, nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships / chairmanships of Board Committees as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is provided in the Annexure to the Notice forming part of the Annual Report.

Copy of the draft letter for appointment of Mr. Heeralal Barot appropriate skills, experience and knowledge, inter alia, in their field as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company during Business hours on any week days excluding Sunday and Public holiday.

This Statement may also be regarded as a disclosure under the Listing Regulations with the Stock Exchange.



Except Mr. Heeralal Barot, being appointee, None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

Registered Office :  
 FF-6, Amrapali Apartment  
 Near Air Force Station, Makarpura  
 Vadodara – 390014  
 CIN : L51909GJ1993PLC019111  
 E-mail : [towasurvey@yahoo.co.in](mailto:towasurvey@yahoo.co.in)  
 Website : [www.towasokki.in](http://www.towasokki.in)  
 Date : 28-08-2019

By Order of the Board  
 For Towa Sokki Limited  
 Sd/-  
 O.J. Bansal  
 Chairman & Managing Director  
 (DIN : 01488025)

**ANNEXURE TO THE NOTICE**  
**Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting**

<b>Name of Director</b>	<b>Mrs. Sushila O. Bansal</b>	<b>Mr. Ajay Kumar Pithi</b>	<b>Mrs. Alka Agarwal</b>	<b>Mr. Heeralal Barot</b>
Date of Appointment	10-03-2015	30-05-2019	30-05-2019	13-08-2019
Expertise in specific functional areas	Administration	Construction and Survey	Marketing and Finance	Banking and Finance
Qualifications	Non-Metric	B.E. (Civil)	M.B.A. (Marketing & Finance)	Non-Graduate
List of other companies in which directorship held	Nil	Nil	Nil	Nil
Chairman / Member of the committee of other public companies on which the individual is a director	Nil	Nil	Nil	Nil

**BOARD'S REPORT**

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31<sup>st</sup> March 2019.

**1. FINANCIAL RESULTS**

Particulars	(Amount in Rs.)	
	31-03-2019	31-03-2018
Total Income	1485588	14381139
Total Expenses	3728530	39597601
Earning before Depreciation & Tax	(2242942)	(25216462)
Depreciation	26748	18354
Profit / (Loss) Before Tax	(2269690)	(25234816)
Provision for Tax	(2780)	--
Profit / (Loss) after Tax	(2266910)	(25234816)

**2. DIVIDEND**

In view of the loss, management does not propose any dividend for the year 2018-2019.

**3. REVIEW OF OPERATIONS**

The operations for the year under review shows a loss of Rs. 2266910/-. During the year under review, the manufacturing sales have not been much improved. This is mainly attributed to overall economic slowdown in the Country. Your directors are hopeful of achieving a steady growth in sales and job work activity and resultant net margin in the years to follow.

**4. RESERVES**

There is no creation of reserves in the F.Y. 2018-19.

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

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

**6. SHARE CAPITAL**

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

**BUY BACK OF SECURITIES**

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

**SWEAT EQUITY**

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

**BONUS SHARES**

No Bonus Shares were issued during the year under review.

**EMPLOYEES STOCK OPTION PLAN**

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

**7. MATERIAL CHANGES**

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

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

(A) Conservation of energy:

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

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

(B) Technology absorption:

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

(C) Foreign Exchange Earnings and Outgo:

Particulars	2018-19	2017-18
Foreign Exchange earned in terms of actual inflows during the year (On F.O.B Basis)	NIL	NIL
Foreign Exchange outgo during the year in terms of actual outflows	NIL	721645

**9. RISK MANAGEMENT**

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

**10. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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



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

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

**12. RELATED PARTY TRANSACTIONS**

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

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

**13. DIRECTORS**

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

**COMPANY SECRETARY**

Mrs. Preethi Suresh is Company Secretary of the Company. She resigned w.e.f. 15-06-2019.

**13.1 BOARD EVALUATION**

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

**13.2 REMUNERATION POLICY**

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

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

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

### 13.4 MEETINGS

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

Sr. No.	Date of Board Meeting	Total Number of Directors as on the date of Board Meeting	Attendance	
			No. of Directors attended	% of attendance
1	29-05-2018	6	5	83%
2	14-08-2018	6	5	83%
3	03-11-2018	6	5	83%
4	13-02-2019	6	5	83%

### 13.5 DECLARATION OF INDEPENDENT DIRECTORS

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

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

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

### 14. AUDIT COMMITTEE AND VIGIL MECHANISM

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

Following Audit Committee Meeting were held during the year.

Sr. No.	Date of Audit Committee Meeting	Total Number of Directors as on the date of Committee Meeting	Attendance	
			No. of Directors attended	% of attendance
1	29-05-2018	3	3	100%
2	14-08-2018	3	3	100%
3	03-11-2018	3	3	100%
4	13-02-2019	3	2	67 %

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

### 15. DIRECTORS RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **16. ANNUAL RETURN**

The Annual Return pursuant to the provisions of Section 92 (3) has been placed at the website of the Company at [www.towasokki.in](http://www.towasokki.in)

#### **17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

#### **18. DEPOSITS**

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

#### **19. WEBSITE**

The corporate website [www.towasokki.in](http://www.towasokki.in) displays relevant information as required under the Companies Act, 2013 and Rules framed there under and as per SEBI regulations.

#### **20. AUDITORS**

##### **20.1 STATUTORY AUDITORS**

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

##### **20.2 SECRETARIAL AUDIT**

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

### **20.3 OBSERVATION OF AUDITORS**

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

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

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

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

No such order passed.

### **23. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

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

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

### **24. CORPORATE GOVERNANCE**

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

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

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

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

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

### **26. OTHER MATTERS**

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

1. Change in nature of business
  - There is no change in the nature of the business
2. Details of significant and material orders passed by the Regulators or courts or tribunals impacting the going concern status and company's operation in future
  - There is no significant and material orders passed by the Regulators, Courts, or Tribunals
3. Adequacy of Internal Financial Controls with reference to Financial Statements
  - There is an adequate system in place for internal financial controls which commensurate with the working operation of the Company.

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

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

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

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

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

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

Your Company through this policy has constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints were received under this policy during the Financial Year 2018-2019.

**30. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS**

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

**31. MAINTENANCE OF COST RECORD:**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the activity of your Company falls under Non-regulated sectors and hence, maintenance of cost record is not applicable to the Company for the Financial Year 2018-2019.

**32. ACKNOWLEDGEMENTS**

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

Registered Office :  
FF-6, Amrapali Apartment  
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CIN : L51909GJ1993PLC019111  
E-mail : [towasurvey@yahoo.co.in](mailto:towasurvey@yahoo.co.in)  
Website : [www.towasokki.in](http://www.towasokki.in)  
Date : 13-08-2019

By Order of the Board  
For Towa Sokki Limited  
Sd/-  
O.J. Bansal  
Chairman & Managing Director  
(DIN : 01488025)

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

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

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

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

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangement/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	date(s) of approval by the Board	Amount paid as advances, if any
Son of Managing Director	Mr. Somesh Bansal as CFO with yearly remuneration of Rs. 360000/-	01-04-2018 to 31-03-2019	Appointment as CFO with yearly remuneration of Rs. 360000/-	28-07-2014	---
Wife of Managing Director	Mrs. Sushila O. Bansal women director sitting fees of Rs. 4000/-	01-04-2018 to 31-03-2019	Mrs. Sushila O. Bansal women director sitting fees of Rs. 4000/-	28-07-2014	---

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Date : 13-08-2019

By Order of the Board  
For Towa Sokki Limited  
Sd/-  
O.J. Bansal  
Chairman & Managing Director  
(DIN : 01488025)

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019**

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

Date: 13<sup>th</sup> August, 2019

To

The Members

Towa Sokki Limited

FF-6, Amrapali Apartment,

Near Air Force Station,

Makarpura, Vadodara – 390014

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

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2019, according to the provisions of:

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

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

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

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

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

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

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

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

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

**I further report that;**

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

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

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

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

FOR HEMANG SHAH  
PRACTICING COMPANY SECRETARY

HEMANG SHAH  
PROPRIETOR  
MEMBERSHIP NUMBER: A42892  
COP NUMBER: 16114  
PLACE: Vadodara  
DATE: 13<sup>th</sup> August, 2019

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

**Annexure to Secretarial Audit Report**

Date: 13<sup>th</sup> August, 2019

To

The Members

Towa Sokki Limited

FF-6, Amrapali Apartment,

Near Air Force Station,

Makarpura, Vadodara – 390014

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

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

FOR HEMANG SHAH

PRACTICING COMPANY SECRETARY

HEMANG SHAH

PROPRIETOR

MEMBERSHIP NUMBER: A42892

COP NUMBER: 16114

PLACE: Vadodara

DATE: 13<sup>th</sup> August, 2019

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

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

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

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

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

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

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

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

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

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

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

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

The details of remuneration to KMP's have been elaborated in Form No. MGT 9 placed on the website of company at [www.towasokki.in](http://www.towasokki.in). The remuneration paid to 2 KMPs aggregate to 36.75% of revenue. The net revenue during the year is 14.86 Lacs.

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

Since there was very less trading in the shares during F.Y. 2018-19 and 2017-18 at BSE, where the shares are listed, details not generated. The closing price at BSE is Rs. 5.50 as on 31-03-2019 and Rs. 5.50 as on 31-03-2018.

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

Particulars	Remuneration	% of Gross revenue	% of PBT
Mr. O.J. Bansal, M.D.	Nil	Nil	In view of loss, Details not generated
Mr. S.J. Bansal, WTD	Nil	Nil	
Mr. Somesh O. Bansal, CFO	360000	24.23	
Mrs. Preethi Suresh, CS	186000	12.52	

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

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

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

The Managing Director and Whole Time Director has not paid any remuneration in the financial year. No other Director has received any remuneration other than sitting fees.

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

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

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

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

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

As mentioned in the Directors report, your Directors are hopeful of achieving a steady growth in sales and job work activity and resultant net margin in the years to follow. In the current scenario the Board believed that Indian market will offers the opportunities for the revival of the product.

**Opportunities and Threat**

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

**Segment wise Performance**

The Company does not have multiple products / segments

**Out look**

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

**Internal control System**

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

**Human relations**

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

**Caution**

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

**B. Disclosures**

**(i) Related party Transactions**

Sr. No.	Particulars of Party	Relationship	Nature of Transactions	Amount in Rupees	
				2018-19	2017-18
1.	Somesh O. Bansal	Son of Managing Director	Remuneration	360000	360000
2.	Mrs. Sushila O. Bansal	Wife of Managing Director	Director sitting fees	4000	5000

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

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

**(ii) Cases of Non-Compliance**

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

**(iii) Whistle Blower Policy / Vigil Mechanism**

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

Registered Office :  
 FF-6, Amrapali Apartment  
 Near Air Force Station, Makarpura  
 Vadodara – 390014  
 CIN : L51909GJ1993PLC019111  
 E-mail : [towasurvey@yahoo.co.in](mailto:towasurvey@yahoo.co.in)  
 Website : [www.towasokki.in](http://www.towasokki.in)  
 Date : 13-08-2019

By Order of the Board  
 For Towa Sokki Limited  
 Sd/-  
 O.J. Bansal  
 Chairman & Managing Director  
 (DIN : 01488025)

## INDEPENDENT AUDITOR'S REPORT

To the Members of Towa Sokki Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Towa Sokki Limited ('the Company'), which comprise the balance sheet as at March 31, 2019, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical independent responsibilities in accordance with these requirements and the ICAI Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no other key audit matters to be communicated in our report.

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management discussion and analysis, Board Report including annexures to Board report, Corporate Governance Report and shareholder information etc. but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Financial Statements**

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

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors’ Report) Order, 2016 (“the Order”) issued by the Central Government in terms of section 143 (11) of the Act, we give in the “Annexure A”, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act,
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operative effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year.

- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - I. The Company does not have any pending litigation which could impact the financial position in its financial statements
  - II. There are no foreseeable loss on long term contracts including derivative contracts requiring provision under applicable laws or Accounting Standards.
  - III. There are no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Doogar & Associates**

Chartered Accountants  
Firm Registration No.: 000561N

**M.S. Agarwal**

Partner  
Membership No.: 086580

Place: Vadodara  
Date: 30.05.2019

**ANNEXURE – A. THE ANNEXURE REFERRED TO IN INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COMPANY ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019, WE REPORT THAT:**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanation given to us and on the basis of our examination of the records of the company, physical verification of the inventory has been conducted at reasonable intervals by the management and discrepancies noticed which were not material in nature have been properly dealt with in the books of accounts.
- (iii) According to the information and explanation given to us, during the year the company has not granted any loans, secured or unsecured to companies, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted during the year in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) According to information & explanations given to us, Central Government has not specified the maintenance of cost records under sub-section (i) 148 of the companies Act 2013.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employee state insurance, income-tax, duty of customs, cess, Goods and Service Tax (GST) and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee state insurance, income tax, duty of customs, GST and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of income tax, or cess, GST which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company does not have any outstanding loan or borrowing to a financial institution, bank, government or dues to debenture holders during the year.

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

**For Doogar & Associates**

Chartered Accountants  
Firm Registration No.: 000561N

**M.S. Agarwal**

Partner  
Membership No.: 086580

Place: Vadodara  
Date: 30.05.2019

**ANNEXURE - B TO THE AUDITORS' REPORT**

**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of Towa Sokki Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

#### **OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For Doogar & Associates**

Chartered Accountants

Firm Registration No.: 000561N

#### **M.S. Agarwal**

Partner

Membership No.: 086580

Place: Vadodara

Date: 30.05.2019



**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2019**

Particulars	Note No.	(Amount in Rupees)	
		As at 31-03-2019	As at 31-03-2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property plant and equipment	1	694236	720984
Financial Assets			
(i) Loans	2	--	12000
Other non-current assets	3	231457	145637
<b>Total Non-Current Assets</b>		<b>925693</b>	<b>878621</b>
<b>Current Assets</b>			
Inventories	4	743324	983120
Financial Assets			
(i) Trade receivables	5	559958	2610746
(ii) Cash and cash equivalents	6	721965	915809
(iii) Bank balance other than (ii) above	7	12880914	12662497
Other current assets	3	132414	165438
<b>Total Current Assets</b>		<b>15038575</b>	<b>17337610</b>
<b>TOTAL ASSETS</b>		<b>15964268</b>	<b>18216231</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	8	64474500	64474500
(b) Other equity	9	(48647876)	(46380966)
<b>Total Equity</b>		<b>15826624</b>	<b>18093534</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
<b>Total Non-Current Liabilities</b>		--	--
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Trade Payables	10	87344	71207
(ii) Other Current Financial Liabilities	11	45100	45100
Other current liabilities	12	5200	6390
<b>Total Current Liabilities</b>		<b>137644</b>	<b>122697</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>15964268</b>	<b>18216231</b>

**Significant accounting policies**

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

As per our report of even date annexed

**For DOOGAR & ASSOCIATES**

Firm Reg. No: 000561N

Chartered Accountants

**M.S. Agarwal**  
Partner  
Membership No: 86580

Place: Vadodara  
Date: 30.05.2019

**For and on behalf of the Board of Directors**

**S.J. Bansal**  
Director  
DIN No. 01364898

**S.O. Bansal**  
Director  
DIN No. 01488071

**Somesh O. Bansal**  
CFO

**Preethi Suresh**  
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019

(Amount in Rupees)

Particulars	Note No.	For the year ended 31-03-2019	For the year ended 31-03-2018
<b>INCOME</b>			
Revenue from operations	13	655750	941275
Other income	14	829838	13439864
<b>Total Revenue (I)</b>		<b>1485588</b>	<b>14381139</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	15	--	791000
Purchases of Stock-in-Trade		83350	681993
Changes in inventories of finished goods & work-in-progress	16	239796	(357252)
Employee benefits expense	17	547200	983700
Depreciation and amortization expense	18	26748	18354
Other Expenses	19	2858183	37498160
<b>Total Expenses (II)</b>		<b>3755278</b>	<b>39615955</b>
<b>Profit / (Loss) before Tax (II-I)</b>		<b>(2269690)</b>	<b>(25234816)</b>
<b>Tax expense:</b>			
(1) Current tax		--	--
(2) Diferred tax		--	--
(3) Tax adjustment related to earlier years		(2780)	--
<b>Total tax expenses</b>		<b>(2780)</b>	<b>--</b>
<b>Profit / (Loss) for the year</b>		<b>(2266910)</b>	<b>(25234816)</b>
Other comprehensive Income (Loss)		--	--
Total comprehensive income for the year [Comprising profit (loss) and other comprehensive income for the year]		--	--
<b>Net Profit / (Loss) for the year</b>		<b>(2266910)</b>	<b>(25234816)</b>
Earnings per equity share: (Face value of Rs. 10 each) in Rupees	26		
Basic		(0.50)	(5.54)
Diluted		(0.50)	(5.54)

Significant accounting policies

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

As per our report of even date annexed

For **DOOGAR & ASSOCIATES**

Firm Reg. No: 000561N

Chartered Accountants

For and on behalf of the Board of Directors

**M.S. Agarwal**

Partner

Membership No: 86580

**S.J. Bansal**

Director

DIN No. 01364898

**S.O. Bansal**

Director

DIN No. 01488071

Place: Vadodara

Date: 30-05-2019

**Somesh O. Bansal**

CFO

**Preethi Suresh**

Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2019**

	(Amount in Rupees)	
	Year Ended 31-03-2019	Year Ended 31-03-2018
<b>Cash flow from operating activities</b>		
<b>Profit / (Loss) before tax</b>	(2266910)	(25234816)
Add: Non Operating Expenses		
Depreciation	26748	18354
Provision for Expected Credit Loss	2085009	903099
Less: Non Operating Income		
Interest income	(829838)	(854635)
Profit on sale of Property, Plant & Equipments	--	(12585229)
<b>Operating profit / (loss) before working capital changes</b>	<b>(984991)</b>	<b>(37753227)</b>
Adjustments for changes in working capital		
(Increase) / decrease in Trade Receivable	(34221)	(367166)
(Increase) / decrease in Inventories	239796	433748
(Increase) / decrease in Loans & Advances	12000	--
(Increase) / decrease in Other Assets	(52796)	35587275
Increase / (decrease) in Trade Payables	16136	26527
Increase / (decrease) in Other Liabilities	(1190)	(15518240)
Increase / (decrease) in Other Financial Liabilities	--	(90400)
<b>Net cash generated from operating activities before tax</b>	<b>(805265)</b>	<b>(17681483)</b>
Direct taxes paid (Net of refund)	--	--
<b>Net cash used in operating activities</b>	<b>(805265)</b>	<b>(17681483)</b>
Cash flows from investing activities		
Purchase of Property, Plant & Equipments	--	(620174)
Proceeds from Sales of Property, Plant & Equipments	--	16049800
Interest received	611227	524122
Investment in bank deposit (having original maturity period of more than 3 months)	194	(234310)
<b>Net cash flow from investing activities</b>	<b>611421</b>	<b>15719438</b>
Cash flows from financing activities	--	--
Increase / (Decrease) in cash and cash equivalents	(193844)	(1962045)
Cash and cash equivalents at the beginning of the Year	915809	2877854
Cash and cash equivalents at the end of the Year	721966	915809
Components of cash and cash equivalent as at the end of the Year		
Cash in hand	671175	589804
Balances with bank in current accounts	50791	326005
	721966	915809
	<b>As at 31-03-2019</b>	<b>As at 31-03-2018</b>
<b>RECONCILIATION STATEMENT OF CASH AND BANK BALANCES</b>		
Cash and cash equivalents at the end of the year as per above	721966	915809
Add: Deposits with more than 3 months but less than 12 months maturity period	12880914	12662497
<b>Cash and bank balance as per balance sheet (refer note 6 &amp; 7)</b>	<b>13602880</b>	<b>13578306</b>



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

As per our audit report of even date attached  
**For DOOGAR & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No: 000561N

**M.S. Agarwal**  
Partner  
Membership No: 86580

Place: Vadodara  
Date: 30-05-2019

**For and on behalf of the Board of Directors**

**S.J. Bansal**  
Director  
DIN No. 01364898

**S.O. Bansal**  
Director  
DIN No. 01488071

**Somesh O. Bansal**  
CFO

**Preethi Suresh**  
Company Secretary

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(Amount in Rupees)

**A. Equity Share Capital**

	Balance as at 01-04-2017	Changes in Equity share capital during the year	Balance as at 31-03-2018
For the year ended 31-03-2018	45548000	--	45548000
Add: Share forfeited account	18926500	--	18926500
	64474500	--	64474500
	Balance as at 01-04-2018	Changes in Equity share capital during the year	Balance as at 31-03-2019
For the year ended 31-03-2019	45548000	--	45548000
Add: Share forfeited account	18926500	--	18926500
	64474500	--	64474500

**B. Other Equity**

Particulars	Reserves and surplus			Items of other comprehensive income		Total Other Equity
	Retained Earnings	Capital Reserve	General Reserve			
Balance as at 01-04-2017	(21898484)	715334	37000	--	--	(21146150)
Profit / (Loss) for the year	(25234816)	--	--	--	--	(25234816)
<b>Balance as of 31-03-2018</b>	<b>(47133300)</b>	<b>715334</b>	<b>37000</b>	--	--	<b>(46380966)</b>
Balance as at 01-04-2018	(47133300)	715334	37000	--	--	(46380966)
Profit / (Loss) for the year	(2266910)	--	--	--	--	(2266910)
<b>Balance as of 31-03-2019</b>	<b>(49400210)</b>	<b>715334</b>	<b>37000</b>	--	--	<b>(48647876)</b>

**Significant accounting policies**

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

As per our report of even date annexed

**For DOOGAR & ASSOCIATES**

Chartered Accountants  
Firm Reg. No: 000561N

**M.S. Agarwal**  
Partner  
Membership No: 86580

Place: Vadodara  
Date: 30.05.2019

**For and on behalf of the Board of Directors**

**S.J. Bansal**  
Director  
DIN No. 01364898

**Somesh O. Bansal**  
CFO

**S.O. Bansal**  
Director  
DIN No. 01488071

**Preethi Suresh**  
Company Secretary

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019****Corporate Information**

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

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES****1.1 Statement of Compliance**

The Standalone Financial Statements have been prepared in accordance with Companies Act 2013, Indian Accounting Standard and complies with other requirements of law and were authorized for issue in accordance with a resolution of the Board of Directors of the company passed on 30-05-2019

**1.2 Basis of Preparation**

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

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

**Classification of Assets and Liabilities into current and Non- Current**

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

As asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when :

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

All other liabilities are classified as non-current.

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

**1.3 Use of judgements, estimates and assumptions**

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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

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

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

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

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

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

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

**1.4 Property, Plant and Equipment**

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

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

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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

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

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

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

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

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

**1.5 Intangible Assets**

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

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

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

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

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

**1.6 Impairment of Non-Financial assets**

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

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

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

### 1.7 Inventories

Inventories are valued as under:

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

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

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

### 1.8 Cash and cash Equivalents

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

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

### Cash Flow Statement

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

### Bank Balances other than above

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

### 1.9 Non-current Assets Held for Sale

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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

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

**1.10 Financial Instruments**

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

**A. Financial Assets:****(i) Classification:**

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

**(ii) Initial recognition and measurement**

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

**(iii) Financial assets measured at amortised cost:**

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

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

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

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

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

**(vi) Derecognition of financial assets**

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

**A. Impairment of Financial Assets**

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

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**B. Financial Liabilities**

(i) Classification

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

(ii) Initial recognition and measurement

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

(iii) Subsequent measurement

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

(iv) Loans and borrowings

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

(v) Derecognition of financial liabilities

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

(vi) Derivative financial instruments

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

**C. Offsetting of financial instruments**

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

**1.11 Fair value measurement**

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

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

In the principal market for the asset or liability; or

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

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

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

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

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

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

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

**1.12 Borrowing cost**

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

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

**1.13 Provisions, Contingent liabilities, Contingent Assets**

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

Contingent liabilities are disclosed in the case of :

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

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

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

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

**1.14 Employee Benefits**

A. Short Term Benefits – Provident Fund

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

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

### B. Post Employment benefits – Gratuity (Unfunded)

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

### 1.15 Segment Information

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

### 1.16 Revenue Recognition

#### Sale of Goods

The Company derives revenue from sale of manufactured goods and traded goods. Effective 01.04.2018, the company has applied Ind AS 115. In accordance with Ind AS 115, the company recognises revenue from sale of products at a time when performance obligation is satisfied and upon transfer of control of promised products to customer in an amount that reflects the consideration the company expect to receive in exchange for their products. The company disaggregates the revenue based on nature of products / Geography.

#### Dividend Income

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

#### Interest Income

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

#### Insurance Income

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

#### Others

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

### 1.17 Taxes on Income

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**Current Tax**

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

**Deferred Tax**

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

**1.18 Earnings per Share**

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

**1.19 Leases**

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

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

**1.20 Foreign exchange transactions**

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 1 : PROPERTY, PLANT AND EQUIPMENT

(Amount in Rupees)

Particulars	Land	Building	Plant & Machinery	Electrical Installation	Office Equipments	Furniture and Fixtures	Computers & Printers	Vehicles	Total
<b>Gross carrying amount</b>									
Balance as at 1 April 2017	2177315	2973417	693507	91275	201804	211261	146800	1111042	7606421
Additions	--	588174	--	--	30000	--	--	2000	620174
Disposals	2177315	2801087	690388	91275	178966	107600	10400	37270	6094301
Balance as at 31 March 2018	--	760504	3119	--	52838	103661	136400	1075772	2132294
Balance as at 1 April 2018	--	760504	3119	--	52838	103661	136400	1075772	2132294
Additions	--	--	--	--	--	--	--	--	--
Disposals	--	--	--	--	--	--	--	--	--
Balance as at 31 March 2019	--	760504	3119	--	52838	103661	136400	1075772	2132294
<b>Accumulated depreciation</b>									
Balance as at 1 April 2017	--	1696628	658832	86711	191714	211261	139460	1038080	4022686
Depreciation charge during the year	--	8346	--	--	4500	--	--	5508	18354
Disposals	--	1562383	655868	86711	170018	107600	9880	37270	2629730
Balance as at 31 March 2018	--	142591	2964	--	26196	103661	129580	1006318	1411310
Balance as at 1 April 2018	--	142591	2964	--	26196	103661	129580	1006318	1411310
Depreciation charge during the year	--	15240	--	--	6000	--	--	5508	26748
Disposals	--	--	--	--	--	--	--	--	--
Balance as at 31 March 2019	--	157831	2964	--	32196	103661	129580	1011826	1438058
Net carrying amount as at 31 March 2019	--	602673	155	--	20642	--	6820	63946	694236
Net carrying amount as at 31 March 2018	--	617913	155	--	26642	--	6820	69454	720984

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**NOTE 2: LOANS**

(Amount in Rupees)

Particulars	Non-current		Current	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Security Deposits Considered good	--	12000	--	--
Total	--	12000	--	--

**NOTE 3: OTHER ASSETS**

Particulars	Non-current		Current	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Advance tax / tax deducted at source (net of provision)	231457	145637	--	--
Balance with revenue authorities	--	--	132414	165438
Total	231457	145637	132414	165438

**NOTE 4: INVENTORIES**

	As at 31-03-2019	As at 31-03-2018
Finished Goods	743324	983120
Total	743324	983120

**NOTE 5: TRADE RECEIVABLES**

	As at 31-03-2019	As at 31-03-2018
Trade Receivables - Unsecured Considered Good	559958	2610746
Credit Impaired	12909966	10824957
Less: Provision for Expected Credit Loss	(12909966)	(10824957)
Total	559958	2610746

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(Amount in Rupees)

Particulars	31-03-2019	31-03-2018
Trade Receivables	13469924	13435703
Trade Receivables considered for ECL Ageing	13469924	13435703

**Movement in the expected credit loss allowance**

Particulars	31-03-2019	31-03-2018
Balance at the beginning of the year	10824957	9921858
Add:		
Increase in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	2085009	903099
Balance at the end of the year	12909966	10824957

**NOTE 6: CASH AND CASH EQUIVALENTS**

Particulars	As at 31-03-2019	As at 31-03-2018
Balance with Banks in current accounts	50791	326005
Cash on hand	671175	589804
Total	721965	915809

**NOTE 7: OTHER BANK BALANCES**

Particulars	As at 31-03-2019	As at 31-03-2018
Deposits with more than 3 months but less than 12 months maturity period*	12880914	12662497
Total	12880914	12662497
* Includes Interest accrued	746798	528187

**NOTE 8: EQUITY SHARE CAPITAL**

Particulars	As at 31-03-2019	As at 31-03-2018
Authorised Share Capital		
9000000 (Previous Year 9000000) shares of Rs. 10 each Issued	90000000	90000000
8340100 (Previous Year 8340100) shares of Rs. 10 each Subscribed & paid up shares	83401000	83401000
4554800 (Previous Year 4554800) shares of Rs. 10 each fully paid up	45548000	45548000
Share Forfeited Account	18926500	18926500
Total	64474500	64474500

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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

Particulars	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	Amount	No. of Shares	Amount
Paid up equity share capital				
At the beginning of the year	4554800	45548000	4554800	45548000
Outstanding at the end of the year	4554800	45548000	4554800	45548000
Share Forfeited Account				
At the beginning of the year	--	18926500	--	18926500
Outstanding at the end of the year	--	18926500	--	18926500

Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10/- (previous year Rs. 10/). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

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

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

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

Equity Share of Rs. 10 each (Previous Year Rs. 10 each)	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
O.J. Bansal	1066200	23.41%	1066200	23.41%
S.J. Bansal	683400	15.00%	683400	15.00%
S.O. Bansal	641300	14.08%	641300	14.08%
S.S. Bansal	792800	17.41%	792800	17.41%

**NOTE 9: OTHER EQUITY**

**(Amount in Rupees)**

Particulars	As at	As at
	31-03-2019	31-03-2018
Capital Reserve		
As per last balance sheet	715334	715334
Add: Addition during the year	--	--
	<u>715334</u>	<u>715334</u>
General Reserve		
As per last balance sheet	37000	37000
Add: Addition during the year	--	--
	<u>37000</u>	<u>37000</u>
Retained Earnings		
As per last balance sheet	(47133300)	(21898484)
Add: Profit / (Loss) during the year	(2266910)	(25234816)
	<u>(49400210)</u>	<u>(47133300)</u>
<b>Total</b>	<b>(48647876)</b>	<b>(46380966)</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**NOTE 10: TRADE PAYABLES**

(Amount in Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
Total outstanding dues of micro enterprises and small enterprises	--	--
Total outstanding dues of creditors other than micro enterprises and small enterprises	87344	71207
<b>Total</b>	<b>87344</b>	<b>71207</b>

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

Particulars	As at 31-03-2019	As at 31-03-2018
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	--	--
- Principal Amount	--	--
- Interest due	--	--
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	--	--
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	--	--
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	--	--
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	--	--

**NOTE 11: OTHER FINANCIAL LIABILITIES**

Particulars	Non-current		Current	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Other payables				
Employees related liabilities	--	--	45100	45100
<b>Total</b>	<b>--</b>	<b>--</b>	<b>45100</b>	<b>45100</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**NOTE 12: OTHER LIABILITIES**

(Amount in Rupees)

Particulars	Non-current		Current	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Other payables				
Statutory dues	--	--	5200	6390
<b>Total</b>	<b>--</b>	<b>--</b>	<b>5200</b>	<b>6390</b>

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

**NOTE 13: REVENUE FROM OPERATIONS**

Particulars	Year ended March 31 2019	Year ended March 31 2018
Sale of products		
Traded Goods	530450	864800
Other operating revenues		
Job Work	125300	76475
<b>Total</b>	<b>655750</b>	<b>941275</b>
Dissegregation of revenue based on nature		
Sale of products	530450	864800
Job Work	125300	76475
<b>Total</b>	<b>655750</b>	<b>941275</b>
Revenue based on Geography		
Within India	655750	941275
Outside India	--	--
<b>Total</b>	<b>655750</b>	<b>941275</b>
Reconciliation of revenue from operations with contract price		
Contract price	655750	941275
Less: Variable Components like Discounts etc.	--	--
Revenue from Operations as recognised in financial statements	655750	941275

**NOTE 14: OTHER INCOME**

Particulars	Year ended March 31 2019	Year ended March 31 2018
Interest Income	829838	854635
Profit on sale of Property, Plant & Equipment	--	12585229
<b>Total</b>	<b>829838</b>	<b>13439864</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**NOTE 15: COST OF MATERIALS CONSUMED**

(Amount in Rupees)

Particulars	Year ended March 31 2019	Year ended March 31 2018
Raw Materials Consumed		
Inventory at the beginning of the year	--	791000
Add: Purchases during the year	--	--
Less: Inventory at the end of the year	--	--
Cost of raw materials consumed	--	791000
Total	--	791000

**NOTE 16: CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE**

Particulars	Year ended 31-03-2019	Year ended 31-03-2018	(increase) / Decrease
Inventories at the end of the year			
Finished Goods and Stock In Trade	743324	983120	239796
	743324	983120	239796
Inventories at the beginning of the year			
Finished Goods and Stock In Trade	983120	625868	(357252)
	983120	625868	(357252)

**NOTE 17: EMPLOYEE BENEFITS EXPENSES**

Particulars	Year ended March 31 2019	Year ended March 31 2018
Salaries, wages and bonus	546000	982500
Staff Welfare Expenses	1200	1200
Total	547200	983700

**NOTE 18: DEPRECIATION AND AMORTISATION EXPENSES**

Particulars	Year ended March 31 2019	Year ended March 31 2018
Depreciation of tangible assets	26748	18354
Total	26748	18354

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**NOTE 19: OTHER EXPENSES**

**(Amount in Rupees)**

Particulars	Year ended	Year ended
	March 31 2019	March 31 2018
Power and Fuel	8840	10422
Repairs to Machinery	58192	52449
Insurance	12685	15461
Rent	84000	74000
Rates, Taxes & Fee	27041	164827
Legal & Professional Fees	148466	153157
Auditors' Remuneration	40000	40000
Other Selling Expenses	26119	29575
Sundry Balance Written Off	--	35478085
Other Miscellaneous Expenses	367832	577085
Allowance for Expected Credit Loss	2085009	903099
<b>Total</b>	<b>2858183</b>	<b>37498160</b>

**NOTE 20: PAYMENT TO AUDITORS**

Particulars	Year ended	Year ended
	March 31 2019	March 31 2018
Audit Fee	40000	40000
<b>Total</b>	<b>40000</b>	<b>40000</b>

**NOTE 21: FINANCIAL INSTRUMENTS: ACCOUNTING CLASSIFICATION, FAIR VALUE MEASUREMENTS**

**31<sup>st</sup> March, 2019**

**(Amount in Rupees)**

Particulars	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial Assets							
Trade receivables	559958			559958			
Loans	--			--			
Cash and cash equivalents	721965			721965			
Bank balance other than above	12880914			12880914			
	<b>14162837</b>	<b>--</b>	<b>--</b>	<b>14162837</b>	<b>--</b>	<b>--</b>	<b>--</b>

Particulars	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial Liabilities							
Trade Payables	87344			87344			
Others	45100			45100			
	<b>132444</b>	<b>--</b>	<b>--</b>	<b>132444</b>	<b>--</b>	<b>--</b>	<b>--</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**31<sup>st</sup> March, 2018**

**(Amount in Rupees)**

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

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

The Management Assessed that carrying amount of Trade Receivables, Loans, cash and cash equivalents, bank deposit approximates their fair value largely due to short term maturities of these instruments. The maturity profile of financial liabilities are as under:

Particulars	31st March, 2019	31st March, 2018
Payable within 1 year	132444	116307
Payable after 1 year	--	--
Total	132444	116307

**NOTE: 22 FINANCIAL RISK MANAGEMENT**

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

**Interest rate risk**

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

**Credit risk**

Credit risk is the risk of financial loss to the company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables. The company has made provision for expected credit loss (ECL) for Rs. 12909966 as at 31.03.2019. Credit risk from cash and cash equivalents, bank deposits are considered as immaterial in view of credit worthiness of the bank the company works with. The company has specific policies for managing customer credit risk an on-going basis.

Financial assets are written off when there is no reasonable expectation of its recovery.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**Liquidity risk**

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

Particulars	31st March, 2019	31st March, 2018
Cash, Cash Equivalent & Bank Balances (Note 6 and 7)	13602879	13578306
Total	13602879	13578306

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

**Capital Risk Management**

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

(Amount in Rupees)

Particulars	31st March, 2019	31st March, 2018
Net Financial Debt	--	--
Total Equity	15826624	18093534

The company's total owned funds of Rs. 15826624 ( P.Y. Rs.18093534 ) with zero debt is considered adequate by the management to meet its business interest and any capital risk, it may face in future.

**Foreign Currency Risk**

There are no foreign currency transactions, and hence there is no foreign currency risk.

**NOTE: 23: CONTINGENT LIABILITIES & CAPITAL COMMITMENTS NOT PROVIDED FOR:-**

Particulars	31st March, 2019	31st March, 2018
Estimated amount of Committed Contracts (Net of Advances)	--	--

**NOTE 24:**

Since the tax expenses for the year ended 31.03.2019 is NIL (P.Y. NIL) and there are no deferred tax assets / liability, effective tax rate reconciliation has not been furnished.

**NOTE 25: RELATED PARTY DISCLOSURES**

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

A. List of related parties and relationship

Key Management Personnel
Mr. O.J. Bansal (Managing Director)
Mr. S.J. Bansal (Whole Time Director)
Mr. Somesh O. Bansal (CFO)
Mrs. Sushila O. Bansal (Director)
Mrs. Preethi Suresh (Company Secretary)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

B. Transactions with related parties

Disclosure of Transactions with Related Parties, as required by Ind AS 24 'Related Party Disclosure' is given below  
(Amount in Rupees)

Description	Key Management Personnel	
	Current Year	Previous Year
<b>Short-term employee benefits to Key Managerial Personnel</b>		
Mr. O.J. Bansal	--	225000
Mr. S.J. Bansal	--	225000
Mr. Somesh O. Bansal	360000	360000
Mrs. Vandana Yadav	--	48500
Mrs. Preethi Suresh	186000	124000

**Rent Paid**

Particulars	Current Year	Previous Year
Mr. Somesh O. Bansal	84000	56000

**Short-term employee benefits - Directors Sitting Fees**

Particulars	Current Year	Previous Year
Mrs.. Sushila O. Bansal	4000	5000
Mr. H.R. Patel	4000	5000
Mr. H.L. Barot	4000	5000
Mr. G.C. Agarwala	3000	4000

**NOTE 26: EARNING PER SHARE (EPS)**

Particulars	For the Year ended 31-03-2019	For the Year ended 31-03-2018
Basic and Diluted Earnings Per Share		
Profit / (Loss) after tax as per profit & loss account (In Rs.) (A)	(2266910)	(25234816)
No. of Equity Shares (B)	4554800	4554800
Basic and Diluted Earnings Per Share (Rs.) (A/B)	(0.50)	(5.54)

**NOTE 27: SEGMENT**

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

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

Description	31-03-2019	31-03-2018
Traded Goods	530450	864800
Job Work	125300	76475
	655750	941275



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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

Description	31-03-2019	31-03-2018
Within India	655750	941275
Outside India	--	--
	<u>655750</u>	<u>941275</u>

d. The entire non current assets are located in India.

e. Some of the customer individually account for 10% or more sales which are as under:

Description	31-03-2019	31-03-2018
Customer 2	216550	--

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

**NOTE 29: STANDARDS ISSUED BUT NOT EFFECTIVE**

The Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standard) Amendment Rules 2019 and Companies ( Indian Accounting Standard) Second Amendment Rules have notified the following new and amendments to Ind AS which the Company have not applied as they are effective from 1st April, 2019

**Ind AS 12 Income tax (amendments relating to income tax consequences of dividend and uncertainty over other income tax treatments):** The Company does not expect any significant impact of this amendment in financial statements.

**Ind AS 19 Plan amendment, curtailment or settlement:**

The Company does not expect this amendment to have any impact on its financial statements.

**Ind AS 23 Borrowing Cost:**

The amendment clarifies that if any specific borrowing remain outstanding after the related assets is ready for its intended use or sale, that borrowing becomes part of fund that an entity generally borrows when calculating capitalization rate on general borrowings. The Company does not expect any impact from this amendment.

**Ind AS 28 Long term interest in associates and joint ventures:**

The Company does not currently have any long term interest in associates and joint ventures.

**Ind AS 103 Business combinations and Ind AS 111 joint arrangements:**

The Company will apply the pronouncements if and when it obtains control / joint control of a business that is joint operation.

**Ind AS 109 Prepayment features with negative compensation:**

The Company does not expect this amendment to have any impact on its financial statements.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**Ind AS 116 will replace existing lease standard Ind AS 17 Leases:**

Ind AS 116 sets out the principles for recognition measurement, presentation and disclosure of leases for both lessor and lessee.

**NOTE 30:** Previous year / period have been re-grouped, reclassified to conform to current year figures.

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

As per our report of even date annexed

**For DOOGAR & ASSOCIATES**

Chartered Accountants

Firm Reg. No: 000561N

**M.S. Agarwal**

Partner

Membership No: 86580

Place: Vadodara

Date: 30-05-2019

**For and on behalf of the Board of Directors**

**S.J. Bansal**

Director

DIN No. 01364898

**Somesh O. Bansal**

CFO

**S.O. Bansal**

Director

DIN No. 01488071

**Preethi Suresh**

Company Secretary



**TOWA SOKKI LIMITED**

Registered Office : FF-6, Amrapali Apartment, Near Air Force Station, Makarpura, Vadodara – 390 014  
 CIN : L51909GJ1993PLC019111

Tel / Fax : 0265-2652851 E-mail : [towasurvey@yahoo.co.in](mailto:towasurvey@yahoo.co.in) Website : [www.towasokki.in](http://www.towasokki.in)

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

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

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

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

**BALLOT PAPER**

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

(\* Applicable to investors holding shares in dematerialized form)

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

No.	Item No.	No of Shares Held	I assent to the resolution (Yes in favor)	I Dissent from the resolution (Not in favor)
	<b>Ordinary Resolution</b>			
1	Approval of Financial Statements for the year ended 31-03-2019			
2	Re-appointment of Smt. Sushila O. Bansal as director liable to retire by rotation			
	<b>Special Resolution</b>			
3	Re-appointment of Mr. O.J. Bansal as Managing Director			
4	Re-appointment of Mr. S.J. Bansal as Whole Time Director			
5	Appointment of Mr. Ajay Kumar Pithi as Independent Director			
6	Appointment of Mrs. Alka Agarwal as Independent Director			
7	Re-appointment of Mr. Heeralal Barot as Independent Director			

Place : Vadodara

Date ;

Signature of shareholder



**TOWA SOKKI LIMITED**

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

CIN : L51909GJ1993PLC019111

Tele / Fax : 0265-2652851 E-mail : [towasurvey@yahoo.co.in](mailto:towasurvey@yahoo.co.in) Website : [www.towasokki.in](http://www.towasokki.in)

**FORM No. MGT-11: PROXY FORM**

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

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

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

1. Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 Email ID : \_\_\_\_\_  
 Signature : \_\_\_\_\_ or falling him

1. Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 Email ID : \_\_\_\_\_  
 Signature : \_\_\_\_\_ or falling him

1. Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 Email ID : \_\_\_\_\_  
 Signature : \_\_\_\_\_

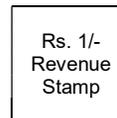
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of Towa Sokki Limited to be held on Friday, 27th day of September, 2019 at 10:00 a.m. at Vatika Inn, 102, Sakar Complex, Opp. Bhavans School, Makarpura Road, Vadodara – 390009, and at any adjournment hereof in respect of such Resolutions as are indicated below:

	<b>Ordinary Resolution</b>
1	Approval of Financial Statements for the year ended 31-03-2019
2	Re-appointment of Smt. Sushila O. Bansal as director liable to retire by rotation
	<b>Special Resolution</b>
3	Re-appointment of Mr. O.J. Bansal as Managing Director
4	Re-appointment of Mr. S.J. Bansal as Whole Time Director
5	Appointment of Mr. Ajay Kumar Pithi as Independent Director
6	Appointment of Mrs. Alka Agarwal as Independent Director
7	Re-appointment of Mr. Heeralal Barot as Independent Director

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

Signature of Shareholder

Signature of Proxy holder(s)



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

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



**TOWA SOKKI LIMITED**

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

CIN : L51909GJ1993PLC019111

Tele / Fax : 0265-2652851 E-mail : [towasurvey@yahoo.co.in](mailto:towasurvey@yahoo.co.in) Website : [www.towasokki.in](http://www.towasokki.in)

**ATTENDANCE SLIP**

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

I / We, hereby record my / our attendance at the Twenty Seventh Annual General Meeting at 10:00 a.m. on Friday, 27th day of September, 2019 at 10:00 a.m. at Vatika Inn, 102, Sakar Complex, Opp. Bhavans School, Makarpura Road, Vadodara – 390009

Signature of Shareholder or Proxy \_\_\_\_\_

E-mail address \_\_\_\_\_

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



## **Towa Sokki Limited**

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