

Towa Sokki Limited



TWENTY EIGHTH ANNUAL REPORT 2019 – 2020

BOARD OF DIRECTORS

| | |
|-----------------------|---|
| Shri O.J. Bansal | Managing Director |
| Shri S.J. Bansal | Director |
| Smt. S.O. Bansal | Director |
| Shri G.C. Agarwala | Director (upto 30-05-2019) |
| Shri H.R. Patel | Director (Upto 27-09-2019) |
| Shri H.L. Barot | Director (Upto 30-05-2019 & Re-appointed on 27-09-2020) |
| Shri Ajay Kumar Pithi | Director (w.e.f. 30-05-2019) |
| Smt. Alka Agarwal | Director (w.e.f. 30-05-2019) |

COMPANY SECRETARY

| | |
|---------------------|---------------------|
| Mrs. Preethi Suresh | (upto 15-06-2019) |
| Ms. Avni Chouhan | (w.e.f. 12-11-2019) |

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
Makarapura
Vadodara - 390014
CIN: L51909GJ1993PLC019111
Tele./Fax: 0265-2652851
Email: towasurvey@yahoo.co.in
Website: www.towasokki.in

NOTICE

28th Annual General Meeting will be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
On Wednesday, 30th September, 2020 at 1.00 P.M..

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NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the members of TOWA SOKKI LIMITED will be held on Wednesday, 30th September 2020, at 1.00 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following Business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement of the Company for the year ended 31st March, 2020 included audited Balance Sheet at as 31st March, 2020 and Statement of Profit and Loss for the year ended on that date and the Reports of Board of Directors and the 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. S.J. Bansal (DIN: 01364898), as Whole Time Director of the Company on attainment of age of 70 years for his remaining term.

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 who has attained age of 70 years w.e.f. 04-09-2020 during his tenure of directorship for a period of 3 years w.e.f. 1st October 2019 on the same terms and condition, including remuneration, as are set out in the agreement entered into between the Company and Mr. S.J. Bansal.

Registered Office :
FF-6, Amrapali Apartment
Near Air Force Station, Makarpura
Vadodara – 390014
CIN : L51909GJ1993PLC019111
E-mail : towasurvey@yahoo.co.in
Website : www.towasokki.in
Date : 03-09-2020

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

NOTES:

1. The 28TH Annual General Meeting (AGM) is being held through **video conferencing / other audio visual means (VC)** in accordance with the procedure prescribed in circular number 20 | 2020 dated May 05, 2020 read with circular number 14 | 2020 dated April 08, 2020 and circular number 17 | 2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs and circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (the e-AGM circulars). The members can attend the AGM through VC by following instructions given below of the Notice. For the purpose of recording the proceedings, the AGM will be deemed to be held at the registered office of the company at FF-6, Amrapali Apartment, Near Air Force Station, Makarpura, Vadodara Gujarat 390014. Keeping in view the guidelines to fight COVID-19 Pandemic, the members are requested to attend the AGM from their respective locations by VC and do not visit the registered office to attend the AGM.
2. Since the Annual General Meeting (AGM) is being held pursuant to the e-AGM circulars through video conferencing / other audio visual means, physical attendance of members has been dispensed with. Accordingly, the facility for Appointment of proxies by the members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and route MAP of the AGM venue are not annexed to this Notice. However, a Member may appoint a representative as per applicable provisions of the Companies Act, 2013 to attend and /or vote.
3. Copies of the Balance Sheet, the statement of Profit and Loss, the Directors' Report, the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet for the financial year ended March 31, 2020 are annexed /attached.
4. Electronic copy of the Annual Report for F.Y. 2019-20 including the Notice which includes the process and manner of attending the Annual General Meeting through video conferencing | other audio visual means, and e-voting is being sent to all the members whose e-mail addresses are registered with the Company / Depository Participants.
5. Printed copy of the Annual Report (including the Notice) is not being sent to the members in view of the e-AGM circulars.
6. Ministry of Corporate affairs and Stock Exchange Board of India have permitted listed companies, in view of the prevailing COVID-19 pandemic situation, to send during calendar year 2020 via e-mail the Notice of the Annual General Meeting and the Annual Report to shareholders whose e-mail IDs are registered in the Company's records. In order to receive the Annual Report, Notice and other communications in electronic form, we request our shareholders to register/update their e-mail address and mobile number with their Depository Participant(s) in respect of shares held in electronic form and for shares held in physical form, shareholders can communicate with M/s Link Intime India Pvt. Ltd., the Company's Registrar & Transfer Agent (RTA), at C-101, 247 Park, L.B.S. Marg, Vikhroli (West) MUMBAI – 400083, Email ID : mumbai@linkintime.co.in
7. Shareholders can also update their Bank details, PAN number, Aadhar number, etc., and upload a copy of the same on Company's E-mail ID: towasurvey@yahoo.co.in or on RTA's Email ID: : mumbai@linkintime.co.in No action is required to be taken by shareholders whose details are already correctly registered / updated in the Company's / RTA records.
8. The members may also note that the Notice of the Annual General Meeting and the Annual Report for F.Y. 2019-2020 will also be available on the website of the company, www.towasokki.in, which can be downloaded. The electronic copies of the documents which are referred to in this Notice but not attached to it will be made available for inspection. For inspection, the members are requested to send a request through an e-mail on towasurvey@yahoo.co.in with Depository participant ID and Client ID or Folio number.
9. Members may note that the requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with Vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi.

10. The Register of Members and the Share Transfer books of the Company will remain closed from 24th September, 2020 to 30th September, 2020 (both days inclusive) for the purpose of 28th Annual General Meeting.

11. In accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed 23rd September, 2020 as the "cut-off date" to determine the eligibility to vote by electronic means or in the general meeting. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., 23rd September, 2020 shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting.

12. Annual General Meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM) :

- In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.towasokki.in. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
- AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on 27th September, 2020 at 9:00 A.M. and ends on 29th September, 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

- Your password details are given below:
- ❖ If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- ❖ If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- How to retrieve your 'initial password'?
- ❖ If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - ❖ Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - ❖ **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - ❖ If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - ❖ Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 - ❖ After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - ❖ Now, you will have to click on "Login" button.
 - ❖ After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of company for which you wish to cast your vote.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to kashyap.cs@gmail.com with a copy marked to evoting@nsdl.co.in.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company / RTA email id.

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company / RTA email id.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches
- Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.

| |
|---|
| In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in |
|---|

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

13. 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.

Registered Office :
FF-6, Amrapali Apartment
Near Air Force Station, Makarpura
Vadodara – 390014
CIN : L51909GJ1993PLC019111
E-mail : towasurvey@yahoo.co.in
Website : www.towasokki.in
Date : 3-09-2020

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:**

In terms of newly inserted regulation, consent of the members by way of special resolution is required for appointment or continuation of Directorship of an Executive Director beyond the age of 70 years.

Mr. S .J. Bansal is whole Time Director of the company and is on the board of the company since incorporation. He is having diploma in civil engineering.

Considering the vast knowledge, acumen, expertise and performance of Mr. S.J. Bansal and significant contributions made, the Board of Directors is of the opinion that his continued association would be of immense benefit to the Company and recommends his appointment.

As you are aware, Mr. S.J. Bansal as Whole Time of Director of the Company who was reappointed 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 entered into between the Company and Mr. S.J.Bansal, will attain age of 70 years w.e.f 04-09-2020 during his tenure of appointment of 3 years ie. 01-10-2019 to 30-09-2022. Accordingly it has been proposed in continuation of tenure of directorship for the period of 3 years with effect from 1-10-2019 on the previous terms and conditions of appointment of Mr. S.J. Bansal as Whole Time of Director, whereas on attainment of age of 70 years, the members of the board seeking the consent of the members by way of special resolution for re-appointment or continuation of Directorship of an Executive Director beyond the age of 70 years.

As far as the terms and conditions for the appointment or continuation is concerned, there is no change in the terms and conditions agreed for the appointment of Mr. S.J. Bansal as Whole Time of Director for a period of three year with effect from 1st October 2019 in the annual general meeting of the company held on 27th September, 2019.

In terms of the provision of section 196 (3) (a) of Companies Act, 2013 and rule thereto, the Board has placed proposal to re-appoint Mr. S.J. Bansal as Whole Time of Director, for the same tenure and terms and conditions as mentioned in the Notice of Annual General meeting held on 27th September, 2019, due to attainment of age of 70 years during his tenure of directorship of 3 years ie. 01-10-2019 to 30-09-2022.

The Board of Directors feels that aforesaid terms of re-appointment or continuation of 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 of the Notice.

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

Registered Office :
 FF-6, Amrapali Apartment
 Near Air Force Station, Makarpura
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 CIN : L51909GJ1993PLC019111
 E-mail : towasurvey@yahoo.co.in
 Website : www.towasokki.in
 Date : 3-09-2020

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

Annexure:

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting

(Pursuant to Regulation 36(3) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

| | |
|--|---|
| Name of Director | Smt. Sushila Omprakash Bansal (DIN: 01488071) |
| Date of Birth | 23-11-1952 |
| Date of Appointment | 27-09-2019 |
| Expertise in Specific Functional Area | Administration |
| Qualifications | Non-Metric |
| Directorship in other public limited companies | NIL |
| Other positions | NIL |
| Membership of committees in other public limited companies | NIL |
| Inter relationship | Wife of Managing Director |
| Shares held in the company | 671500 Equity Shares |

BOARD'S REPORT

Your Directors have pleasure in presenting the 28th Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31st March 2020.

1. FINANCIAL RESULTS

| Particulars | (Amount in Rs.) | |
|-----------------------------------|-----------------|------------|
| | 31-03-2020 | 31-03-2019 |
| Total Income | 1208906 | 1485588 |
| Total Expenses | 2823286 | 3728530 |
| Earning before Depreciation & Tax | (1614380) | (2242942) |
| Depreciation | 26748 | 26748 |
| Profit / (Loss) Before Tax | (1641128) | (2269690) |
| Tax Expense | 19727 | (2780) |
| Profit / (Loss) after Tax | (1660855) | (2266910) |

2. DIVIDEND

In view of the loss, management does not propose any dividend for the F.Y. 2019-2020.

3. REVIEW OF OPERATIONS

The operations for the year under review shows a loss of Rs. 1660855/-. 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. 2019-2020.

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 | 2019-2020 | 2018-2019 |
|---|-----------|-----------|
| 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 | NIL |

9. RISK MANAGEMENT

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

10. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

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

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

12. RELATED PARTY TRANSACTIONS

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

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

13. DIRECTORS

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

During the year, Mr. Gopichand Agarwala - Non Executive Independent Director (DIN: 01796739) has resigned from the Directorship on 30-05-2019 as he has attained an age of 75 years

During the year Mr. Hasmukhbhai R. Patel – Non Executive Independent Director (DIN: 06918528) has resigned from the Directorship on completion of his term up to the ensuing AGM

During the year Mr. Heeralal Barot (DIN: 06920366) has resigned from the Directorship due to attained an age of 75 years. Thereafter, the members at the annual general meeting of the Company held during the last financial year 2018-2019, had approved reappointment of Mr. Heeralal Barot 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.

During the year, Mr. Ajay Kumar Pithi (DIN: 00866809) is appointed as Independent Director of the company for a period of five consecutive years up to the conclusion of 32nd Annual General Meeting of the Company in the calendar year 2024.

During the year, Mrs. Alka Agarwal (DIN: 08467037) is appointed as Independent Director of the company for a period of five consecutive years up to the conclusion of 32nd Annual General Meeting of the Company in the calendar year 2024.

Except as mentioned hereinabove, there is no other change in the Board of Directors of the Company during the year.

All the Directors have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013

COMPANY SECRETARY

Mrs. Preethi Suresh ceased to hold position of Company Secretary and Compliance Officer of the Company on her resignation, w.e.f. 15-06-2019.

In order to fill the vacancy for the position of Company Secretary and Compliance Officer, the Board of Directors has appointed Ms. Avni Chouhan as Company Secretary and Compliance Officer w.e.f. 12-11-2019.

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 | 30-05-2019 | 8 | 7 | 88 % |
| 2 | 13-08-2019 | 6 | 6 | 100 % |
| 3 | 28-08-2019 | 6 | 6 | 100 % |
| 4 | 12-11-2019 | 6 | 6 | 100 % |
| 5 | 13-02-2020 | 6 | 5 | 83 % |

The intervening gap between the meetings was within the period prescribed under the Companies Act, 1993.

13.5 DECLARATION OF INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 read with 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been noted by the Board.

Familiarization Programme for Independent Directors: The Company has an ongoing programme where Directors in the course of meetings of the Board of Directors give information about developments and amendments in legal and regulatory areas which include mandatory disclosures and fair disclosures stated under SEBI (LODR) Regulations, 2015 (herein referred to as "Listing Regulation"), Prohibition & Insider Trading Regulations and SAST Regulations so as to enable them to effectively discharge their roles, rights and responsibilities in the Company.

The Company has uploaded the details of the above on the website of the company

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

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

14. AUDIT COMMITTEE AND VIGIL MECHANISM

The above composition of the Audit Committee consists of Independent Directors who 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 | 30-05-2019 | 3 | 3 | 100 % |
| 2 | 13-08-2019 | 3 | 3 | 100 % |
| 3 | 28-08-2019 | 3 | 3 | 100 % |
| 4 | 12-11-2019 | 3 | 3 | 100 % |
| 5 | 13-02-2020 | 3 | 2 | 67 % |

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

15. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (3) (c) of the Companies Act, 2013, with respect to Director's Responsibility Statement, it is hereby confirmed that:

- (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;
- (e) Proper internal financial controls are in place and that the financial controls are adequate and were operating effectively; and

(f) 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

17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

18. DEPOSITS

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

19. WEBSITE

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

20. AUDITORS

20.1 STATUTORY AUDITORS

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 30th Annual General Meeting. As required under Listing Regulations, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Report given by the Auditors on the financial statements year ended March 2020 of the Company is part of the Annual Report. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

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 Board of Directors have appointed Mr. Hemang Shah, a Practicing Company Secretary as the Secretarial Auditor of the Company to undertake the Secretarial Audit of the Company for the year 2019-2020. The Report of the Secretarial Audit Report is annexed herewith as Annexure-2.

There is no qualification, reservation or adverse remark in the report.

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

No such order passed.

22. 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 Audit Committee in consultation with the internal auditors formulates the scope, functioning, periodicity and methodology for conducting the internal audit. The internal auditors carry out audit, covering inter alia, monitoring and evaluating the efficiency & adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations and submit their periodical internal audit reports to the Audit Committee. Based on the internal audit report and review by the Audit committee, process owners undertake necessary actions in their respective areas. The internal auditors have expressed that the internal control system in the Company is robust and effective. The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating effectively.

23. 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. 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 2019-2020.

29. 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.

30. 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 2019-2020.

31. COVID 19

The COVID 19 pandemic is a worldwide crisis and has meant that the economies will have to operate alongside the diseases, now as the attention has started shifting from lockdown to safe reopening. The Company strictly followed the guidelines issued by the local, state and central governments and beyond to protect the health and well-being of its workforce and ensured minimum disruption to its customers.

The Company closed its office during Lock-down and now Company is taking all possible steps required to adjust to the new normal of working and growing. The demand is expected to remain uncertain in the foreseeable future.

32. ACKNOWLEDGEMENTS

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

Registered Office :
FF-6, Amrapali Apartment
Near Air Force Station, Makarpura
Vadodara – 390014
CIN : L51909GJ1993PLC019111
E-mail : towasurvey@yahoo.co.in
Website : www.towasokki.in
Date : 03-09-2020

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 |
|---|---|--|--|----------------------------------|---------------------------------|
| Mr. Somesh O. Bansal. Son of Managing Director | Appointed as CFO with yearly remuneration of Rs. 390000/- | 01-04-2019 to 31-03-2020 | Appointment as CFO with yearly remuneration of Rs. 390000/- | 28-08-2019 | --- |
| Mrs. Sushila O. Bansal Wife of Managing Director | Appointed as Women Director sitting fees of Rs. 5000/- | 01-04-2019 to 31-03-2020 | Mrs. Sushila O. Bansal Women Director sitting fees of Rs. 5000/- | 27-09-2019 | --- |
| Mr. Somesh O. Bansal. Son of Managing Director | Rent @ Rs. 8000/ p.m. | 01-04-2019 to 31-03-2020 | Rent @ Rs. 8000/ p.m. | 01-07-2019 | -- |

By Order of the Board
For Towa Sokki Limited
Sd/-

O.J. Bansal
Chairman & Managing Director
(DIN : 01488025)

Place: Vadodara
Date : 03-09-2020

Annexure-2**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020**

[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: 03rd September, 2020
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, 2020 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, 2020, 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 & ASSOCIATES

HEMANG SHAH
PRACTICING COMPANY SECRETARY
MEMBERSHIP NUMBER: A42892
COP NUMBER: 16114
UDIN: A042892B000656318
PLACE: Vadodara
DATE: 03rd September, 2020

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: 3rd September, 2020
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 & ASSOCIATES

HEMANG SHAH
PRACTICING COMPANY SECRETARY
MEMBERSHIP NUMBER: A42892
COP NUMBER: 16114
UDIN: A042892B000656318
PLACE: Vadodara
DATE: 03rd September, 2020

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 paid remuneration. The remuneration of Chief Financial Officer is increased by 16.67 %. The remuneration of Company Secretary was not increased.

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

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

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

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

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

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

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

The details of remuneration to KMP's have been elaborated in Form No. MGT 9 placed on the website of company at www.towasokki.in. The remuneration paid to 4 KMPs aggregate to 116.80% of revenue. The net revenue during the year is 12.09 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. 2019-2020 and 2018-2019 at BSE, where the shares are listed, details not generated. The closing price at BSE is Rs. 5.50 as on 31-03-2020 and Rs. 5.50 as on 31-03-2019.

(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. | 450000 | 37.22 | In view of loss, Details not generated |
| Mr. S.J. Bansal, WTD | 450000 | 37.22 | |
| Mr. Somesh O. Bansal, CFO | 390000 | 32.26 | |
| Mrs. Preethi Suresh, CS (Till 15-06-2019) | 38750 | 3.20 | |
| Ms. Avni Chouhan (w.e.f. 12-11-2019) | 83400 | 6.90 | |

(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 paid remuneration in the financial year as approved by the Members in AGM. 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 recovery will start soon. 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. | Name | Relationship | Nature of Transactions | Amount in Rupees | |
|---------|------------------------|---------------------------|------------------------|------------------|-----------|
| | | | | 2019-2020 | 2018-2019 |
| 1 | Mr. Somesh O. Bansal | Son of Managing Director | Remuneration | 390000 | 360000 |
| 2 | Mrs. Sushila O. Bansal | Wife of Managing Director | Director sitting fees | 5000 | 4000 |
| 3 | Mr. Somesh O. Bansal | Son of Managing Director | Rent | 93000 | 84000 |

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

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

(ii) Cases of Non-Compliance

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

(iii) Whistle Blower Policy / Vigil Mechanism

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

Registered Office :
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Vadodara – 390014
CIN : L51909GJ1993PLC019111
E-mail : towasurvey@yahoo.co.in
Website : www.towasokki.in
Date : 03-09-2020

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, 2020, 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, 2020, 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. The other information is expected to be made available to us after the date of this Audit report.

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 Responsibilities 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 auditors' 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.

Other Matters

On account of Covid-19 related lockdown restrictions, Management of the company was not able to perform the year end physical verification of inventories.

Consequently, we have performed alternative audit procedures to audit existence of inventory as per guidance provided by SA-501 "Audit Evidence- Specific consideration to selected items" which includes subsequent physical counts/cyclical counts performed by the management, roll forward procedures and have obtained sufficient audit evidence.

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 operating 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, remuneration has been paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- 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 requiring disclosure of impact of its 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
UDIN: 20086580AAAAAS9937

Place: New Delhi
Date: 26.06.2020

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 31ST MARCH, 2020, 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 2020 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 given to us and based on our examination of the records of the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (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 given 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
UDIN: 20086580AAAAAS9937

Place: New Delhi
Date: 26.06.2020

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, 2020 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 31st March 2020, 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
UDIN: 20086580AAAAAS9937

Place: New Delhi
Date: 26.06.2020

BALANCE SHEET AS AT 31st MARCH, 2020

| Particulars | Note No. | (Amount in Rupees) | |
|--|----------|---------------------|---------------------|
| | | As at 31-03-2020 | As at 31-03-2019 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property plant and equipment | 1 | 667488 | 694236 |
| Financial Assets | | | |
| (i) Loans | 2 | -- | -- |
| Other non-current assets | 3 | 81236 | 231457 |
| Total Non-Current Assets | | 748724 | 925693 |
| Current Assets | | | |
| Inventories | 4 | 646706 | 743324 |
| Financial Assets | | | |
| (i) Trade receivables | 5 | 264321 | 559958 |
| (ii) Cash and cash equivalents | 6 | 807075 | 721965 |
| (iii) Bank balance other than (ii) above | 7 | 11883042 | 12880914 |
| Other current assets | 3 | 158652 | 132414 |
| Total Current Assets | | 13759796 | 15038575 |
| TOTAL ASSETS | | 14508520 | 15964268 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity share capital | 8 | 64474500 | 64474500 |
| (b) Other equity | 9 | (50308731) | (48647876) |
| Total Equity | | 14165769 | 15826624 |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | -- | -- |
| Total Non-Current Liabilities | | -- | -- |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Trade Payables | 10 | 194480 | 87344 |
| (ii) Other Current Financial Liabilities | 11 | 132600 | 45100 |
| Other current liabilities | 12 | 15672 | 5200 |
| Total Current Liabilities | | 342752 | 137644 |
| TOTAL EQUITY AND LIABILITIES | | 14508520 | 15964268 |

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: New Delhi

Date: 26.06.2020

For and on behalf of the Board of Directors

S.J. Bansal

Director
DIN No. 01364898

Somesh O. Bansal

CFO

O.J. Bansal

Director
DIN No. 01488025

Avni Chouhan

Company Secretary

Place: Vadodara

Date: 26.06.2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Rupees)

| Particulars | Note No. | For the year ended 31-03-2020 | For the year ended 31-03-2019 |
|--|----------|----------------------------------|----------------------------------|
| INCOME | | | |
| Revenue from operations | 13 | 351850 | 655750 |
| Other income | 14 | 857056 | 829838 |
| Total Revenue (I) | | 1208906 | 1485588 |
| EXPENDITURE | | | |
| Cost of materials consumed | 15 | -- | -- |
| Purchases of Stock-in-Trade | | 35950 | 83350 |
| Changes in inventories of finished goods & work-in-progress | 16 | 96618 | 239796 |
| Employee benefits expense | 17 | 1413050 | 547200 |
| Depreciation and amortization expense | 18 | 26748 | 26748 |
| Other Expenses | 19 | 1277668 | 2858183 |
| Total Expenses (II) | | 2850034 | 3755278 |
| Profit / (Loss) before Tax (II-I) | | (1641128) | (2269690) |
| Tax expense: | | | |
| (1) Current tax | | -- | -- |
| (2) Deferred tax | | -- | -- |
| (3) Tax adjustment related to earlier years | | 19727 | (2780) |
| Total tax expenses | | 19727 | (2780) |
| Profit / (Loss) for the year | | (1660855) | (2266910) |
| Other comprehensive Income (Loss) | | -- | -- |
| Total comprehensive income for the year [Comprising profit (loss) and other comprehensive income for the year] | | -- | -- |
| Net Profit / (Loss) for the year | | (1660855) | (2266910) |
| Earnings per equity share: (Face value Rs. 10 each) in Rupees | 26 | | |
| Basic | | (0.36) | (0.50) |
| Diluted | | (0.36) | (0.50) |

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: New Delhi
Date: 26.06.2020

For and on behalf of the Board of Directors

S.J. Bansal
Director
DIN No. 01364898

Somesh O. Bansal
CFO

Place: Vadodara
Date: 26.06.2020

O.J. Bansal
Director
DIN No. 01488025

Avni Chouhan
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2020

| | (Amount in Rupees) | |
|--|--------------------------|--------------------------|
| | Year Ended 31-03-2020 | Year Ended 31-03-2019 |
| Cash flow from operating activities | | |
| Profit / (Loss) before tax | (1660855) | (2266910) |
| Add: Non Operating Expenses | | |
| Depreciation | 26748 | 26748 |
| Provision for Expected Credit Loss | 272454 | 2085009 |
| Less: Non Operating Income | | |
| Interest income | (842386) | (829838) |
| Operating profit / (loss) before working capital changes | (2204039) | (984991) |
| Adjustments for changes in working capital | | |
| (Increase) / decrease in Trade Receivable | 23182 | (34221) |
| (Increase) / decrease in Inventories | 96618 | 239796 |
| (Increase) / decrease in Loans & Advances | -- | 12000 |
| (Increase) / decrease in Other Assets | 123983 | (52796) |
| Increase / (decrease) in Trade Payables | 107136 | 16136 |
| Increase / (decrease) in Other Liabilities | 10472 | (1190) |
| Increase / (decrease) in Other Financial Liabilities | 87500 | -- |
| Net cash generated from operating activities before tax | (1755149) | (805265) |
| Direct taxes paid (Net of refund) | -- | -- |
| Net cash used in operating activities | (1755149) | (805265) |
| Cash flows from investing activities | | |
| Interest received | 845068 | 611227 |
| Investment in bank deposit (having original maturity period of more than 3 months) | 995190 | 194 |
| Net cash flow from investing activities | 1840258 | 611421 |
| Cash flows from financing activities | -- | -- |
| Increase / (Decrease) in cash and cash equivalents | 85109 | (193844) |
| Cash and cash equivalents at the beginning of the Year | 721965 | 915809 |
| Cash and cash equivalents at the end of the Year | 807075 | 721966 |
| Components of cash and cash equivalent as at the end of the Year | | |
| Cash in hand | 707392 | 671175 |
| Balances with bank in current accounts | 99683 | 50791 |
| | 807075 | 721965 |
| | As at | As at |
| | 31-03-2020 | 31-03-2019 |
| RECONCILIATION STATEMENT OF CASH AND BANK BALANCES | | |
| Cash and cash equivalents at the end of the year as per above | 807075 | 721965 |
| Add: Deposits with more than 3 months but less than 12 months maturity period | 11883042 | 12880914 |
| Cash and bank balance as per balance sheet (refer note 6 & 7) | 12690117 | 13602879 |

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: New Delhi
Date: 26.06.2020

For and on behalf of the Board of Directors

S.J. Bansal
Director
DIN No. 01364898

Somesh O. Bansal
CFO

Place: Vadodara
Date: 26.06.2020

O.J. Bansal
Director
DIN No. 01488025

Avni Chouhan
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

(Amount in Rupees)

A. Equity Share Capital

| | 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 |
| | Balance as at 01-04-2019 | Changes in Equity share capital during the year | Balance as at 31-03-2020 |
| For the year ended 31-03-2020 | 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 01-04-2018 | (47133300) | 715334 | 37000 | -- | (46380966) |
| Profit / (Loss) for the year | (2266910) | -- | -- | -- | (2266910) |
| Balance as of 31-03-2019 | (49400210) | 715334 | 37000 | -- | (48647876) |
| Balance as at 01-04-2019 | (49400210) | 715334 | 37000 | -- | (48647876) |
| Profit / (Loss) for the year | (1660855) | -- | -- | -- | (1660855) |
| Balance as of 31-03-2020 | (51061065) | 715334 | 37000 | -- | (50308731) |

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: New Delhi
Date: 26.06.2020

For and on behalf of the Board of Directors

S.J. Bansal
Director
DIN No. 01364898

Somesh O. Bansal
CFO

Place: Vadodara
Date: 26.06.2020

O.J. Bansal
Director
DIN No. 01488025

Avni Chouhan
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**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 Financial Statements have been prepared in accordance with Companies Act 2013, Indian Accounting Standard and complies with other requirements of law and were authorised for issue in accordance with a resolution of the Board of Directors of the company passed on 26.06.2020

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, 2020

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:

Estimation of uncertainty related to Global Health Pandemic from COVID-19

The Company has considered the possible effects that may result from pandemic relating to COVID-19 on the carrying amount of financial assets including Trade Receivables. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of the pandemic, the Company as at the date of approval of these financial statement has used internal and external source of information, on the expected future performance of the company and based on estimates the company expects that the carrying amount of financial assets will be recovered and the company do not expect any significant impact of COVID-19 on the company's financial statement as at the date of approval of these Financial Statements.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

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

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

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

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

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 amortisation / 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**1.6 Impairment of Non-Financial assets**

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

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

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

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

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**1.9 Non-current Assets Held for Sale**

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

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

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

1.10 Financial Instruments

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

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

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

(ii) Initial recognition and measurement

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

(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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

B. Financial Liabilities**(i) Classification**

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

(ii) Initial recognition and measurement

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

(iii) Subsequent measurement

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

(iv) Loans and borrowings

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

(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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

In the principal market for the asset or liability; or

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

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

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

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

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

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

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

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

1.14 Employee Benefits**A. Short Term Benefits – Provident Fund**

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

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

B. Post Employment benefits – Gratuity (Unfunded)

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

1.15 Segment Information

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

1.16 Revenue Recognition**Sale of Goods**

The Company derives revenue from sale of manufactured goods and traded goods. In accordance with Ind AS 115, the company recognise 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**1.17 Taxes on Income**

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

Current Tax

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

Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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 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, 2020

NOTE 1 : PROPERTY, PLANT AND EQUIPMENT

(Amount in Rupees)

| Particulars | Building | Plant & Machinery | Office Equipments | Furniture and Fixtures | Computers & Printers | Vehicles | Total |
|---|----------|-------------------|-------------------|------------------------|----------------------|----------|---------|
| Gross carrying amount | | | | | | | |
| 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 |
| Balance as at 1 April 2019 | 760504 | 3119 | 52838 | 103661 | 136400 | 1075772 | 2132294 |
| Additions | -- | -- | -- | -- | -- | -- | -- |
| Disposals | -- | -- | -- | -- | -- | -- | -- |
| Balance as at 31 March 2020 | 760504 | 3119 | 52838 | 103661 | 136400 | 1075772 | 2132294 |
| Accumulated depreciation | | | | | | | |
| 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 |
| Balance as at 1 April 2019 | 157831 | 2964 | 32196 | 103661 | 129580 | 1011826 | 1438058 |
| Depreciation charge during the year | 15240 | -- | 6000 | -- | -- | 5508 | 26748 |
| Disposals | -- | -- | -- | -- | -- | -- | -- |
| Balance as at 31 March 2020 | 173071 | 2964 | 38196 | 103661 | 129580 | 1017334 | 1464806 |
| Net carrying amount as at 31 March 2019 | 602673 | 155 | 20642 | -- | 6820 | 63946 | 694236 |
| Net carrying amount as at 31 March 2020 | 587433 | 155 | 14642 | -- | 6820 | 58438 | 667488 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 2: LOANS

(Amount in Rupees)

| Particulars | Non-current | | Current | |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | As at 31-03-2020 | As at 31-03-2019 | As at 31-03-2020 | As at 31-03-2019 |
| Security Deposits Considered good | -- | -- | -- | -- |
| Total | -- | -- | -- | -- |

NOTE 3: OTHER ASSETS

| Particulars | Non-current | | Current | |
|--|---------------------|---------------------|---------------------|---------------------|
| | As at 31-03-2020 | As at 31-03-2019 | As at 31-03-2020 | As at 31-03-2019 |
| Advance tax / tax deducted at source (net of provision) | 81236 | 231457 | -- | -- |
| Balance with revenue authorities | -- | -- | 158652 | 132414 |
| Total | 81236 | 231457 | 158652 | 132414 |

NOTE 4: INVENTORIES

| Particulars | As at 31-03-2020 | As at 31-03-2019 |
|----------------|---------------------|---------------------|
| Finished Goods | 646706 | 743324 |
| Total | 646706 | 743324 |

NOTE 5: TRADE RECEIVABLES

| Particulars | As at 31-03-2020 | As at 31-03-2019 |
|---|---------------------|---------------------|
| Trade Receivable - Unsecured Considered Good | 264321 | 559958 |
| Credit Impaired | 13182420 | 12909966 |
| Less: Provision for Expected Credit Loss | (13182420) | (12909966) |
| Total | 264321 | 559958 |

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, 2020

(Amount in Rupees)

| Particulars | 31-03-2020 | 31-03-2019 |
|---|------------|------------|
| Trade Receivables | 13446742 | 13469924 |
| Trade Receivables considered for ECL Ageing | 13446742 | 13469924 |

Movement in the expected credit loss allowance

| Particulars | 31-03-2020 | 31-03-2019 |
|---|------------|------------|
| Balance at the beginning of the year | 12909966 | 10824957 |
| Add: | | |
| Increase in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | 272454 | 2085009 |
| Balance at the end of the year | 13182420 | 12909966 |

NOTE 6: CASH AND CASH EQUIVALENTS

| Particulars | As at 31-03-2020 | As at 31-03-2019 |
|--|---------------------|---------------------|
| Balance with Banks in current accounts | 99683 | 50791 |
| Cash on hand | 707392 | 671175 |
| Total | 807075 | 721965 |

NOTE 7: OTHER BANK BALANCES

| Particulars | Current | |
|---|---------------------|---------------------|
| | As at 31-03-2020 | As at 31-03-2019 |
| Deposits with more than 3 months but less than 12 months maturity period* | 11883042 | 12880914 |
| Total | 11883042 | 12880914 |
| * Includes Interest accrued | 744116 | 746798 |

NOTE 8: EQUITY SHARE CAPITAL

| Particulars | As at 31-03-2020 | As at 31-03-2019 |
|---|---------------------|---------------------|
| Authorised Share Capital 9000000 (Previous Year 9000000) shares of Rs. 10 each Issued | 9000000 | 9000000 |
| 8340100 (Previous Year 8340100) shares of Rs. 10 each Subscribed & paid up shares | 8340100 | 8340100 |
| 4554800 (Previous Year 4554800) shares of Rs. 10 each fully paid up | 4554800 | 4554800 |
| Share Forfeited Account | 18926500 | 18926500 |
| Total | 64474500 | 64474500 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

| Particulars | As at 31-03-2020 | | As at 31-03-2019 | |
|------------------------------------|------------------|----------|------------------|----------|
| | 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 31-03-2020 | | As at 31-03-2019 | |
|--|------------------|--------------|------------------|--------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| O.J. Bansal | 1066200 | 23.41% | 1066200 | 23.41% |
| S.J. Bansal | 714500 | 15.68% | 683400 | 15.00% |
| S.O. Bansal | 671500 | 14.74% | 641300 | 14.08% |
| S.S. Bansal | 792800 | 17.41% | 792800 | 17.41% |

NOTE 9: OTHER EQUITY

(Amount in Rupees)

| Particulars | As at | As at |
|--------------------------------------|-------------------|-------------------|
| | 31-03-2020 | 31-03-2019 |
| 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 | (49400210) | (47133300) |
| Add: Profit / (Loss) during the year | (1660855) | (2266910) |
| | <u>(51061065)</u> | <u>(49400210)</u> |
| Total | <u>(50308731)</u> | <u>(48647876)</u> |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 10: TRADE PAYABLES

(Amount in Rupees)

| Particulars | As at 31-03-2020 | As at 31-03-2019 |
|--|---------------------|---------------------|
| Total outstanding dues of micro enterprises and small enterprises | -- | -- |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 194480 | 87344 |
| Total | 194480 | 87344 |

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 31-03-2020 | As at 31-03-2019 |
|---|---------------------|---------------------|
| (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 31-03-2020 | As at 31-03-2019 | As at 31-03-2020 | As at 31-03-2019 |
| Other payables | | | | |
| Employees related liabilities | -- | -- | 132600 | 45100 |
| Total | -- | -- | 132600 | 45100 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 12: OTHER LIABILITIES

(Amount in Rupees)

| Particulars | Non-current | | Current | |
|----------------|---------------------|---------------------|---------------------|---------------------|
| | As at 31-03-2020 | As at 31-03-2019 | As at 31-03-2020 | As at 31-03-2019 |
| Other payables | -- | -- | 15672 | 5200 |
| Statutory dues | -- | -- | 15672 | 5200 |
| Total | -- | -- | 15672 | 5200 |

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

NOTE 13: REVENUE FROM OPERATIONS

| Particulars | Year ended March 31 2020 | Year ended March 31 2019 |
|--|-----------------------------|-----------------------------|
| Sale of products | | |
| Traded Goods | 222800 | 530450 |
| Other operating revenues | | |
| Job Work | 129050 | 125300 |
| Total | 351850 | 655750 |
| Dissegregation of revenue based on nature | | |
| Sale of products | 222800 | 530450 |
| Job Work | 129050 | 125300 |
| Total | 351850 | 655750 |
| Revenue based on Geography | | |
| Within India | 351850 | 655750 |
| Outside India | -- | -- |
| Total | 351850 | 655750 |
| Reconciliation of revenue from operations with contract price | | |
| Contract price | 351850 | 655750 |
| Less: Variable Components like Discounts etc. | -- | -- |
| Revenue from Operations as recognised in financial statements | 351850 | 655750 |

NOTE 14: OTHER INCOME

| Particulars | Year ended March 31 2020 | Year ended March 31 2019 |
|-------------------------------|-----------------------------|-----------------------------|
| Interest Income | 842386 | 829838 |
| Interest on Income Tax Refund | 14670 | -- |
| Total | 857056 | 829838 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 15: COST OF MATERIALS CONSUMED

(Amount in Rupees)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|------------------------------|------------------------------|
| Raw Material Consumed | | |
| Inventory at the beginning of the year | -- | -- |
| Add: Purchases during the year | -- | -- |
| Less: Inventory at the end of the year | -- | -- |
| Cost of raw material consumed | -- | -- |
| Total | -- | -- |

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

| Particulars | Year ended 31-03-2020 | Year ended 31-03-2019 | (Increase) / Decrease |
|--------------------------------------|--------------------------|--------------------------|--------------------------|
| Inventories at the end of year | | | |
| Finished Goods and Stock in Trade | 646706 | 743324 | 96618 |
| | 646706 | 743324 | 96618 |
| Inventories at the beginning of year | | | |
| Finished Goods and Stock in Trade | 743324 | 983120 | 239796 |
| | 743324 | 983120 | 239796 |

NOTE 17: EMPLOYEE BENEFITS EXPENSES

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---------------------------|------------------------------|------------------------------|
| Salaries, wages and bonus | 1412150 | 546000 |
| Staff Welfare Expenses | 900 | 1200 |
| Total | 1413050 | 547200 |

NOTE 18: DEPRECIATION AND AMORTISATION EXPENSES

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---------------------------------|------------------------------|------------------------------|
| Depreciation of tangible assets | 26748 | 26748 |
| Total | 26748 | 26748 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 19: OTHER EXPENSES

(Amount in Rupees)

| Particulars | Year ended | Year ended |
|------------------------------------|----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| Power and Fuel | 9768 | 8840 |
| Repairs to Machinery | 38145 | 58192 |
| Insurance | 13696 | 12685 |
| Rent | 93000 | 84000 |
| Rates, Taxes & Fee | 156720 | 27041 |
| Legal & Professional Fees | 178645 | 148466 |
| Auditors' Remuneration | 40000 | 40000 |
| Other Selling Expenses | 29099 | 26119 |
| Other Miscellaneous Expenses | 446142 | 367832 |
| Allowance for Expected Credit Loss | 272454 | 2085009 |
| Total | 1277668 | 2858183 |

NOTE 20: PAYMENT TO AUDITORS

| Particulars | Year ended | Year ended |
|--------------|----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| Audit Fee | 40000 | 40000 |
| Total | 40000 | 40000 |

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

31st March, 2020

(Amount in Rupees)

| Particulars | Carrying Value | Classification | | | Fair Value | | |
|-------------------------------|-----------------|----------------|--------|-----------------|------------|---------|---------|
| | | FVTPL | FVTOCI | Amortised Cost | Level 1 | Level 2 | Level 3 |
| Financial Assets | | | | | | | |
| Trade receivables | 264321 | | | 264321 | | | |
| Cash and cash equivalents | 807075 | | | 807075 | | | |
| Bank balance other than above | 11883042 | | | 11883042 | | | |
| | 12954438 | -- | -- | 12954438 | -- | -- | -- |

| Particulars | Carrying Value | Classification | | | Fair Value | | |
|------------------------------|----------------|----------------|--------|----------------|------------|---------|---------|
| | | FVTPL | FVTOCI | Amortised Cost | Level 1 | Level 2 | Level 3 |
| Financial Liabilities | | | | | | | |
| Trade Payables | 194480 | | | 194480 | | | |
| Others | 132600 | | | 132600 | | | |
| | 327080 | -- | -- | 327080 | -- | -- | -- |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

31st 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 | | | |
| | 14162837 | -- | -- | 14162837 | -- | -- | -- |

| 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 | | | |
| | 132444 | -- | -- | 132444 | -- | -- | -- |

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, 2020 | 31st March, 2019 |
|-----------------------|------------------|------------------|
| Payable within 1 year | 327080 | 132444 |
| Payable after 1 year | -- | -- |
| Total | 327080 | 132444 |

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. 272454 as at 31.03.2020. 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, 2020

COVID-19 The Company do not envisage any financial difficulties resulting in additional credit risks higher than usual credit terms due to COVID-19 outbreak.

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, 2020 | 31st March, 2019 |
|--|------------------|------------------|
| Cash, Cash Equivalent & Bank Balances (Note 6 and 7) | 12690117 | 13602879 |
| Total | 12690117 | 13602879 |

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, 2020 | 31st March, 2019 |
|--------------------|------------------|------------------|
| Net Financial Debt | -- | -- |
| Total Equity | 14165769 | 15826624 |

The company's total owned funds of Rs. 14165769 (P.Y. Rs. 15826624) 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, 2020 | 31st March, 2019 |
|---|------------------|------------------|
| Estimated amount of Committed Contracts (Net of Advances) | -- | -- |

NOTE 24:

Since the tax expenses for the year ended 31.03.2020 is NIL (PY is NIL) and there are no deferred tax assets / liability, effective tax rate reconciliation has not been furnished.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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 relationships

| Key Management Personnel | |
|--------------------------|--|
| 1 | Mr. O.J. Bansal (Managing Director) |
| 2 | Mr. S.J. Bansal (Whole Time Director) |
| 3 | Mr. Somesh O. Bansal (CFO) |
| 4 | Mrs. Sushila O. Bansal |
| 5 | Mr. H.L. Barot (Till 30.05.2019 and Re-appointed on 27.09.2019) |
| 6 | Mr. H.R. Patel (Till 27.09.2019) |
| 7 | Mr. G.C. Agarwala (Till 30.05.2019) |
| 8 | Mr. Ajay Kumar Pithi (w.e.f. 30.05.2019) |
| 9 | Mrs. Alka Agarwal (w.e.f. 30.05.2019) |
| 10 | Mrs. Preethi Suresh (Company Secretary) (Resigned on 15.06.2019) |
| 11 | Ms. Avni Chouhan (Company Secretary) (w.e.f. 12.11.2019) |

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 |
| Remuneration | | |
| Mr. O.J. Bansal | 450000 | -- |
| Mr. S.J. Bansal | 450000 | -- |
| Mr. Somesh O. Bansal | 390000 | 360000 |
| Mrs. Preethi Suresh | 38750 | 186000 |
| Ms. Avni Chouhan | 83400 | -- |

Rent Paid

| Particulars | Current Year | Previous Year |
|----------------------|--------------|---------------|
| Mr. Somesh O. Bansal | 93000 | 84000 |

Director Sitting Fees

| Particulars | Current Year | Previous Year |
|------------------------|--------------|---------------|
| Mrs. Sushila O. Bansal | 5000 | 4000 |
| Mr. H.R. Patel | 3000 | 4000 |
| Mr. H.L. Barot | 3000 | 4000 |
| Mr. G.C. Agarwala | 1000 | 3000 |
| Mr. Ajay Kumar Pithi | 5000 | -- |
| Mrs. Alka Agarwal | 4000 | -- |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 26: EARNING PER SHARE (EPS)

(Amount in Rupees)

| Particulars | For the | For the |
|---|--------------------------|--------------------------|
| | Year ended 31-03-2020 | Year ended 31-03-2019 |
| Basic and Diluted Earnings Per Share | | |
| Profit / (Loss) after tax as per profit & loss account (In Rs.) (A) | (1660855) | (2266910) |
| No. of Equity Shares (B) | 4554800 | 4554800 |
| Basic and Diluted Earning Per Share (Rs.) (A/B) | (0.36) | (0.50) |

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 | 31-03-2020 | 31-03-2019 |
|--------------|---------------|---------------|
| Traded Goods | 222800 | 530450 |
| Job Work | 129050 | 125300 |
| | <u>351850</u> | <u>655750</u> |

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

| Description | 31-03-2020 | 31-03-2019 |
|---------------|---------------|---------------|
| Within India | 351850 | 655750 |
| Outside India | -- | -- |
| | <u>351850</u> | <u>655750</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 | 31-03-2020 | 31-03-2019 |
|------------------|------------|------------|
| Customer Nil (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 AND AMENDED BUT NOT EFFECTIVE

The Ministry of Corporate Affairs (MCA) notifies new Indian Accounting Standards or amendments thereto. There is no such notification which would have been made applicable from 1 April, 2020.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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: New Delhi
Date: 26.06.2020

For and on behalf of the Board of Directors

S.J. Bansal

Director
DIN No. 01364898

Somesh O. Bansal
CFO

Place: Vadodara
Date: 26.06.2020

O.J. Bansal

Director
DIN No. 01488025

Avni Chouhan
Company Secretary



Towa Sokki Limited

Regd. Office : FF-6, Amrapali Apartment, Near Air Force Station,
Makarpura, VADODARA – 390 014
CIN : L51909GJ1993PLC019111 * Tele. Fax : 0265-2652851
E-mail : towasurvey@yahoo.co.in * Website : www.towasokki.in