

Towa Sokki Limited



SIXTEENTH ANNUAL REPORT 2007 - 2008



BOARD OF DIRECTORS

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

BANKERS

Bank of Baroda

AUDITORS

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

COMPANY LAW CONSULTANTS

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

REGISTERED OFFICE

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

NOTICE

16th Annual General Meeting will be held at the Company's Registered office on Tuesday, 12th August, 2008 at 11.00 A.M.

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NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the members of TOWA SOKKI LIMITED will be held on Tuesday, 12th August 2008, at 11.00 a.m. at the Registered office of the Company at 919/3, GIDC, Makarpura, Vadodara-390 010 to transact the following Business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2008, Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To appoint Director in place of Shri R. S. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri M. S. Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT approval be and is hereby accorded in terms of Section 293 (1) (a) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 to the sale of Company's unit situated at Plot No. 459 at GIDC Industrial Estate, Por Ramangamdi to M/s. Shivam Developers (hereinafter called as purchaser) at a value not less than Rs. 90 Lacs free from all encumbrances and on the terms and conditions contained herein below:"

- (a) The Company shall sell and M/s. Shivam Developers (purchaser) shall purchase the unit of the company situated at Plot No. 459 at GIDC Industrial Estate, Por Ramangamdi and such sale shall include all construction, compound fencing, electrical installation, implements, appendages and all other property situated at the said unit.
- (b) On or before completion of the sale, the Company shall transfer or procure the transfer of all existing licenses in favor of the purchaser.
- (c) The sale shall be completed within 6 months time being essence of the Contract.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalise with the aforesaid party, the documents required for sell or dispose of such assets and to do all such acts, deeds, matters and things and to execute all such documents and writing as it may consider necessary, for the purpose of giving effect to the resolution"



6. To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution** :

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

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

Regd. Office :
919/3, GIDC, Makarpura,
Vadodara-390 010
Date : 29.05.2008

By order of the Board,
For Towa Sokki Limited

(O. J. Bansal)
Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The Explanatory Statement, relating to Special Business mentioned in items No. 5 to 6 of the notice, as required under Section 173(2) of the Companies Act, 1956, is attached herewith.



3. The Register of Members and Share Transfer Books of the Company will remain closed from 8-8-2008 to 12-8-2008 [Both days inclusive]
4. Shareholders seeking any information with regard to accounts are requested to write to the Company at least seven days in advance so as to enable the Company to keep the information ready.
5. Re-appointment of Directors :
At the ensuing Annual General Meeting Shri R. S. Patel and Shri M. S. Agarwal retire by rotation and being, eligible offer themselves for re-appointment. The details pertaining to the Directors required to be provided under Clause of the Listing Agreement are furnished in the statement of Corporate Governance.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT (PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

Under Section 293(1) (a) of the Companies Act, 1956, the Board of Directors of a public limited Company cannot, except with the consent of such company in General Meeting, sell and dispose off the property of the Company

As a part of business policy matters, the Company may have to sell, dispose off immovable properties of the Company. Accordingly, it is necessary for the members to pass a resolution under section 293 (1) (a) of the Act, for the sell or dispose off immovable property.

None of the Directors of the Company is concerned or interested in the Resolution proposed under item No. 5 of the Notice.

Your directors recommend the Resolution contained in item No. 5 for approval by the members.

Item No. 6

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

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

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

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

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



None of the Directors of the Company is concerned or interested in the Resolution proposed under item No. 6 of the Notice.

Your directors recommend the Resolution contained in item No. 6 for approval by the members.

Regd. Office :
919/3, GIDC, Makarpura,
Vadodara-390 010
Date : 29.05.2008

By order of the Board,
For Towa Sokki Limited

(O. J. Bansal)
Managing Director



DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 16th Annual Report with the Audited Statement of Accounts of your Company for the year ended on 31st March, 2008.

1. SUMMARY OF FINANCIAL RESULTS

	Year Ended	(Rs. in Lacs)
	31-03-2008	Year Ended
		31-03-2007
Sale & Income from Job Work	16.76	19.99
Increase/(Decrease) In Stock	(4.48)	0.58
Total Income	12.28	20.57
Total Expenditure	13.05	22.70
Gross Profit	(0.77)	(2.13)
Depreciation	1.32	1.75
Profit / (Loss) before Taxation	(2.09)	(3.88)
Provision for Taxation	0.07	0.22
Profit/(Loss) after Tax	(2.16)	(4.10)
Reserves (Excluding Revaluation Reserve)	(56.16)	(54.00)

2. DIVIDEND

In the absence of profit, your Directors regret their inability to propose any Dividend for the year.

3. DIRECTORS

Shri R.S.Patel and Shri M.S.Agarwal, Directors, retire by rotation and are eligible, offer themselves for reappointment.

4. DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors confirm :

- a. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relation to material departures.



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

5. FIXED DEPOSITS

The Company has not accepted Fixed Deposits from Public as envisaged under Section 58 A and 58 B of Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975.

6. AUDITORS

M/s. Bhavan Patel & Co., Chartered Accountants, retire as Auditors of the Company at the conclusion of the Sixteenth Annual General Meeting and are eligible for reappointment.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO.

In terms of Section 217(e) (1) of the Companies Act, 1956 (as amended) and the Companies (disclosure of particulars in the report of Board of Directors) Rules of 1988, your Directors furnish here under the additional information :

- a) The Company is taking all the measures for conservation of energy.
- b) TECHNOLOGY ABSORPTION : A substantial amount is planned to be invested in Research and Development activity, the technology to impart the right physical properties to the Company's Products, to improve quality, to reduce cost of production and to identify the areas for diversification for future improvements.
- c) FOREIGN EXCHANGE EARNING AND OUTGO :

1. Earnings in Foreign Exchange

Value of Exports on F.O.B. basis	NIL
Others	NIL

2. Expenditure in Foreign Currency

Imports of Raw Materials, Spares and Components	2.56 Lacs
Foreign Travelling	NIL

8. PARTICULARS OF EMPLOYEE

None of the employees of the Company is covered under Section 217(2 A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975. As such, no particulars are required to be furnished.

9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Industry Structure :

Indian Surveying Instrument industry is largely dependent in the Indian demand, Governments initiative in improving and expanding the necessary infrastructure facilities. Though, the global demand is expected to show a considerable increase in coming years, the same can not be considered with certainty as the recent developments show.

The developments in Survey Instruments and other related industries due to Asian urbanization further investment by India in real estates and infrastructure, estimate increase in demand for consumer goods including durables in developing nations, investment in and infrastructure facilities etc., lead to the belief that the industry is heading for a bright future.

b) Corporate Governance :

Your company has adopted corporate governance and corporate responsibilities such as no discrimination of cast/sex/religion/culture, conservation of energy, education, training for staff for handling disaster management, human face of economics etc.

c) Opportunities and Threats :

The improvement in the world wide economy has fuelled greater demand for infrastructure developments which have, in turn, led to increase in the Survey Instruments demand all over the world. India as a Survey Instruments producer offers an excellent business opportunity which is expected to continue for more years to come.

The Major threats that affect the performance of the Survey Instruments industry are often attributed to low Survey Instruments consumption, higher cost of various inputs, higher transportation cost, cheaper imports of finished products etc.

Your company has, however, analyzed the trends in the Survey Instruments industry and rapid development occurring in the world Survey Instruments. Strategies are constantly reworked to minimize the adverse implications.

**d) Outlook :**

It is expected that the Government would remain committed to development in infrastructure facilities, globalization and carrying out third generation economic reforms which would lead to rise in demand for Survey Instruments and other related products. Consistent growth in global as well as Indian economy points out to a bright future for the Survey Instruments and other related industries.

e) Risks and Concerns :

Your Company has taken a number of steps with a view to keep its position intact in the market. Your Company has been in constant touch with its valuable Customers and has been attempting to rope in new customers and widen its customer base which will all help the Company when it restarts its operations. Your Company has also been in touch with major supplies so that non-availability of any critical inputs on time does not pose any problem in future.

All the fixed and current assets have been insured on the basis of market value (in demnity) and as per expert opinion of an approved valuer, and security has been stepped up at plant premises to safeguard the properties of the Company.

Your Company has also sought certain need based relief and concession from the Banks, Financial Institution and other Government Agencies. These have been identified by the Company as the minimum requirement to enable it to restart and revive its operations. For exports exchange rate risk is very closely monitored and with currencies such as US Dollar and Euro being volatile the company is also forward booking and making options against the exports.

f) Adequacy of Internal Control

The Company has an adequate internal system commensurate with its size and the nature of its business.

The Audit Committee of the Board of Directors reviews the adequacy of internal controls.

g) Human Resource Development

Your Company continued to have cordial harmonious relations with its employees.

h) Discussion on financial performance with respect to operational performance

During the year Company registered a turnover of Rs. 16.76 Lacs as compared Rs. 19.99 Lacs in previous year. Net Profit after tax during the year decreased to Rs. 2.16 Lacs as compared to Rs. 4.10 Lacs in previous year. This was achieved due to constant effort by the Company on the cost reduction from & austerity measure to reduce overhead. Your Directors assure continuation of the same drive & also look for export markets to utilize full capacity of the plant.



reduce overheads. Your Directors assure continuation of the same drive & also look for export markets to utilize full capacity of the plant.

10. ACKNOWLEDGEMENT

The Board of Directors are pleased to place on record, their sincere appreciation for the co-operation of employees of the Company at all levels, unstinted support of the Company's Bankers, Other Associates and the Shareholders.

PLACE : VADODARA
DATE : 29-5-2008

By the Order of the Board
TOWA SOKKI LIMITED
O. J. BANSAL
MANAGING DIRECTOR

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The company believes in good corporate governance and has always been committed to the system of good corporate governance practices. The company recognises the implementation of corporate governance to ensure fairness to shareholders and is committed to practice and attain maximum level of transparency, disclosures, accountability and equity and its all interactions with shareholders.

2. BOARD OF DIRECTORS :

The combination of the Board is as per the Clause 49 of the Listing Agreement. The Board of Directors consists of six Directors, two Executive Directors and four Non-Executive Directors.

The Composition of the Board of Directors and attendance record is as follows:

Name of Director	Category	Membership in Committees of Board	No. of Board Meeting Attended	Whether Attended AGM held on 29-9-2007
Mr. O.J. Bansal	Promoter/Executive	0	4	Yes
Mr. S.J. Bansal	Promoter/Executive	2	4	Yes
Mrs. S.O. Bansal	Promoter/Non-Executive	2	4	Yes
Mr. R.S. Patel	Promoter/Independent	0	0	No
Mr. M.S. Agarwal	Independent	1	1	No
Mr. G.C. Agarwala	Independent	0	0	No

The Board normally meets once in every quarter. During the year 2007-08, The Board of Directors met five times on 30-5-2007, 31-7-2007, 30-10-2007, 30-1-2008 and 15.3.2008.

3. Directors seeking appointment / re-appointment

Mr. R. S. Patel, a businessman and has been associated with Company for last 13 ears.

Mr. M. S. Agarwal Chartered Accountant and having varied experience in financial management, corporate taxation, corporate restructuring, project financing etc. and has been associated with Company for last 13 years.

4. AUDIT COMMITTEE :

As per the requirements of Part II of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 the Company has formed an Audit Committee under the Chairmanship of Shri M.S. Agarwal, the other members of the Committee being Shri G. C. Agarwala and Shri S. J. Bansal.

During the financial year under consideration, four meetings of the Committee were held on 30-5-2007, 31-7-2007, 30-10-2007 and 30-1-2008.



5. SHAREHOLDERS / INVESTOR GRIEVANCE COMMITTEE :

Name of Non-Executive Director heading the Committee.	Mrs. S.O. Bansal
Compliance Officer.	Mr. S.J. Bansal
No. of Shareholders complaints received during the year 2007-2008.	NIL
Complaints not solved to the satisfaction of Shareholders.	NIL
Complaints pending on 31-3-2008.	NIL

During the year 2007-08 five meetings of the committee was held on 30.5.2007, 31.7.2007, 30.10.2007, 30.1.2008 and 15.3.2008

6. GENERAL BODY MEETINGS :

A. The details of last three Annual General Meetings are as under :

Date	Time	Location
29-9-2007	11.00 a.m.	919/3, G.I.D.C. Estate, Makarpura, Vadodara – 390010.
30-9-2006	11.00 a.m.	—do—
29-9-2005	11.00 a.m.	—do—

B. Postal Ballot:

Postal ballot was not conducted in any of the general body meetings held so far by the Company.

7. DISCLOSURES :

- A. There were no material transactions with Directors or the Management or their relatives having potential conflicts with the interest of the Company at large.
- B. No penalties or strictures were imposed on the Company by Stock Exchange or SEBI on any matter related to capital markets during the last three years.

8. MEANS OF COMMUNICATION :

The Company's quarterly financial results are approved and taken on record by the Board within the prescribed time and sent to Stock Exchanges. The annual results are also published in two news papers one in English and other in Regional Language (Gujarati).

9. GENERAL SHAREHOLDER INFORMATION :

AGM : The Company's AGM will be held on 12-8-2008 at 11.00 a.m. at the Registered office at 919/3, GIDC Estate, Makarpura, Vadodara-390010

Financial Calendar : April to March.

Date of Book Closure : 8-8-2008 to 12-8-2008.

Dividend Payment Dates : No Dividend proposed.

Listing on Stock Exchanges : Listed on Vadodara Stock Exchange Limited-Vadodara, Ahmedabad Stock Exchange Limited-Ahmedabad, Bombay Stock Exchange Limited-Mumbai, Jaipur Stock Exchange Limited-Jaipur, and Madras Stock Exchange Limited Chennai.

Market Price Data : Not being traded since last eight years.

Distribution of Shareholdings:

Distribution of Shareholdings as on 31-3-2008

Shareholding	No. of Share Holders	% of Share Holders to Total	No. of shares held	% of Total
0 - 5000	609	93.96	522100	6.92
5001 - 10000	5	0.77	44800	0.60
10001 - 20000	7	1.08	108700	1.44
20001 - 30000	3	0.47	72700	0.96
30001 - 40000	3	0.47	107200	1.42
40001 - 50000	4	0.62	183200	2.43
50001 - 100000	3	0.47	234300	3.11
100001 and above	14	2.16	6267100	83.12
TOTAL	648	100.00	7540100	100.00

Shareholding Pattern as on 31-3-2008

Category	No. of Shares	Percentage
Indian Promoters	2282900	30.28
NRI Promoters	200000	2.65
FII, Banks, Mutual Funds	--	--
Private Corporate Bodies	--	--
Indian Public	5057200	67.07
TOTAL	7540100	100.00

Registrar and Transfer Agent : Towa Sokki Limited, 919/3, G.I.D.C. Estate, Makarpura, Vadodara-390010

Registered Office Location : 919/3, G.I.D.C. Estate, Makarpura, Vadodara- 390010.

Code of Conduct :

- (a) The Company has laid down Code of Conduct applicable to the Board Members as well as the Senior Management. All the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct as on March 31, 2008. The declaration signed by Managing Director of the Company is given below. :



I. O. J. Bansal, Managing Director of the Company, hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed the compliance of the Code of Conduct during the Financial Year ended 31st March, 2008

- (b) In terms of Clause 49 for the Listing Agreement, the certification by the CFO and Managing Director of the Company on the financial statements and internal control relating to financial reporting has been obtained by the Board of Directors.

O. J. Bansal
Managing Director



AUDITOR'S REPORT

To
The Members of TOWA SOKKI LIMITED,

We have audited the attached Balance Sheet of Towa Sokki Limited, as at 31st March, 2008 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that :

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we report that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account ;
 - d) In our opinion, the Balance Sheet and Profit and Loss Account complies with the mandatory Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e) On the basis of the written representations received from the Directors and taken on record by the Company, we report that none of the Director is disqualified, as on the Balance Sheet date, from being appointed as a Director in terms of Section 274 (1)(g) of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Significant Accounting Policies (Schedule - 20) and Notes on Accounts (Schedule - 21) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :

- i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2008, and
- ii) In the case of the Profit and Loss Account of the Loss of the Company for the year ended on that date.
- iii) In the case of the Cash Flow Statment of cash flow for the year ended on that date.

PLACE : MUMBAI
DATE : 29th May 2008

For BHAVAN PATEL & CO.
CHARTERED ACCOUNTANTS

B. H. PATEL
PROPRIETOR

ANNEXURE TO THE AUDITOR'S REPORT

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

1. (i) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(ii) As explained to us, the fixed assets have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and having regard to the size of the Company and nature of its assets and on the basis of the explanations received, no material discrepancies were noticed on such physical verification and the same has been appropriately dealt with.
(iii) During the year, Company has not disposed of substantial / major portion of fixed assets.
2. (i) During the year, inventory has been physically verified by the management at a reasonable interval.
(ii) In our opinion and according to the information and explanations given to us, the procedures of physical verification/confirmation of inventory followed by the management are reasonable and adequate in relation to the size of the Copany and nature of its business.
(iii) In our opinion and according to the information and explanation given to us and on the basis of our examination of the record of inventory the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.

3. The Company has not granted any loans to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
 - (i) The Company has taken unsecured loans, from companies, firms or other parties from Directors & Relatives amounting to Rs. 106120/- listed in the register maintained under Section 301 of the Companies Act, 1956.
 - (ii) In our opinion, the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.
 - (iii) The payment of the interest and principal in respect of loans taken from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, is regular.
 - (iv) There are no overdue amounts of more than Rupees one lakh in respect of loan taken.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regards to purchase inventories and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5.
 - (i) Based on the information and explanations given to us, the transactions pertaining to contracts and arrangements that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
 - (ii) According to information and explanations given to us, there are no transactions of purchase and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 500000/- or more in respect of each party.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. As informed to us, the Central Government has not prescribed the maintenance of cost records under 209-(1) (d) of the Companies Act, 1956 for any of the products of the Company.
9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other dues during the year with the appropriate authorities. As at 31st March 2008, there are no undisputed dues payable for a period of more than six months from the date they become payable.

- (b) According to the information and explanations given to us, there are no amounts in respect of income tax, customs duty, wealth tax, cess that have not been deposited with the appropriate authorities on account of any dispute.
10. The Company has accumulated losses and has incurred cash losses in the current financial year.
 11. Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank during the year.
 12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The Company is not a chit fund / nidhi / mutual benefit fund / society.
 14. In our opinion, the Company is not dealing in shares, securities, debentures or other interments and hence, the requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
 16. In our opinion, the working capital loan has been applied for the purpose for which it was raised.
 17. According to information & explanations given to us & on the basis of our overall examination of the Cash Flow statement, the funds raised on short term and long term basis have not been used for long-term investments and short-term investment respectively.
 18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
 19. The Company did not have outstanding debentures during the year. Accordingly, no securities have been created.
 20. The Company has not raised any money by way of public issues during the year.
 21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For BHAVAN PATEL & CO.
CHARTERED ACCOUNTANTS

PLACE : MUMBAI
DATE : 29th May 2008

B. H. PATEL
PROPRIETOR



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of,
Towa Sokki Limited, Baroda.

We have examined the compliance of conditions of Corporate Governance by Towa Sokki Limited ('The Company') for the year ended March 31, 2008 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

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

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

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

For Bhavan Patel & Co.
Chartered Accountants

PLACE : MUMBAI
DATE : 29th MAY 2008

B.H. PATEL
Proprietor



BALANCE SHEET AS AT 31st MARCH, 2008

Particulars	Schedule	Rupees	As at	As at
			31-3-2008	31-3-2007
			Rupees	Rupees
SOURCES OF FUNDS :				
Shareholders' Fund :				
Share Capital	1	55064500		55064500
Reserves and Surplus	2	<u>752334</u>		<u>752334</u>
			55816834	55816834
Loan Funds :				
Secured Loans	3	471540		859313
Unsecured Loans	4	<u>106120</u>		<u>106120</u>
			577660	965433
TOTAL			<u>56394494</u>	<u>56782267</u>
APPLICATION OF FUNDS :				
Fixed Assets :				
Gross Block	5	7097649		7093574
Less : Depreciation		<u>2487304</u>		<u>2375416</u>
Net Block		4610345		4718158
Capital Work-in-Progress on New Project	6	31158430		31158430
Pre-Operative Expenditure (pending capitalisation)	7	<u>7718572</u>		<u>7700722</u>
			43487347	43577310
Current Assets, Loans and Advances :				
Inventories	8	1129945		1680745
Sundry Debtors	9	1410327		1406779
Cash and Bank Balances	10	40726		9691
Loans and Advances	11	<u>402361</u>		<u>402361</u>
		2983359		3499576
Less : Current Liabilities and Provisions :				
Current Liabilities	12	158892		<u>160967</u>
Net Current Assets			<u>2824467</u>	<u>3338609</u>
Miscellaneous Expenditure :				
(To the extent not written off or adjusted)	13		3616388	3616388
Profit & Loss A/C			<u>6466292</u>	<u>6249960</u>
TOTAL			<u>56394494</u>	<u>56782267</u>
Significant Accounting Policies	20			
Notes on Accounts	21			

As per our report of even date attached

For BHAVAN PATEL & CO.

Chartered Accountants

B. H. PATEL

Proprietor

PLACE : MUMBAI
DATE : 29th May 2008

For and on behalf of the Board of Directors

O. J. BANSAL

S. J. BANSAL

Directors

PLACE : VADODARA
DATE : 29th May 2008



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31st MARCH, 2008**

Particulars	Schedule	For the Year ended 31-3-2008 Rupees	For the Year ended 31-3-2007 Rupees
INCOME:			
Sales		1479520	1810050
Job Work		193040	188961
Incom From other Sources		3380	--
Increase/(Decrease) in Stocks	14	(447830)	57635
		<u>1228110</u>	<u>2056646</u>
EXPENDITURE :			
Purchases for Resale		361731	99140
Raw Materials consumed	15	238245	1030737
Manufacturing and Operating Exps.	16	74884	156304
Employees' Remuneration and Benefits	17	84	120524
Administrative and Other Exps.	18	520230	770302
Interest	19	110393	93752
Depreciation		131713	174655
		<u>1437280</u>	<u>2445414</u>
Profit / (Loss) before Taxation		(209170)	(388768)
Provision for Taxation (F.B.Tax)		7162	21944
Profit / (Loss) after Taxation		(216332)	(410712)
Balance brought forward from previous year		(6249960)	(5839248)
Amount available for Appropriations		<u>(6466292)</u>	<u>(6249960)</u>
Appropriations			
Balance carried to Balance Sheet		(6466292)	(6249960)
		<u>(6466292)</u>	<u>(6249960)</u>
Significant Accounting Policies	20		
Notes on Accounts	21		

As per our report of even date attached

For BHAVAN PATEL & CO.
Chartered Accountants
B. H. PATEL

Proprietor
PLACE : MUMBAI
DATE : 29th May 2008

For and on behalf of the Board of Directors

O. J. BANSAL
S. J. BANSAL
Directors

PLACE : VADODARA
DATE : 29th May 2008



SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2008

	As at 31-3-2008 Rupees	As at 31-3-2007 Rupees
Schedule 1 - Share Capital		
Authorised		
8000000 Equity Shares of Rs. 10/- each	<u>80000000</u>	<u>80000000</u>
Issued, Subscribed and Paid-up		
7540100 Equity Shares of Rs. 10/- each	75401000	75401000
Less : Allotment Money Due	(-) 20336500	(-) 20336500
TOTAL	<u>55064500</u>	<u>55064500</u>
Schedule 2 - Reserves and Surplus		
Capital Reserve :		
As per last Balance Sheet	715334	715334
General Reserve :		
As per last Balance Sheet	<u>37000</u>	<u>37000</u>
TOTAL	<u>752334</u>	<u>752334</u>
Schedule 3 - Secured Loans		
Cash Credit Facility from Bank against Hypothecation of Stocks and also Guaranteed personally by all the Directors.	<u>471540</u>	<u>859313</u>
TOTAL	<u>471540</u>	<u>859313</u>
Schedule 4 - Unsecured Loans		
From Directors	--	--
From Others	<u>106120</u>	<u>106120</u>
TOTAL	<u>106120</u>	<u>106120</u>



Schedule 5 - Fixed Assets

Amount in Rupees

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 1-4-2007	Additions during the year	Deductions during the year	As at 31-3-2008	As at 1-4-2007	Provided during the year	Deductions during the year	As at 31-3-2008	As at 31-3-2008	As at 31-3-2007
Land	2794715	--	--	2794715	--	--	--	--	2794715	2794715
Factory Shed	1936977	--	--	1936977	784490	64696	--	849186	1087791	1152487
G.I.D.C. Flats	383246	--	--	383246	72365	6248	--	78613	304633	310881
Machinery	693507	--	--	693507	384414	32940	--	417354	276153	309093
Electrical Installation	91275	--	--	91275	53044	4336	--	57380	33895	38231
Office Equipments	84054	23900	--	107954	48473	5033	--	53506	54448	35581
Furniture and Fixtures	211261	--	--	211261	154221	13372	--	167593	43668	57040
Computer Systems	31400	--	--	31400	11270	5088	--	16358	15042	20130
Veicals	867139	--	19825	847314	867139	--	19825	847314	--	--
TOTAL	7093574	23900	19825	7097649	2375416	131713	19825	2487304	4610345	4718158
Previous year	7093574	--	--	7093574	2200761	174655	--	2375416	4718158	4892813



	As at 31-3-2008 Rupees	As at 31-3-2007 Rupees
Schedule 6 - Capital Work-in-Progress on New Project (Pending Capitalisation)		
Site Development	423000	423000
Compound Fencing	82110	82110
Factory Building	6311955	6311955
Dies & Moulds	2618410	2618410
Electrical Installation	83279	83279
Advances to Shell Fincaps Pvt. Ltd. and others for other machineries, Finance & Technical Know-How for the Project on Trunky Basis	18700000	18700000
Advances to other suppliers	138880	138880
Interest and Finance Charges	<u>2800796</u>	<u>2800796</u>
TOTAL	<u>31158430</u>	<u>31158430</u>
Schedule 7 - Pre-Operative Expenditure (pending capitalisation)		
Listing Fees	<u>17850</u>	<u>45000</u>
TOTAL	<u>17850</u>	<u>45000</u>
Add: Pre-Operative Expenditure incurred upto previous year	<u>7700722</u>	<u>7655722</u>
TOTAL	<u>7718572</u>	<u>7700722</u>
Schedule 8 - Inventories (As Certified by Management)		
Raw Materials	50645	153615
Finished Goods	<u>1079300</u>	<u>1527130</u>
TOTAL	<u>1129945</u>	<u>1680745</u>
(For mode of valuation refer Note No. 3 of Significant Accounting Policies-Schedule-20)		
Schedule 9- Sundry Debtors (Unsecured, Considered Good)		
Exceeding 6 Months	1401254	1401254
Others	<u>9073</u>	<u>5525</u>
TOTAL	<u>1410327</u>	<u>1406779</u>



	As at 31-3-2008 Rupees	As at 31-3-2007 Rupees
Schedule 10 - Cash and Bank Balances		
Cash on Hand	<u>40726</u>	<u>9691</u>
TOTAL	<u>40726</u>	<u>9691</u>
Schedule 11 - Loans and Advances (Unsecured Considered Good)		
Advances recoverable in cash or in kind or for value to be received		--
Security Deposits	380000	380000
Balance with Central Excise	17755	17755
T. D. S.	4606	4606
TOTAL	<u>402361</u>	<u>402361</u>
Schedule 12 - Current Liabilities		
Sundry Creditors :		
For Goods & Supply	1173	18074
For Expenses	67966	68866
Other Liabilities	89753	74027
TOTAL	<u>158892</u>	<u>160967</u>
Schedule 13 - Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Preliminary Expenses (Project)	40000	40000
Public Issue Expenses/Share Capital Exps.	3576388	3576388
TOTAL	<u>3616388</u>	<u>3616388</u>
Schedule 14 - Increase / (Decrease) in Stock		
Stock as on 31-3-2008		
Finished Goods	<u>1079300</u>	<u>1527130</u>
	1079300	1527130
Less : Stock as on 1-4-2007		
Finished Goods	1527130	1469495
TOTAL	<u>(447830)</u>	<u>57635</u>



Year Ended 31-3-2008 Rupees	Year Ended 31-3-2007 Rupees
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Schedule 15 - Raw Materials Consumed

Opening Stock	153615	198282
Add : Purchases during the year	135275	986070
	<u>288890</u>	<u>1184352</u>
Less : Closing Stock	50645	153615
TOTAL	<u>238245</u>	<u>1030737</u>

Schedule 16 - Manufacturing and Operating Expenses

Labour charges	498	2084
Power and Electricity	11685	13345
Machinery Repairs	2095	30993
Consumable Stores	7195	12890
Tools and Stores	86	68
Freight and Octroi	41126	93597
Packing Materials	4355	3111
Instruments Repairing Expenses	7844	216
TOTAL	<u>74884</u>	<u>156304</u>

Schedule 17 - Employees Remuneration and Benifits

Salary, Wages and Bonus	--	120440
Welfare Expenses	84	84
TOTAL	<u>84</u>	<u>120524</u>

Schedule 18 - Administrative and Other Expenses72

Office Expenses	4697	25613
Printing and Stationery	19024	72163
Vehecal running and maintainence (Motor Car)	61295	107874
Vehecal running and maintainence (Scooter)	7878	
Professional and Other charges	37745	22940
Post and Telegram	12440	20765
Audit Fees	16854	16836
Travelling Expenses	7525	175258
Advertisement and Publicity	14463	8955
Building Repairs	877	6179
Telephone Expenses	21647	34411
Freight Outward	814	2845
Books and Periodicals	1778	2383
Electrical Repairs	11999	3318



Year Ended	Year Ended
31-3-2008	31-3-2007
Rupees	Rupees

Schedule 18 - Administrative and Other Expenses (Continued)

Entertainment Expenses	3408	3520
Insurance Expenses	12504	22843
Filing Fees	2220	2500
Computer Consumables	110	169
Professional Tax	1000	1000
Rent	--	36000
Directors' Salary	240000	144000
Legal and other Charges	5000	42000
Commission and Rebate	--	220
Sales Tax paid on Assesment	--	1965
Licence Fees	--	536
Tender Fees	--	3257
Municipal Taxes	32867	12752
GIDC Misc. Charges	3585	--
Membership Fees	500	--
TOTAL	<u>520230</u>	<u>770302</u>

Schedule 19 - Interest

Interest on Bank Loan	103163	86389
Bank charges	7230	7363
TOTAL	<u>110393</u>	<u>93752</u>

SCHEDULE 20 - SIGNIFICANT ACCOUNTING POLICIES**1. SYSTEM OF ACCOUNTING :**

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

2. FIXED ASSETS :

- a) Fixed Assets are shown at cost of acquisition including direct material, labour and overheads if any, less accumulated depreciation.
- b) Works under erection / installation / execution for capital works are shown as "Capital Work in Progress on New Project" and includes interest on borrowings and advances to suppliers etc.
- c) Revenue / indirect Expenditure for New Project are grouped under the head " Pre-Operative Expenditure (Pending Capitalisation)" and the same will be capitalised on completion of the Project.

3. INVENTORIES :

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

4. DEPRECIATION :

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

5. ENCASHMENT OF LEAVE AND OTHER RETIREMENT BENEFITS :

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

6. ACCOUNTING FOR MISCELLANEOUS EXPENDITURE :

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



SCHEDULE 21 - NOTES ON ACCOUNTING

1. Corresponding figures of the previous year have been regrouped to make them comparable with current year's figures, wherever necessary.
2. The Company is in the process of setting up another manufacturing unit at Por Ramangamdi. Dist. Vadodara, Gujarat to manufacture and assemble various types of Steel Measuring Tapes and Survey and allied instruments. This project is still in the stage of execution, hence revenue type expenditure incurred on project under implementation is being treated as "PreOperative Expenditure (Pending Capitalisation)" is shown under Schedule-7. Direct Capital Expenditure are shown as "Capital Work in Progress on New Project" under Schedule-6.
3. In respect of plot of Land allotted by G.I.D.C. under the licence arrangement and shown under item of Fixed Assets, the Company has no legal interest therein but only the licence to enter upon the said Land for performance under the licence agreement concluded with G.I.D.C. After the Factory Building and other structures are erected at the said plot of Land, there is a provision under the agreement for execution of Lease Deed so that at that stage the plot of Land allotted to the Company shall be under the Lease arrangement.
4. Estimated amount of contracts remaining to be executed on capital account & not provided for net of advance Rs. 1.39 lacs (Previous year Rs. 1.39 lacs).
5. The Company has made Public Issue of Equity Shares in the year 1995-96 and the total expenditure of Rs. 35.76 Lacs incurred on the said Issue has been treated as Deferred Revenue Expenditure and shown under the head of "Miscellaneous Expenditure".
6. In view of loss for the year, the Company does not expect any income tax liability for the year 2007-2008, hence no provision is made on this account
7. The Company has also given advance to Shell Fincaps Pvt. Ltd. and others amounting to Rupees 18700000/- for other machineries, finance and technical know-how for the Project on Trunky basis. The advances are unsecured and are subject to the terms of the agreement/ contract executed with them.
8. Managing Director's Remuneration

	(Rs. in lacs)	
	2007-2008	2006-2007
Salary	2.40	1.44
	<u>2.40</u>	<u>1.44</u>

9. Details of Auditors' Remuneration

	(Rs. in lacs)	
	2007-2008	2006-2007
Audit Fees	0.17	0.17
	<u>0.17</u>	<u>0.17</u>

10. Earning per share :

Sr. No.	Earning Per Share (Basic and Diluted) has been computed as under.	Unit of measurement	31.3.2008	31.3.2007
1	Net profit / (loss) after tax	Rs. in Lacs	(2.16)	(4.10)
2	Equity shares of Rs. 10/- each.	Numbers	7540100	7540100
3	Earning per share.		(56.16)	(54.00)

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

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

a)	LICENCED CAPACITY	N.A	N.A.
b)	INSTALLED CAPACITY	N.A.	N.A.
c)	OPENING STOCK	2007-2008	2006-2007

Raw Materials

Levelling Head	—	94	Nos.
Body Cap	--	94	Nos.
Clamp Frame	--	94	Nos.
Objective Frame with Ring	--	94	Nos.
Erect Tube	--	64	Nos.
Main Spindle Set	--	174	Sets.
Slow Motion Assembly	--	104	Sets.
Instruments Box	39	Nos.	164
Part of Auto Level	99	Sets.	—



Finished Goods

Automatic Level (BK-20)	9	Nos.	110	Nos.
Automatic Level (BK-24)	149	Nos.	171	Nos.
Automatic Level (TA-2)	48	Nos.	–	
Theodolite Model J2-2	5	Nos.	3	Nos.
Levelling Staves (4 Mts.)	17	Nos.	22	Nos.
Levelling Staves (5 Mts.)	29	Nos.	58	Nos.
Aluminium Tripod (WAF)	26	Nos.	44	Nos.

d) PRODUCTION

Automatic Level (BK-20)	50	Nos.	20	Nos.
Automatic Level (BK-24)	--		128	Nos.
Automatic Level (TA-2)	--		50	Nos.
Theodolite Model J2-2	--		4	Nos.
Aluminium Tripod (WAF)	--		1	No.

e) RAW MATERIALS CONSUMPTION

	2007-2008		2006-2007	
	(Rs.)	(%)	(Rs.)	(%)
Indegenous raw materials	150059	63%	512325	50 %
Imported raw materials	88186	37%	518412	50 %
	<u>238245</u>	<u>100%</u>	<u>1030737</u>	<u>100 %</u>

(Quantity Details not ascertained / ascertainable)



f) SALES

Automatic Level (BK-20)	59	Nos.	121	Nos.
Automatic Level (BK-20 c)	62	Nos.	-	
Automatic Level (BK-24)	113	Nos.	150	Nos.
Automatic Level (TSL-20)	-		50	Nos.
Automatic Level (TSL-24)	-		53	Nos.
Automatic Level (TA-2)	1	No.	2	Nos.
Theodolite Model J2-2	-		2	Nos.
Levelling Staves (4 Mts.)	10	Nos.	29	Nos.
Levelling Staves (5 Mts.)	23	Nos.	29	Nos.
Aluminium Tripod (WAF)	26	Nos.	19	Nos.

g) PURCHASES

	(Rs.)	(Rs.)
Indegenous raw materials	47089	467658
Imported raw materials	88186	518412
	<u>135275</u>	<u>986070</u>

(Quantity Details not ascertained/ascertainable)

h) DETAILS OF TRADED GOODS

	Theodolite (Vernier)		Alum. Tripod (RK)	
	2007-08	2006-07	2007-08	2006-07
Opening Stock	3	3	62	63
Add : Purchases	<u>11</u>	<u>6</u>	<u>24</u>	<u>48</u>
	14	9	86	111
Less : Sales	<u>9</u>	<u>6</u>	<u>26</u>	<u>49</u>
Closing Stock	<u>5</u>	<u>3</u>	<u>60</u>	<u>62</u>
			Automatic Level (BK-20 c)	
	2007-08	2006-07	2007-08	2006-07
Opening Stock	NIL	NIL	NIL	NIL
Add : Purchases	<u>2</u>	<u>NIL</u>	<u>102</u>	<u>NIL</u>
	2	NIL	102	NIL
Less : Sales	<u>2</u>	<u>NIL</u>	<u>62</u>	<u>NIL</u>
Closing Stock	<u>NIL</u>	<u>NIL</u>	<u>40</u>	<u>NIL</u>



i) CLOSING STOCK

2007-2008

2006-2007

Raw Materials

ITEM	QUANTITY	VALUE (Rs.)	QUANTITY	VALUE (Rs.)
Instruments Box	37 Nos.	14245	39 Nos.	15015
Part of Auto Level	26 Nos.	36400	99 Sets.	138600
		<u>50645</u>		<u>153615</u>

Finished Goods

Automatic Level (BK-20)	--	--	9 Nos.	32400
Automatic Level (BK-20 c)	40 Nos.	99000	--	--
Automatic Level (BK-24)	36 Nos.	147600	149 Nos.	610900
Automatic Level (TA-2)	47 Nos.	423000	48 Nos.	432000
Theodolite Model J2-2	5 Nos.	317500	5 Nos.	317500
Theodolite (Vernier)	5 Nos.	30000	3 Nos.	18000
Levelling Staves (4 Mts.)	7 Nos.	4900	17 Nos.	11900
Levelling Staves (5 Mts.)	6 Nos.	5400	29 Nos.	26100
Aluminium Tripod (WAF)	--	--	26 Nos.	24700
Aluminium Tripod (RK)	60 Nos.	51900	62 Nos.	53630
		<u>1079300</u>		<u>1527130</u>

	2007-2008	(Rs. in lacs) 2006-2007
13. C.I.F. Values of Imports		
Imports of Raw Materials, Spares and Components	0.88	5.18
Import of Goods for Resale	1.68	-
	<u>2.56</u>	<u>5.18</u>
14. F.O.B. Value of Exports	NIL	NIL

CASH FLOW STATEMENT

	2007-2008 Rupees	2006-2007 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) before Tax & Extraordinary Items	(74077)	(388768)
Adjusted for :		
Depreciation and Expenses amortised	131713	174655
Interest	110393	93752
Other Income	3380	--
Operating Profit before Working Capital Changes	164649	(120361)
Adjusted for :		
Trade & Other Receivables	(3548)	611782
Inventories	550800	(12968)
Loans and Advances	--	(174467)
Trade Payables	(2075)	28647
Cash Generated from Operations	545177	452994
Interest Paid	(110393)	(93752)
Tax Paid	(7162)	(21944)
NET CASH FROM OPERATING ACTIVITIES (TOTAL : A)	592271	216937
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	23900	--
Capital Work-in-Progress on New Project (including Advances)	--	(383761)
Pre-Operative Expenditure (Pending Capitalisation)	(17850)	(269719)
Other Income	--	--
NET CASH USED IN INVESTING ACTIVITIES (TOTAL : B)	6050	(653480)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Term Borrowings	(387773)	(25106)
Proceeds from Unsecured Loans	--	(90000)
NET CASH USED IN FINANCING ACTIVITIES (TOTAL : C)	(387773)	(115106)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	210548	(551649)
OPENING BALANCE - CASH & CASH EQUIVALENTS	9691	2360
CLOSING BALANCE - CASH & CASH EQUIVALENTS	40726	9691

PLACE : VADODARA
DATE : 29th MAY, 2008

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

AUDITOR'S CERTIFICATE

We have verified the attached Cash Flow Statement of Towa Sokki Limited derived from the audited annual financial statements for the years ended March 31, 2008 and March 31, 2007, and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreements with Stock Exchanges.

PLACE : MUMBAI
DATE : 29th MAY, 2008

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



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

a. Registration Details

Registration No. : 19111 State Code : 04
 Balance Sheet Date : 31st March 2008

b. Capital Raised during the Year (Amount in Rs. Lacs)

Public Issue : NIL Right Issue : NIL
 Bonus Issue : NIL Private Issue : NIL

c. Position of Mobilisation and Deployment of Funds (Amount in Rs. Lacs)

Total Liabilities : 563.94 Total Assets : 563.94

SOURCES OF FUNDS

Paid-up Capital : 550.64 Reserves and Surplus : 7.52
 Secured Loans : 4.72 Unsecured Loans : 1.06

APPLICATION OF FUNDS

Net Fixed Assets : 46.10 Investments : NIL
 Net Current Assets : 28.24 Misc. Expenditure : 36.16
 Accumulated losses : 64.66

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

Total Turnover : 12.28 Total Expenditure : 14.37
 Profit Before Tax : (2.09) Profit After Tax : (2.16)
 Earning per share : N.A. Dividend Rate : NIL

e. Generic Names of Three Principal Products/Services of Company (As per Monetary terms)

PRODUCT NAME	ITEM CODE
1. Automatic Level	9015.30
2. Theodolite	9015.20
3. Levelling Staff	9015.40

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

PLACE : MUMBAI
 DATE : 29th MAY, 2008

For and on behalf of the Board of Directors

O. J. BANSAL
S. J. BANSAL
 Directors

PLACE : VADODARA
 DATE : 29th MAY, 2008



Towa Sokki Limited

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

ATTENDANCE SLIP

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

I hereby record my presence at the Sixteenth Annual General Meeting of the above named company being held at 11.00 a.m. on Tuesday the 12th day of August, 2008.

Full Name of the Member / Proxy _____

Folio No. _____ No. of Shares held _____

Signature :



Towa Sokki Limited

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

PROXY FORM

I/We _____

of _____ in the district _____

being a member/members of TOWA SOKKI LIMITED hereby appoint

_____ of _____

failing him/her _____ of _____

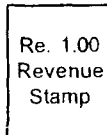
as my/our proxy to vote for me/us on my/our behalf at SIXTEENTH ANNUAL GENERAL MEETING of the company to be held on Tuesday the 12th day of August, 2008., at 11.00 a.m. and any adjournment thereof.

signed this _____ day of _____ 2008

Signature _____

Folio No. _____

No. of Shares _____



Note :

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

BOOK-POST

To,

If Undelivered Please Return to :



Towa Sokki Limited

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