




# FORM A

1.	Name of the Company	TOKYO FINANCE LIMITED
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> MARCH, 2014
3.	Types of Audit Observation	Un-qualified
4.	Frequency of Observation	-
5.	To be signed by – <ul style="list-style-type: none"> <li>• Director</li> <li>• Auditor of the Company :</li> <li>• Audit Committee Chairman :</li> </ul>	HARESH V. SHAH  PAVAN CHHABRA  TASSADDUQ ALI KHAN 

CERTIFIED TRUE COPY  
For TOKYO FINANCE LIMITED

  
DIRECTOR

# **TOKYO FINANCE LIMITED**

**ANNUAL REPORT 2013-2014**

## TOKYO FINANCE LIMITED

CIN : L65923MH1994PL083155

### BOARD OF DIRECTORS

Shri Velji L. Shah  
Chairman

Shri Haresh V. Shah

Shri Tassadduq A. Khan

Shri Chimanlal A.Kachhi

AUDITORS  
Swamy & Chhabra  
Chartered Accountants

BANKERS  
The Cosmos Co-Op. Bank Ltd.

REGISTERED OFFICE  
5th Floor, Vyom Arcade, Tejpal Scheme Road No.5, Above United Bank of India  
Vile Parle (East), Mumbai - 400 057

REGISTRAR AND TRANSFER AGENT  
Sharex Dynamic (India) Pvt. Ltd.  
Unit-1, Luthra Ind. Premises,  
1st Floor, Safed Pool, Andheri Kurla Road,  
Andheri (East)  
Mumbai - 400 072

TWENTIETH ANNUAL GENERAL MEETING	CONTENTS
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**NOTICE**

**NOTICE** is hereby given that the Twentieth Annual General Meeting of the shareholders of Tokyo Finance Limited (CIN-L65923MH1994PLC083155 ) will be held at Utkarsh Mandal Hall, Ground Floor, Malviya Road, Vile Parle (East) Mumbai – 400057 on September 27, 2014 at 3.30 p.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31.03.2014 and Statement of Profit & Loss for the year ended on that date together with the Report of the Directors and Auditors.
2. To appoint a Director in place of Shri Velji L. Shah Director, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors M/s. Swamy & Chhabra, Chartered Accountants to hold office for a period of three years from the conclusion of this Annual General Meeting until the conclusion of the 23rd Annual General Meeting to be held and to authorize the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri.Chimanlal A. Kachhi (holding DIN 0058092), Director of the Company who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto the conclusion of Twenty Fifth Annual General Meeting of the Company to be held in the calendar year 2019.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri.Chimanlal A. Kachhi be paid such fees as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time, for attending the meetings of the Board and its Committees.”

## TOKYO FINANCE LIMITED

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri. Tassadduq Ali Khan (holding DIN 00008368), Director of the Company who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto the conclusion of Twenty Fifth Annual General Meeting of the Company to be held in the calendar year 2019.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri. Tassadduq Ali Khan be paid such fees as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time, for attending the meetings of the Board and its Committees.”

### 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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A proxy form duly completed and stamped must reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

2. The Register of members and share transfer books will remain closed from Sept 20, 2014 to Sept 27, 2014 (both days inclusive)
3. Members are requested to notify the change in address or bank details to their respective Depository Participants in respect of their shareholding in Demat mode and in respect of their physical shareholding to the company's Registrar and Share Transfer Agent, Sharex Dynamic (India) Pvt. Ltd., Unit 1, Luthra Industrial Premises, 1st Floor, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400072. Phone No. 28515606 / 28515644. Web: [www.sharexindia.com](http://www.sharexindia.com), E-mail Id : [menon@sharexindia.com](mailto:menon@sharexindia.com)
4. Members desiring any information on the accounts are requested to write to the Company, which should reach the Company at least one week before the meeting so as to enable the management to keep the information ready. Replies will be provided only at the meeting.
5. Members/proxies are requested to kindly bring duly filled in attendance slips at the meeting.

## 6. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services Limited (CDSL).

### The procedure/ instructions for e-voting are as under:

- (i) The voting period begins on September 22, 2014 (9.00 a.m.) and ends on September 23, 2014 (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 31st August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
<b>PAN</b>	<p>Enter your 10 digit alpha - numeric * PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</p> <p>* In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>

## TOKYO FINANCE LIMITED

<b>DOB</b>	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
<b>DIVIDEND BANK DETAILS</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <p>* Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</p>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Tokyo Finance Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - \* Non - Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - \* A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - \* After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - \* The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - \* A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e - voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xx) The Members, who have voted electronically, are not eligible to vote by ballot paper.
- (xxi) General:
  - a. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of August 31, 2014.
  - b. Shri Virendra G Bhatt, Practicing Company Secretary, Mumbai, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.



## TOKYO FINANCE LIMITED

- c. The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
6. Members/Proxies should bring duly filled Attendance Slips sent herewith to attend the Meeting. Members holding equity shares in electronic form, and proxies thereof, are requested to bring their DP ID and Client ID for identification.
7. Members are requested to bring their copies of Annual Report to the Meeting.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No.4

Shri. Chimanlal A. Kachhi is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company since 2005. He is an under graduate. He has vast experience in business and Industry. He is the Manufacturer of Spices under Brand PRABHAT. He is a chairman of Investor Relation Committee and a member of Audit Committee and Remuneration Committee of the Company. He does not hold any shares of the Company.

Shri. Chimanlal A. Kachhi is a Director whose period of office is liable to determination by retirement of the Directors by rotation under the provisions of erstwhile Companies Act, 1956. Shri. Chimanlal A. Kachhi is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director of the Company. In terms Section 149 and any other applicable provisions of the Companies Act, 2013, Shri. Chimanlal A. Kachhi, being eligible and offering himself for appointment as an Independent Director, is proposed to be appointed as an Independent Director for five consecutive years upto conclusion of Twenty fifth Annual General Meeting to be held in the calendar year 2019. A notice has been received from a member proposing Shri. Chimanlal A. Kachhi as a candidate for the office of Director of the Company

In the opinion of the Board, Shri. Chimanlal A. Kachhi fulfils the conditions specified in the Companies Act, 2013 and Rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Chimanlal A. Kachhi as an Independent Director setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri. Chimanlal A. Kachhi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri. Chimanlal A. Kachhi as an Independent Director, for the approval by the shareholders of the Company.

Under the Companies Act, 2013, Independent Directors can only receive fees under the provisions of Section 197(5) and reimbursement of expenses for participation in the Board Meeting. Accordingly, approval of the members is also being sought for the purposes of payment of fees which amount may be decided by the Board / Nomination and Remuneration Committee from time to time, subject to the limits prescribed under the Companies Act, 2013 and as may be prescribed under the Rules that are passed or may be passed from time to time.

Except Mr. Shri. Chimanlal A. Kachhi, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

**Item No. 5**

Shri. Tassadduq Ali Khan is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company since 2005. He is a graduate in commerce. He has more than 2 decades of long experience in banking Industry. He is a chairman of Audit committee and Remuneration Committee and member of Investor Relations Committee of the Company

Shri. Tassadduq Ali Khan is a Director whose period of office is liable to determination by retirement of the Directors by rotation under the provisions of erstwhile Companies Act, 1956. Shri. Tassadduq Ali Khan is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director of the Company. In terms Section 149 and any other applicable provisions of the Companies Act, 2013, Shri. Tassadduq Ali Khan, being eligible and offering himself for appointment as an Independent Director, is proposed to be appointed as an Independent Director for five consecutive years up to conclusion of Twenty Fifth Annual General Meeting to be held in the calendar year 2019. A notice has been received from a member proposing Shri. Tassadduq Ali Khan as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri. Tassadduq Ali Khan fulfils the conditions specified in the Companies Act, 2013 and Rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri. Tassadduq Ali Khan as an Independent Director setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri. Tassadduq Ali Khan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri. Tassadduq Ali Khan as an Independent Director, for the approval by the shareholders of the Company.

## **TOKYO FINANCE LIMITED**

Under the Companies Act, 2013, Independent Directors can only receive fees under the provisions of Section 197(5) and reimbursement of expenses for participation in the Board Meeting. Accordingly, approval of the members is also being sought for the purposes of payment of fees which amount may be decided by the Board / Nomination and Remuneration Committee from time to time, subject to the limits prescribed under the Companies Act, 2013 and as may be prescribed under the Rules that are passed or may be passed from time to time.

Except Shri. Tassadduq Ali Khan, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

**By Order of the Board**

**VELJIL. SHAH**  
**Chairman**

Place: Mumbai

Date: 29th May 2014

**Registered Office:**

5th Floor, Vyom Arcade,  
Tejpal Scheme Road No.5,  
Above United Bank of India,  
Vile Parle (East),  
Mumbai– 400 057.

### **Important Communication to Members**

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. Further, the Companies Act, 2013 also permits the use of electronic mode to send documents of the Company to its members. Hence, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with M/s. Sharex Dynamic (India) Pvt. Ltd.,

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**  
**(Pursuant to Clause 49 of the Listing Agreement)**

Particulars	Shri Velji L. Shah	Shri. Chimanlal A. Kachhi	Shri. Tassadduq Ali Khan
Date of Birth	21.02.1948	16.09.1951	04.07.1948
Date of Appointment	22.11.1994	27.12.2005	27.12.2005
Qualifications	Under Graduate	Under Graduate	Graduate in Commerce
Expertise in specific functional areas	Plastic Industry.	Spices Industry	Banking Industry.
Directorship in other Public Limited Companies	1.Tokyo Plast International Ltd. 2.Tokyo constructions Ltd. 3.Tokyo Exim Ltd	Tokyo Plast International Ltd.	Tokyo Plast International Ltd.
Membership of Committees in other Public Limited Companies	1.Audit Committee : Tokyo Plast International Ltd. 2. Remuneration Committee: Tokyo Plast International Ltd.	1. Audit Commiiee Tokyo Plast International Ltd. 2. Investor Relations Committee : Tokyo Plast International Ltd. 3. Remuneration Committee: Tokyo Plast International Ltd.	1. Audit Commiiee Tokyo Plast International Ltd. 2. Investor Relations Committee : Tokyo Plast International Ltd. 3. Remuneration Committee: Tokyo Plast International Ltd.
Number of shares held in the Company	961100	NIL	NIL

### DIRECTOR'S REPORT

To The Members,

Your Directors have pleasure in presenting the Twentieth Annual Report and Audited Accounts of the Company for the year ended March 31, 2014.

#### FINANCIAL OPERATIONS:

The working results of the company for the year under report are as under:

	2013-14 (Rs. in Lacs)	2012-13 (Rs.in Lacs)
Income from operations	159.79	130.02
Profit / (Loss) after taxation	(32.10)	(9.62)

During the year the turnover of your company increased from 130.02 Lacs to 159.79 Lacs and the net loss increased from Rs.9.62 Lacs to Rs.32.10 lacs because of provision for substandard assets.

#### DIVIDEND:

In Order to conserve resources for future operations, your directors have decided not to recommend any dividend for the year.

#### BUSINESS PROSPECTS:

The company's funds are invested mostly in advances to known parties. With the interest rate structure scenario in the country witnessing a downward revision, the company's income / profit levels are expected to be more or less stagnant in the immediate future.

## **TOKYO FINANCE LIMITED**

### **DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Shri. Velji L. Shah, Director of the Company retires by rotation, and being eligible offer themselves for re-appointment.

Further, in terms of provision of Section 149 and other applicable provisions of the Companies Act, 2013, none of the Independent Directors shall be liable to retire by rotation. In view of aforesaid, Shri. Chimanlal A. Kachhi and Shri. Tassadduq Ali Khan, Independent Directors of the Company, being eligible, have offered themselves for appointment as Independent Directors to hold office as such Independent Directors of the Company for a period of five consecutive years up to the conclusion of Twenty Fifth Annual General Meeting to be conducted in the calendar year 2019. Required resolutions for their appointment have been included in the Notice calling the ensuing Annual General Meeting.

Brief resume of the Directors proposed to be re-appointed, nature of the expertise in specific functional areas, name of the Companies in which they hold Directorships and Memberships/ Chairmanships of the Board Committees and shareholding, as stipulated under Clause 49 of the Listing Agreement with Stock Exchange in India, forms part of the Annual Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

As required under section 217(2AA) of the Companies Act, 1956 the Directors hereby confirm that:

1. In the preparation of the annual accounts for the year ended 31st March 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
2. The directors had selected such accounting policies and applied consistently and made judgments and estimates that were 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 ended 31st March, 2014 and of the profit of the Company for the year under review;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts for the year ended 31st March, 2014 have been prepared on a 'going concern basis'.

### **DEPOSITS:**

The company has not accepted any fixed deposits from the public during the year.

### **AUDITORS AND AUDITORS REPORT:**

M/s. Swamy & Chhabra, Chartered Accountants,, the Statutory Auditors of the Company, hold office until the ensuing Annual General Meeting (AGM). The said Auditors have furnished the Certificate of their eligibility for re-appointment. Pursuant to the provisions of Section 139 of the

of the companies Act, 2013 and the Rules framed there under, it is proposed to appoint M/s. Swamy & Chhabra as Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the 23rd AGM to be held in the year 2017, subject to ratification of their appointment at the subsequent AGMs.

The notes to accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

**CORPORATE GOVERNANCE:**

A Report on Corporate Governance along with a Report from the auditors of the Company regarding compliance of the conditions of Corporate Governance pursuant to Clause 49 of the Listing Agreement is annexed.

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

The Company does not have any activities which entail the consumption of energy and technology absorption.

There was no foreign exchange earning or outgo of the company during the current year.

**PARTICULARS OF THE EMPLOYEES:**

There are no employees falling within the purview of Section 217 (2A) of the Companies Act, 1956.

**DISCLOSURE UNDER SECTION 274 (1) (g)**

None of the Directors of the Company have been disqualified under Section 274 (I) (g) of the Companies Act, 1956.

**DISCLOSURE REQUIRED UNDER CLAUSE 31 OF THE LISTING AGREEMENT**

The shares of the company are listed at the following Stock Exchange:

1. Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai - 400 001

There are no arrears of listing fees payable to the above Stock Exchange.

The Company has applied for de-listing of the equity shares from The Stock Exchange, Ahmedabad as approved by the share holders in Annual General Meeting held on 29th September 1999.

**ACKNOWLEDGEMENTS:**

Your Directors take this opportunity of thanking the Shareholders, Bankers, Auditors, Registrars, Business Associates, and Employees of the Company for their co-operation received during the year under review.

**On behalf of the Board of Directors**

**Place : Mumbai**  
**Date : May 29, 2014.**

**Velji L. Shah**  
**Chairman**

## MANAGEMENT DISCUSSION AND ANALYSIS

1. **Industrial Structure and Development :**

The interest rate is showing a marginal downward trend. Your company is expected to be more or less stagnant in the future.

2. **Opportunity and threats :**

The Finance industry offers exciting opportunities for growth and expansion. The whole game is of balancing the risk and return aptitudes. Your directors have preferred to keep the risk to the minimum. However we would continue to look at the varied opportunities and would commit ourselves to new areas when appropriate.

3. **Outlook :**

Against the backdrop of uncertain global conditions and fragile domestic demand, the recovery in the economy is expected to remain moderate. Your company is expected to be more or less stagnant in the near future.

**Risk and Concerns:**

The main risk faced by the company is the downward revision of interest rate structures in the country and the underperformance of borrowers. The best safeguard against credit risks arising from any worsening of economic conditions is careful borrower selection and supervision.

The interest scenario is currently showing an uptrend.

4. **Internal Control System and their adequacy :**

The Company has an adequate system of internal controls to ensure accuracy of accounting records, compliance with all laws and regulations and compliance with rules, processes and guidelines prescribed by the management.

5. **Discussion on Financial Performances :**

During the year the turnover of your company increased from 130.02 Lacs to 159.79 Lacs and the net Loss from Rs.9.62 Lacs to loss of Rs. 32.10 lacs because of provision for substandard assets.

6. **Human Resources :**

Harmonious industrial relations continued to prevail in the company during the year. Relations with the employees were cordial.

## REPORT ON CORPORATE GOVERNANCE

1. **Company's Philosophy:**

The Company believes in adopting and adhering to all recognized corporate governance practices and continuously benchmarking itself against each such practice. The Company understands and respects its fiduciary role and responsibility to the shareholders and strives to meet their expectations.



## 2. Board of Directors:

The Board of Directors of the Company ("The Board") is well represented by and has adequate representation of Executive, Non Executive and Independent directors. The Board has constituted various committees of Directors, for the matters requiring special attention and their proper, effective & efficient disposal. The details are as given below:

Name of Directors	Category	Meeting held during respective tenure of Directors	No. of Board Meetings Attended	Whether attended AGM held on 28.09.2013	No. of Directorships in other Public Companies as on 31.03.2014	No. of Committee positions held in other Public Companies	
						As Chairman	As Member
Mr. Velji L. Shah	Non- Executive, Non-Independent	5	5	No	3	--	2
Mr. Haresh V. Shah	Executive, Non-Independent	5	5	Yes	3	--	1
Mr. Tassadduq Ali Khan	Non-Executive, Independent	5	5	No	1	2	1
Mr. Chimanlal Andarji Kachhi	Non-Executive, Independent	5	5	No	1	1	2

The Board of Directors had held five meetings during the year on 03.05.2013, 30.05.2013, 12.08.2013, 14.11.2013, and 14.02.2014.

## 3. Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements and also it meets the requirements under section 292A of the Companies Act 1956. The Audit Committee presently comprises of two independent directors and one non independent non executive director.

The Audit Committee reviews Internal control systems and their compliance thereof, oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible. The Committee reviews with the Management the quarterly unaudited financial statements and annual financial statements before submission to the Board. The Committee also monitors the Annual Audit Plan and recommends appointment and fixes remuneration of external auditors.

During the year under review, the Audit committee met 4 times on 30.05.2013, 12.08.2013, 14.11.2013 and 14.02.2014. The composition, names of the members, chairperson, particulars of the meetings of the members during the year are as follows:

Name of Members	Category	No. of Meeting Held During the F.Y. ended 31st March, 2014	No. of Meeting Attended during the F.Y. ended 31st March, 2014
Mr. Tassadduq Ali Khan (Chairman)	Non-Executive, Independent	4	4
Mr. Chimanlal Andarji Kachhi	Non-Executive, Independent	4	3
Mr. Velji L. Shah	Non-Executive, Non-Independent	4	4



## TOKYO FINANCE LIMITED

### 4. **Remuneration Committee:**

It reviews and approves the annual remunerations, service agreements and other employment conditions. The Composition, names of the members, chairperson, particulars of the Meeting and attendance of the members during the year are as follows.

Name of Members	Category	No. of Meeting Held During the F.Y. ended 31st March, 2014	No. of Meeting Attended during the F.Y. ended 31st March, 2014
Mr. Tassadduq Ali Khan (Chairman)	Non-Executive, Independent	1	1
Mr. Chimanlal Andarji Kachhi	Non-Executive, Independent	1	1
Mr. Velji L. Shah	Non-Executive, Non-Independent	1	1

During the year the committee met on 14th February 2014.

### 5. **Investor Relations Committee:**

This Committee was constituted specifically look into the transfer/transmission of shares, issue of duplicate share certificate, review of shares dematerialized, all other matters related to shares and to redress shareholders' and investors' complaints like transfer of shares, non-receipt of dividends, non-receipt of Annual Report, etc. The members of the Investor Relations Committee are as follows:

Name of Members	Category	No. of Meeting Held During the F.Y. ended 31st March, 2014	No. of Meeting Attended during the F.Y. ended 31st March, 2014
Mr. Chimanlal Andarji Kachi (Chairman)	Independent Non-Executive	3	3
Mr. Haresh V. Shah	Executive	3	3
Mr. Tassadduq Ali Khan	Non-Executive, Independent	3	3

During the year the committee met on 15.06.2012, 13.02.2013 and 15.03.2013.

Name and designation of the compliance officer – Mrs. Bina Desai

Number of Shareholder complaints received – Nil

Number of complaints not solved to the satisfaction of Shareholders -Nil

## 6. General Body Meeting:

### i. Location and time where last three AGMs held:

Financial Year	Location	Date	Time
2010-11	Utkarsh Mandal Hall Ground floor, Malviya Road, Vile Parle (East) Mumbai - 400 057.	30th September, 2011	3.30 PM
2011-12	Gomantak Seva Sangh Hall 1st floor, Malviya Road, Vile Parle (East) Mumbai - 400 057.	28th September, 2012	3.30 PM
2012-13	Gomantak Seva Sangh Hall 1st floor, Malviya Road, Vile Parle (East) Mumbai - 400 057.	30th September, 2013	3.30 PM

Other than the Annual General Meeting, there was no General Meeting of the shareholders of the Company held during the year ended on 31st March 2014.

- ii. Postal Ballot: No Postal Ballot was conducted during the year.
- iii. Special resolution: No special resolution has been passed in the previous Annual General Meeting.
- iv. No special resolution is proposed to be conducted through postal ballot.

## 7. Disclosures :

- (I) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management or their relatives etc. that may have potential conflict with the interest of company at large - Note No.20 of Notes forming part of the Financial Statements contains the list of Related Party relationships and the transactions as required by the Accounting Standard 18 on “Related Party Disclosures” issued by Institute of Chartered Accountants of India.
- (ii) Details of non-compliance by the Company, Penalties, and Strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: Nil

## 8. Means of Communication:

The Company quarterly and annual results are normally published in Newspapers which includes Free Press Journal (English) & Navshakti (Marati) The copies of the results are forwarded to concerned Stock Exchanges immediately after approved by the board for publication in their website Management Discussion & Analysis Report is a part of annual report.

## TOKYO FINANCE LIMITED

### 9. General Shareholder Information:

- i. AGM: Date, time and Venue: 20th Annual General Meeting, on 27th September, 2014 at 3.30 p.m., Utkarsh Mandal Hall, Ground Floor, Malviya Road, Vileparle (East) Mumbai – 400057.
- ii. Financial Year ending: March, 31
- iii. Date of Book Closure: 20th September, 2014 to 27th September, 2014
- iv. Dividend Payment Date: No dividend declared during the year
- v. Listing on Stock Exchanges: Bombay Stock Exchange Limited
- vi. Stock Code: BSE – 31644
- vii. Demat ISIN in NSDL and CDSL for Equity Shares : INE:546D01018.
- viii. Corporate Identification Number (CIN) : L65923MH1994PLC083155
- ix. Market price data:

Months	BSE		BSE Sensex	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
April, 2013	4.18	3.98	19622.68	18144.22
May, 2013	4.15	3.95	20443.62	19451.26
June, 2013	4.14	3.94	19860.19	18467.16
July, 2013	3.94	3.94	20351.06	19126.82
August, 2013	5.04	3.82	19569.20	17448.71
September, 2013	5.04	5.04	20739.69	18166.17
October, 2013	5.04	5.04	21205.44	19264.72
November, 2013	5.04	5.04	21293.88	20137.67
December, 2013	5.04	5.00	21483.74	20568.70
January, 2014	5.00	4.75	21409.66	20343.78
February, 2014	4.75	4.75	21140.51	19963.12
March, 2014	4.75	4.75	22467.21	20920.98

- x. Registrar and Share Transfer Agents:  
Sharex Dynamic (India) Pvt. Ltd., Unit 1, Luthra Industrial Premises, 1st Floor, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400072. Phone No.28515606 / 28515644, Fax No.28512885, Web: [www.sharexindia.com](http://www.sharexindia.com), E-mail Id : [menon@sharexindia.com](mailto:menon@sharexindia.com).
- xi. Share Transfer System : Shares lodged for transfer at the Company's Registered Office address or the share Transfer Agent's address is processed within 21 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of Shares are processed and the confirmation is given to the depositories within 15 days.

## xii. Shareholding as on 31st March, 2014

a. **Distribution of Shareholding as on March 31, 2014 :**

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1-500	1462	65.22	376088	5.40
501-1000	432	19.27	309353	4.44
1001-2000	127	5.66	196950	2.83
2001-3000	57	2.54	148629	2.13
3001-4000	39	1.74	143520	2.06
4001-5000	27	1.20	129995	1.87
5001-10000	41	1.83	311415	4.47
Above 10000	57	2.54	5354150	76.80
<b>Total</b>	<b>2242</b>	<b>100.00</b>	<b>6970100</b>	<b>100.00</b>

b. **Categories of shareholders as on 31st March 2014 :**

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding
1	Promoters	2888259	41.43
2	Private Corporate Bodies	44189	0.70
3	Indian Public	4031252	57.78
4	NRI/OCBs	6400	0.09
<b>Total :</b>		<b>6970100</b>	<b>100.00</b>

xiii Dematerialization of shares and liquidity: The Company's equity shares are under compulsory demat trading. As on March 31, 2014 electronic holding by Members comprising 79.92% of the total equity of the Company through the National Securities Depository Limited (32.19%) and Central Depository Services (India) Limited (47.73%).

xiv Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity: Nil

xv Address for correspondence :5th Floor, Vyom Arcade, Tejpal Scheme Road No.5, Above United Bank of India, Vile Parle (East), Mumbai-400057, Tel:6145 3300, Fax: 6691 4499.

## **TOKYO FINANCE LIMITED**

### **10. Auditors compliance certificate:**

To the Members of Tokyo Finance Limited

We have examined the compliance of the conditions of Corporate Governance by TOKYO FINANCE LIMITED for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company, with the stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with 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, and the representations made by the Directors and the management we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that the Registrars and Share Transfer Agents of the Company have maintained records to show the Investors Grievances against the Company and have certified that as on March 31, 2014 there were no investor grievances remaining unattended / pending for more than 30 days.

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

**For SWAMY & CHHABRA**  
**Chartered Accountants**

**Pavan Chhabra**  
**(Partner)**

**Membership No. .085553**  
**FRN. 113036W**

**Date: 29th May, 2014.**

## INDEPENDENT AUDITORS' REPORT

To the Members of  
Tokyo Finance Limited

**Report on the Financial Statements :** We have audited the accompanying financial statements of **Tokyo Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year ended as on that date, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements :** The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

**Auditors' Responsibility :** Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion :** In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose of our 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 those books
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India.
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Swamy & Chhabra  
Chartered Accountants  
FRN: 113036W**

**Place: Mumbai  
Date: 29th May, 2014**

**Pavan Chhabra  
Partner  
Membership No. : 085553**

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory requirements' Section of our report of even date)**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified during the year by the management. According to Information & Explanation given to us, no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us, no substantial part of fixed asset has been disposed off during the year.
2. The Company is a non banking finance company does not maintain any inventory. Therefore, the provisions of clause 4(ii) of the order are not applicable to the Company.
3. (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 granted unsecured loan to one party listed in the register maintained under Section 301 of the Companies Act, 1956. The loan is in the nature of running accounts, the maximum balance outstanding during the year and the year end balance was Rs. 1,065.54 lakhs.  
(b) The rate of interest of such loans granted is prima facie not prejudicial to the interest of the company. However there are no covenants in regards to other terms and condition of such loans.  
(c) In respect of loans and advances in the nature of loans given by the company, no stipulations have been made regarding repayment of the principle amount.  
(d) Since there is no stipulations made regarding receipt of principal amount, the question of there being an overdue amount of more than Rs one lakh does not arise. However based on the information available to us, we are unable to comment on any reasonable steps taken by the company for recovery of interest.  
(e) The company has taken unsecured loan from one party covered in the register maintained under Section 301 of the Companies Act, 1956 the maximum amount outstanding during the year was Rs. 1,010.90 lakhs and year end balance was Rs. 996.97 lakhs.  
(f) The rate of interest and other terms and conditions of such loans taken are prima facie not prejudicial to the interest of the company. However there are no covenants in regards to other terms and conditions of such loans.  
(g) In respect of loans and advances in the nature of loans taken by the company and interest there on, no stipulation have been made regarding the repayment.



## TOKYO FINANCE LIMITED

4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the fixed assets and payment for expenses & for sale of services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act which are in excess of Rs. 5.00 Lakhs have been made at a price which are reasonable having regard to the relevant market prices.
6. The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales- tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 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 is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, the Company has not taken any loans from financial institutions, banks and debenture holders. Therefore, the provisions of Clause 4(xi) of the order are not applicable to the company.

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. Therefore, the provisions of Clause 4(xii) of the order are not applicable to the company.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the order are not applicable to the company.
14. During the period, the company did not deal or trade in shares, securities, debenture and other investment. Therefore, the provisions of Clause 4(xiv) of the order are not applicable to the company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution. Therefore, the provisions of Clause 4(xv) of the order are not applicable to the company.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year. Therefore, the provisions of Clause 4(xvi) of the order are not applicable to the company.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company. Therefore, the provisions of Clause 4(xvii) of the order are not applicable to the company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year. Therefore, the provisions of Clause 4(xviii) of the order are not applicable to the company.
19. The Company has no outstanding debentures during the period under audit. Therefore, the provisions of Clause 4(xix) of the order are not applicable to the company.
20. The Company has not raised any money by public issue during the year. Therefore, the provisions of Clause 4(xx) of the order are not applicable to the company.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management

**For Swamy & Chhabra  
Chartered Accountants  
FRN: 113036W**

**Pavan Chhabra  
Partner  
Membership No. : 085553**

**Place: Mumbai  
Date: 29th May, 2014**

**TOKYO FINANCE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2014**

	Note No.	As at 31 March, 2014	As at 31 March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	69423500	69423500
Reserves and surplus	2	<u>44921477</u> 114344977	<u>48130794</u> 117554294
<b>Non-current liabilities</b>			
Long-term borrowings	3	49697112	91749977
Long-term provisions	4	<u>268848</u> 49965960	<u>171308</u> 91921285
<b>Current liabilities</b>			
Short-term borrowings	5	50000000	
Trade payables	6	1417127	1467472
Other current liabilities	7	8377645	8370419
Short-term provisions	8	<u>3310757</u> 63105529	<u>2217000</u> 12054891
<b>TOTAL</b>		<u><u>227416466</u></u>	<u><u>221530470</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	9	2865894	2935414
Non-current investments	10	6705300	6705300
Long-term loans and advances	11	<u>124054407</u> 133625601	<u>108550098</u> 118190812
<b>Current assets</b>			
Cash and cash equivalents	12	813543	267010
Short-term loans and advances	13	<u>92977322</u> 93790865	<u>103072648</u> 103339658
<b>TOTAL</b>		<u><u>227416466</u></u>	<u><u>221530470</u></u>

The notes form an integral part of these financial statements

As per our report of even date

For and on behalf of the Board of Directors

**FOR SWAMY & CHHABRA**  
Chartered Accountants

**VELJI L. SHAH - CHAIRMAN**

**HARESH V. SHAH - DIRECTOR**

**PAVAN CHHABRA**  
(Partner)  
Membership No- 085553  
Firm's Registration No - 113036W

Mumbai, Dated 29th May, 2014

Mumbai, Dated 29th May, 2014

## ANNUAL REPORT 2013 - 2014

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

	Note No.	2013-14	2012-13
<b>Income :</b>			
Income from operations	14	15979274	13002272
<b>Total</b>		<u>15979274</u>	<u>13002272</u>
<b>Expenses :</b>			
Employee benefits expense	15	2254376	1814472
Finance costs	16	8615907	7608166
Depreciation and amortisation expense	9	69520	69521
Other expenses	17	7338788	3375295
<b>Total</b>		<u>18278591</u>	<u>12867453</u>
<b>Profit / (Loss) before tax</b>		-2299317	134819
<b>Tax expense:</b>			
Tax expense for current year		910000	493000
Tax expense relating to prior years		-	604047
Net current tax expense		<u>910000</u>	<u>1097047</u>
<b>Profit / (Loss) for the year</b>		-3209317	-962228
<b>Earnings Per Share of Face Value of Rs.10/- each</b>			
<b>Basic/Diluted (Rs)</b>		-0.46	-0.14

The notes form an integral part of these financial statements

As per our report of even date

**FOR SWAMY & CHHABRA**  
Chartered Accountants

**PAVAN CHHABRA**  
(Partner)  
Membership No- 085553  
Firm's Registration No - 113036W

Mumbai, Dated 29th May, 2014

For and on behalf of the Board of Directors

**VELJI L SHAH - CHAIRMAN**

**HARESH V. SHAH - DIRECTOR**

Mumbai, Dated 29th May, 2014

**TOKYO FINANCE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	As at 31st March, 2014	As at 31st March, 2013
<b>A. Cash flow from operating activity:</b>		
Net Profit before tax and extraordinary items	-2299317	5021869
Adjustments for :		
Depreciation	69520	69836
Provision for Substandard Loan	6610089	2259281
Provision Reversed due to Bad Recovered		-2000000
	<u>6679609</u>	<u>329117</u>
Operating profit before working capital changes	<u>4380292</u>	<u>5350986</u>
Adjustments for:		
Loans and Advances	-12019072	-8297752
Inventories	-	-
Current Liabilities	<u>238178</u>	<u>188411</u>
Cash generated from operations	<u>-7400602</u>	<u>-2758354</u>
Direct Taxes paid/ Prior Year Taxation		<u>-677937</u>
Cash flow before extraordinary items	<u>-7400602</u>	<u>-3436291</u>
Extraordinary items	-	-
Net cash from operating activities	<u>-7400602</u>	<u>-3436291</u>
<b>B. Cash flow from investing activities:</b>		
Purchase of fixed assets	-	-
Sale of Investments	-	-
Purchase of investments	<u>-</u>	<u>-</u>
Net cash used in investing activities	<u>-</u>	<u>-</u>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of share capital		-
Proceeds from borrowings	7947135	6690653
Deferred Tax Liability		
Dividend paid	-	-
Expenditure on raising capital	<u>-</u>	<u>-</u>
Net cash used in financing activities	<u>7947135</u>	<u>6690653</u>
Net increase in cash and cash equivalents	<u>546533</u>	<u>3254362</u>
Cash and Cash equivalents as at the beginning of the year	<u>267010</u>	<u>1478735</u>
Cash and Cash equivalents as at the end of the year	<u>813543</u>	<u>4733097</u>
(Note No 12. of the Notes to Financial statements.)		

As per attached report of even date

**FOR SWAMY & CHHABRA**  
Chartered Accountants

**PAVAN CHHABRA**  
(Partner)  
Membership No 085553  
Firm's Registration No - 113036W  
Mumbai, Dated 29th May, 2014

For and on behalf of the Board of Directors

**VELJI L. SHAH - CHAIRMAN**  
**HARESH V. SHAH - DIRECTOR**

Mumbai, Dated 29th May, 2014

**SIGNIFICANT ACCOUNTING POLICIES :****Basis of Accounting:**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India along with the applicable guidelines issued by Reserve Bank of India ("RBI").

**Revenue Recognition**

Interest Income is recognised in the profit and loss account as it accrues except in the case of non performing assets ("NPAs") where it is recognised, upon realisation, as per the Non Banking Financial Companies (NBFC) prudential norms of RBI.

**Advances & Provisioning**

Non performing assets ("NPAs") provisions are made based on management's assessment of the degree of impairment, subject to the minimum provisioning level in accordance with Non Banking Financial Companies (NBFC) prudential norms of RBI.

**Fixed assets :**

"Tangible fixed assets are stated at cost of acquisition including any cost attributable for bringing the asset to its working condition, less accumulated depreciation."

**Impairment of assets**

In accordance with AS 28 on 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, where there is an indication of impairment of the companies assets, the carrying amounts of the companies assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. Impairment loss if any, is recognized in the Profit & loss account.

**Investments**

'Long-Term Investments' are carried at acquisition cost. No provision has been made for diminution in the value of investment in the equity shares of Tokyo Plast International Ltd. as the diminution in the value of shares is considered as temporary.

**Depreciation :**

Depreciation on fixed assets is provided for on the "Straight Line Method" as per the rates and in the manner prescribed by Schedule XIV of the Companies Act 1956.

## TOKYO FINANCE LIMITED

### **Taxation:**

Current Tax Provision has been made in accordance with the Income Tax Act, 1961.

Deferred Tax resulting from 'timing difference' between book and taxable profit for the year is accounted for using the current tax rates. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future. However, in case of deferred tax assets representing unabsorbed depreciation or carry forward losses are recognised, if and only if there is a virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realised.

### **Employee Benefits :**

Short-Term Employee Benefits :

"All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee "benefits. Benefits such as salaries, short-term compensated absences etc. and expected cost of bonus are recognised in the period in which the employee renders the related service."

Defined – Benefits Plans

Gratuity: The Liability is ascertained and provided for as per Actuarial Valuation in conformity with the principles set out in the Accounting Standard 15 (revised)

### **Earnings per share**

Basic and diluted earnings per share are computed in accordance with Accounting Standard (AS)-20 – Earnings per share. Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive

### **Contingent liabilities not provided for :**

Claims against the Company not Acknowledged as Debts as on 31st March 2014 amounting to Rs. Nil.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		As at March 31, 2014		As at March 31, 2013	
1.	<b>1. Share Capital</b>				
	<b>Authorised</b>				
	72,50,000 Equity Shares Of Rs.10 each	72500000		72500000	
	<b>Issued, Subscribed and Paid Up</b>				
	6817300 Equity Shares of face value of Rs.10/- each, fully paid up	68173000		68173000	
	152800 Equity Shares of face value of Rs.10/- each, not fully paid	1250500		1250500	
	<b>TOTAL</b>	<b>69423500</b>		<b>69423500</b>	
	<b>Terms/rights attached to equity shares</b>				
	The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. No dividend has been proposed by the Board of Directors for the year. 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 amount, in proportion to their shareholding.				
	<b>Shares in the company held by each shareholder holding more than 5 percent shares</b>				
	<b>Name of Shares holders</b>	<b>As at March 31, 2014</b>		<b>As at March 31, 2013</b>	
		<b>No. of Shares</b>	<b>% of Holding</b>	<b>No. of Shares</b>	<b>% of Holding</b>
	Tokyo Plast International Ltd	1120000	16.07	1120000	16.07
	Velji L Shah	961100	13.78	961100	13.78
	<b>Details of Calls unpaid</b>				
	Directors / officers	Nil	Nil	Nil	Nil
	Others	152800	277500	152800	277500
2.	<b>Reserves &amp; Surplus</b>				
	Surplus in the statement of Profit and Loss Account				
	Balance as per Last Financial Statement	48130794		49093023	
	Add: Profit ( Loss) for the year	-3209317		-962228	
	Closing balance	44921477		48130794	
	<b>TOTAL</b>	<b>44921477</b>		<b>48130794</b>	
3.	<b>Long-term borrowings</b>				
	Loans and advances from related party				
	Unsecured From Tokyo Plast International Ltd	49697112		91749977	
4.	<b>Long Term Provisions</b>				
	Provision for Employees Benefits- Gratuity	268848		171308	
5	<b>Short Term Borrowings</b>				
	Unsecured From Tokyo Plast International Ltd	50000000		-	
6	<b>Trade payables</b>				
	Micro, Small and Medium Enterprises	-		-	
	Others	1417127		1467472	
	<b>TOTAL</b>	<b>1417127</b>		<b>1467472</b>	



# TOKYO FINANCE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

As at March 31, 2014

As at March 31, 2013

### 7. Other current liabilities

Others Payables

8377645

8370419

Other Payables Includes statutory dues.

### 8. Short-term provisions

Provision for employee benefits

260757

77000

Others Payables ( Provision for Income Tax)

3050000

2140000

TOTAL

3310757

2217000

### 9. FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block		
	Cost as on 1-Apr-2013	Additions	Deletions	Cost as on 31-Mar-2014	Upto 31-Mar-2013	Current Year	As on 31-Mar-2014	As on 31-Mar-2014	As on 31-Mar-2013
Office Premises	4265000	--	--	4265000	1329586	69520	1399106	2865894	3004935
Office Equipments	151500	--	--	151500	151500	--	151500	--	--
Computers	188170	--	--	188170	188170	--	188170	--	--
Furniture & Fixture	4144	--	--	4144	4144	--	4144	--	--
<b>TOTAL</b>	4608814	--	--	4608814	1673400	69520	1742920	2865894	3004935

### 10. Non-current investments

#### A. Trade Investments (at cost)

In Equity Shares of Associate Companies - Quoted, fully paid up

4,77,200 Fully Paid up Equity Shares of Rs.10 each of Tokyo Plast

6705300

6705300

International Ltd

TOTAL

6705300

6705300

Market Value of quoted investment as on 31.03.2014 is Rs.6943260 (Previous year Rs. 6656940)

### 11. Long-term loans and advances Unsecured, considered good

Loans and advances to related party

Tokyo Constructions Limited

106554407

91050098

Other Advances

17500000

17500000

TOTAL

124054407

108550098

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### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at March 31, 2014	As at March 31, 2013
<b>12. Cash and cash equivalents</b>		
Cash On Hand	264342	147864
Balance in Current Accounts with Scheduled Bank	549201	119146
<b>TOTAL</b>	<u><u>813543</u></u>	<u><u>267010</u></u>
<b>13. Short-term loans and advances to Others</b>		
Unsecured, considered good	82547665	74223573
Unsecured, Doubtful	25100976	38467591
Less : Provision for Doubtful Debts	<u>19240694</u>	<u>12630605</u>
Balances with government authorities	5860282	25836986
Others	4540663	2957089
	28712	55,000.00
<b>TOTAL</b>	<u><u>92977322</u></u>	<u><u>103072648</u></u>
<b>14. Income from operations</b>	2013-14	2012-13
Interest	15979274	13002272
Recovered from Substandard Loans	-	-
<b>TOTAL</b>	<u><u>15979274</u></u>	<u><u>13002272</u></u>
<b>15. Employee benefits expense</b>		
Salaries and Bonus	2156836	1788423
Gratuity Expenses	97540	26049
<b>TOTAL</b>	<u><u>2254376</u></u>	<u><u>1814472</u></u>
<b>16. Finance costs</b>		
Interest	8612769	7607030
Bank charges	3138	1136
<b>TOTAL</b>	<u><u>8615907</u></u>	<u><u>7608166</u></u>
<b>17. Other expenses</b>		
Registrar & Shares transfer fees	134832	134832
Payments to auditors (Refer # below)	191012	191012
Provision for Substandard Loans	6610089	2632805
Miscellaneous Expenses	402855	416646
<b>TOTAL</b>	<u><u>7338788</u></u>	<u><u>3375295</u></u>
<b># Payment to Auditors</b>		
Audit Fees	140450	140450
Tax Audit Fees	50562	50562
<b>TOTAL</b>	<u><u>191012</u></u>	<u><u>191012</u></u>
<b>18. Earning per share (EPS)</b>		
Profit / (Loss) for the year after taxation	-3209317	-962228
Weighted average number of shares outstanding during the year	6942350	6942350
Earnings per share (Basic and Diluted) in Rs.	-0.46	-0.14
Face value per share in Rs.	10	10
<b>19. Contingent liabilities</b>	Nil	Nil
<b>20. Related Party Disclosures</b>		
<b>List of related parties and relationships:</b>		
<b>Name of the Related Party</b>	<b>Relationship</b>	
Tokyo Plast International Limited	Enterprise where Key Managerial persons have significant influence	
Tokyo Constructions Limited	"	

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

**Transactions during the year with related parties :**

Nature of Transactions	Enterprise where Key Managerial persons have significant influence		Key management personnel	
	2013-14	2012-13	2013-14	2012-13
Receiving of services	120000	120000	-	-
Loans and advances Given (net)	15504309	7717957	-	-
Loans and advances Taken (net)	7827135	5272445	-	-
<b>Balances outstanding at the end of the year</b>				
Loans and advances Given	106554407	91050098	-	-
Loans and advances Taken	99697112	91749977	-	-
Investments	6705300	6705300	-	-

**21 Disclosure pursuant to Accounting Standard 15 "Employee benefits"**

Liability for gratuity has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard 15 (revised) the details of which are as hereunder:

<b>Amount to be recognised in Balance Sheet</b>	<b>2013-14</b>	<b>2012-13</b>
Present Value of unfunded Obligations	268848	171308
Fair Value of Plan Assets	-	-
Net Liability	268848	171308
Amounts in Balance Sheet	268848	171308
Assets -	-	-
Net Liability	268848	171308

**Expense to be Recognised in the Statement of Profit & Loss**

Current Service Cost	75510	56867
Interest on Defined Benefit Obligation	15418	11984
Expected Return on Plan Assets	-	-
Net Actuarial Losses / (Gains) Recognized in Year	6612	-42802
Total included in "Employee Emoluments"	-	26049
Actual Return on Plan Assets	-	-

**Reconciliation of Benefit Obligations & Plan Assets for the period**

**Change in Defined Benefit Obligation**

Opening Defined Benefit Obligation	171308	145259
Current Service Cost	75510	56867
Interest Cost	15418	11984
Actuarial Losses / (Gain)	6612	-42802
Benefits Paid	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Closing Defined Benefit Obligation	268848	171308
<b>Change in Fair Value of Assets</b>		
Opening Fair Value of Plan Assets	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain / (Losses)	-	-
Contributions by Employer	-	-
Benefits Paid	-	-
Closing Fair Value of Plan Assets	-	-
<b>Summary of the Actuarial Assumptions</b>		
Discount Rate	9.00%	8.25%
Expected Rate of Return on Assets	-	-
Salary Escalation Rate	7.00%	6.50%

22. **Borrowing Costs**

No Borrowing Cost has been Capitalised during the year

23. **Segment Information:**

The Company is operating in a single segment. Hence, no separate segmentwise information is given.

24. **Disclosure in pursuant to AS-19 Leases**

Operating Lease : The company has not taken any Premises on lease

25. **Previous year's figures**

Comparable figures have been regrouped/reclassified wherever necessary.

As per our report of even date

**FOR SWAMY & CHHABRA**

**Chartered Accountants**

**PAVAN CHHABRA**

**(Partner)**

**Membership No- 085553**

**Firm's Registration No - 113036W**

**Mumbai, Dated 29th May, 2014**

For and on behalf of the Board of Directors

**VELJI L. SHAH - CHAIRMAN**

**HARESH V. SHAH - DIRECTOR**

**Mumbai, Dated 29th May, 2014**

[illegible]

## **TOKYO FINANCE LIMITED**

CIN : L65923MH1994PLC083155

Regd. Office : 5th Floor, Vyom Arcade, Tejpal Scheme Road No.5, Above United Bank of India  
Vile Parle (East), Mumbai - 400 057

### **ATTENDANCE SLIP**

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL  
Joint shareholders may obtain additional Slip at the venue of the meeting.

DP ID\* \_\_\_\_\_

Client ID\* \_\_\_\_\_

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

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

Name and Address of the shareholder : \_\_\_\_\_

\_\_\_\_\_

I hereby record my presence at the Twentieth Annual General Meeting of the Company, to be held on  
27th September, 2014 at Ground Floor, Utkarsh Mandal Hall, Malviya Road, Vile Parle (East),  
Mumbai - 400 057.

\* Applicable to shareholders holding shares in electronic form

\_\_\_\_\_  
Signature of Shareholder

**ANNUAL REPORT 2013 - 2014****TOKYO FINANCE LIMITED**

CIN : L65923MH1994PLC083155

Regd. Office : 5th Floor, Vyom Arcade, Tejpal Scheme Road No.5, Above United Bank of India  
Vile Parle (East), Mumbai - 400 057

**PROXY FORM**

(Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014)

Name of the member (s) : \_\_\_\_\_  
Registered Address \_\_\_\_\_  
E-Mail ID : \_\_\_\_\_  
Folio No./Client ID/DP ID : \_\_\_\_\_

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

1. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him
2. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him
3. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company, to be held on Saturday, September 27, 2014 at 3.30 p.m. at Ground Floor, Utkarsh Mandal Hall, Malviya Road, Vile Parle (East), Mumbai - 400 057 and at any adjournment thereof in respect of such resolutions as are indicated below :

Sr. No.	Particulars of Resolution (s)	For	Against
1.	Consideration and adoption of the Audited Financial Statements for the year ended March 31, 2014, together with the Reports of the Board of Directors and the Auditors thereon.		
2.	Re-appointment of Mr. Velji L. Shah, who retires by rotation.		
3.	Appointment of Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration.		
4.	Appointment of Mr. Chimanlal Andarji Kachi as an Independent Director		
5.	Appointment of Mr. Tassadduq Ali Khan as an Independent Director		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014

Signature of Shareholder : \_\_\_\_\_

Rupee 1  
Revenue  
Stamp

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





**To,**

*If undelivered, please return to :*

**TOKYO FINANCE LIMITED**

**Registered Off:**

5th Floor, Vyom Arcade

Tejpal Scheme Road No.5

Above United Bank of India

Vile Parle (East)

Mumbai - 400 057.