



Wednesday, 10<sup>th</sup> October, 2018

To,  
**BSE Limited**  
Corporate Relationship Department  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P.J. Towers,  
Dalal Street, Fort, Mumbai- 400001

*Ref: Tokyo Finance Limited (Scrip Code No. : 531644)*

**Sub: Annual Report 2017-18**

Dear Sir/Madam,  
Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed copy of Annual Report of the Company for the financial year 2017-18 duly approved and adopted in the Annual General Meeting held on 29<sup>th</sup> September, 2018.

Thanking You.

**For Tokyo Finance Limited**

**Haresh V. Shah**  
Director  
DIN No: 00008339



# **TOKYO FINANCE LIMITED**

**ANNUAL REPORT 2017-2018**

## ANNUAL REPORT 2017 - 2018

CIN : L65923DD1994PLC009783

### BOARD OF DIRECTORS

Shri Velji L. Shah  
Chairman & Managing Director

Shri Haresh V. Shah

Shri Tassadduq A. Khan

Shri Chimanlal A. Kachhi

Smt. Jagruti Mayurbhai Sanghavi

### AUDITORS

Vinodchandra R. Shah & Co.  
Chartered Accountants

### BANKERS

The Cosmos Co-Op. Bank Ltd.

### REGISTERED OFFICE

Plot No.363/1,2,3), Shree Ganesh Industrial Estate, Kachigaum Road,  
Daman, Daman & Diu - 396 210 (U.T.)

### 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

#### TWENTY FOURTH ANNUAL GENERAL MEETING

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Date : 29th September, 2018

Time : 4.15 P.M.

Venue : Hotel Sovereign

Sea Face Road,

Daman - 396 210

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**NOTICE**

Notice is hereby given that the Twenty Fourth Annual General Meeting of the shareholders of Tokyo Finance Limited(CIN-L65923DD1994PLC009783) will be held at Hotel Sovereign, Sea Face Road, Daman – 396 210 (U.T.) on September 29, 2018 at 04.15 p.m. to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2018 and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Haresh V. Shah Director, who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

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

“RESOLVED that pursuant to section 196(3) read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Members of the Company be and is hereby granted for continuation of holding of office of Executive Chairman by Shri Velji L. Shah (DIN 00007239) who has attained the age of 70 (Seventy) years as on February 21, 2018 up to the expiry of his present term of office, on the existing terms and conditions as mentioned in the agreement dated February 5, 2016 duly approved by the shareholders through a special resolution passed at the Annual General Meeting held on September 28, 2016.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**IMPORTANT NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**
  - a. A proxy form duly completed and stamped must reach the registered office of the Company not less than 48 hours before the commencement of the aforesaid meeting.
  - b. A person can act as a proxy on behalf of Members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Register of members and the share transfer books of the company will remain closed from 22<sup>nd</sup> September, 2018 to 29<sup>th</sup> September, 2018 (both days inclusive).
3. Members are requested to notify the change in address or bank details or to update their e-mail Id. The said information should be submitted 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. Website: Sharexindia.com, Email ID: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com) if the shares are held in physical form and to the concerned Depository Participants (‘DP’), if the shares are held in electronic form.

## TOKYO FINANCE LIMITED

4. The Annual Report 2017-18 as circulated to the members of the Company is also available on the website of the Company [www.tokyofinance.in](http://www.tokyofinance.in).
5. Members desirous of obtaining any information concerning the accounts of the Company are requested to send their queries to the Company at least seven days before the date of the Meeting. Replies will be provided only at the meeting.
6. Members, Proxies and Authorized Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.

### 7. **Voting through electronic means:**

In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of The Companies (Management and Administration) Rules, 2014 as substituted by The Companies (Management and Administration) Amendment Rules, 2015 & Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is offering remote e-voting facility to the members to enable them to cast their votes electronically from a place other than the venue of the AGM ('remote e-voting') provided by Central Depository Services Limited ('CDSL').

Facility of voting through Ballot Paper shall be made available at the AGM. Members attending the AGM, who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM.

Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

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

- (i). The voting period begins on Wednesday, 26<sup>th</sup> September, 2018 at 9.00 a.m. (IST) and ends on Friday, 28<sup>th</sup> September, 2018 at 5.00 p.m. (IST). The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22<sup>nd</sup> September, 2018 may cast their vote through e-voting or voting at the AGM.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.

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

<b>For Members holding shares in Demat Form and Physical Form</b>	
<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 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN field.</p>
<b>Dividend Bank Details OR DOB</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Tokyo Finance Limited on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.

## TOKYO FINANCE LIMITED

- (xix) Note for Non – Individual Shareholders and Custodians :
- Non-Individual shareholders (i.e. other than Individuals, HUF, and 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 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 favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxi) General:
- (a) The voting rights of shareholders shall be in proportion to their shares of the paid-up Equity Share Capital of the Company as of the cut-off date.
  - (b) A person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 22<sup>nd</sup> September, 2018 may obtain the Login ID and Password by sending a request at [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com).
  - (c) A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
  - (d) Mr. Virendra Bhatt, Practicing Company Secretary (ACS No. 1157, CP No. 124) has been appointed as Scrutinizers to scrutinize the remote e-voting process and voting at the venue of AGM in a fair and transparent manner.
  - (e) The Scrutinizer, after scrutinizing the votes cast through e-voting and Ballot Paper, not later than 48 hours from the conclusion of the AGM, make a scrutinizer’s report and submit the same to the Chairman or any Director authorized by the Board.
  - (f) Results will be uploaded on the Company’s website and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) and the same shall also be communicated to BSE.
  - (g) The Results on resolutions will be deemed to be passed on the AGM date subject to receipt of requisite number of votes in favour of the resolutions.

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

Item No. 3.

The Shareholders of the Company at the 22nd Annual General Meeting held on September 28, 2016 approved the appointment of Shri. Velji L. Shah (DIN : 00007239) as Managing Director of the company for a period of 5 years w.e.f.05.02.2016 through a special resolution under the relevant 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), read with Schedule V of the Companies Act, 2013.

Shri. Velji L. Shah Executive Chairman & Managing director has attained the age of 70 years during February, 2018.

In view of the introduction of the Companies Act, 2013 with effect from 1st April 2014 and also for an abundant precaution, the Company seeks consent of the members by way of special resolution for continuation of his holding of existing office after the age of 70 years during the prevalence of their term of appointment under the provisions of Section 196 (3) (a) of the Companies Act, 2013. The Board therefore recommends the special resolutions for your approval.

Except Shri Haresh V. Shah, none of the directors Key Managerial Personnel of the Company is concerned or interested in the proposed resolution.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

In Pursuance to SEBI (Listing Obligation and Disclosure Requirements) Rule, 2015

<b>Particulars</b>	<b>Mr. Haresh Velji Shah</b>
Date of Birth	16/08/1974
Date of Appointment	01/07/1996
Qualifications	Graduate in Plastic Industry
Expertise in specific functional areas	23 Years of experience in Plastic Industry
Directorship in other Public Limited Companies	Tokyo Plast International Limited Tokyo Constructions Limited Tokyo Exim Limited
Membership of Committees in another Public Limited Companies	Stakeholders Relationship Committee & CSR Committee of Tokyo Plast International Limited.
Number of Shares held in the Company	39100

For And On Behalf of the Board of Directors

Place : Mumbai  
Date : 11<sup>th</sup> August, 2018

Velji L. Shah  
Chairman & Managing Director  
DIN: 00007239

**Registered office :**

Plot No. 363/1(1,2,3),  
Shree Ganesh Industrial Estate,  
Kachigaum Road,  
Daman, Daman and Diu - 396210



## TOKYO FINANCE LIMITED

### BOARD REPORT

To,  
The members,  
Tokyo Finance Limited

Your Directors have pleasure to present their Twenty Fourth Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended on 31st March, 2018.

#### Financial Results

The Company's financial performance for the year under review along with previous year's figures are given hereunder:

	(Rs. In Lakhs)	
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Revenue from operations	154.18	161.89
Profit for the year before Tax	4.55	-65.70
Tax expenses	5.08	-2.05
<b>Net Profit after Tax</b>	<b>-0.53</b>	<b>-63.65</b>
Surplus carried over to Balance Sheet	-0.53	-63.65

#### Review of Operations

The Company recorded a gross turnover of Rs. 154.18, reduced from Rs.161.89 lakhs of the previous Financial Year. The Company has incurred net loss of Rs.00.53 against loss of Rs.63.65 lakhs of previous year.

#### Dividend

No Dividend was declared for the current financial year.

#### Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There are no material changes affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

#### Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

#### Auditors and Auditors' Report

##### **A. Statutory Auditors**

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Vinodchandra R Shah & Co, Chartered Accountant, (Firm Registration No. 115394W), were appointed as statutory auditors from the conclusion of the twenty-third Annual General Meeting (AGM) held on September 28, 2017 till the conclusion of the twenty-eighth AGM of the Company in 2022, subject to the ratification of their appointment at every AGM, if required under law.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

**B. Secretarial Auditor**

The Board has appointed Mr. Virendra Bhatt, Practicing Company Secretary, (M. No.: 1157) as Secretarial Auditor according to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report for the financial year 2017-18 is attached herewith as Annexure –1 signed by Ms. I. Javeri, Associate of Mr. Virendra Bhatt.

Company is yet not able to find suitable candidates to be appointed as CFO and Company Secretary based on the size of the Company and looking for the same. Further, information referred in Secretarial Auditor Report are self-explanatory and don't call for any further comments.

**C. Internal Auditor**

Pursuant to Section 138 of the Companies Act 2013, every Listed Company is required to appoint an Internal Auditor or a firm of Internal Auditors. In line with this requirement, the Board of Directors has appointed M/s P. H. Chincholkar & Co., Chartered Accounts, as Internal Auditor of the Company for the financial year 2017-18.

He has submitted Internal Audit Report for the financial year 2017-18 to the Board. No major audit observations were observed during the Internal Audit.

**Extract of the annual return**

The details forming part of the extract of the Annual Return in Form MGT-9 is enclosed herewith as Annexure-2

**Conservation of energy, technology absorption and foreign exchange earnings and outgo**

Company is not in any activities which entail the energy and technology consumption and there was no Foreign Exchange earnings and outgo in the company during the financial year.

**Directors**

**A. Changes in Directors and Key Managerial Personnel**

Board has not received any candidature for directors' appointment and none of the Key Managerial Personnel have resigned during the year under review.

**B. Declaration by an Independent Director(s) and re- appointment**

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms & conditions for the appointment of Independent Directors are available on the website of the Company [www.tokyofinance.in](http://www.tokyofinance.in).

**C. Formal Annual Evaluation**

Schedule IV to the Companies Act, 2013, mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013, states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The Board has carried out an annual performance evaluation of its own performance, that of its Committees and the Directors individually. None of the independent directors are due for re-appointment.

**D. Criteria for performance evaluation of Independent Directors and the Board**

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are satisfactory for the position.
- c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

**E. Directors Responsibility Statement**

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- a) In the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period;
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) They have prepared the annual accounts on a going concern basis;
- e) They have laid down internal financial controls in the company that are adequate and were operating effectively.
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

**Meetings****A. Board Meeting**

During the year Board of Directors met 6 times to discuss various matters, presence of each director and there directorship and membership in other public company is provided below:

Name of Directors	Category	Attendance at		No. of Directorships in other Public Companies <sup>(1)</sup>	No. of Committee positions held in other Public Companies <sup>(2)</sup>	
		Board Meetings	Last AGM (28th Sept, 2017)		As Chairman	As Member
Mr. Velji L. Shah <i>Chairman &amp; Managing Director</i> <i>DIN: 00007239</i>	Executive, Non-Independent	3	No	3	--	--
Mr. Haresh V. Shah <i>DIN: 00008339</i>	Executive, Non-Independent	4	Yes	3	--	1
Mr. Tassadduq Ali Khan <i>DIN: 00008368</i>	Non-Executive, Independent	4	No	1	1	1
Mr. Chimanlal Andarji Kachhi <i>DIN: 00058092</i>	Non-Executive, Independent	4	No	1	1	1
Ms Jagruti Mayurbhai Sanghavi <i>DIN: 07144651</i>	Non-Executive, Independent	3	No	1	--	1

(1) *Excludes directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.*

(2) *This includes only Chairmanships / Memberships of the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted public limited companies as per Regulation 26 of the SEBI Listing Regulations.*

The draft of the minutes prepared by the Company is circulated among the Directors for their comment/ suggestion and finally after incorporating their views, final minutes are recorded in the minute's books. Post meeting, important decisions taken are communicated to the concerned officials and departments for the effective implementation of the same.

**B. Independent Directors' Meeting**

As per the requirement of Schedule IV to the Companies Act, 2013, the Independent Directors of the Company met on 30<sup>th</sup> May, 2018, inter alia to:

- Review the performance of the non- Independent Directors and the Board of directors as a whole;
- Review the performance of the Chairperson of the Company; taking into account the views of the Executive Directors.
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## TOKYO FINANCE LIMITED

### Committees of Board

Board has three committees to attend various matters provided by the law i.e. Audit Committee, Nomination & Remuneration Committee & Stakeholder Relationship Committee. Except Stakeholder Relationship Committee other committees consists, entirely of independent directors.

Name of the committee	Composition of the committee	Highlights of duties, responsibilities and activities
Audit committee	Mr. Tassadduq Ali Khan, Chairperson  Mr. Chimanlal Andarji Kachhi  Mrs. Jagruti Mayurbhai Sanghavi	<ul style="list-style-type: none"><li>All recommendations made by the audit committee during the year were accepted by the Board.</li><li>The Company has adopted the Whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct and Ethics. In accordance with the requirements of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has formulated policies on related party transactions. The policies, including the Whistleblower Policy, are available on our website, <a href="http://www.tokyofinance.in">www.tokyofinance.in</a></li></ul>
Nomination and Remuneration committee	Mr. Tassadduq Ali Khan, Chairperson  Mr. Chimanlal Andarji Kachhi  Mrs. Jagruti Mayurbhai Sanghavi	<ul style="list-style-type: none"><li>The committee oversees and administers executive compensation, operating under a written policy adopted by our Board of Directors.</li><li>The committee has designed and continuously reviews the nomination and remuneration policy for our Directors and senior executives to align both short-term and long-term remuneration with business objectives and to link remuneration with the achievement of measurable performance goals. The nomination and remuneration policy is available on our website at <a href="http://www.tokyofinance.in">www.tokyofinance.in</a>.</li></ul>
Stakeholders Relationship committee	Mr. Chimanlal Andarji Kachhi, Chairperson  Mr. Tassadduq Ali Khan  Mr. Haresh V. Shah	<ul style="list-style-type: none"><li>The committee reviews and ensures redressal of investor grievances.</li></ul>

### Vigil Mechanism

Your Company has a well-defined “Whistle Blower Policy” and has established Vigil Mechanism to provide for adequate safeguards against victimization and has also made provisions for direct access to the Chairman of Audit Committee in appropriate cases. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.tokyofinance.in](http://www.tokyofinance.in)

### Sexual Harassment of Women at Workplace

The Company has adopted policy on prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at the work place (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints. The Company has not received any complaint under this policy during the year 2017-18.

**Corporate Social Responsibility(CSR)**

Your company does not fall under the purview of Corporate Social Responsibility during the period under review, but your Company is keen to help the society when ever required.

**Related Party Transactions(RPT's)**

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business.

During the year, the Company has not entered into any transactions with Related Parties which are not in its ordinary course of business or not on an arm's length basis and which require disclosure in this Report in terms of the provisions of Section 188(1) of the Act.

**Particulars of Loans, Guarantees or Investments**

Pursuant to Section 186(11) of the Companies Act, 2013, the provisions of Section 186(4) of the Companies Act, 2013 requiring disclosure in the financial statements of the full particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security is not applicable to a non-banking financial company registered under Chapter III of the Reserve Bank of India Act, 1934 and whose principal business is acquisition of securities.

**Listing with Stock Exchange**

Company is listed with Bombay Stock Exchange Ltd. Stock Code of the company is 531644 and ISIN Number for NSDL/CDSL (Dematerialized shares) is INE546D01018. Company confirms that it has paid the Annual Listing Fees for the year 2018-19.

**Dematerialization of Shares**

83.33% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2018. 32.22% shares are held in NSDL & 51.11% shares are held in CDSL. The Company's Registrar is Sharex Dynamic (India) Pvt. Ltd., situated at Unit 1, Luthra Industrial Premises, 1st Floor, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai 400072. Phone No. 28515606/ 28515644, Website [www.sharexindia.com](http://www.sharexindia.com), email [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

The company has applied for de-listing from Ahmedabad stock exchange, as approved by the shareholder at the Annual general meeting held on 29<sup>th</sup> September, 2009 and awaiting for confirmation.

**Particular of Employees**

Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 Read With Rule 5(1) Of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. The information required pursuant to Section 197(12) of the Companies Act, 2013 read with rules made there under, as amended from time to time

The median remuneration of employees was Rs. 2,26,800/- in financial year 2017-18. There was 18.58% increase in MRE in financial year 2017-18.

Number of permanent employees on the rolls of Company was 11 employees as on 31.03.2018.

There was no change in aggregate remuneration of the non-managerial employees as well as remuneration to any of Whole Time Director or Managing Director during the year 2017-18.

## TOKYO FINANCE LIMITED

**B. Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016:**

Velji L. Shah, Dhanshree P. Kherade; Sandhya Ghanekar; Kalpana A. Ghate; Satyanarayan C. Maurya; Zuber Nurallah; Amay S. Kochare; Krishna Satish Joshi; Shantilal R. Gandhi & Ratan M. Parikh.

No employees during the financial year were covered under the provisions of Rule 5(2) (i), (ii) & (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

**Business Risk Management**

The main identified risks at the Company are commercial risks, legal & regulatory risk. Your Company has established a comprehensive risk management policy to ensure that risk to the Company's continued existence as a going concern and to its development are identified and addressed on timely basis. Risk management strategy as approved by the board of directors is implemented by the company management.

**Acknowledgement**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers. Your Directors are thankful to the shareholders for their continued support and confidence.

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

**Velji L. Shah  
Chairman & Managing Director  
DIN: 00007239**

**Place : Mumbai  
Date : 30<sup>th</sup> May, 2018**

ANNEXURE TO BOARD'S REPORT

ANNEXURE – 1

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To,  
The Members,  
**Tokyo Finance Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tokyo Finance Limited** ("Hereinafter called the Company"). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Tokyo Finance Limited Statutory registers, papers, minute books, forms and returns filed with the ROC and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 prima facie complied with the statutory provisions listed hereunder and also that the Company has prima facie proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Statutory registers, papers, minutes books, forms and returns filed with the ROC and other records maintained by Tokyo Finance Limited ("the Company") for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; (Not Applicable to the Company during the Audit period);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during the Audit period);
- (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



## TOKYO FINANCE LIMITED

Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31<sup>st</sup> March, 2018:-

- (a) The Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India(Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations,2008;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998;

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

- (a) The Listing agreements entered into by the Company with Stock Exchange read with Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulation)
- (b) Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.

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

**I report that the Company has not appointed Key Managerial Personnel i.e. Chief Financial Officer.**

**I further report that being an NBFC Company it has invested and lent more than 25% of its owned funds to group Companies.**

**I further report that the Company has accepted cheque of Rs. 1,00,000/- for re-appointment of a director retiring by rotation and the Company has not deposited the same in the bank account.**

**I further report that the Company Secretary of the Company Ms. Meghna Suresh Mistry has resigned with effect from 11<sup>th</sup> August, 2017 and till date company has not appointed another Company Secretary.**

**I further report that I have not examined the Financial Statement, financial Books & related financial Act like Income Tax, Sales Tax, Value Added tax, Goods and Service Tax Act, ESIC, external commercial borrowings as well as certain statutory dues as Provident fund, TDS, and interest on other statutory dues. I rely on observation & qualification if any made by statutory auditor's of the company in his report.**

I further report that

1. I rely on statutory auditor's reports in relation to the financial statements and accuracy of financial figures for, Sales Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC, etc. as disclosed under financial statements& note on foreign currency transactions during our audit period.
2. the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

3. as per the information provided prima facie adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
4. as per the information provided majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
5. there are prima facie adequate systems & processes in the Company commensurate with the size & operations of the Company to monitor & ensure compliance with applicable laws, rules, regulations & guidelines subject to observations and qualifications, if any made by Statutory Auditors in their report.
6. The management is responsible for compliances of all applicable laws including business laws. This responsibility includes maintenance of statutory registers/records/ fillings and statements required by the concerned authorities and internal control of the concerned department and we have relied on that.
7. The management is responsible for compliances of all business law and has generally adequate systems & processes in the Company commensurate with the size & operations of the Company to monitor & ensure compliance with applicable laws, rules, regulations & guidelines.

I further report that during the audit period the Company has no specific events like Public/Right/Preferential issue of shares/debentures/sweat equity etc.

I further report that:

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

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2018**

**Ms. I. Javeri**  
**ACS No – 2209**  
**COP No – 7245**

**TOKYO FINANCE LIMITED**

ANNEXURE - 2

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014

**I. REGISTRATION AND OTHER DETAILS**

1	CIN	L65923DD1994PLC009783
2	Registration Date	22/11/1994
3	Name of the Company	Tokyo Finance Limited
4	Category/Sub-category of the Company	Public Company/Company having Share Capital
5	Address of the Registered office & contact details	363/1(1,2,3), Shree Ganesh Industrial Estate, Kachigam Road, Daman, Daman and Diu - 396210
6	Whether listed company	Yes (Listed in BSE)
7	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Ind. Premises, 1st Floor, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400 072

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated :

Name and Description of main Products / Services	NIC Code of the Products / Services	% of total turnover of the Company
Non Banking Financial Activity	64990	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held
--	--	--	--	--

IV. SHAREHOLDING PATTERN

(i) (EQUITY SHARE CAPITAL BREAK UP AS % TO TOTAL EQUITY)

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2017				No. of Shares held at the end of the year 31/03/2018				% Change during the year
	Demat	Physical	Total	% of Total Shares of Company	Demat	Physical	Total	% of Total Shares of Company	
A. PROMOTER'S									
(1). INDIAN									
(a). individual	1747659	19600	1767259	25.35	1767259	-	1767259	25.35	0.00
(b). Central Govt.	-	-	-	-	-	-	-	-	-
(c). State Govt(s).	-	-	-	-	-	-	-	-	-
(d). Bodies Corpp.	1120000	-	1120000	16.07	1120000	-	1120000	16.07	0.00
(e). FIINS / BANKS.	-	-	-	-	-	-	-	-	-
(f). Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	2867659	19600	2887259	41.42	2867659	-	2887259	41.42	0.00
(2). FOREIGN									
(a). Individual NRI / For Ind	-	-	-	-	-	-	-	-	-
(b). Other Individual	-	-	-	-	-	-	-	-	-
(c). Bodies Corporates	-	-	-	-	-	-	-	-	-
(d). Banks / FII	-	-	-	-	-	-	-	-	-
(e). Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(f). Any Other Specify	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2867659	19600	2887259	41.42	2887259	-	2887259	41.42	0.00

## TOKYO FINANCE LIMITED

### (B) (1). PUBLIC SHAREHOLDING

(a). Mutual Funds	-	-	-	-	-	-	-	-	-
(b). Banks / FI	-	-	-	-	-	-	-	-	-
(c). Central Govt.	-	-	-	-	-	-	-	-	-
(d). State Govt.	-	-	-	-	-	-	-	-	-
(e). Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f). Insurance Companies	-	-	-	-	-	-	-	-	-
(g). FIIs	-	-	-	-	-	-	-	-	-
(h). Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i). Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	89185	23700	112885	1.62	81353	23700	105053	1.51	-0.11
(ii). Overseas	-	-	-	-	-	-	-	-	-
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	674653	830700	1505353	21.60	652104	828800	1480904	21.25	-0.35
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	2148112	307800	2455912	35.24	2183409	307800	2491209	35.74	0.51
(c). Other (specify)									
Non Resident Indians	4600	1800	6400	0.09	600	1800	2400	0.03	-0.06
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	2291	-	2291	0.033	3275	-	3275	0.047	0.014
Trusts	-	-	-	-	-	-	-	-	-
Foreign Boodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	2918841	1164000	4082841	58.58	2920741	1162100	4082841	58.58	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2918841	1164000	4082841	58.58	2920741	1162100	4082841	58.58	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	5786500	1183600	6970100	100.00	5808000	1162100	6970100	100.00	-

(ii) Share Holding of Promoters

Name of the shareholder	No. of Shares held at the beginning of the year		No. of Shares held at the end of the year		% of change during the year
	Total number of shares	% of Total Shares	Total number of shares	% of Total Shares	
Tokyo Plast International Ltd	1120000	16.07	1120000	16.07	-
Velji Lakhadir Shah	961100	13.79	961100	13.79	-
Pushpa Pravin Shah	308150	4.42	308150	4.42	-
Priti Haresh Shah	249168	3.57	249168	3.57	-
Bharat Malshibhai Shah	71045	1.02	71045	1.02	-
Heena Bharat Shah	65296	0.94	65296	0.94	-
Malshi Lakhdir Shah	41300	0.59	41300	0.59	-
Haresh V Shah	39100	0.56	39100	0.56	-
Kamlesh M Khirani	19600	0.28	19600	0.28	-
Pravin Malshi Shah	12500	0.18	12500	0.18	-
Total	2887259	41.42	2887259	41.42	-

(iii) Change in Promoter's Shareholding (Please specify, if there is no change) : There is no change in promoters holding during 01.04.2017 to 31.03.2018.

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs) :

Name of the Share Holder	No. of Shares at the beginning		Cumulative Shareholding during the year		No. of Shares at the End of the year	
	No. of shares	% of total shares of the Company	No. of shares	Reason	No. of shares	% of total shares of the Company
Bhavana Keshavaji Gada	341227	4.90	No Change	No Change	341227	4.90
Keshavji Bhachu Gada	340567	4.89	No Change	No Change	340567	4.89
Taraben Pravin Chhadva	222476	3.19	No Change	No Change	222476	3.19
Pravin Motilal Chhadva	206300	2.96	No Change	No Change	206300	2.96
Vivek Vijay Jain	181604	2.61	No Change	No Change	181604	2.61
Govind Devji Waghela	150987	2.17	No Change	No Change	150987	2.17
Kushalchand J Mody	100900	1.45	No Change	No Change	100900	1.45
Gunshi Bhimshi Gada	99000	1.42	No Change	No Change	99000	1.42
Vinay Deokinandan Saraogi	88208	1.27	8208	Sale	80000	1.15
Manilal Bachu Gada	87300	1.25	53505	Buy	140805	2.02

## TOKYO FINANCE LIMITED

### (v) Shareholding of Directors and Key Managerial Personnel

Name of the Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares	No. of shares	% of total shares
Velji Lakhadir Shah	961100	13.79	961100	13.79
Haresh V. Shah	39100	0.56	39100	0.56
Tassadduq Ali Khan	Nil	Nil	Nil	Nil
Chimanlal Andarji Kachhi	Nil	Nil	Nil	Nil
Jagruti Mayurbhai Sanghavi	Nil	Nil	Nil	Nil

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	--	697.90	--	697.90
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	342.07	--	342.07
Total (i+ii+iii)	--	1039.97	--	1039.97
Change in Indebtedness during the financial year				
• Addition	--	49.67	--	49.67
• Reduction	--	--	--	--
Net Change	--	49.67	--	49.67
Indebtedness at the end of the financial year				
i) Principal Amount	--	697.90	--	697.90
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	391.74	--	391.74
Total (i+ii+iii)	--	1089.64	--	1089.64

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A). Remuneration to Managing Director, Whole-time Directors and/or Manager

(Rs. In Lacs)

Particulars of Remuneration	Name of	Total Amount
	Velji L. Shah	
Gross salary	6.00	6.00
Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 Value of perquisites u/s 17(2) Income-tax Act, 1961 Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
Stock Option	--	--
Sweat Equity	--	--
Commission -as % of profit - others, specify...	--	--
Others, please specify	--	--
Total (A)	6.00	6.00

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**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

B) Remuneration to other Directors : None

C). Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD :

(Rs. In Lacs)

Particulars of Remuneration	Key Managerial Personnel Ms. Meghna Mistry (upto 11/08/2017)	Total Amount
Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 Value of perquisites u/s 17(2) Income-tax Act, 1961 Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1.34	1.34
Stock Option	--	--
Sweat Equity	--	--
Commission -as % of profit - others, specify...	--	--
Others, please specify	--	--
<b>Total (A)</b>	<b>1.34</b>	<b>1.34</b>

**VIII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			N.A.		
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty					
Punishment					
Compounding					



**ANNEXURE – 3**  
**MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

**STRUCTURE AND DEVELOPMENTS, OPPORTUNITIES AND THREATS, PERFORMANCE, OUTLOOK, RISKS AND CONCERNS:**

Your Company is registered with Reserve Bank of India as Non- Banking Financial Institution and is categorized as 'Non- Deposit taking NBFC'. The Non-Banking Financial Companies ("NBFCs") in India have evolved over the last fifty years to emerge as notable alternate sources of credit intermediation, especially for the last mile credit delivery. The Non-Banking Financial Companies (NBFCs) sector is integral to the Indian financial landscape. It aids in boosting financial inclusion initiative by lending services to the unbanked population in rural/ semi-urban and urban areas.

The year 2017-18 saw large scale reform initiatives come into full force. Goods and Service Tax (GST) was rolled out on schedule on July 1, 2017. This has created a single market for providers of goods and services. A single tax on transactions will aid GDP growth by reducing the cost of doing business. The other major reform was the constitution of National Company Law Tribunal (NCLT) and Insolvency and Bankruptcy Code (IBC). This is likely to reduce the time taken to resolve stressed assets through a time bound resolution programme for referred accounts. While private activity remained somewhat subdued on account of the fall in consumer sentiment, the government showed its intent by taking long pending tough decisions in the interest of the country's future. Thus, India continued to witness steady economic growth despite a volatile internal and weak external environment. . The good news was that the headline inflation has been below 4% for 12 straight months, from November 2016 to October 2017 and CPI food inflation averaged around 1% during April -December in the current financial year, as per the Economic Survey 2018. The CPI inflation declined to 3.3% during FY 2017-18 (Apr-Dec), with a broad-based decline in inflation across major commodity groups except Housing and Fuel & Light. The government forecast economic (GDP) growth slowing to 6.5% in the year to 31-March from 7.1% in the previous year, mainly driven by the issues related to GST implementation and the poor performance of agriculture and manufacturing sector. GDP growth is expected to bounce back to 7-7.5% in FY19.

The Company is exposed to variety of risks such as credit risk, economy risk, interest rate risk, liquidity risk and cash management risk, among others. The Company has Enterprise Risk Management Framework which involves risk identification, risk assessment and risk mitigation planning for the Company.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has adequate Internal Control System commensurate with its size and nature of business. All transactions are properly authorized, recorded and reported to the management. The internal control systems are designed to ensure that the financial statements are prepared based on reliable information. The Internal Audit is continuously conducted by in house Internal Audit department of the Company and Internal Audit Reports are reviewed by the Audit Committee of the Board periodically.

**SEGMENT WISE PERFORMANCE:**

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

**HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS:**

The Company recognizes human resources as a key component for facilitating organizational growth and shareholder value creation. Various initiatives have been taken to strengthen human resources of the Company. Relation with the employees and workers were cordial. Your Company is dedicated to partnering with employees and strengthening its talent pool by providing them with growth and career enhancement opportunities.

**CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

**REPORT ON CORPORATE GOVERNANCE**

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. At Tokyo Finance, it is imperative that our company affairs are managed in affair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

Pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not mandatory for the time being for Companies having paid up equity share capital not exceeding Rs.10 crore and Net Worth not exceeding Rs.25 crore, as on the last day of the previous financial year.

Since our Company falls in the ambit of aforesaid exemption, compliance with the certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not mandatory for our Company. Consequently our Company is not required to provide separate section on Corporate Governance.

However, our Company has complied with all the disclosures and requirements which are applicable under all the rules, regulations for the time being in force.

---

**Affirmation of Compliance with Code of Conduct**

Pursuant to the requirements of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has received affirmations on compliance with Code of Conduct of the Company for the financial year ended 31st March, 2018 from all the Board Members and the Senior Management Personnel.

Velji L. Shah  
Chairman & Managing Director  
DIN: 00007239

Place: Mumbai  
Date: 30<sup>th</sup> May, 2018

## TOKYO FINANCE LIMITED

### MD CERTIFICATION

I, Velji L. Shah, Chairman and Managing Director of Tokyo Finance Limited, certify that:

- A. I have reviewed the financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate the company's code of conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- D. I have indicated to the auditors and the Audit Committee that there are:
- (i) no significant changes in internal control over financial reporting during the year;
  - (ii) no significant changes in accounting policies during the year and
  - (iii) no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

**Velji L. Shah**  
**Chairman & Managing Director**  
**DIN: 00007239**

**Place : Mumbai**  
**Date : 30<sup>th</sup> May, 2018**

**INDEPENDENT AUDITOR'S 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, 2018, the Statement of Profit and Loss and the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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, 2018
- (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

## TOKYO FINANCE LIMITED

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the 'Annexure A' a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that :
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
  - e. on the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
  - g. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;
    - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

**For Vinodchandra R Shah & Co**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 115394W**

**Gaurav Parekh**  
**Partner**  
**Membership Number: 140694**

**Mumbai, May 30, 2018**

**ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) The Company is a non banking finance company, primarily giving loans and advances. Accordingly, it does not hold any physical inventories. Thus, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) The Company has granted loans to one party covered in the register maintained under Section 189 of Companies Act, 2013 ('the Act').
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the party listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
  - (b) There is no stipulation of schedule of repayment of principal and payment of interest and hence we are unable to make specific comment on the regularity of repayment of principal & payment of interest, in such case
  - (c) There are no stipulations made regarding receipt of principal and interest amount, so we are unable to comment on the amount overdue.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made and providing guarantees & securities as applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Wealth Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as applicable to company have generally been regularly deposited during the year by the Company with the appropriate authorities.

## TOKYO FINANCE LIMITED

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Wealth Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as applicable to the company, were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- (c) 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
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of Section 197 read with schedule 5 to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act 1934 and has obtained the required registration.

**For Vinodchandra R Shah & Co**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 115394W**

**Gaurav Parekh**  
**Partner**  
**Membership Number: 140694**

**Mumbai, May 30, 2018**

**ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT**

(Referred to in our Report of even date)

**Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Tokyo Finance Limited ('the Company') as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



## **TOKYO FINANCE LIMITED**

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Vinodchandra R Shah & Co**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 115394W**

**Gaurav Parekh**  
**Partner**  
**Membership Number: 140694**

**Mumbai, May 30, 2018**

BALANCE SHEET AS AT 31ST MARCH, 2018

	Note No.	As at 31 March. 2018		As at 31 March. 2017	
		Rs.		Rs.	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
Share capital	1	69425500		69425500	
Reserves and surplus	2	<u>46715117</u>	116140617	<u>46767584</u>	116193084
<b>Non-current liabilities</b>					
Long-term borrowings	3	69790466		69790466	
Long-term provisions	4	<u>875686</u>	70666152	<u>725072</u>	70515538
<b>Current liabilities</b>					
Trade payables	5	4051		164650	
Other current liabilities	6	47853929		42699750	
Short-term provisions	7	<u>2836022</u>	50694002	<u>2518338</u>	45382738
<b>TOTAL</b>			<u><u>237500771</u></u>		<u><u>232091360</u></u>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Fixed assets					
Property, Plant and Equipments	8	2589810		2658690	
Non-current investments	9	6705300		6705300	
Long-term loans and advances	10	<u>162063631</u>	171358741	<u>154958900</u>	164322890
<b>Current assets</b>					
Cash and bank balance	11	352068		161514	
Short-term loans and advances	12	<u>65789962</u>	66142030	<u>67606956</u>	67768470
<b>TOTAL</b>			<u><u>237500771</u></u>		<u><u>232091360</u></u>

The notes form an integral part of these financial statements

As per our report of even date

**FOR Vinodchandra R Shah & Co**  
Chartered Accountants

**GAURAV PRAREKH**  
(Partner)  
Membership No- 140694

Firm's Registration No - 115394W

Mumbai, Dated 30th May, 2018

For and on behalf of the Board of Directors

**VELJIL. SHAH**  
Chairman & Managing Director  
DIN- 7239

**HARESH V. SHAH**  
Director  
DIN-8339

Mumbai, Dated 30th May, 2018

**TOKYO FINANCE LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018**

	Note No.	2017-18 Rs.	2016-17 Rs.
<b>Income :</b>			
Income from operations	13	<b>15417928</b>	16189203
<b>Total</b>		<b>15417928</b>	16189203
<b>Expenses :</b>			
Employee benefits expense	14	<b>3394513</b>	3380297
Finance costs	15	<b>5521738</b>	6202208
Depreciation and amortisation expense	8	<b>68880</b>	69068
Other expenses	16	<b>5977172</b>	13107885
<b>Total</b>		<b>14962303</b>	22759458
<b>Profit / (Loss) before tax</b>		<b>455625</b>	(6570255)
<b>Tax expense:</b>			
Tax expense for current year		<b>508092</b>	-
Tax expense relating to prior years		-	(205317)
Net current tax expense		<b>508092</b>	(205317)
<b>Profit / (Loss) for the year</b>		<b>(52467)</b>	(6364938)
<b>Earnings Per Share of Face Value of Rs.10/- each</b>			
<b>Basic/Diluted (Rs)</b>		<b>(0.01)</b>	(0.92)

The notes form an integral part of these financial statements

As per our report of even date

**FOR Vinodchandra R Shah & Co**  
Chartered Accountants

**GAURAV PRAREKH**  
(Partner)  
Membership No- 140694  
Firm's Registration No - 115394W

Mumbai, Dated 30th May, 2018

For and on behalf of the Board of Directors

**VELJIL. SHAH**  
Chairman & Managing Director  
DIN- 7239

**HARESH V. SHAH**  
Director  
DIN-8339

Mumbai, Dated 30th May, 2018

## ANNUAL REPORT 2017 - 2018

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31st March, 2018	As at 31st March, 2017
<b>A. Cash flow from operating activity:</b>	<b>Rs.</b>	<b>Rs.</b>
Net Profit before tax and extraordinary items	<b>455625</b>	<b>-6570255</b>
Adjustments for:		
Depreciation	<b>68880</b>	69068
Provision for Standard Loan	<b>147631</b>	
Provision for Substandard Loan	<b>4636045</b>	12111187
Finance Cost	<b>5518758</b>	6199850
	<b>10371314</b>	18380105
Operating profit before working capital changes	<b>10826939</b>	11809850
Adjustments for:		
Loans and Advances	<b>(15071413)</b>	(14410316)
Inventories		-
Current Liabilities	<b>(564972)</b>	(21725565)
Cash generated from operations	<b>(4809446)</b>	(24326031)
Direct Taxes paid	-	780210
Cash flow before extraordinary items	<b>(4809446)</b>	(23545821)
Extraordinary items	-	-
Net cash from operating activities	<b>(4809446)</b>	(23545821)
<b>B. Cash flow from investing activities:</b>	<b>-</b>	<b>-</b>
Return of Capital Advance	<b>5000000</b>	-
Net cash from investing activities	<b>5000000</b>	-
<b>C. Cash flow from financing activities</b>		
Proceeds from receipts of Calls in Arrears		
Proceeds from borrowings (Net)	-	23421333
Net cash used in financing activities	-	23421333
Net increase in cash and cash equivalents	<b>190554</b>	(124488)
Cash and Cash equivalents as at the beginning of the year	<b>161513</b>	286001
Cash and Cash equivalents as at the end of the year	<b>352067</b>	161513

As per attached report of even date

**FOR Vinodchandra R Shah & Co**  
Chartered Accountants

**GAURAV PRAREKH**  
(Partner)  
Membership No- 140694  
Firm's Registration No - 115394W

Mumbai, Dated 30th May, 2018

For and on behalf of the Board of Directors

**VELJIL. SHAH**  
Chairman & Managing Director  
DIN- 7239

**HARESH V. SHAH**  
Chief Financial Officer  
DIN-8339

Mumbai, Dated 30th May, 2018

## TOKYO FINANCE LIMITED

### **Corporate Information**

The Tokyo Finance Limited ( 'The Company' ) was incorporated on 22nd November , 1994 under the provisions of the Companies Act 1956. The Company is having registered office at 363/1(1,2,3), Shree Gamesh Industrial Estate, Kachigam Road, Daman- 396 210 (U.T.) and engaged in the business of Non-Banking Finance.

### **SIGNIFICANT ACCOUNTING POLICIES :**

#### **Basis of Accounting:**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 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 :**

Property, Plant and Equipments 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 and unquoted investments are valued at historical cost. Provision for diminution in the value of investments will be made only when there is any indication of diminution of permanent nature .

**Depreciation :**

Depreciation on Property, Plant and Equipments are provided on “Straight Line Method”. It is based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 and in the manner prescribed by Schedule II of the Companies Act 2013.

Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

**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 – 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.

## **TOKYO FINANCE LIMITED**

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

Provisions are recognized when the company has a legal and constructive obligation as a result of past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when a company has possible obligation or a present obligation and it is uncertain as to whether a cash outflow will be required to settle the obligation.

As per attached report of even date

For and on behalf of the Board of Dire

**FOR Vinodchandra R Shah & Co**  
**Chartered Accountants**

**VELJIL. SHAH**  
**Chairman & Managing Director**  
**DIN- 7239**

**GAURAV PRAREKH**  
**(Partner)**  
**Membership No- 140694**  
**Firm's Registration No - 115394W**

**HARESH V. SHAH**  
**Director**  
**DIN-8339**

**Mumbai, Dated 30th May, 2018**

**Mumbai, Dated 30th May, 2018**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

1. Share Capital	As at March 31, 2018		As at March 31, 2017	
		Rs.		Rs.
<b>Authorised</b>				
7250000 Equity Shares Of Rs.10/- each		72500000		72500000
<b>Issued, Subscribed and Paid Up</b>				
6818500 Equity Shares of face value of Rs.10/- each, fully paid up		68185000		68185000
151600 Equity Shares of face value of Rs.10/- each, not fully paid		1240500		1240500
<b>TOTAL</b>		<b>69425500</b>		<b>69425500</b>

**Terms/rights attached to equity shares**

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.

**Shares in the company held by each shareholder holding more than 5 percent shares**

Name of Shares holders	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Tokyo Plast International Ltd	1120000	16.07	1120000	16.07
Velji L Shah	961100	13.78	961100	13.78

**Details of Calls unpaid**

	As at March 31, 2018	As at March 31, 2017
Directors / officers	Nil	Nil
Others	151600	151600
	275500	275500

**2. Reserves & Surplus**

Surplus in the statement of Profit and Loss Account		
Balance as per Last Financial Statement	46767584	53132521
Add: Profit ( Loss) for the year	(52467)	(6364938)
Closing balance	46715117	46767584
<b>TOTAL</b>	<b>46715117</b>	<b>46767584</b>

**3. Long-term borrowings**

Unsecured Loans and advances from related party		
Tokyo Plast International Ltd	69790466	69790466

**4. Long Term Provisions**

Provision for Employees Benefits	875686	725072
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**5. Trade payables**

Micro, Small and Medium Enterprises	-	-
Others	4051	164650
<b>TOTAL</b>	<b>4051</b>	<b>164650</b>



## TOKYO FINANCE LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at March 31, 2018	As at March 31, 2017
	Rs.	Rs.
<b>6. Other current liabilities</b>		
Interest Accrued and not Due on borrowings	39173747	34206865
Other Payables Includes statutory dues.	8680182	8492885
<b>TOTAL</b>	<b>47853929</b>	<b>42699750</b>
<b>7. Short-term provisions</b>		
Provision for employee benefits	68000	258408
Other Provisions ( Provision for Income Tax)	2768022	2259930
<b>TOTAL</b>	<b>2836022</b>	<b>2518338</b>

#### 8. FIXED ASSETS

Particulars	Gross Block				Depreciation			Net Block	
	Cost as on 1-Apr-2017	Additions	Deletions	Cost as on 31-Mar-2018	Upto 31-Mar-2017	Current Year	As on 31-Mar-2018	As on 31-Mar-2018	As on 31-Mar-2017
<b>Property, Plant and Equipments</b>									
Office Premises	4265000	--	--	4265000	1606310	68880	1675190	2589810	2658690
Office Equipments	151500	--	--	151500	151500	--	151500	--	--
Computers	188170	--	--	188170	188170	--	188170	--	--
Furniture & Fixture	4144	--	--	4144	4144	--	4144	--	--
<b>TOTAL</b>	4608814	--	--	4608814	1950124	68880	2019004	2589810	2658690

#### 9. Non-current investments

##### A. Trade Investments (at cost): Equity: Quoted, fully paid up:

In Shares of Enterprise where Key Managerial persons have significant influence

477200 Fully Paid up Equity Shares of Rs.10/- each of Tokyo Plast International Ltd	6705300	6705300
<b>TOTAL</b>	<b>6705300</b>	<b>6705300</b>

Market Value of quoted investment as on 31.03.2018 is Rs.41325520 (Previous year Rs.56786800)

#### 10. Long-term loans and advances

Unsecured, considered good

Capital Advances	12500000	17500000
Loans and advances to related party Tokyo Constructions Limited	149563631	137458900
<b>TOTAL</b>	<b>162063631</b>	<b>154958900</b>

## ANNUAL REPORT 2017 - 2018

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at March 31, 2018	As at March 31, 2017
	Rs.	Rs.
<b>11. Cash and cash bank balances</b>		
Balance with Bank	184044	43806
Cash on Hand	<u>168024</u>	<u>117708</u>
<b>TOTAL</b>	<b><u>352068</u></b>	<b><u>161514</u></b>
<b>12. Short-term loans and advances to Others</b>		
Unsecured, considered good	59059750	56500000
Less : Provision for Standard Assets	<u>147631</u>	<u>-</u>
Unsecured, Doubtful	26508554	27883554
Less : Provision for Doubtful Debts	<u>26508554</u>	<u>21872509</u>
Balances with government authorities	5785759	4656911
Others	<u>1092084</u>	<u>439000</u>
<b>TOTAL</b>	<b><u>65789962</u></b>	<b><u>67606956</u></b>
<b>13. Revenue from operations</b>		
Interest	15179328	16189203
Divident	<u>238600</u>	<u>-</u>
<b>TOTAL</b>	<b><u>15417928</u></b>	<b><u>16189203</u></b>
<b>14. Employee benefits expense</b>		
Salaries and Bonus	3243899	3175291
Gratuity Expenses	<u>150614</u>	<u>205006</u>
<b>TOTAL</b>	<b><u>3394513</u></b>	<b><u>3380297</u></b>
<b>15. Finance costs</b>		
Interest	5520683	6199850
Bank charges	<u>1055</u>	<u>2358</u>
<b>TOTAL</b>	<b><u>5521738</u></b>	<b><u>6202208</u></b>
<b>16. Other expenses</b>		
Listing & Custodian Fees	338984	237500
Advertisement	77590	35389
Registrar & Shares transfer fees	85771	66531
Payments to auditors (Refer # below)	125000	170000
Provision for Substandard Loans	4636045	12111187
Provision for standard Loans	147631	-
Miscellaneous Expenses	<u>566151</u>	<u>487278</u>
<b>TOTAL</b>	<b><u>5977172</u></b>	<b><u>13107885</u></b>
<b># Payment to Auditors</b>		
Audit Fees	125000	125000
Tax Audit Fees	<u>-</u>	<u>45000</u>
<b>TOTAL</b>	<b><u>125000</u></b>	<b><u>170000</u></b>

## TOKYO FINANCE LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at March 31, 2018	As at March 31, 2017
<b>17. Earning per share (EPS)</b>	<b>Rs.</b>	<b>Rs.</b>
Profit / (Loss) for the year after taxation	(52467)	(6364938)
Weighted average number of shares outstanding during the year	6942550	6942550
Earnings per share (Basic and Diluted) in Rs.	(0.01)	(0.92)
Face value per share in Rs.	10	10
<b>18. Contingent liabilities</b>	Nil	Nil

#### 19. Related Party Disclosures

##### List of related parties and relationships:

##### Name of the Related Party

##### Relationship

Tokyo Plast International Limited

Enterprise where Key Managerial persons have significant influence

Tokyo Constructions Limited

"

Velji L. Shah

Key management personnel

Meghna S. Mistry

"

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

##### Nature of Transactions

##### Enterprise where Key Managerial persons have significant influence

##### Key management personnel

	2017-18	2016-17	2017-18	2016-17
Receiving of services	120000	120000	-	-
Interest Income	10477432	10168256	-	-
Interest Expenses	5518758	6198849	-	-
Loans and advances Given/(Received) net	12104731	24726430	-	-
Loans and advances Taken/(Paid) net	-	(26578667)	-	-
Remuneration to Key management personnel	-	-	734000	619000
<b>Balances outstanding at the end of the year</b>				
Loans and advances Given	149563631	137458900	-	-
Loans and advances Taken	69790466	69790466	-	-
Interest Accrued and not due	39173747	34206865	-	-
Investments	6705300	6705300	-	-
Remuneration to Key management personnel	-	-	-	19000

#### 20. 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:

	2017-18	2016-17
<b>Amount to be recognised in Balance Sheet</b>		
Present Value of unfunded Obligations	574458	725072
Fair Value of Plan Assets	-	-
Net Liability	574458	725072
Amounts in Balance Sheet	574458	725072
Assets	-	-
Net Liability	574458	725072

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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

Current Service Cost	99441	136449
Interest on Defined Benefit Obligation	55831	38485
Expected Return on Plan Assets	-	-
Net Actuarial Losses / (Gains) Recognized in Year	(305886)	30072
Total included in "Employee Emoluments"	-	-
Actual Return on Plan Assets	-	-

**Reconciliation of Benefit Obligations & Plan Assets for the period****Change in Defined Benefit Obligation**

Opening Defined Benefit Obligation	725072	520066
Current Service Cost	99441	136449
Interest Cost	55831	38485
Actuarial Losses / (Gain)	(305886)	30072
Benefits Paid	-	-
Closing Defined Benefit Obligation	574458	725072

**Change in Fair Value of Assets**

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	-	-

**Summary of the Actuarial Assumptions**

Discount Rate	7.70%	7.40%
Expected Rate of Return on Assets	-	-
Salary Escalation Rate	7.00%	7.00%

**21. Borrowing Costs**

No Borrowing Cost has been Capitalised during the year

**22. Segment Information:**

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

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

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

**24. Previous year's figures**

Comparable figures have been regrouped/reclassified wherever necessary.

As per our report of even date

**FOR Vinodchandra R Shah & Co**  
Chartered Accountants

**GAURAV PRAREKH**  
(Partner)  
Membership No- 140694  
Firm's Registration No - 115394W

Mumbai, Dated 30th May, 2018

For and on behalf of the Board of Directors

**VELJIL. SHAH**  
Chairman & Managing Director  
DIN- 7239

**HARESH V. SHAH**  
Director  
DIN-8339

Mumbai, Dated 30th May, 2018



## TOKYO FINANCE LIMITED

CIN : L65023DD1994PLC009783

Regd. Office : Plot No.363/1(1,2,3), Shree Ganesh Industrial Estate, Kachigaum Road, Daman - 396210 (U.T.)

Email : info.tokyofinance@gmail.com; Website : www.tokyofinance.in

### Form MGT-11 - 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)		E-Mail Id:	
Registered Address :		Folio No./* Client Id:	
		* DP Id:	

I/We being the member of ..... holding ..... shares, hereby appoint :

- 1) \_\_\_\_\_ of \_\_\_\_\_ having E-Mail ID \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having E-Mail ID \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having E-Mail ID \_\_\_\_\_ or failing him

and my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on 29th September, 2018 at Hotel Sovereign, Sea Face Road, Daman-396 210 (U.T.) on September 29, 2018 at 04.15 p.m., and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolution	For	Against
Ordinary Business			
1.	Adoption of Financial Statement s together with the Report of Board of Directors and Auditors thereon for the financial year ended March 31, 2018.		
2.	Re-appointment of Mr. Haresh V. Shah as Director		
3.	Approval to continuation of office by Shri Velji L. Shah (DIN 00007239) as an Executive Chairman of the Company after attaining the age of 70 years during his term of appointment		

Signed this \_\_\_\_ day of \_\_\_\_\_ 2018.

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

Rupee 1 Revenue Stamp
-----------------------------

\_\_\_\_\_  
Signature of First Proxy Holder

\_\_\_\_\_  
Signature of Second Proxy Holder

\_\_\_\_\_  
Signature of Third Proxy Holder

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

## **TOKYO FINANCE LIMITED**

CIN:L65023DD1994PLC009783

Regd. Office : Plot No.363/1(1,2,3), Shree Ganesh Industrial Estate, Kachigaum Road, Daman - 396210 (U.T.)

Email : info.tokyofinance@gmail.com; Website : www.tokyofinance.in

### **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 : \_\_\_\_\_

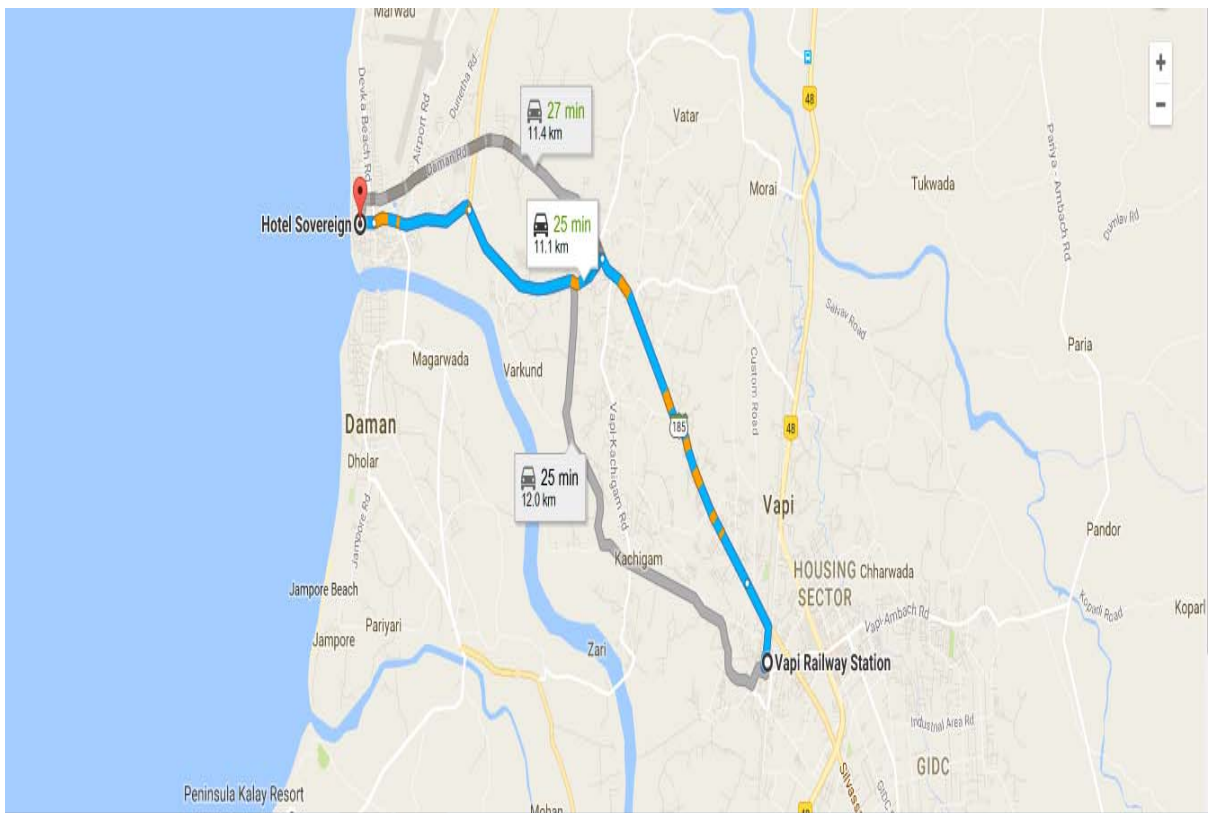
\_\_\_\_\_

I hereby record my presence at the Twenty Fourth Annual General Meeting of the Company, to be held on Saturday 29th September, 2018 at Hotel Sovereign, Sea Face Road, Daman - 396 210 (U.T.)

\* Applicable to shareholders holding shares in electronic form

\_\_\_\_\_  
Signature of Shareholder/Proxy

# ROUTE MAP



## Venue

Hotel Sovereign  
Sea Face Road,  
Daman-396210 (U.T.)



**To,**

*If undelivered, please return to :*

**TOKYO FINANCE LIMITED**

**Registered Office**

Plot No. 363/1(1,2,3),

Shree Ganesh Industrial Estate

Kachigaum Road, Daman

Daman & Diu - 396 210