

# **TOKYO FINANCE LIMITED**

**ANNUAL REPORT 2018-2019**

## ANNUAL REPORT 2018 - 2019

CIN : L65923DD1994PLC009783

### BOARD OF DIRECTORS

Shri Velji L. Shah  
Chairman & Managing Director

Shri Hareesh 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.  
C-101, 247 Park, L.B.S Marg  
Vikhroli (West)  
Mumbai - 400 083

TWENTY FIFTH ANNUAL GENERAL MEETING	CONTENTS
Date : 27th September, 2019  Time : 4.15 P.M.  Venue : Hotel Sovereign  Sea Face Road,  Daman - 396 210	Notice ..... 1 Boards Report ..... 10 Management Discussion and Analysis 26 Auditors Report ..... 30 Balance Sheet ..... 38 Statement of Profit & Loss ..... 39 Cash Flow Statement ..... 40 Significant Accounting Policies..... 41 Notes to the Financial Statement ..... 44

**NOTICE**

Notice is hereby given that the Twenty Fifth Annual General Meeting of the shareholders of Tokyo Finance Limited(CIN-L65923DD1994PLC009783) will be held at Hotel Sovereign, Sea Face Road, Daman – 396210 (U.T.) on Friday, 27<sup>th</sup> September, 2019 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, 2019 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 shift the registered office of the Company from the Union Territory of Daman to the State of Maharashtra.**

To Consider and, if through fit, to pass the following Resolution as a Special Resolution:

**“RESOLVED THAT** subject to the provisions of Section 12, 13 and Section 110 and other applicable provisions of Companies Act, 2013, read with relevant rules applicable, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to the approval of Regional Director and approval from Reserve Bank of India and such other approvals, permissions and sanction, as may be required from time to time, consent of the members be and is hereby accorded for shifting the registered office of the Company from the Union Territory of Daman to the State of Maharashtra and that the Clause II of the Memorandum of Association of the Company be substituted and replaced as the follows:

**II.The Registered office of the company will be situated in the State of Maharashtra.**

**“RESOLVED FURTHER THAT** upon the aforesaid resolution becoming effective, the registered office of the Company be shifted from Plot No. 363/1(1,2,3), Shree Ganesh Industrial Estate, Kachigaum Road, Daman-396210 (For U.T of Daman) to Vyom Arcade, 5th Floor, above United Bank Of India, Tejpal Scheme Road No. 5, Vile Parle (East), Mumbai (For the State Maharashtra)

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors of the Company (hereinafter called the “Board”, which term shall be deemed to include any person (s) authorized and / or Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) or any officer so authorised by the Board, be and is hereby authorized to agree to and make and accept such conditions, modifications and alterations stipulated by any one of the authorities, statutory or otherwise, while according approval, consent as may be considered necessary and to appoint counsels and advisors, file applications/ petitions, issue notice, advertisements, obtain orders of shifting of registered office from the concerned authorities and take such steps and to do such acts, deeds and things as they may deem necessary and proper in this matter.”

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### 4. To Change Name of Company

To Consider and, if through fit, to pass the following Resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 4, 13, 14 and 15 read with (Incorporation) Rules, 2014, (the “Rules”)and other applicable provisions if any of the Companies Act, 2013 read with ( Management and Administration) Rules, 2014 ( the “rules”) including any statutory modification(s) or re-enactment thereof, for the time being in force and subject to the approval of the Central Government, Reserve Bank of India, Registrar of Companies, Goa, Daman & Diu under Ministry of Corporate Affairs, Stock Exchanges where the shares of the company are listed and other authorities as may be applicable and subject to such terms. Conditions, amendments or modifications, as may be required or suggested by Statutory authorities, the name of the company be and is hereby changed from” Tokyo Finance Limited” to “Primero Finance Limited” or such other name as may be made available for adoption by the Central Registration Centre Ministry of Corporate Affairs.

**RESOLVED FURTHER THAT** pursuant to Section 13, 14, 15 and other applicable provisions, if any of the Companies Act, 2013 (including any modification or re-enactment thereof) the name of the company “Tokyo Finance Limited” where ever it appears in the Memorandum and Articles of Association of the company or elsewhere; be substituted by the new name “Primero Finance Limited” or such other name as may be made available for adoption Central Registration Centre by the Ministry of Corporate Affairs.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution and matters flowing from, connected with and incidental to any of the matters mentioned in the aforesaid resolution, the Board be and is hereby authorized on behalf of the Company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the change of name to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**RESOLVED FURTHER THAT** the Board of Directors and / or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and do all statutory filings, as mandated, as per the provisions of Companies Act, 2013.”

### 5. Re-appointment of Mr. Tassadduq Ali Khan (DIN: 00008368) as an Independent Director

To Consider and, if through fit, to pass the following Resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Tassadduq Ali Khan (DIN: 00008368), who was appointed as an Independent Director to hold office as an Independent Director upto the conclusion of this Annual General Meeting and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for five consecutive years upto the conclusion of 30<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2024.

Khan be paid such fees as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time, for attending the meetings of the Board and its Committees.”

**RESOLVED FURTHER THAT** the Board of Directors and / or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and do all statutory filings, as mandated, as per the provisions of Companies Act, 2013.”

**6. Re-appointment of Mr. Chimanlal Andrijibhai Kutchhi (DIN: 00058092) as an Independent Director**

To Consider and, if through fit, to pass the following Resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Chimanlal Andrijibhai Kutchhi (DIN: 00058092), who was appointed as an Independent Director and who holds office as an Independent Director upto the conclusion of this Annual General Meeting and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for five consecutive years upto the conclusion of 30<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2024.

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

**RESOLVED FURTHER THAT** the Board of Directors and / or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and do all statutory filings, as mandated, as per the provisions of Companies Act, 2013.”

**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.

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2. The Register of members and the share transfer books of the company will remain closed from 20<sup>th</sup> September, 2019 to 27<sup>th</sup> September, 2019 (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., C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083. Phone No. 28515644/ 28515606. Website: [www.sharexindia.com](http://www.sharexindia.com), email ID: [support@sharexindia.com](mailto:support@sharexindia.com) if the shares are held in physical form and to the concerned Depository Participants ('DP'), if the shares are held in electronic form.
4. The Annual Report 2018-19 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 Tuesday, 24<sup>th</sup> September, 2019 at 9.00 a.m. (IST) and ends on Thursday, 26<sup>th</sup> September, 2019 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 20<sup>th</sup> September, 2019 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.

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- (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.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians :
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) 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)
- (xxii) 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. 20<sup>th</sup> September, 2019 may obtain the Login ID and Password by sending a request at [support@sharexindia.com](mailto:support@sharexindia.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 Scrutinizer 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 & NSE.
- 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**

This Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**Resolution No. 3**

Your Board of Directors preferred to have a registered office in the state of Maharashtra at Mumbai instead of Daman as Mumbai is a commercial trading hub, various trading companies are located there and accordingly there are enormous opportunities available in the State of Maharashtra as compared to the Territory of Daman.

Further the Company is having an office in Mumbai and majority of the operational activities are being carried out from Mumbai. The proposed transfer will facilitate the Company to make optimum utilization of the opportunities available in the State of Maharashtra, the set targets and objectives, which would be in the interest of the Company and its members.

The Board is further of the view that the proposed shifting of the registered office would improve the access to new managerial talent and resources and facilitate carrying on the business of the Company more advantageously, efficiently, economically and conveniently.

It was therefore felt prudently that the operations of the company can be better managed if the registered office of the company is shifted to the State of Maharashtra as it is in the best interest of the company, shareholders and all the concerned parties are in no manner adversely affect the existing client base, creditors or operations or employees of the company.

This shifting would provide administrative convenience. Further, the shareholders of the company are unable to participate/approach to the existing registered office of the company and are unable to represent themselves in the company's general meeting. In connection to this, your Board of Directors has decided in their Board meeting held on Monday, 19<sup>th</sup> August, 2019, that the registered office of the company be shifted from Union Territory of Daman to the state of Maharashtra.

As per the provisions of section 12, 13 and other applicable provisions, if any, of the companies Act, 2013 and rules made there under, such shifting of registered office requires company to alter memorandum of association of the company and obtain necessary approval of the Shareholders by the way of special resolution.

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A copy of memorandum as on date and a copy indicating the proposed amendments is available for inspection at the registered office of the company during working hours.

None of the directors, key managerial personnel of the company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Therefore your Board of Directors recommends passing the resolution(s) set out in item No. 3 as special resolution for shifting the registered office from Union Territory of Daman to the state of Maharashtra and for altering Clause II of the memorandum of association of the company.

### **Resolution No. 4**

The Board of Directors of the company decided to change the name of the company. They believe that the new name would help the Company to bring positive energy thereby helping business to grow faster. It is proposed to appropriately change the name of the company from Tokyo Finance Limited to Primero Finance Limited or such other name as may be made available for adoption by the Registrar of Companies Goa, Daman & Diu / Ministry of Corporate Affairs and Reserve Bank of India.

The proposed change of name requires the approval of shareholders through special resolution pursuant to the provisions of section 13, 14 and 15 of the Companies Act, 2013.

The amendment shall be effective upon the Registration of the Resolution with the Registrar of Companies Goa, Daman & Diu. Pursuant to Section 13 / 14 of the Companies Act, 2013, alteration of the Name Clause of the Memorandum and Articles of Association of the Company requires approval of the members of the Company by way of passing a Special Resolution to that effect.

The draft copy of Memorandum and Articles of Association of the Company shall be open for inspection at the Registered Office of the Company during office hours on all working days, except Saturday and Sunday and other holidays, between 10:00 a.m. and 05:00 p.m. up to the date of AGM i.e. Friday, 27<sup>th</sup> September, 2019.

The proposed change of name will not affect any of the rights of the Company or of the shareholders/stakeholders of the Company. All existing share certificates bearing the current name of the Company will, after the change of name, continue to be valid for all purposes.

The amendment shall be effective upon the Registration of the Resolution with the Registrar of Companies (ROC). The Board of Directors accordingly recommends the resolution set out at Item No.4 of the accompanying Notice for the approval of the Members. None of the Directors and Managers of the Company and Key Managerial Personnel and their relatives is concerned in any way or interested in the resolution. Your Directors commend the resolution for your approval as a Special Resolutions.

### **Resolution No. 5-6**

The members of the Company at the 20<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> September, 2014 appointed Mr. Tassadduq Ali Khan (DIN: 00008368), and Mr. Chimanlal Andrjibhai Kutchhi (DIN: 00058092) as Independent Directors of the Company upto the conclusion of 25<sup>th</sup> Annual General Meeting to be held in the calendar year 2019 therefore their terms of appointment expires on the date of this Annual General Meeting.

The Board, based on the performance evaluation and as per the recommendations of Nomination and Remuneration Committee, considers that, given their background, experience and contributions made by them during their tenure, the continued association of Mr. Tassadduq Ali Khan and Mr. Chimanlal Andrjibhai Kutchhi would be beneficial to the Company and therefore it is desirable to continue to avail their services as Independent Directors for a second term of 5 (five) consecutive years.

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Mr. Tassadduq Ali Khan and Mr. Chimanlal Andrijibhai Kutchhi are not disqualified from being appointed as Directors in terms of Section 164 of the Act. The Company has also received declaration from Mr. Tassadduq Ali Khan and Mr. Chimanlal Andrijibhai Kutchhi that they meet the criteria of independence as prescribed under both SEBI (LODR) Regulations, 2015 as well as Section 149(6) of the Act. In the opinion of the Board, Mr. Tassadduq Ali Khan and Mr. Chimanlal Andrijibhai Kutchhi fulfil the conditions for re-appointment as Independent Directors as specified in the Act and SEBI (LODR) Regulations, 2015. They are independent of the management

Your Directors recommend Resolution at Item No. 5 to 6 as a Special Resolution for approval of the members.

None of the Directors or key managerial personnel of the Company other than Mr. Tassadduq Ali Khan and Mr. Chimanlal Andrijibhai Kutchhi are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 to 6 except as disclosed above.

The details of Director seeking re-appointment at the forthcoming Annual General Meeting (pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India, are furnished below

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

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

Particulars	Mr Haresh Velji Shah	Mr. Tassaddq Ali Khan	Mr. Chimanlal Andrijibhai Kutchhi
Date of Birth	16.08.1974	04.07.1948	16.09.1951
Date of Appointment	01.07.1996	27-12-2005	27-12-2005
Qualifications	Graduate in Plastic Industry	Graduate In Commerce	Under Graduate
Expertise in specific functional areas	Plastic Industry	Banking Industry	Spices Industry
Directorship in other Public Limited Companies	(i) Tokyo Plast International Limited (ii) Tokyo Constructions Limited (iii) Tokyo Exim Limited	(i) Tokyo Plast International Limited	(i) Tokyo Plast International Limited
Membership of Committees in another Public Limited Companies	(i) Stakeholders Relationship Committee (ii) CSR Committee of Tokyo Plast International Limited.	(i) Audit Committee (ii) Stakeholders Relationship Committee (iii) Nomination and Remunration Committee (iv) CSR Committee of Tokyo Plast International Limited.	(i) Audit Committee (ii) Stakeholders Relationship Committee (iii) Nomination and Remunration Committee (iv) CSR Committee of Tokyo Plast International Limited.
Number of Shares held in the Company	NIL	NIL	NIL

For And On Behalf of the Board of Directors

Place : Mumbai  
Date : 19<sup>th</sup> August, 2019

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 Fifth Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended on 31st March, 2019.

#### Financial Results

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

<b>Particulars</b>	<b>(Rs. In Lakhs)</b>	
	<b>2018-19</b>	<b>2017-18</b>
Revenue from operations	161.03	154.18
Profit for the year before Tax	120.22	4.55
Tax expenses	5.00	5.08
<b>Net Profit after Tax</b>	115.22	-0.53
Surplus carried over to Balance Sheet	115.22	-0.53

#### Review of Operations

The Company recorded a gross turnover of Rs. 161.03, increased from Rs.154.18 lakhs of the previous Financial Year. The Company has achieved net Profit of Rs.115.22 lakhs against loss of Rs.0.53 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 2018-19 is attached herewith as Annexure-1 signed by Ms. I. Javeri, Associate of Mr. Virendra Bhatt.

As regards the observation for Non Appointment of Company Secretary by The Registrar of Companies, Goa. It is to be noted that the Board of Director of the company at their meeting held on 27th September, 2019 have appointed Ms. Priyanka Borana (ACS-57839) as Company Secretary cum Compliance Officer of the Company w.e.f. 27th February, 2019.

As on 18th April, 2019 Registrar of Companies, Goa issued order of Adjudication of penalty for violation of section 203 of the Companies Act, 2013 read with Companies (Adjudication of Penalty), 2014. The Company had made appeal against the said order before Regional Director (WR), Ministry of Corporate Affairs in form ADJ dated 11.06.2019 to compound the penalty imposed up on the Company and its Directors as per section 203(5) of the Companies Act, 2013 on such reasonable terms and conditions as the Regional Director may determine.

As regards to the observation in respect of non-Compliance with requirement to appoint a qualified Company Secretary as the Compliance Officer for the quarter ended December, 2018 issued by BSE Limited Company has submitted representation letter to stock exchange to reduce the penalty reply from the BSE Limited still awaited as on 13th May, 2019.

### **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 2018-19.

He has submitted Internal Audit Report for the financial year 2018-19 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**

In accordance with the provisions of the Companies Act, 2013, Mr. Haresh V. Shah, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

During the year, Ms. Priyanka Borana, a member of Institute of Company Secretaries of India, was appointed as the Company Secretary and Compliance Officer of the Company with effect from February 27, 2019.

#### **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.

## TOKYO FINANCE LIMITED

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

- 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.
- 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.
- 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:

- In the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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;
- 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;
- They have prepared the annual accounts on a going concern basis;
- They have laid down internal financial controls in the company that are adequate and were operating effectively.
- 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 7 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 (29th Sept, 2018)		As Chairman	As Member
Mr. Velji L. Shah <i>Chairman &amp; Managing Director</i> <i>DIN: 00007239</i>	Executive, Non-Independent	6	No	3	--	--
Mr. Haresh V. Shah <i>DIN: 00008339</i>	Executive, Non-Independent	7	Yes	3	--	1
Mr. Tassadduq Ali Khan <i>DIN: 00008368</i>	Non-Executive, Independent	6	Yes	1	2	1
Mr. Chimanlal Andarji Kachhi <i>DIN: 00058092</i>	Non-Executive, Independent	6	No	1	1	2
Ms Jagruti Mayurbhai Sanghavi <i>DIN: 07144651</i>	Non-Executive, Independent	6	No	1	--	2

<sup>(1)</sup> Excludes directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.

<sup>(2)</sup> 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 13<sup>th</sup> May, 2019, inter alia to:

- a. Review the performance of the non- Independent Directors and the Board of Directors as a whole;
- b. Review the performance of the Chairperson of the Company; taking into account the views of the Executive Directors.
- c. 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.

**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>

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### **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 2018-19.

### **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 whenever 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 2019-20.

### **Dematerialization of Shares**

85.53% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2019. 27.81% shares are held in NSDL & 57.72% shares are held in CDSL. The Company's Registrar is Sharex Dynamic (India) Pvt. Ltd., situated at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083. Phone No. 28515644/28515606. Website: [www.sharexindia.com](http://www.sharexindia.com), email ID: <mailto:support@sharexindia.com>

The company has applied for de-listing from Ahmadabad 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. 238800/- in financial year 2018-19. There was 5.30% increase in MRE in financial year 2018-19.



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 2018-19.

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

Velji L. Shah, Hiteshree Fichadia, Charmi Dedhia, Priyanka Borana, Nisha Chetan Shah, Satynarayan C Maurya, Shantilal R. Gandhi, Ratan M. Parikh, Amay Subhash Kochare, Kalpana Anant Ghate,

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 : 13<sup>th</sup> May, 2019

**ANNEXURE TO BOARD'S REPORT**

**ANNEXURE – 1**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

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 books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 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 books, papers, minutes books, forms and returns filed and other records maintained by Tokyo Finance Limited (“the Company”) for the financial year ended on March 31, 2019 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;

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, 2019:-

- (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, I am of opinion that the Company has prima facie complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except:

- (i) **Late filing with respect to submission of financial results and filing of outcome of the Board Meeting.**
- (ii) **The Registrar of Companies issued Show Cause Notice dated 17<sup>th</sup> January, 2019 under sub-section (5) of Section 203 of the Companies Act, 2013 for non-appointment of Company Secretary in the Company and the Company vide letter dated 4<sup>th</sup> February, 2019 has submitted its reply. Thereafter an opportunity for personal hearing was given and representative of the Company appeared before the Registrar of Companies, Goa and reply from the Registrar of Companies awaited as on 31<sup>st</sup> March, 2019.**
- (iii) **BSE Limited issued notice dated 12<sup>th</sup> February, 2019 to the Company in respect of non-compliance with requirement to appoint a qualified Company Secretary as the Compliance Officer and penalty was imposed.**

I further report that:

1. Being a Non-Banking Financial Company it has invested and lent more than 25% of its owned funds to group Companies.
2. 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.
3. I have not examined the Audited Financial Statement, Financial Books & related Financial Acts 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.
4. During the audit period, the Company has prima facie complied with the provisions of the Companies Act, 2013 in respect of appointment of Key Managerial Personnel.
5. I have not examined books of accounts and I rely on statutory auditor's reports in relation to the Audited Financial Statements and accuracy of financial figures for Sales Tax, Value Added tax, Goods and Service Tax Act, ESIC, Provident fund, Professional Tax, Related Party Transactions etc. as disclosed under the Audited Financial Statements, Accounting Standards and note on foreign currency transactions during my audit period.
6. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, there was no changes take place in the constitution of the Board of Directors.

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.

## TOKYO FINANCE LIMITED

8. As per the information provided and as per minutes of the meetings, majority decisions of the Board were unanimous and no dissenting views were found as part of the minutes.
9. There are prima facie adequate systems in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
10. The management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/files required by the concerned authorities and internal control of the concerned department.
11. During the period under review, as per the information provided by the Company, the Compliance Officer has not granted any pre-clearance approval to any of the Designated Persons during the closure of trading window period.

I further report that during the audit period, there were no instances of:

- i. Public / Right / sweat equity, Debentures etc;
- ii. Issue of equity shares under Employee Stock Option Scheme;
- iii. Buy-back of securities;
- iii. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013 which would have major bearing on the Company's affairs;
- iv. Foreign Technical Collaborations;
- v. Change of name pursuant to the Scheme of De-merger;
- vi. 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.

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

**Place: Mumbai**  
**Date: 13.05.2019**

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2019

[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
--	--	--	--	--

## TOKYO FINANCE LIMITED

### 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 01/04/2018				No. of Shares held at the end of the year 31/03/2019				% 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	1767259	-	1767259	25.35	3235638	-	3235638	46.42	21.07
(b). Central Govt.	-	-	-	-	-	-	-	-	-
(c). State Govt(s).	-	-	-	-	-	-	-	-	-
(d). Bodies Corp.	1120000	-	1120000	16.07	-	-	-	-	-16.07
(e). FIINS / BANKS.	-	-	-	-	-	-	-	-	-
(f). Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	2887259	-	2887259	41.42	3235638	-	3235638	46.42	5.00
(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)	2887259	-	2887259	41.42	3235638	-	3235638	46.42	5.00

## ANNUAL REPORT 2018 - 2019

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

(a). Mutual Funds	-	-	-	-	-	-	-	-	-
(b). Banks / FI	-	-	-	-	-	-	-	-	-
(c). Central Govt.	-	-	-	-	-	-	-	-	-
(d). State Govt.	-	-	-	-	-	-	-	-	-
(e). Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f). Insurance Companies	-	-	-	-	-	-	-	-	-
(g). FII's	-	-	-	-	-	-	-	-	-
(h). Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i). Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	81353	23700	105053	1.51	88293	13700	101993	1.46	-0.04
(ii). Overseas	-	-	-	-	-	-	-	-	-
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	652104	828800	1480904	21.25	641662	812100	1453762	20.86	-0.39
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	2183409	307800	2491209	35.74	1994432	180800	2175232	31.21	-4.53
(c). Other (specify)									
Non Resident Indians	600	1800	2400	0.03	600	1800	2400	0.03	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	3275	-	3275	0.047	1075	-	1075	0.015	-0.032
Trusts	-	-	-	-	-	-	-	-	-
Foreign Boodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	2920741	1162100	4082841	58.58	2726062	1008400	3734462	53.58	-5.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2920741	1162100	4082841	58.58	2726062	1008400	3734462	-53.58	-5.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	5808000	1162100	6970100	100.00	5961700	1008400	6970100	100.00	-

## TOKYO FINANCE LIMITED

### (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	0	0.00	-
Velji Lakhadir Shah	961100	13.79	0	0.00	-
Pushpa Pravin Shah	308150	4.42	308150	4.42	-
Priti Haresh Shah	249168	3.58	249168	3.58	-
Bharat Malshibhai Shah	71045	1.02	71045	1.02	-
Heena Bharat Shah	65296	0.94	65296	0.94	-
Malshi Lakhdir Shah	41300	0.59	0	0.00	-
Haresh V Shah	39100	0.56	0	0.00	-
Kamlesh M Khirani	19600	0.28	19600	0.28	-
Dharmil Haresh Shah	0	0.00	1269489	18.21	-
Priyaj Haresh Shah	0	0.00	1240390	17.80	-
Pravin Malshi Shah	12500	0.18	12500	0.18	-
Total	2887259	41.42	3235638	46.42	-

### (iii) Change in Promoters' Shareholding (Please specify, if there is no change) :

Sr.No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the Year			% of total Shares of the company
		No. of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/Decreasing in shareholding	Reason	No. Of shares	
1	Dharmil Haresh Shah	--		01-04-2018				
				12-10-2018	55035	Buy	55035	0.79
				19-10-2018	63621	Buy	118656	1.702
				26-10-2018	5000	Buy	123656	1.774
				30-11-2018	6000	Buy	129656	1.86
				07-12-2018	4000	Buy	133656	1.918
				14-12-2018	1080750	Buy	1214406	17.423
				25-01-2019	20000	Buy	1234406	17.71
				08-02-2019	3000	Buy	1237406	17.753
				15-02-2019	30000	Buy	1267406	18.183
		22-02-2019		Buy	1269489	18.213		
	-Closing Balance			31-03-2019			1269489	18.213
2	Priyaj Haresh Shah			01-04-2018				
				26-10-2018	6000	Buy	6000	0.086
				02-11-2018	10000	Buy	16000	0.23
				30-11-2018	26000	Buy	42000	0.603
				07-12-2018	21072	Buy	63072	0.905
				14-12-2018	1080750	Buy	1143822	16.41
				08-03-2019	2000	Buy	1145822	16.439
				15-03-2019	94568	Buy	1240390	17.796
	-Closing Balance			31-03-2019			1240390	17.796
3	Haresh V. Shah	39100	0.561	01-04-2018				
				31-08-2018	1002400	Buy	1041500	14.942
				02-11-2018	1120000	Buy	2161500	31.011
				14-12-2018	-2161500	Sold	--	--
	-Closing Balance							
4	Tokyo Plast International Limited	1120000	16.069	01-04-2018				
				02-11-2018	-1120000	Sold	--	--
	-Closing Balance							
5	Velji Lakhadir Shah	961100	13.789	01-04-2018				
				25-08-2018	-961100	Sold	--	--
	-Closing Balance							
6	Malshi Lakhdir Shah	41300	0.593	01-04-2018				
				25-08-2018	-41300	Sold	--	--
	-Closing Balance							



(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	13200	Buy	235676	3.38
Pravin Motilal Chhadva	206300	2.96	14000	Buy	220300	3.00
Manilal Bachu Gada	140805	2.02	71301	Buy	212106	3.04
Gunshi Bhimshi Gada	99000	1.42	No Change	No Change	99000	1.42
Govind Devji Waghela	150987	2.17	7980	Buy	158967.00	2.281
			-58000	Sale	100967.00	1.449
			-5137	Sale	95830.00	1.375
			-14000	Sale	81830.00	1.174
			-4000	Sale	77830.00	1.117
Shree Adeshwar Securities	66100	0.95	No Change	No Change	66100	0.95
Ranjeet S. Shah	59700	0.86	5000	Buy	64700	0.93
Subramanian P	57400	0.82	No Change	No Change	57400	0.82

(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	Nil	Nil
Haresh V. Shah	39100	0.56	Nil	Nil
Tassadduq Ali Khan	Nil	Nil	Nil	Nil
Chimanlal Andrjibhai Kachhi	Nil	Nil	Nil	Nil
Jagruti Mayurbhai Sanghavi	Nil	Nil	Nil	Nil
Priyanka Borana	Nil	Nil	Nil	Nil

## TOKYO FINANCE LIMITED

### 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	--	391.74	--	391.74
Total (i+ii+iii)	--	1089.64	--	1089.64
Change in Indebtedness during the financial year				
• Addition	--	--	--	--
• Reduction	--	698.15	--	698.15
Net Change	--	--	--	--
Indebtedness at the end of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	391.49	--	391.49
Total (i+ii+iii)	--	391.49	--	391.49

### 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

### 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	Total Amount
	Ms. Priyanka Borana (From 27.02.2019)	
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	0.38	0.38
Stock Option	--	--
Sweat Equity	--	--
Commission -as % of profit - others, specify...	--	--
Others, please specify	--	--
Total (A)	0.38	0.38

**VII. 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	Sec 203	Under section 203(5) of the act for non appointment of Company Secretary for 117days	The amount of penalty impose on Company 500000/- (for 117 days)	Adjudicating Officer	Appeal made against this order filed before Regional Director (WR), Ministry of Corporate Affairs, 100, Marine Drive, Everest Building Mumbai - 400002 in Form ADJ
	Regulation 6(1)	Regulation 6(1) of SEBI (LODR) Regulations, 2015 Non -compliance with requirement to appoint a qualified company secretary as the compliance officer.	Rs. 1000 per day till the date of compliance Basic Fine 92000+ 16560 (GST @ 18%) = 108560	Department of Listing Compliance	Company filed representation letter to Stock Exchange
Punishment					
Compounding					
<b>B. Directors :- On Shri Velji L.Shah ( Managing Director)</b>					
Penalty	Sec 203	Under section 203(5) of the act for non appointment of Company Secretary for 117days	The amount of penalty impose on Managing Director Rs .50000/- plus+117x Rs. 1000 = 1,17,000/-	Adjudicating Officer	Appeal made against this order filed before Regional Director (WR), Ministry of Corporate Affairs, 100, Marine Drive, Everest Building Mumbai - 400002 in Form ADJ
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty					
Punishment					
Compounding					

**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.

During the year under review, the Reserve Bank of India (RBI) maintained a very cautious stance in its endeavors to keep inflation under a target of 4% and increased the repo rate twice by 25 basis points each during the first half of the financial year. While it succeeded in containing inflation which declined to a low of 2.2% in December 2018, however, neither GDP nor credit could register the desired growth. The RBI cut the repo rate by 25 basis points in February 2019. Monetary policy transmission continued to remain slow.

The money markets were caught in the aftermath of the liquidity crisis following defaults by a large NBFC which led to heightened risk aversion and higher borrowing costs for NBFCs. For few weeks, the liquidity completely dried up with a fear of contagion impacting other players of NBFCs. However, the RBI undertook various measures such as continued open market operations, easing norms for sale of loans, rupee/dollar buy/sell swap options and encouraging banks to increase their lending to NBFCs.

**Indian Accounting Standards (Ind AS):**

The Ministry of Corporate Affairs (MCA), based on its notification in the Official Gazette vide Notification G.S.R. 111(E) and G.S.R. 365(E) dated February 16, 2015 and March 30, 2016 respectively, notified the Indian Accounting Standards (Ind AS) applicable to certain class of companies. Ind AS has replaced the Indian GAAP prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These notifications are applicable to our company effective April 1, 2019.

**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.

**CERTIFICATE OF NON-DISQUALIFICATION OF  
DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members of

TOKYO FINANCE LIMITED  
363/1(1,2,3), Shree Ganesh Industrial Estate,  
Kachigam Road, Daman, Daman and Diu - 396210

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Tokyo Finance Limited having CIN L65023DD1994PLC009783 and having registered office at 363/1(1,2,3), Shree Ganesh Industrial Estate, Kachigam Road, Daman, Daman and Diu - 396210 (Hereinafter referred to as “the Company”), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

Sr. No.	Name of Directors	DIN	Date of Appointment at current Designation	Original Date of Appointment
1	Velji Lakhadir Shah	7239	21/05/2015	18/11/1992
2	Haresh Velji Shah	8339	01/07/1996	01/07/1996
3	Tassadduq Ali Khan	8368	27/12/2005	27/12/2005
4	Chimanlal Andrijibhai Kutchhi	58092	27/12/2005	27/12/2005
5	Jagruti Mayurbhai Sanghavi	7144651	30/09/2015	28/03/2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai  
Date : 13th May, 2019

**Virendra G. Bhatt**  
ACS No.1157  
COP No.124

**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 a fair 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.

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**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, 2019 from all the Board Members and the Senior Management Personnel.

Velji L. Shah  
Chairman & Managing Director  
DIN: 00007239

Place: Mumbai  
Date: 13<sup>th</sup> May, 2019

**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.

**Place : Mumbai**  
**Date : 13th May, 2019**

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

## TOKYO FINANCE LIMITED

### INDEPENDENT AUDITOR'S REPORT

To the Members of  
Tokyo Finance Limited

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the accompanying financial statements of Tokyo Finance Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditor's Response
Accuracy in classification of assets related to financing activities as performing and non-performing assets, income recognition, provisioning, write off thereof and completeness of disclosure including compliance in accordance with the applicable extant guidelines issued by Reserve Bank of India (RBI).	We have assessed the systems and processes laid down by the company to appropriately identify and classify the assets relating financing activities to ensure correct classification as performing and non-performing, income recognition and provisioning or write off as per applicable RBI guidelines. The audit approach included testing the existence and effectiveness of the control environment laid down by the management and conducting of detailed substantive verification on selected samples of continuing and new transactions in accordance with the principles laid down in the Standards on Auditing and other guidance issued by Institute of Chartered Accountants of India. We have also reviewed the reports generated from management information systems and secretarial auditors. The impact of all significant external and internal events including those if any ,subsequent to balance sheet date have been taken into consideration for the above purposes. Compliance with material disclosure requirements prescribed by RBI guidelines and other statutory requirements have been verified.



Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of Management for 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## TOKYO FINANCE LIMITED

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - 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.
  - e) On the basis of the written representations received from the directors as on year taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls 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 Auditor’s 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 for which there were any material foreseeable losses;
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
3. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

For Vinodchandra R Shah & Co  
Chartered Accountants  
Firm’s Registration No. 115394W

Gauav Parekh  
Partner  
Membership No. 140694

Place: Navi Mumbai  
Date: 13 May 2019

## TOKYO FINANCE LIMITED

### ANNEXURE A TO INDEPENDENT AUDITOR'S 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, 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) 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.
- (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,

- (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.

Chartered Accountants

Firm's Registration No. 115394W

Gauav Parekh

Partner

Membership No. 140694

Place : Navi Mumbai

Date : 13 May 2019

## TOKYO FINANCE LIMITED

### 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, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's Management 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.

#### 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, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Vinodchandra R Shah & Co  
Chartered Accountants  
Firm's Registration No. 115394W

Gauav Parekh  
Partner  
Membership No. 140694

Place : Navi Mumbai  
Date : 13 May 2019

**TOKYO FINANCE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2019**

	Note No.	As at 31 March. 2019		As at 31 March. 2018	
		Rs.		Rs.	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
Share capital	1	69425500		69425500	
Reserves and surplus	2	<u>58236686</u>	127662186	<u>46715117</u>	116140617
<b>Non-current liabilities</b>					
Long-term borrowings	3	-		69790466	
Long-term provisions	4	<u>1284638</u>	1284638	<u>875686</u>	70666152
<b>Current liabilities</b>					
Trade payables	5	20841		4051	
Other current liabilities	6	47140672		47853929	
Short-term provisions	7	<u>28502865</u>	75664378	<u>29492207</u>	77350187
<b>TOTAL</b>			<u><u>204611202</u></u>		<u><u>264156956</u></u>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Fixed assets					
Property, Plant and Equipments	8	2520742		2589810	
Non-current investments	9	-		6705300	
Long-term loans and advances	10	<u>113023631</u>	115544373	<u>162063631</u>	171358741
<b>Current assets</b>					
Cash and bank balance	11	194780		352068	
Short-term loans and advances	12	<u>88872050</u>	89066829	<u>92446147</u>	92798215
<b>TOTAL</b>			<u><u>204611202</u></u>		<u><u>264156956</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 13th May, 2019

For and on behalf of the Board of Directors

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

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

Mumbai, Dated 13th May, 2019



## ANNUAL REPORT 2018 - 2019

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

	Note No.	2018-19 Rs.	2017-18 Rs.
<b>Income :</b>			
Income from operations	13	16103296	15417928
Other Income	14	15245900	-
<b>Total</b>		<b>31349196</b>	15417928
<b>Expenses :</b>			
Employee benefits expense	15	2735934	3394513
Finance costs	16	2587145	5521738
Depreciation and amortisation expense	8	69068	68880
Other expenses	17	13935480	5977172
<b>Total</b>		<b>19327626</b>	14962303
<b>Profit / (Loss) before tax</b>		<b>12021570</b>	455625
<b>Tax expense:</b>			
Tax expense for current year		500000	508092
Tax expense relating to prior years		-	-
Net current tax expense		<b>500000</b>	508092
<b>Profit / (Loss) for the year</b>		<b>11521570</b>	(52467)
<b>Earnings Per Share of Face Value of Rs.10/- each</b>			
<b>Basic/Diluted (Rs)</b>		<b>1.66</b>	(0.01)

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 13th May, 2019

For and on behalf of the Board of Directors

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

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

Mumbai, Dated 13th May, 2019

## TOKYO FINANCE LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019	As at 31st March, 2018
	Rs.	Rs.
<b>A. Cash flow from operating activity:</b>		
Net Profit before tax and extraordinary items	12021570	455625
Adjustments for :		
Depreciation	69068	68880
Provision for Standard Loan	389342	147631
Provision for Substandard Loan	9080000	4636045
Profit on sale of investments	-15245900	
Finance Cost	2587145	5518758
	<u>-3120345</u>	10371314
Operating profit before working capital changes	8901225	10826939
Adjustments for:		
Loans and Advances	40114098	(15071413)
Inventories		
Current Liabilities	<u>(13808451)</u>	<u>(564972)</u>
Cash generated from operations	35206871	(4809446)
Direct Taxes paid	-	-
Cash flow before extraordinary items	35206871	(4809446)
Extraordinary items	-	-
Net cash from operating activities	35206871	(4809446)
<b>B. Cash flow from investing activities:</b>	-	-
Return of Capital Advance	12500000	5000000
Receipts from sale of Investments	21951200	0
Net cash from investing activities	34451200	5000000
<b>C. Cash flow from financing activities</b>		
Finance Cost	(24892)	
Proceeds from borrowings (Net)	<u>(69790466)</u>	-
Net cash used in financing activities	(69815358)	-
Net increase in cash and cash equivalents	(157287)	190554
Cash and Cash equivalents as at the beginning of the year	352067	161513
Cash and Cash equivalents as at the end of the year	194780	352067
(Note No 12. of the Notes to Financial statements.)		
	0.00	

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 13th May, 2019

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 13th May, 2019

**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 .

## TOKYO FINANCE LIMITED

### **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.

**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 Directors

**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**

## TOKYO FINANCE LIMITED

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

	As at March 31, 2019 Rs.	As at March 31, 2018 Rs.
<b>1. Share Capital</b>		
<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>	<u><u>69425500</u></u>	<u><u>69425500</u></u>

#### 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, 2019		As at March 31, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Priyaj H. Shah	1240390	17.80	-	-
Dharmil H. Shah	1269489	18.21	-	-
Tokyo Plast International Ltd	-	-	1120000	16.07
Velji L Shah	-	-	961100	13.78
<b>Details of Calls unpaid</b>				
Directors / officers	Nil	Nil	Nil	Nil
Others	151600	275500	151600	275500

#### 2. Reserves & Surplus

Surplus in the statement of Profit and Loss Account				
Balance as per Last Financial Statement	46715117		46767584	
Add: Profit ( Loss) for the year	11521570		(52467)	
Closing balance		<u>58236686</u>		<u>46715117</u>
<b>TOTAL</b>		<u><u>58236686</u></u>		<u><u>46715117</u></u>

#### 3. Long-term borrowings

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

#### 4. Long Term Provisions

Provision for Employees Benefits	895296		875686	
Provision for Standard Assets Long Term	389342		-	
<b>TOTAL</b>		<u>1284638</u>		<u>875686</u>

#### 5. Trade payables

Micro, Small and Medium Enterprises	-		-	
Others	20841		4051	
<b>TOTAL</b>		<u>20841</u>		<u>4051</u>

## ANNUAL REPORT 2018 - 2019

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

	As at March 31, 2019	As at March 31, 2018
<b>6. Other current liabilities</b>	<b>Rs.</b>	<b>Rs.</b>
Interest Accrued and not Due on borrowings	39148855	39173747
Other Payables Includes statutory dues.	<u>7991817</u>	<u>8680182</u>
<b>TOTAL</b>	<b><u>47140672</u></b>	<b><u>47853929</u></b>
<b>7. Short-term provisions</b>		
Provision for employee benefits	159614	68000
Provision for Standard Assets	147631	147631
Provision for Substandard Assets	24927598	26508554
Other Provisions ( Provision for Income Tax)	<u>3268022</u>	<u>2768022</u>
<b>TOTAL</b>	<b><u>28502865</u></b>	<b><u>29492207</u></b>

**8. FIXED ASSETS**

Particulars	Gross Block			Depreciation			Net Block		
	Cost as on 1-Apr-2018	Additions	Deletions	Cost as on 31-Mar-2019	Upto 31-Mar-2018	Current Year	As on 31-Mar-2019	As on 31-Mar-2019	As on 31-Mar-2018
<b>Property, Plant and Equipments</b>									
Office Premises	4265000	--	--	4265000	1675190	69068	1744258	2520742	2589810
Office Equipments	151500	--	--	151500	151500	--	151500	--	--
Computers	188170	--	--	188170	188170	--	188170	--	--
Furniture & Fixture	4144	--	--	4144	4144	--	4144	--	--
<b>TOTAL</b>	4608814	--	--	4608814	2019004	69068	2088072	2520742	2589810

**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

	<u>-----</u>	<u>-----</u>
<b>TOTAL</b>	<b><u>-----</u></b>	<b><u>6705300</u></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

Loans and advances to related party

Tokyo Constructions Limited

	<u>-----</u>	<u>-----</u>
<b>TOTAL</b>	<b><u>113023631</u></b>	<b><u>162063631</u></b>

## TOKYO FINANCE LIMITED

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

	As at March 31, 2019	As at March 31, 2018
	Rs.	Rs.
<b>11. Cash and cash bank balances</b>		
Balance with Bank	143219	184044
Cash on Hand	51561	168024
<b>TOTAL</b>	<u>194780</u>	<u>352068</u>
<b>12. Short-term loans and advances to Others</b>		
Unsecured, considered good	57180973	59059750
Unsecured, Doubtful	24877598	26508554
Balances with government authorities	5531260	5785759
Others	1282219	1092084
<b>TOTAL</b>	<u>88872050</u>	<u>92446147</u>
<b>13. Revenue from operations</b>		
Interest	9203296	15179328
Divident	-	238600
Doubtfull debts recovered	6900000	-
<b>TOTAL</b>	<u>16103296</u>	<u>15179328</u>
<b>14. Other Income</b>		
Profit on sale of Investment	15245900	-
<b>14. Employee benefits expense</b>		
Salaries and Bonus	2716324	3243899
Gratuity Expenses	19610	150614
<b>TOTAL</b>	<u>2735934</u>	<u>3394513</u>
<b>15. Finance costs</b>		
Interest	2585740	5520683
Bank charges	1405	1055
<b>TOTAL</b>	<u>2587145</u>	<u>5521738</u>
<b>16. Other expenses</b>		
Listing & Custodian Fees	272500	338984
Advertisement	116971	77590
Registrar & Shares transfer fees	128290	85771
Payments to auditors (Refer # below)	210000	125000
Provision for Substandard Loans	9080000	4636045
Provision for standard Loans	389342	147631
Miscellaneous Expenses	3738377	566151
<b>TOTAL</b>	<u>13935480</u>	<u>5977172</u>
<b># Payment to Auditors</b>		
Audit Fees	125000	125000
Tax Audit Fees	85000	-
<b>TOTAL</b>	<u>210000</u>	<u>125000</u>



## ANNUAL REPORT 2018 - 2019

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

	As at March 31, 2019	As at March 31, 2018		
<b>17. Earning per share (EPS)</b>	<b>Rs.</b>	<b>Rs.</b>		
Profit / (Loss) for the year after taxation	11521570	(52467)		
Weighted average number of shares outstanding during the year	6942550	6942550		
Earnings per share (Basic and Diluted) in Rs.	1.66	(0.01)		
Face value per share in Rs.	10	10		
<b>18. Contingent liabilities</b>	Nil	Nil		
<b>19. Related Party Disclosures</b>				
<b>List of related parties and relationships:</b>				
<b>Name of the Related Party</b>	<b>Relationship</b>			
Tokyo Plast International Limited	Enterprise where Key Managerial persons have significant influence			
Tokyo Constructions Limited	"			
Velji L. Shah	Key management personnel			
Priyanka Borana	"			
<b>Transactions during the year with related parties :</b>				
<b>Nature of Transactions</b>	<b>Enterprise where Key Managerial persons have significant influence</b>	<b>Key management personnel</b>		
	2018-19	2017-18	2018-19	2017-18
Receiving of services	120000	120000	-	-
Interest Income	-	10477432	-	-
Interest Expenses	-	5518758	-	-
Loans and advances Given/(Received) net	(36540000)	12104731	-	-
Loans and advances Taken/(Paid) net	(69790466)	-	-	-
Remuneration to Key management personnel	-	-	638393	734000
Sale of Investments	-	-	21951200	-
<b>Balances outstanding at the end of the year</b>				
Loans and advances Given	113023631	149563631	-	-
Loans and advances Taken	-	69790466	-	-
Interest Accrued and not due	39148855	39173747	-	-
Investments	-	6705300	-	-
Remuneration to Key management personnel	-	-	-	-
<b>20. Disclosure pursuant to Accounting Standard 15 "Employee benefits"</b>				
Liability for gratuity has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard 15 (revised) the details of which are as hereunder:				
<b>Amount to be recognised in Balance Sheet</b>	<b>2018-19</b>	<b>2017-18</b>		
Present Value of unfunded Obligations	525068	574458		
Fair Value of Plan Assets	-	-		
Net Liability	525068	574458		
Amounts in Balance Sheet	525068	574458		
Assets	-	-		
Net Liability	525068	574458		

## TOKYO FINANCE LIMITED

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

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

Current Service Cost	101940	99441
Interest on Defined Benefit Obligation	44233	55831
Expected Return on Plan Assets	-	-
Net Actuarial Losses / (Gains) Recognized in Year	(126563)	-305886
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	574458	725072
Current Service Cost	101940	99441
Interest Cost	44233	55831
Actuarial Losses / (Gain)	(126563)	(305886)
Benefits Paid	(69000)	-
Closing Defined Benefit Obligation	525068	574458

##### 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%	7.70%
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 13th May, 2019

For and on behalf of the Board of Directors

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

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

Mumbai, Dated 13th May, 2019

# 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 25th Annual General Meeting of the Company, to be held on 27th September, 2019 at Hotel Sovereign, Sea Face Road, Daman-396 210 (U.T.) on September 27, 2019 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, 2019.		
2.	Re-appointment of Mr. Haresh V. Shah as Director		
3.	Approval to shift the registered office of the Company from The Union Territory of Daman to State of Maharashtra.		
4.	Approval to Change Name of Company		
5.	Re-appointment of Mr. Tassaduq Ali Khan (DIN:00008368) as an Independent Director		
6.	Re-appointment of Mr. Chimanlal Andrijibhai Kutchhi (DIN: 00058092) as an Independent Director		

Signed this \_\_\_\_ day of \_\_\_\_\_ 2019.

Rupee 1  
Revenue  
Stamp

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

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

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

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

## **TOKYO FINANCE LIMITED**

CIN : L65023DD1994PLC009783

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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 \_\_\_\_\_

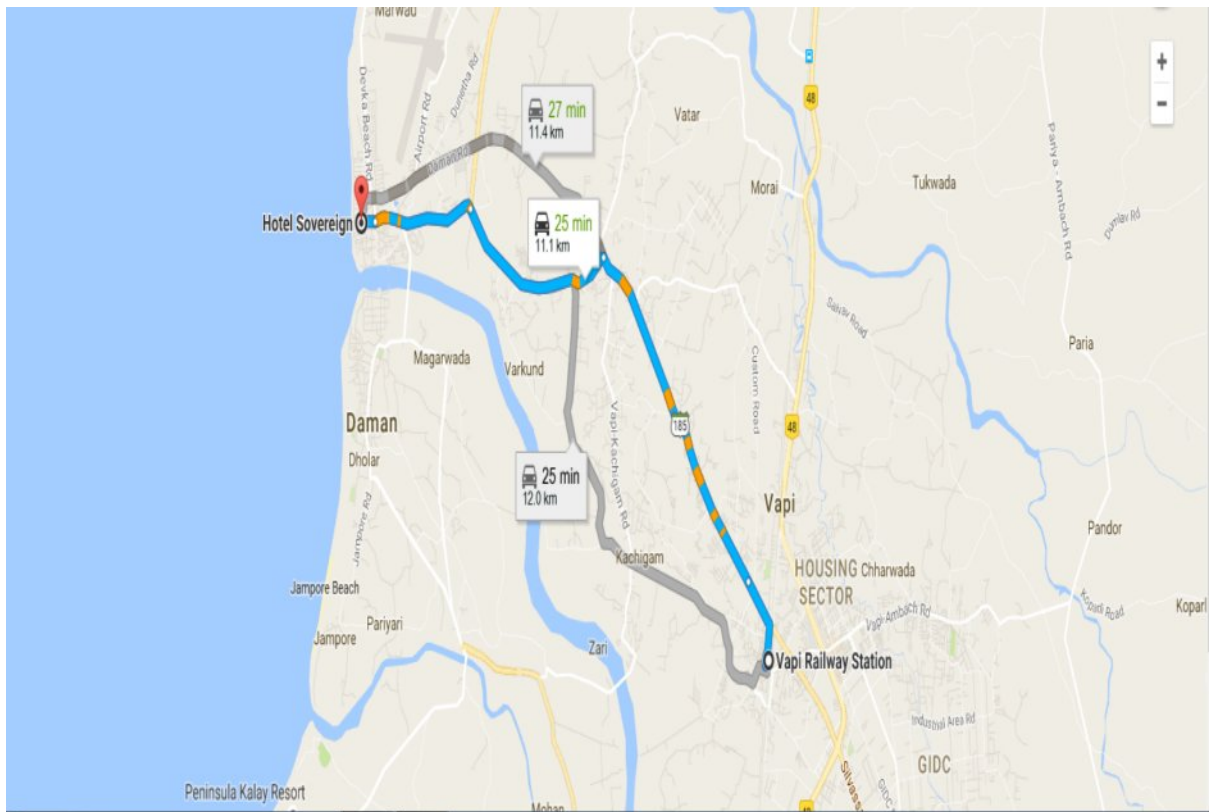
Name and Address of the shareholder : \_\_\_\_\_

I hereby record my presence at the Twenty Fifth Annual General Meeting of the Company, to be held on Friday 27th September, 2019 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