

# **TOKYO FINANCE LIMITED**

**ANNUAL REPORT 2009-2010**

## TOKYO FINANCE LIMITED

### BOARD OF DIRECTORS

Shri. Velji L. Shah  
Chairman

Shri. Haresh V. Shah

Shri Tassadduq A. Khan

Shri Chimanlal A.Kachhi

AUDITORS  
Swamy & Chhabra  
Chartered Accountants

BANKERS  
The Cosmos Co-Op. Bank Ltd.

REGISTERED OFFICE  
102, Thosar House, Hanuman Cross Road No.1  
Vile Parle (East), Mumbai - 400 057

REGISTRAR AND TRANSFER AGENT  
Ajel Infotech Ltd.  
106, Oshiwara Link Plaza Commercial Complex,  
2nd Floor, New Link Road, Oshiwara,  
Jogeshwari (West)  
Mumbai - 400 102.

SIXTEENTH ANNUAL GENERAL MEETING	CONTENTS
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**NOTICE**

**NOTICE** is hereby given that the Sixteenth Annual General Meeting of the shareholders of Tokyo Finance Limited will be held at Utkarsh Mandal Hall, Ground Floor, Malviya Road, Vile Parle (East) Mumbai – 400057 on August 19, 2010 at 4.00 p.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31.03.2010 and Profit & Loss account of the year ended on that date together with the Report of the Directors and Auditors.
2. To appoint a Director in place of Shri. Velji L. Shah, Director who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri . Chimanlal Andarji Kachhi, Director who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors M/s. Swamy & Chhabra, Chartered Accountants to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration

**SPECIAL BUSINESS:**

To consider and if thought fit, to pass with or without modification the following Resolutions:

1. As an Ordinary Resolution:  
“RESOLVED THAT consent be and is hereby accorded to the board of Directors to sell the premises of the Company located at Zha Niwas, Subhash Road, Vile Parle (East), Mumbai 40057 for a price being not less than Rs,105.00 Lakhs on the terms, conditions and stipulations as may be agreed between the Board of Directors and the said Smt. Kokilaben A. Kothari and Shri. Rupesh A. Kothari.”  
“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized and empowered to enter into sign, seal, execute and deliver such agreements, assignments, conveyances, contracts, deeds, writings and other instruments and to do all such acts deeds and things in the name and on behalf of the Company as the Board may consider expedient usual, necessary or proper for the said sale and effecting the transfer of the said premises of the Company in the name of the buyer”

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.  
A proxy form duly completed and stamped must reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
2. The Register of members and share transfer books will remain closed from August 18, 2010 to August 19, 2010 (both days inclusive)
3. Members are requested to notify the change of address, if any, to the company's registrar and share transfer agent, Ajel Infotech Ltd., 106, Oshiwara Link Plaza Commercial Complex, 2nd Floor, New Link Road, Oshiwara, Jogeshwari (west), Mumbai 400 102.
4. Members desiring any information on the accounts are requested to write to the Company, which should reach the Company at least one week before the meeting so as to enable the management to keep the information ready. Replies will be provided only at the meeting.
5. Members/proxies are requested to kindly bring duly filled in attendance slips at the meeting.

**By Order of the Board**

**Date : Mumbai**  
**Date : 31st May 2010**

**VELJI L. SHAH**  
**Chairman**

**Registered Office:**  
102, Thosar House, Hanuman Cross Road No.1, Vile Parle (East), Mumbai– 400 057.

## TOKYO FINANCE LIMITED

### DIRECTOR'S REPORT

To The Members,

Your Directors have pleasure in presenting the Sixteenth Annual Report and Audited Accounts of the Company for the year ended March 31, 2010.

### FINANCIAL OPERATIONS:

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

	2009-10 (Rs. in Lacs)	2008-09 (Rs.in Lacs)
Interest and Dividend Income	132.13	136.61
Profit after taxation	41.67	49.92

### DIVIDEND:

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

### BUSINESS PROSPECTS:

The company's funds are invested mostly in advances to known parties. With the interest rate structure scenario in the country witnessing a marginal uptrend the company's income/profit levels are expected to marginally improve in future.

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

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

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

### PARTICULARS OF THE EMPLOYEES:

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

### DIRECTORS:

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

### DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. In the preparation of the annual accounts for the year ended 31st March 2010, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
2. the directors had selected such accounting policies and applied consistently and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2010 and of the profit of the Company for the year under review;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts for the year ended 31st March, 2010 have been prepared on a 'going concern basis'.

**AUDITORS:**

The Statutory Auditors of your Company M/s Swamy & Chhabra, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956.

**DEPOSITS:**

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

**AUDITORS REPORT:**

The Auditors qualifications are noted and the company is taking effective steps to remedy the situation.

**CORPORATE GOVERNANCE:**

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

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

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

**ACKNOWLEDGEMENTS:**

Your Board takes this opportunity to thank the customers, shareholders and Bankers for the faith reposed in the Company.

**On behalf of the Board of Directors**

**Place: Mumbai**

**Date: May 31, 2010.**

**Velji L. Shah  
Chairman**

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

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

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

There are no arrears of listing fees payable to the above Stock Exchange. The Company has applied for de-listing of the equity shares from The Stock Exchange, Ahmedabad as approved by the share holders in Annual General Meeting held on 29th September 1999.

**MANAGEMENT DISCUSSION AND ANALYSIS**

**1 Industrial Structure and Development :**

The interest rate is showing a marginal uptrend. Your company is expected to benefit from the scenario in the future.

**2. Opportunity and threats :**

The Finance industry offers exciting opportunities for growth and expansion. There are varied products that are developed over a period of time with varied risk profiles. The whole game is of balancing the risk and return aptitudes. Your directors have preferred to keep the risk to the minimum. However we would continue to look at the varied opportunities and would commit ourselves to new areas when appropriate.

## TOKYO FINANCE LIMITED

### 3. Outlook :

The interest rates are showing up an uptrend and your company would benefit from the same in future.

### Risk and Concerns:

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

The interest scenario is currently showing an uptrend.

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

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

### 5. Discussion on Financial Performances :

During the year the turnover of your company decreased by 3.28% from 136.61 Lacs to 132.13 Lacs and the net profit decreased by 16.53% from 49.92 Lacs to 41.67 Lacs.

### 6. Human Resources :

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

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy:

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

### 2. Board of Directors:

The Board is headed by the Chairman, Mr. Velji L. Shah, and is composed of Executive, Non Executive and Independent Directors. The details are as given below:

Name of Directors	Category	Meeting held during respective tenure of Directors	No. of Board Meetings Attended	Whether attended AGM held on 29.09.2009	No. of Directorships in other Public Companies as on 31.03.2010	No. of Committee positions held in other Public Companies	
						As Chairman	As Member
Mr. Velji L. Shah	Non- Executive, Non-Independent	4	4	No	3	--	1
Mr. Haresh V. Shah	Executive, Non-Independent	4	4	Yes	3	--	1
Mr. Tassadduq Ali Khan	Non-Executive, Independent	4	4	Yes	1	2	--
Mr. Chimanlal Andarji Kachhi	Non-Executive, Independent	4	3	No	1	1	2

The Board of Directors had held four meetings during the year on 30.06.2009, 31.07.2009, 31.10.2009, and 30.01.2010.

**3. Audit Committee:**

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

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

During the year under review, the Audit committee met 4 times on 30.06.2009, 31.07.2009, 31.10.2009, and 30.01.2010. The composition, names of the members, chairperson, particulars of the meetings of the members during the year are as follows:

Name of Members	Category	No. of Meeting Held During the F.Y. ended 31st March, 2010.	No. of Meeting Attended during the F.Y. ended 31st March, 2010.
Mr. Tassadduq Ali Khan (Chairman)	Non-Executive, Independent	4	4
Mr. Chimanlal Andarji Kachhi	Non-Executive, Independent	4	3
Mr. Velji L. Shah	Non-Executive, Non-Independent	4	4

**4. Remuneration Committee:**

It reviews and approves the annual remunerations, service agreements and other employment conditions.

During the year, no meeting of the Remuneration Committee was held. The Composition, names of the members, chairperson, particulars of the Meeting and attendance of the members during the year are as follows.

Name of Members	Category	No. of Meeting Held During the F.Y. ended 31st March, 2010.	No. of Meeting Attended during the F.Y. ended 31st March, 2010.
Mr. Tassadduq Ali Khan (Chairman)	Non-Executive, Independent	-	-
Mr. Chimanlal Andarji Kachhi	Non-Executive, Independent	-	-