

TOKYO FINANCE LIMITED

ANNUAL REPORT 2011-2012

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 Ltd.
106, Oshiwara Link Plaza Commercial Complex,
2nd Floor, New Link Road, Oshiwara,
Jogeshwari (West)
Mumbai - 400 102.

EIGHTEENTH ANNUAL GENERAL MEETING	CONTENTS
Date : 28th September, 2012	Notice..... 1
Time : 3.30 P.M.	Directors' Report..... 3
Venue : Gomantak Seva Sangh Hall,	Auditors Report..... 13
1st Floor, Malviya Road,	Balance Sheet..... 18
Vile Parle (East),	Statement of Profit & Loss..... 19
Mumbai - 400 057.	Cash Flow Statement..... 20
	Significant Accounting Policies..... 21
	Notes to the Financial Statement 22

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the shareholders of Tokyo Finance Limited will be held at Gomantak Seva Sangh Hall, 1st Floor, Malviya Road, Vile Parle (East) Mumbai – 400057 on September 28, 2012 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31.03.2012 and Statement of Profit & Loss for the year ended on that date together with the Report of the Directors and Auditors.
2. To appoint a Director in place of Shri Velji L. Shah Director, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Chimanlal A. 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

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

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

2. The Register of members and share transfer books will remain closed from Sept 27, 2012 to Sept 28, 2012 (both days inclusive).
3. Members are requested to notify the change in address or bank details to their respective Depository Participants in respect of their shareholding in Demat mode and in respect of their physical shareholding to the company's Registrar and Share Transfer Agent, Ajel 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.

TOKYO FINANCE LIMITED

Annexure to Notice

BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT AND EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.2

Re-appointment of Shri Velji L. Shah as Director.

Shri Velji L. Shah aged 64 years, is an under graduate. He however, has over 40 years of experience and vast knowledge in the plastic industry since 1973. He has extensively traveled abroad and tapped the export market potentials of Plastic Products.

Apart from being on the Board as a chairman of the Company as also a Member of Remuneration Committee, Shri Velji Shah having directorship of Tokyo Plast International Limited and also he is a member of the Audit Committee of the Tokyo Plast International Limited.

He is having 961100 Shares of the Company.

Item No.3

Shri Chimanlal Andarji Kachhi, 61 years, is an under graduate. He has vast experience in business and Industry. He is the Manufacturer of Spices under Brand PRABHAT.

He is the Chairman of Investor Relations Committee and he is a member of the Audit Committee and Remuneration Committee. He is having directorship of Tokyo Plast International Ltd., and also he is a member of Audit committee & Remuneration Committee of the Tokyo Plast International Limited.

He does not have any shares of the Company.

By Order of the Board

Place : Mumbai

Date : 30th May 2012

VELJI L. SHAH
Chairman

Registered Office:

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

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circular stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this Green Initiative of the Government in full measure, members who have not registered their e-mail address, so far, are requested to register their e-mail address, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with M/s. Ajel Limited.

DIRECTOR'S REPORT

To The Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report and Audited Accounts of the Company for the year ended March 31, 2012.

FINANCIAL OPERATIONS:

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

	2011-12 (Rs. in Lacs)	2010-11 (Rs.in Lacs)
Income from operations	172.91	146.14
Profit / (Loss) after taxation	33.75	(46.23)

DIVIDEND:

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

BUSINESS PROSPECTS:

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

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.

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 A. Kachhi, Independent Director of the Company retires by rotation, and being eligible offer themselves for re-appointment.

TOKYO FINANCE LIMITED

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 2012, 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, 2012 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, 2012 have been prepared on a 'going concern basis'.

DEPOSITS:

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

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.

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.

PARTICULARS OF THE EMPLOYEES:

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

DISCLOSURE UNDER SECTION 274 (1) (g)

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

DISCLOSURE REQUIRED UNDER CLAUSE 31 OF THE LISTING AGREEMENT

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

- 1 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.

ACKNOWLEDGEMENTS:

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

On behalf of the Board of Directors

Place : Mumbai
Date : May 30, 2012.

Velji L. Shah
Charman

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industrial Structure and Development :

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

2. Opportunity and threats :

The Finance industry offers exciting opportunities for growth and expansion. 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.

3. Outlook :

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

TOKYO FINANCE LIMITED

Risk and Concerns:

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

The interest scenario is currently showing an uptrend.

4. Internal Control System and their adequacy :

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

5. Discussion on Financial Performances :

During the year the turnover of your company increased from 146.14 Lacs to 172.91Lacs and the Profit after tax Rs.33.75 Lacs as compare to loss of Rs.46.23 Lacs in the previous year.

6. Human Resources :

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

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy:

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

2. Board of Directors:

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

Name of Directors	Category	Meeting held during respective tenure of Directors	No. of Board Meetings Attended	Whether attended AGM held on 30.09.2011	No. of Directorships in other Public Companies as on 31.03.2012	No. of Committee positions held in other Public Companies	
						As Chairman	As Member
Mr. Velji L. Shah	Non- Executive, Non-Independent	6	6	No	3	--	1
Mr. Haresh V. Shah	Executive, Non-Independent	6	6	Yes	3	--	1
Mr. Tassadduq Ali Khan	Non-Executive, Independent	6	6	Yes	1	2	--
Mr. Chimanlal Andarji Kachhi	Non-Executive, Independent	6	4	No	1	1	2

The Board of Directors had held Six meetings during the year on 30.05.2011, 13.08.2011, 22.09.2011, 31.10.2011, 11.11.2011, and 14.02.2012.

3. **Audit Committee:**

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

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

During the year under review, the Audit committee met 4 times on 30.05.2011, 13.08.2011, 11.11.2011 and 14.02.2012. 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, 2012.	No. of Meeting Attended during the F.Y. ended 31st March, 2012
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 agreement and other employment conditions.