

TOKYO FINANCE LIMITED

ANNUAL REPORT 2008-2009

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.

FIFTEENTH ANNUAL GENERAL MEETING	CONTENTS
Date : 29th September, 2009	Notice..... 1
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Mumbai - 400 057.	Schedules to the Account..... 14
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NOTICE

NOTICE is hereby given that the Fifteenth 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 29, 2009 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31.03.2009 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. Haresh V. Shah, Director who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri. Tassadduq A. Khan, 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. 25, 2009 to Sept. 29, 2009 (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. (formerly it was Choksh 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 of Directors

VELJIL SHAH
Chairman

Place: Mumbai
Date: 30th June 2009.

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 Fifteenth Annual Report and Audited Accounts of the Company for the year ended March 31, 2009.

FINANCIAL OPERATIONS:

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

	2008-09 (Rs. in Lacs)	2007-08 (Rs. in Lacs)
Interest and Dividend Income	136.61	137.71
Profit after taxation	49.93	47.96

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. Haresh V. Shah, Director and Shri. Tassadduq A. Khan, 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 2009, 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, 2009 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, 2009 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 (1) (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: June 30, 2009.

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 0.80% from 137.71 Lacs to 136.61 Lacs and the net profit increased by 3.95% from 48.02 Lacs to 49.93 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 30.09.2008	No. of Directorships in other Public Companies as on 31.03.2009	No. of Committee positions held in other Public Companies	
						As Chairman	As Member
Mr. Velji L. Shah	Non- Executive, Non-Independent	4	4	Yes	3	--	1
Mr. Hareesh 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 30.06.2008, 31.07.2008, 25.10.2008, and 31.01.2009.

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 30.06.2008, 31.07.2008, 25.10.2008, and 31.01.2009. The composition, names of the members, chairperson, particulars of the meetings of the members during the year are as follows:

Name of Directors	Category	No. of Meeting Held During the F.Y. ended 31st March, 2009.	No. of Meeting Attended during the F.Y. ended 31st March, 2009.
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 Directors	Category	No. of Meeting Held During the F.Y. ended 31st March, 2009.	No. of Meeting Attended during the F.Y. ended 31st March, 2009.
Mr. Tassadduq Ali Khan (Chairman)	Non-Executive Independent.	-	-
Mr. Chimanlal Andarji Kachhi	Non-Executive Independent.	-	-

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5. Investor Relations Committee:

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

Name of Directors	Category	No. of Meeting Held During the F.Y. ended 31st March, 2009.	No. of Meeting Attended during the F.Y. ended 31st March, 2009.
Mr. Chimanlal Andarji Kachhi (Chairman)	Non-Executive Independent	1	1
Mr. Haresh V. Shah	Executive Non-Independent	1	1

During the year the committee met on 31st January 2009

Name and designation of the compliance officer - Mrs. Beena Desai

Number of Shareholder complaints received - Two

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

6. General Body Meeting:

I. Location and time where last three AGMs held:

Financial Year	Location	Date	Time
2005-06	Gomantak Seva Sangh Hall 1st floor, Malviya Road, Vile Parle (East), Mumbai-57	29th September, 2006	3:00 PM
2006-07	Gomantak Seva Sangh Hall Ground floor, Malviya Road, Vile Parle (East), Mumbai-57	28th September, 2007	3.30 PM
2007-08	Gomantak Seva Sangh Hall 1st floor, Malviya Road, Vile Parle (East), Mumbai-57	30th September, 2008	3.30 PM

Other than the Annual General Meeting, there was no General Meeting of the shareholders of the Company held during the year ended on 31st March 2009.

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

7. Disclosures :

- (I) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management or their relatives etc. that may have potential conflict with the interest of company at large - Note 10.2 forming part of Notes to Accounts contains the list of Related Party relationships and the transactions as required by the Accounting Standard 18 on " Related Party Disclosures " issued by Institute of Chartered Accountants of India.

- (ii) Details of non-compliance by the Company, Penalties, and Strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: Nil

8. Means of Communication:

The Company quarterly and annual results are normally published in Newspapers which includes Free Press Journal (English) & Navshakti (Marati) and also uploaded on the EDIFAR website maintained by National Informatics Center (NIC). Management Discussion & Analysis Report is a part of annual report.

9. General Shareholder Information:

- i. AGM: Date, time and Venue: 15th Annual General Meeting, Date: 29th September, 2009 at 3.30 p.m., Gomantak Seva Sangh Hall, 1st floor, Malviya Road, Vileparle (East) Mumbai - 400057.
- ii. Financial Year ending: March, 31
- iii. Date of Book Closure: 25th September, 2009 to 29th September, 2009.
- iv. Dividend Payment Date: No dividend declared during the year
- v. Listing on Stock Exchanges: The Stock Exchange, Mumbai.
- vi. Stock Code: BSE - 31644
- vii. Market price data:

Month	High (Rs)	Low (Rs)
April, 2008	6.15	4.90
May, 2008	5.77	4.60
June, 2008	4.48	4.05
July, 2008	4.79	3.93
August, 2008	5.90	4.25
September, 2008	6.40	4.58
October, 2008	6.50	4.35
November, 2008	4.56	2.35
December, 2008	2.96	2.34
January, 2009	5.11	3.25
February, 2009	4.19	3.00
March, 2009	2.86	2.80

- viii. Registrar and Share Transfer Agents:
Ajel Infotech Ltd. (formerly it was Choksh Infotech Ltd), 106, Oshiwara Link Plaza Commercial Complex, 2nd Floor, New Link Road, Oshiwara, Jogeshwari (west), Mumbai 400 102. Tel. 022 26303348
- xi. Share Transfer System: Shares lodged for transfer at the Company's Registered Office address or the share Transfer Agent's address is processed within 21 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of Shares are processed and the confirmation is given to the depositories within 15 days.
- a. Distribution of Shareholding as on March 31, 2009 :

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1-500	1477	60.68	405380	5.82
501-1000	502	20.62	368313	5.28
1001-2000	162	6.67	249007	3.58
2001-3000	67	2.75	173764	2.49
3001-4000	47	1.93	173103	2.48
4001-5000	42	1.73	199579	2.86
5001-10000	59	2.42	459180	6.59
Above 10000	78	3.20	4941774	70.90
Total	2434	100.00	6970100	100.00

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b. Categories of shareholders as on 31st March 2009:

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding
1	Promoters	2652047	38.05
2	Private Corporate Bodies	123750	1.78
3	Indian Public	4189553	60.11
4	NRI/OCBs	4750	0.06
Total :		6970100	100.00

- x Dematerialization of shares and liquidity: The Company's equity shares are under compulsory demat trading. As on March 31, 2009 electronic holding by Members comprising 40.86% of the total equity of the Company through the National Securities Depository Limited (26.90%) and Central Depository Services (India) Limited (13.96%).
- xi Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity: Nil
- xii Address for correspondence: 102, Thosar House, Hanuman Cross Road No.1, Vile Parle (East), Mumbai - 400 057, Tel: 6695 2301, Fax: 6691 4499.

10. Auditors compliance certificate:

To the Members of Tokyo Finance Limited

We have examined the compliance of the conditions of Corporate Governance by TOKYO FINANCE LIMITED for the year ended 31st March 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company, with the stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that the Registrars and Share Transfer Agents of the Company have maintained records to show the Investors Grievances against the Company and have certified that as on March 31, 2009, there were no investor grievances remaining unattended/pending for more than 30 days.

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

For SWAMY & CHHABRA
Chartered Accountants

C. Ayyaswamy
(Partner)

Date: 30th June 2009.

Membership No.21754

AUDITORS' REPORT

To,
The Shareholders of Tokyo Finance Limited

1. We have audited the attached Balance Sheet of Tokyo Finance Limited, as at 31st March 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the annexure referred to in paragraph (3) above, we report that:-
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of such books ;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
 - (d) In our opinion, the Balance Sheet, profit & loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of the written representations received from the Directors as on 31st March 2009, and taken on record by the Board of Directors , we report that none of the Directors are disqualified as on March 31, 2009 from being appointed as a Director in terms of section 274(1) (g) of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement , of the cash flows for the year ended on that date.

For SWAMY & CHHABRA
Chartered Accountants

C. AYYASWAMY
Partner

Mumbai, Dated: 30th June 2009.

Membership No: 21754

ANNEXURE TO AUDITOR'S REPORT

Referred to in Paragraph 1 of our Report of even date.

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of Fixed Assets.
(b) As explained to us these Fixed Assets have been physically verified by the Management once during the year and no serious discrepancies have been noticed on such verification.
(c) None of the fixed assets have been disposed off during the year.
2. The Provisions relating to inventory are not applicable since the Company is a Finance Company.
3. (a) The Company has granted unsecured loans to one party listed in the register maintained under section 301 of the companies Act, 1956 amounting to Rs.76.99 lakhs. This loan is in the nature of running accounts and the balance outstanding at the year end is also Rs.661.29 lakhs.
(b) The rate of interest and other terms and conditions of such loans granted are prima facie not prejudicial to the interest of the Company.
(c) In respect of loans given by the company, no stipulations have been made regarding repayment of the principal amount. **There, however, have been delays in receipt of interest amounts from these parties. We are unable to distinguish whether the payments have been received towards the principal amount or the interest amount.**
(d) Since there is no stipulation made regarding repayment of principal amount, the question of there being an overdue amount of more than one lakh does not arise. **However based on the information available to us, we are unable to comment on any reasonable steps taken by the company for recovery of interest.**
(e) The Company has taken an unsecured loan from one party listed in the register maintained under section 301 of the Companies Act, 1956 amounting to Rs.(132.68) lakhs. The balance outstanding at the year end is Rs.453.83lakhs.
(f) The rate of interest and other terms and conditions of such loans taken are prima facie not prejudicial to the interest of the Company.
(g) **We are unable to distinguish whether payment has been made towards the principal amount or interest amount.**
4. In our opinion, the company has an adequate internal control system commensurate with the size of the company and the nature of its business. The Company does not have any transactions of purchase of inventory and sale of goods and services.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanation given to us, no services has been made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956. There are no transactions of purchase and sale of goods and materials.

6. The Company has not accepted any deposits from the public during the year within the meaning of section 58A and 58AA of Companies Act, 1956 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
7. **The Company does not have a separate internal audit system.**
8. The Central Government has not prescribed the maintenance of the cost records under section 209(1) (d) of the Companies Act, 1956.
9. (a) During the year, the Company has not made any deductions in respect of the Provident Fund and Employees State Insurance of its employees. The company has also been regular in depositing undisputed Statutory dues including Income Tax, wealth Tax, Sales Tax, Customs duty, Excise Duty, Service Tax, Cess and any other material statutory dues applicable to it and there is no amount outstanding as at March 31, 2009, for a period of more than six months from the date they became payable.
(b) According to the records of the company, there are no dues outstanding of sales tax, income tax, wealth tax, service tax, customs duty, excise duty, cess on account of any dispute as on March 31, 2009.
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit, and in the immediately preceding financial year.
11. The Company has not taken any loans from financial institutions or banks or debenture holders.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit funds, nidhi or mutual benefit society does not apply to the Company.
14. During the year the Company has not dealt with or traded in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not taken any term loan during the year.
17. According to the information and explanations given to us and based on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, in our opinion there are no funds raised on short term basis have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For SWAMY & CHHABRA
Chartered Accountants

C. AYYASWAMY
Partner

Membership No: 21754

Mumbai, Dated : 30th June 2009

TOKYO FINANCE LIMITED

BALANCE SHEET

	Schedule AS AT 31ST MARCH 2009		AS AT 31ST MARCH 2008	
	No.	Rs.	Rs.	Rs.
SOURCES OF FUNDS :				
I. SHAREHOLDERS' FUNDS				
(a) Share Capital	1	69423000	69423000	
(b) Reserves & Surplus	2	<u>46030005</u>	<u>115453005</u>	110460611
II. LOAN FUNDS				
(a) Unsecured Loans		45382753		58530887
III. DEFERRED TAX LIABILITY (NET)		152038		240990
TOTAL FUNDS EMPLOYED		<u><u>160987796</u></u>		<u><u>169232488</u></u>
APPLICATION OF FUNDS:				
I. FIXED ASSETS	3			
(a) Gross Block		4608814	4608814	
(b) Less: Depreciation		<u>1394479</u>	<u>1324697</u>	
(c) Net Block		3214335		3284117
II. INVESTMENTS	4	6705300		6705300
III. CURRENT ASSETS, LOANS AND ADVANCES				
(a) Cash & Bank Balances	5	189448	524591	
(b) Loans & Advances	6	<u>169117880</u>	<u>174922929</u>	
		<u>169307328</u>	<u>175447520</u>	
Less : CURRENT LIABILITIES AND PROVISIONS				
(a) Current Liabilities	7	2202741	2308000	
(b) Provision for Taxation		<u>16036426</u>	<u>13896449</u>	
		<u>18239167</u>	<u>16204449</u>	
NET CURRENT ASSETS		151068161		159243071
TOTAL ASSETS (NET)		<u><u>160987796</u></u>		<u><u>169232488</u></u>

Notes on accounts

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As per our report of even date

FOR SWAMY & CHHABRA
Chartered Accountants

C.AYYASWAMY
(Partner)

Mumbai, Dated 30th June 2009

For and on behalf of the Board of Directors

VELJI L. SHAH - CHAIRMAN

HARESH V. SHAH - DIRECTOR

Mumbai, Dated 30th June 2009

PROFIT AND LOSS ACCOUNT

	Schedule No.	YEAR ENDED 1ST MARCH 2009 Rs.	YEAR ENDED 31ST MARCH 2008 Rs.
INCOME :			
Interest received		13660953	13770851
Other income		--	--
TOTAL:		<u>13660953</u>	<u>13770851</u>
EXPENDITURE :			
Administrative & Other Expenses	8	1691987	1108100
Interest & Finance Charges	9	4845266	5403809
Depreciation		69782	69782
TOTAL:		<u>6607034</u>	<u>6581691</u>
Profit For The Year		7053919	7189160
Provision For Taxation		2145000	1421000
Provision For Deferred Taxation		-88952	960498
Provision for Fringe Benefit Tax		5477	5218
Profit After Tax		4992394	4802444
Balance transferred to Reserves & Surplus		4992394	4802444
Earnings per share		0.72	0.69
Nominal value of share		10	10
Note on accounts	10		
As per our report of even date			
FOR SWAMY & CHHABRA Chartered Accountants		For and on behalf of the Board of Directors	
C.AYYASWAMY (Partner)		VELJI L. SHAH - CHAIRMAN	
		HARESH V. SHAH - DIRECTOR	
Mumbai, Dated 30th June 2009		Mumbai, Dated 30th June 2009	

TOKYO FINANCE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31-Mar-2009 Rs.	As at 31-Mar-2008 Rs.
--	-----------------------------	-----------------------------

SCHEDULE - 1

SHARE CAPITAL

A. AUTHORIZED CAPITAL

72,50,000 Equity Shares Of Rs.10 each	72500000	72500000
Total :	72500000	72500000

B. ISSUED, SUBSCRIBED & FULLY PAID UP

69,70,100 Equity Shares of Rs.10 each fully paid up	69701000	69701000
Less: Calls in Arrears		
From Others	278000	278000
Total :	69423000	69423000

SCHEDULE - 2

RESERVES & SURPLUS

PROFIT & LOSS ACCOUNT

Balance As Per Last Balance Sheet	41037611	36235167
Add : Profit During The Year	4992394	4802444
Total :	46030005	41037611

SCHEDULE - 3

FIXED ASSETS

Particulars	Gross Block				Depreciation			Net Block	
	Cost as on 01.04.2008	Additions	Deletions	Cost as on 31.03.2009	Upto 31.03.2008	Current Year	As on 31.03.2009	As on 31.03.2009	As on 3.03.2008
Office Premises	4265000	--	--	4265000	981984	69520	1051504	3213497	3283016
Office Equipments	151500	--	--	151500	151500	--	151500	--	--
Computers	188170	--	--	188170	188170	--	188170	--	--
Furniture & Fixture	4144	--	--	4144	3043	262	3305	839	1101
TOTAL	4608814	--	--	4608814	1324697	69782	1394479	3214335	3284117

ANNUAL REPORT 2008 - 2009

	As at 31-Mar-2009 Rs.	As at 31-Mar-2008 Rs.
SCHEDULE - 4		
INVESTMENT (At Cost)		
Long Term Investments		
Quoted :		
Investments in shares of Companies under the same Management		
4,77,200 Fully paid up Equity Shares of Rs.10/- each of Tokyo Plast International Ltd.	6705300	6705300
Total :	<u>6705300</u>	<u>6705300</u>

Market Value of quoted investment as on 31.03.2009 is Rs.3889180 (Previous Year Rs.5583240)

SCHEDULE - 5		
CASH AND BANK BALANCE		
Cash On Hand	8355	197137
Cash At Bank :		
In Current A/cs	181093	327454
Total :	<u>189448</u>	<u>524591</u>

SCHEDULE - 6		
LOANS & ADVANCES		
Advances Recoverable in Cash or in Kind or for value to be received	18999939	16571539
Advances to Others	83988586	99920558
Advances to Companies under the same Management		
Tokyo Construction Ltd (Maximum amount due during the year Rs. 68974351/- P.Y. Rs. 58430832/-)	66129355	58430832
Total :	<u>169117880</u>	<u>174922929</u>

SCHEDULE - 7		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	Nil	Nil
Small Scale industrial undertakings (Refer Note no 7 of Schedule 10)	1091422	971737
Others	1111319	1336263
Other Liabilities & Provisions		
Total :	<u>2202741</u>	<u>2308000</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	YEAR ENDED 31- Mar-2009 Rs.	YEAR ENDED 31- Mar-2008 Rs.
SCHEDULE - 8		
ADMINISTRATIVE & OTHER EXPENSES		
Employee Cost	865486	489955
Traveling & Conveyance	19813	17511
Postage, Telephone & Courier	60000	60000
Electricity	80050	60000
Professional fees	20190	20219
Registrar & Shares transfer fees	84180	112300
ROC Fees	2500	2000
Advertisements	38951	30542
Miscellaneous Expenses	245	224
Auditors Remuneration	55150	56180
Printing & Stationery	21023	20696
Listing Fees	39315	37472
Income tax appeal Fees	-	1000
Bad Debts W/Off	300516	200001
Property Tax	104568	-
Total :	<u>1691987</u>	<u>1108100</u>

SCHEDULE - 9

INTEREST & FINANCE CHARGES

Interest Paid to Others	4838435	5403435
Bank Charges & Commission	6831	374
Total :	<u>4845266</u>	<u>5403809</u>

SCHEDULE NO - 10

NOTES FORMING PART OF THE ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES :**a. Basis of accounting :**

Income and Expenditure are accounted for on accrual basis.

b. 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.

c. 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.

d. Fixed assets :

All fixed assets are stated at historical cost of acquisition less accumulated depreciation.

e. Investments

No provision has been made for diminution in the value of investment in the equity shares of Tokyo Plast International Ltd. as the diminution in the value of shares is considered as temporary. These investments are held as long term investments and hence valued at cost.

f. Depreciation :

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

g. Deferred Taxation:

Provision for taxation comprises of Current tax, Deferred Tax and Fringe Benefit Tax. Current Tax Provision has been made in accordance with the Income Tax Act, 1961

Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing difference that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax assets and liabilities are measured as per the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are reviewed for appropriateness of their respective carrying values at each Balance sheet date.

TOKYO FINANCE LIMITED

2 Related Party Transactions:

The company has transactions with the following related parties:

Associates : Tokyo Plast International Limited, Tokyo Constructions Limited.

The summary of the transactions with the above related parties during the year is as follows:

Nature of Transactions	Rupees in Lakhs			
	Associates		Relatives of Key Management Personal	
	2008-09	2007-08	2008-09	2007-08
Loans/Advances Taken	-132.68	4.97	-	-
Loans/Advances Given	76.99	8.16	-	-
Investments	-	-	-	-
Others	1.20	1.20	-	-
Amount Outstanding on 31 st march :				
Loans/Advances Taken	453.83	585.31	-	-
Loans/Advances Given	661.29	585.31	-	-
Investments	67.05	67.05	-	-

3 Contingent liabilities not provided for :

Nil

b) Claims against the Company not Acknowledged as Debts as on 31st March 2009 amounting to Rs. Nil.

4 Auditors Remuneration

	Year Ended 31- Mar-2009	Year Ended 31- Mar-2008
As Audit Fees	45000	45000
Taxation Services	5000	5000
Service tax	5150	6180
Total :	55150	56180

5 a) Number Of Employees who are employed throughout the year and were in receipt of remuneration of Rs. 2400000 p.a. or more.

Nil

Nil

b) Number Of Employees who are employed for a part of the year and who were in receipt of Rs. 200000 or more per month

Nil

Nil

6 Advances due from Directors :

a) Amounts due from Directors or other officers of the company

Nil

Nil

b) The maximum amount due by Directors or other officers of the company at any time during the year.

Nil

Nil

7 Company has not owed any sum to Small Scale industrial undertakings during the year.

8 Figures of the previous year have been regrouped / rearranged wherever necessary.

9 Balance Sheet Abstract and Company's General Business Profile :

i Registration Details

a. State Code	:	11
b. Registration No.	:	83155
c. Balance Sheet Date	:	31.03.2009

ii Capital raised during the year (Amount in Rs. Thousands)

a. Public Issue	:	NIL
b. Right Issue	:	NIL
c. Bonus Issue	:	NIL
d. Private Placement	:	NIL

iii Position of mobilization and deployment of funds (Amount in Rs. Thousands)

a. Total Liabilities	:	160988
b. Total Assets	:	160988

Sources of Funds

a. Paid Up Capital	:	69423
b. Reserve & Surplus	:	46030
c. Secured Loans	:	NIL
d. Unsecured Loans	:	45383
e. Deferred Tax Liability	:	152

Application of Funds

a. Net Fixed Assets	:	3214
b. Investments	:	6705
c. Net Current Assets	:	151068
d. Misc. Expenditure	:	NIL
e. Accumulated Losses	:	NIL

iv Performance of Company

a. Turnover	:	13661
b. Total Expenditure	:	6607
c. Profit Before Tax	:	7054
d. Profit After Tax	:	4992
e. Earning Per Share	:	0.72
f. Dividend Rate (Proposed)	:	NIL

v Generic Names of Three Principal Products Of The Company (as per Monetary Terms)

Item Code No. (ITC Code)	:	N.A
Product/Service Description	:	Financial Activities

Signatures to Schedules 'I' to '10'

As per our Report Of Even Date

FOR SWAMY & CHHABRA
Chartered Accountants

C.AYYASWAMY
(Partner)

Mumbai, Dated 30th June 2009

For and on behalf of the Board of Directors

VELJIL SHAH - CHAIRMAN

HARESH V. SHAH - DIRECTOR

Mumbai, Dated 30th June 2009

CASH FLOW STATEMENT

	As at 31st March, 2009		As at 31st March, 2008	
	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs
A. Cash flow from operating activity:				
Net Profit before tax and extraordinary items		70.54		71.89
Adjustments for :				
Depreciation	0.70		0.70	
Interest Paid	48.45		54.03	
Preliminary Expenses Written off	-		-	
Interest/ Dividend Received	-136.61	-87.46	-137.71	-82.98
Operating profit before working capital changes		-16.92		-11.09
Adjustments for:				
Trade and other Receivables	58.05		-84.18	
Inventories	-		-	
Trade Payables	20.35	78.40	15.66	-68.52
Cash generated from operations		61.48		-79.61
Interest Paid		-48.45		-54.03
Direct Taxes Paid		-20.62		-23.87
Cash flow before extraordinary items		-7.59		-157.50
Extraordinary items		-		-
Net cash from operating activities		-7.59		-157.50
B. Cash flow from investing activities:				
Purchase of fixed assets	-		-	
Sale of Investments	-		-	
Purchase of investments	-		-	
Interest received	136.61		137.71	
Net cash used in investing activities		136.61		137.71
C. Cash flow from financing activities				
Proceeds from issue of share capital				
Proceeds from long term borrowings	-131.48		4.97	
Deferred Tax Liability	-0.89		9.60	
Dividend paid	-		-	
Expenditure on raising capital	-		-	
Net cash used in financing activities		-132.37		14.57
Net increase in cash and cash equivalents		-3.35		-5.22
Cash and Cash equivalents as at the beginning of the year		5.24		10.46
Cash and Cash equivalents as at the end of the year		1.89		5.24

This is cash Flow Statement referred to in our report of even date

FOR SWAMY & CHHABRA
Chartered Accountants

C. AYYASWAMY
(Partner)

Mumbai, Dated 30th June 2009

For and on behalf of the Board of Directors

VELJI L. SHAH - CHAIRMAN

HARESH V. SHAH - DIRECTOR

Mumbai, Dated 30th June 2009

ATTENDANCE SLIP

TOKYO FINANCE LIMITED

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

Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall. Please also bring your copy of the enclosed Annual Report.

I hereby record my presence at the FIFTEENTH ANNUAL GENERAL MEETING of the Company held on 29th September, 2009 at Gomantak Seva Sangh Hall, First Floor, Malviya Road, Vile Parle (E), Mumbai - 400 057. at 3.30 p.m.

REGD. FOLIO NO. _____ NO. OF SHARES _____

NAME OF THE SHAREHOLDERS (IN BLOCK LETTERS)

SIGNATURE OF THE SHAREHOLDER OR PROXY

PROXY FORM

TOKYO FINANCE LIMITED

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

REGD. FOLIO NO. _____ NO. OF SHARES _____

I/We _____

of _____

hereby appoint _____ of _____

or falling him _____ of _____

or falling him _____ of _____

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Fifteenth Annual General Meeting of the Company to be held on 29th September 2009 and at any adjournment thereof.

AS WITNESS my/our hand this _____ day of _____ 2009

Signed by the said _____

Rupee 1
Revenue
Stamp

Note : The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.

BOOK - POST

To,

If undelivered, please return to :

TOKYO FINANCE LIMITED

Registered Off:

102, Thosar House

Hanuman Cross Road No.1,

Vile Parle (East)

Mumbai - 400 057.