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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 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 Ganesh Industrial Estate, Kachigam Road, Daman- 396 210 (U.T.) and engaged in the business of Non- Banking Finance.

2 SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements were approved for issue by Board of Directors on August 13, 2020.

2.1) Basis of Preparation:

i. Compliance with IND AS :

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the act.

These financial statements for the year ended March 31, 2020 are the first financials with comparatives prepared under Ind AS. For all periods upto and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with the generally accepted accounting principles (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS.

The date of transition to Ind AS is April 1, 2018. Refer Note 36 for the first time adoption exemptions availed by the

Reconciliations and explanations for the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in Note 36

ii. Historical cost convention :

The financial statements have been prepared under the historical cost convention using the accrual method of accounting basis, except for certain financial instruments and defined benifit plan asset/liabilities that are measured at fair values at the end of each reporting period as explained in the significant accounting polices below.

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

2.2) Segment Reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and Finance Director of the Company. The Company has identified activity of providing finance as its only primary reportable segment.

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2.3) Foreign currency transactions :

i. Functional and presentation currencies :

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian currency (INR), which is the Company's functional and presentation currency.

ii. Transactions and balances :

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the profit and loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign subsidiaries are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

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2.4) Revenue recognition :

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

i. Interest Income :

Interest income is recognised in the Statement of Profit and Loss and for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL) is measured using the effective interest method (EIR) and when it is it is probable that the company will collect the consideration.

ii. Dividend :

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

iii. Net gain or fair value change :

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss.

iv. Income from financial instruments at FVTPL:

Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL except those that are held for trading.

v. Other operational revenue:

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

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2.5) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an item in deferred tax asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of fifteen succeeding assessment years.

2.6) Property, Plant and Equipment :

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

Transition to Ind AS :

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 01 April 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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Depreciation methods, estimated useful lives and residual value :

Depreciation is calculated on a pro-rata basis on the straight line method so as to write-down the cost of property, plant and equipment to its residual value systematically over its estimated useful life based on useful life of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate

2.7) Intangible Assets :

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment loss, if any.

Amortization :

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.

The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Expenditure on research is recognized as an expense when it is incurred. Development costs of products are also charged to the Statement of Profit and Loss unless all the criteria for capitalization as set out on Paragraph 21 and 22 of Ind AS 38 have been met by the Company.

2.8) Lease :

As a Leasee

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IndAS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation and adjusted for any remeasurement of the lease liability.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

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The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Transition to Ind AS 116

Ministry of Corporate Affairs ('MCA') through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. IndAS 116 sets the principles for recognition, measurement, presentation of leases, specifying the requirements for disclosures of lessees or lessors more extensive than under IndAS 17. The main difference on the Company's financial statements is that IndAS 116 introduces a single lessee accounting model and requires lesee to recognize right-of-use assets (RoU) and lease liabilities for certain lease contracts.

The Company has adopted modified retrospective approach as per para C8 (c)(ii) of IND AS 116 -Leases to its leases, effective from annual reporting period beginning 1 st April, 2019, This has resulted in recognizing a right of use assets (an amount equal to the lease liability, adjusted by the prepaid lease rent) of Rs. 63.83 Lakhs as at 1st April, 2019.

To contain a lease, an agreement has to convey the right to control the use of an identified asset throughout the period of use in exchange for consideration, so that the customer has the right to obtain substantially all of the economic benefits from the use of the identified asset and direct the use of the identified asset (i. e. direct how and for what purpose the asset is used).

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

During the year there are no assest of taken by company on lease.

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As a Leasor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.9) Financial Instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(i) Financial Assets :

i Classification :

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

Classification of debt assets will be driven by the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii Measurement :

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset.

- **Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income.

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- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cashflows and for selling the financial assets, where the assets cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income.

- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company has accounted for its investment in Equity Instruments at cost. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive the dividend is established.

iii Derecognition of financial assets :

A financial asset is derecognised only when

- The company has transferred the rights to receive cash flows from the financial asset or
- The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients .

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities :

Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

2.10) Write Off :

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

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2.11) Impairment :

The Company recognises loss allowances for ECLs on the financial instruments that are not measured at FVTPL viz. Loans

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

Significant increase in credit risk

The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the Probability of Default will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when loan asset becomes 90 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL in respect of such loan, which is reviewed annually.

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Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:
- the borrower is past due more than 90 days on any material credit obligation to the Company; or
- the borrower is unlikely to pay its credit obligations to the Company in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

ECLs are required to be measured through a loss allowance as follows:
- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

  A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently to credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

  The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics.

2.12) Presentation of allowance for ECL in the Balance Sheet :

Loss allowances for ECL are presented in the statement of financial position as follows:
- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in Balance Sheet as the carrying amount is at fair value.

2.13) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

2.14) Borrowings :

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings.

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Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.15) Borrowing Cost :

General and specific borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.16) Employee Benefits:

i. Short term obligations:

Liabilities for wages and salaries, including nonmonetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Provident fund:

The Company makes contribution to the Governments Provident Fund Scheme, a defined contribution scheme, administered by Government Provident Fund Authorities. The Company has no obligation to the scheme beyond its monthly contributions.

iii. Gratuity:

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Fund. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

2.17) Provisions and Contingent Liabilities:

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

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Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

2.18) Cash and Cash Equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other shortterm, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.19) Impairment of assets:

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Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.20) Earnings Per Share:

i. Basic earnings per share: Basic earnings per share is calculated by dividing :
- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

ii. Diluted earnings per share: Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.21) New accounting pronouncements:

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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3 CRITICAL ESTIMATES AND JUDGEMENTS:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions the Company may take in future.

Information about critical estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are included in the following notes:

1) Impairment loss allowance on loans (Note5)
2) Estimation of defined benefit obligations (Note 28)
3) Estimation of current tax expenses and payable (Note 13)
4) Estimation of provisions and contingencies (Note 14 and 25)

3.1) Impairment loss allowance on loans

While creating impairment loss allowance on loans require judgement in deciding whether loan asset qualifies to be impair based on various observable events as mentioned in notes above and the quantum of allowance to be create or reversed.

3.2) Estimation of defined benefit obligations

The liabilities of the company arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions. Refer note 38 for significant assumptions used.

3.3) Estimation of current and deferred tax expenses and payable

The Company's tax charge is the sum of total current and deferred tax charges. Taxes recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the company operates. Any difference between the estimates and final tax assessments will impact the income tax as well as the resulting assets and liabilities.

3.4) Estimation of provisions and contingencies:

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

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TOKYO FINANCE LIMITED

(Amount in Rs.)

	As at 31-Mar-2020	As at 31-Mar-2019	As at 31-Mar-2018
4 CASH AND CASH EQUIVALENTS			
(i) Cash Balance on Hand	**43,109**	143,219	184,044
(ii) Balances with Banks	**495,725**	51,561	168,024
Total	**538,834**	194,780	352,068
5 LOANS			
(A)			
At Amortised Cost			
Loans to related parties (Refer note 39)	**92,123,631**	113,023,631	149,563,631
Loans to Others	**58,728,867**	83,296,240	86,474,457
	150,852,498	196,319,871	236,038,088
Less: Impairment loss allowance	**(12,958,030)**	(25,464,571)	(26,656,185)
Total (A)	**137,894,468**	170,855,300	209,381,903
(B)			
At Amortised Cost			
Secured	**-**	-	-
Unsecured	**150,852,498**	196,319,871	236,038,088
	150,852,498	196,319,871	236,038,088
Less: Impairment loss allowance	**(12,958,030)**	(25,464,571)	(26,656,185)
Total (B)	**137,894,468**	170,855,300	209,381,903
(C)			
(I) Loans in India			
At Amortised Cost			
Public Sectors	**-**	-	-
Others	**150,852,498**	196,319,871	236,038,088
	150,852,498	196,319,871	236,038,088
Less: Impairment loss allowance	**(12,958,030)**	(25,464,571)	(26,656,185)
Total (I)	**137,894,468**	170,855,300	209,381,903
(II) Loans in Outside India			
At Amortised Cost			
Public Sectors	**-**	-	-
Others	**-**	-	-
	-	-	-
Less: Impairment loss allowance	**-**	-	-
Total (II)	**-**	-	-
Total (C) = (I)+(II)	**137,894,468**	170,855,300	209,381,903

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6 **INVESTMENTS**

(A)			
Measured at Amortised Cost			
In Equity Instruments			
- Investments in Others			
477200 Fully Paid up Equity Shares of Rs.10/- each of Tokyo Plas	-	-	6,705,300
Total (A)	-	-	6,705,300
(B)			
(I) Investments outside India	-	-	-
(II) Investments in India	-	-	6,705,300
Total (B)	-	-	6,705,300
(C)			
Less: Impairment loss allowance	-	-	-
Total (A)-(C)	-	-	6,705,300

7 **PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS**

(Amount in Rs.)

	Owned Assets				
Particulars	Office Premises	Office Equipments	Computers	Furniture & Fixture	Total Property Plant and Equipment
GROSS CARRYING VALUE					
Deemed Cost as on 1 April, 2018	4,265,000	151,500	188,170	4,144	4,608,814
Additions/ Adjustments	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at March 31, 2019	**4,265,000**	**151,500**	**188,170**	**4,144**	**4,608,814**
Additions/ Adjustments	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at March 31, 2020	**4,265,000**	**151,500**	**188,170**	**4,144**	**4,608,814**
ACCUMULATED DEPRECIAT					
Balance at 1 April, 2018	1,675,190	151,500	188,170	4,144	2,019,004
Depreciation for the year	69,068	-	-	-	69,068
Disposals	-	-	-	-	-
Balance as at March 31, 2019	**1,744,258**	**151,500**	**188,170**	**4,144**	**2,088,072**
Depreciation for the year	**69,068**	-	-	-	**69,068**
Disposals	-	-	-	-	-
Balance as at March 31, 2020	**1,813,326**	**151,500**	**188,170**	**4,144**	**2,157,140**
NET CARRYING VALUE					
At 31 March, 2018	2,589,810	-	-	-	2,589,810
At 31 March, 2019	2,520,742	-	-	-	2,520,742
At 31 March, 2020	**2,451,674**	-	-	-	**2,451,674**

TOKYO FINANCE LIMITED

(Amount in Rs.)

		As at 31-Mar-2020	As at 31-Mar-2019	As at 31-Mar-2018
8	**OTHER NON-FINANCIAL ASSETS**			
	(i) Capital Advances	**-**	-	12,500,000
	(ii) Advance to Creditors	**31,708**	44,550	38,300
	Total	**31,708**	44,550	12,538,300
9	**TRADE PAYABLES**			
	(i) MSME	**-**	-	-
	(ii) Others	**87,307**	20,841	4,051
	Total	**87,307**	20,841	4,051
10	**OTHER PAYABLES**			
	(i) MSME	**-**	-	-
	(ii) Others	**-**	-	-
	Total	**-**	-	-
11	**BORROWINGS (OTHER THAN DEBT SECURITIES)**			
	(A)			
	At Amortised Cost			
	Loans from related parties (Refer note 39)	**-**	-	69,790,466
	Total (A)	**-**	-	69,790,466
	(B)			
	(I) Borrowings in India	-	-	69,790,466
	(II) Borrowings outside India	**-**	-	-
	Total (B)	**-**	-	69,790,466
12	**OTHER FINANCIAL LIABILITES**			
	(i) Interest Accrued but not due on borrowings	**-**	39,148,855	39,173,747
	(ii) Others	**740,228**	342,600	383,000
	Total	**740,228**	39,491,455	39,556,747
13	**TAXES ASSETS AND LIABILITIES**			
	(i) Current Tax Assets (Net)			
	Advance tax and tax deducted at source (net of provisions)	**2,369,478**	2,263,238	3,017,737
	(ii) Current Tax Liability (Net)			
	Tax Provision (net of Advance tax and tax deducted at source)	**1,297,068**	-	-
14	**PROVISIONS**			
	(i) Provisions for employee benefits	**1,060,357**	1,010,310	943,686
	Total	**1,060,357**	1,010,310	943,686
15	**OTHER NON-FINANCIAL LIABILITES**			
	(i) Statutory dues	**209,550**	193,817	649,551
	(ii) Other payables	**7,500,000**	7,500,000	7,500,000
	Total	**7,709,550**	7,693,817	8,149,551

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(Amount in Rs.)

	As at 31-Mar-2020	As at 31-Mar-2019	As at 31-Mar-2018
16 EQUITY SHARE CAPITAL			
(i) Authorised Capital			
72,50,000 Equity Shares of Rs. 10/- each	**72,500,000**	72,500,000	72,500,000
(31 March 2019: 72,50,000 Shares; 31 March 2018 : 72,50,000)			
Total	**72,500,000**	72,500,000	72,500,000
(ii) Issued, Subscribed and Paid up			
68,18,500 Equity Shares of Rs. 10/- each fully paid up	**68,185,000**	68,185,000	68,185,000
(31 March 2019: 68,18,500 Shares; 31 March 2018 : 68,18,500)			
1,51,600 Equity Shares of Rs. 10/- each not fully paid up	**1,240,500**	1,240,500	1,240,500
(31 March 2019: 1,51,600 Shares; 31 March 2018 : 1,51,600)			
Total	**69,425,500**	69,425,500	69,425,500

i) Rights, preferences and restrictions attaching to each class of 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. The dividend has not been proposed by the Board of Directors. 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.

ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	**As at 31-Mar-2020**		As at 31-Mar-2019		As at 31-Mar-2018	
	No of Eq. Shares	**Amount in Rs.**	No of Eq. Shares	Amount in Rs.	No of Eq. Shares	Amount in Rs.
Shares outstanding at the beginning of the year	**6,970,100**	**69,425,500**	6,970,100	69,425,500	6,970,100	69,425,500
Shares issued during the year	**-**	**-**	-	-	-	-
Shares bought back during the year	**-**	**-**	-	-	-	-
Shares outstanding at the end of the year	**6,970,100**	**69,425,500**	6,970,100	69,425,500	6,970,100	69,425,500

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iii) The details of shareholders holding more than 5% shares :

Name of Shareholder	**As at 31-Mar-2020**		As at 31-Mar-2019		As at 31-Mar-2018	
	No of Eq. Sh. Held	**% of Holding**	No of Eq. Sh. Held	% of Holding	No of Eq. Sh. Held	% of Holding
Priyaj H. Shah	**1,524,570**	**21.87**	1,240,390	17.80	-	-
Dharmil H. Shah	**1,317,329**	**18.90**	1,269,489	18.21	-	-
Tokyo Plast International Ltd	**-**	**-**	-	-	1,120,000	16.07
Velji L Shah	**-**	**-**	-	-	961,100	13.78

iv) Details of Calls unpaid

Particulars	**As at 31-Mar-2020**		As at 31-Mar-2019		As at 31-Mar-2018	
	No of Eq. Sh.	**Amount in Rs.**	No of Eq. Sh.	Amount in Rs.	No of Eq. Sh.	Amount in Rs.
Directors / officers	**-**	**-**	-	-	-	-
Others	**151,600**	**275,500**	151,600	275,500	151,600	275,500

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(Amount in Rs.)

		As at 31-Mar-2020	As at 31-Mar-2019	As at 31-Mar-2018
17	**OTHER EQUITY**			
	(i) Reserves & Surplus			
	Statutory Reserve	**15,606,860**	-	-
	Retained Earnings	**47,359,292**	58,236,686	46,715,117
	Total	**62,966,152**	58,236,686	46,715,117
	(i) RESERVES & SURPLUS			
	Statutory reserve pursuant to Section 45-IC of the RBI Act, 1934			
	Balance As Per Last Balance Sheet	-	-	-
	Add: Transfer from Retained Earnings	**15,606,860**	-	-
	Balance at the end of the year	**15,606,860**	-	-
	Retained Earnings			
	Balance As Per Last Balance Sheet	**58,236,686**	46,715,117	46,767,584
	Add: Profit for the year	**4,729,466**	11,521,570	(52,467)
	Less: transfer to statutory reserve	**(15,606,860)**	-	-
	Balance at the end of the year	**47,359,292**	58,236,686	46,715,117

Nature & Purpose of Reserves:

a) Statutory reserve pursuant to Section 45-IC of the RBI Act, 1934: The Company created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.

b) Retained Earnings : Retained Earnings comprises of the Company's prior years' undistributed earnings and is permitted to be distributed to shareholders as part of dividend.

		As at 31-Mar-2020	As at 31-Mar-2019
18	**REVENUE FROM OPERATIONS**		
	On financial assets measured at amortised cost:		
	(i) Interest on Loans	4,923,132	9,203,296
	Total	**4,923,132**	9,203,296
19	**OTHER INCOME**		
	(i) Provisions no longer required written back	**6,050,000**	6,900,000
	(ii) Profit on Sale of Investments	-	15,245,900
	Total	**6,050,000**	22,145,900
20	**FINANCE COSTS**		
	On financial liabilities measured at amortised cost:		
	(i) Interest on borrowings	-	2,583,848
	(ii) Other interest expenses	**3,005**	3,297
	Total	**3,005**	2,587,145

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(Amount in Rs.)

		2019-20	2018-19
21	**EMPLOYEE BENEFITS EXPENSE**		
	(i) Salary and Wages	**2,539,215**	2,842,887
	(ii) Company Contribution to PF, ESI and Other Funds	**-**	-
	(iii) Gratuity Expenses	**158,349**	19,610
	(iv) Staff Welfare Expenses	**-**	-
	Total	**2,697,564**	2,862,497
22	**DEPRECIATION AND AMORTISATION**		
	(i) Depreciation during the year	**69,068**	69,068
	Total	**69,068**	69,068
23	**OTHER EXPENSES**		
	Rent, taxes and energy costs	**60,000**	60,000
	Repairs and maintenance - Others	**-**	-
	Communication Costs	**96,518**	143,746
	Printing and stationery	**78,062**	75,662
	Advertisement and publicity	**110,390**	116,971
	Auditor's fees and expenses[#1]	**210,000**	210,000
	Legal and professional	**178,806**	163,500
	Conveyance	**37,424**	29,857
	Amount Written Off	**339,920**	3,078,948
	Listing & Custodian Fees	**322,500**	272,500
	Membership and Subcription fees	**139,740**	135,780
	Registrar & Shares transfer fees	**100,357**	128,290
	Provision for Standard Loans	**-**	389,342
	Provision for Sub-Standard Loans	**-**	9,080,000
	Other Expenses	**126,192**	50,884
	Total	**1,799,909**	13,935,480
	#1 Auditor's fees and expenses		
	Audit fees	**210,000**	210,000
	Tax Audit fees	**-**	-
	Others	**-**	-
24	**INCOME TAX**		
	(a) Income tax expense in the Statement of Profit and loss comprises:		
	Current taxes	**1,664,960**	466,980
	Deferred taxes	**-**	-
	Prior Period taxes	**-**	-
	Income tax expense	**1,664,960**	466,980

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(Amount in Rs.)

		2019-20	2018-19
25	**CONTINGENT LIABILITY**	-	-
	(To the extent not provided for)		
26	**COMMITMENTS**	-	-
27	**EARNINGS PER SHARE**		
	Computed in accordance with Ind AS 33 "Earnings per Share":-		
	(i) Basic and Diluted Earnings Per Share (Rs.)		
	Profit for the year (Rs.)	**4,729,466**	(37,109,291)
	Weighted Average No of Equity Shares (Nos.)	**6,942,550**	6,942,550
	Nominal Value of shares outstanding (Rs.)	**10**	10
	Basic and Diluted Earning per share (Rs.)	**0.68**	(5.35)
	(ii) Weighted average number of shares used as the denominator (Nos.)		
	Opening Balance	**6,942,550**	9,501,400
	Shares Issued	**-**	-
	Shares Brought Back	**-**	-
	Closing Balance	**6,942,550**	9,501,400

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(Amount in Rs.)

	2019-20	2018-19
28 EMPLOYEE BENEFITS : DISCLOSURE PURSUANT TO IND AS-19		
A. Defined Contribution Plans :		
The Company has contributed under defined contribution plan recognised as expenses during the year. The contributions payable by the Company to these plans at the rate specified in the rules of the scheme.		
i) Employer's Contribution to Provident Fund	**-**	-
	-	-
B. Defined Benefit Plan :		
The Company provides the Group Gratuity Scheme under defined benefit plans for qualifying employees. The gratuity is payable to all eligible employee on retirement, subject to completion of five years of the continuous employee, death or termination of employee that is based on last drawn salary and tenure of employment. Liabilities in gratuity plan are determined by actuarial valuation on		
a) The principal assumptions used in actuarial valuation are as below:		
Discount Rate	**7.70%**	7.70%
Rate of return on Plan Assets	**-**	-
Expected rate of increase in compensation level	**7.00%**	7.00%
b) Changes in the present value of obligations		
Opening Present Value of obligations	**525,068**	574,458
Interest Cost	**35,705**	44,233
Current Service Cost	**108,849**	101,940
Benefits Paid	**-**	(69,000)
Past Service Cost		
Actuarial loss/(gain) on obligations	**13,795**	(126,563)
Change in financial assumptions		
Closing Present Value of Obligations	**683,417**	525,068
c) Changes in Fair Value of Plan Assets		
Opening Fair Value of Plan Assets	**-**	-
Investment Income	**-**	-
Employer Contribution	**-**	-
Employee Contribution	**-**	-
Benefits Paid	**-**	-
Actuarial loss/(gain) on plan assets	**-**	-
Closing Fair Value of Plan Assets	**-**	-
d) Liability recognised in the Balance Sheet		
Present value of obligations as at the end of the year	**683,417**	525,068
Fair value of Plan Assets as the end of the year	**-**	-
Funded Status	**-**	-
Net (Assets)/Liability Recognised in the Balance Sheet	**683,417**	525,068
e) Expenses Recognised in Profit & Loss		
Interest Cost	**35,705**	44,233
Current Service Cost	**108,849**	101,940
Expenses to be recognised in the Statement of Profit	**144,554**	146,173
f) Expenses recognised in Other Comprehensive Income		
Acturial (gain)/loss - obligation	**13,795**	(126,563)
Acturial (gain)/loss - plan assets	**-**	-
Total Acturial (gain)/loss	**13,795**	(126,563)

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29 SEGMENT INFORMATION

Operating Segments:

An operating segment is a component of an entity:

(a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),

(b) whose operating results are regularly reviewed by the entity's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and

The Company is undertaking activity of providing finance and is predominantly affected to some extent of the customers profile. The director of the Company has been identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the segments based on their revenue growth, earnings before interest, tax and depreciation and return on capital employed.

The differences in its finance do not qualify as its reportable segment. The company reviews its financials only based on it lendings, recovery and and interest earned. Thus, based on such the Company's assessment, the Company reports segment

Information about geographical areas :

All the customers (borrowers) of the company are located in India. Also all the non current assets of the company are located in India.

Information about major customers :

Segmentwise Agreegate informtion of Revenue from transactions with a single external customer amount to 10 per cent or more of an entity's revenues	**4,894,853**	3,205,968

30 RELATED PARTY TRANSACTIONS

(i) Name of related parties and nature of relationship:

a. Key management personnel (KMP):
- Velji L. Shah
- Priyanka Borana (upto)
- Rekha (from)

b. Others - Entities in which above (a) has significant influence :
- Tokyo Plast International Limited
- Tokyo Constructions Limited

(ii) Transactions with related parties:

a. Management Compensation :

(Amount in Rs.)

Particulars	2019-20	2018-19
Short Term employee benefits	**813,505**	638,393
Post-employment Benefits	**-**	-
Other long term benefits	**-**	-
Termination benefits	**-**	-
Shares based payments benefits	**-**	-
	813,505	638,393

The above remuneration to Key management personnel compensation does not include contribution to gratuity fund, as this contribution is a lump sum amount for all relevant employees based on actuarial valuation.

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b. Other Transactions:

(Amount in Rs.)

Particulars	KMP		Others	
	2019-20	2018-19	**2019-20**	2018-19
Loans and advances Given/(Received) net			**(20,900,000)**	(36,540,000)
Tokyo Construction Limited			***(20,900,000)***	*(36,540,000)*
Loans and advances Taken/(Paid) net			**-**	(69,790,466)
Tokyo Plast International Limited			**-**	*(69,790,466)*
Sale of Investment	**-**	21,951,200		
Reimbursement of Expenses			**120,000**	120,000
Tokyo Plast International Limited			***120,000***	*120,000*

(iii) Balances outstanding at the year end of Related Parties :

(Amount in Rs.)

Particulars	Others		
	As at 31-Mar-2020	As at 31-Mar-2019	As at 31-Mar-2018
Loans			
Tokyo Construction Limited	***92,123,631***	*113,023,631*	*149,563,631*
Investments			
Tokyo Plast International Limited	**-**	-	6,705,300
Borrowings (Other Than Debt Securities)			
Tokyo Plast International Limited	**-**	-	*69,790,466*
Other Financial Liabilites			
Interest Accrued but not due on borrowings			
Tokyo Plast International Limited	**-**	39,148,855	39,173,747
Other Financial Liabilites			
Tokyo Plast International Limited	***141,581***	-	-

Note : Balance Outstanding for transaction with KMP as at **31-Mar-20 is NIL** (31-Mar-19 : NIL 31-Mar-18 : NIL)

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31 FAIR VALUE MEASUREMENTS

(i) Financial Instruments by Category

(Amount in Rs.)

Particulars	As at 31-Mar-2020		
	FVPL	FVOCI	Amortised Cost
Financial Assets:			
Cash and cash equivalents	-	-	538,834
Bank Balance other than above	-	-	-
Loans	-	-	137,894,468
Investments	-	-	-
Total Financial Assets	-	-	138,433,302
Financial Liabilities:			
Payables			
Borrowings (Other Than Debt Securities)	-	-	87,307
Other financial Liabilites	-	-	-
Total Financial Liabilities	-	-	740,228
Total Financial Liabilities	-	-	827,535

Particulars	As at 31-Mar-2019		
	FVPL	FVOCI	Amortised Cost
Financial Assets:			
Cash and cash equivalents	-	-	194,780
Bank Balance other than above	-	-	-
Loans	-	-	170,855,300
Investments	-	-	-
Total Financial Assets	-	-	171,050,080
Financial Liabilities:			
Payables	-	-	20,841
Borrowings (Other Than Debt Securities)	-	-	-
Other financial Liabilites	-	-	39,491,455
Total Financial Liabilities	-	-	39,512,296

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Particulars	As at 31-Mar-2018		
	FVPL	FVOCI	Amortised Cost
Financial Assets:			-
Cash and cash equivalents	-	-	352,068
Bank Balance other than above	-	-	-
Loans	-	-	209,381,903
Investments	-	-	6,705,300
Total Financial Assets	-	-	216,439,271
Financial Liabilities:			
Payables	-	-	4,051
Borrowings (Other Than Debt Securities)	-	-	69,790,466
Other financial Liabilites	-	-	39,556,747
Total Financial Liabilities	-	-	109,351,264

(ii) Assets and Liabilities that are disclosed at FVTPL or Amortised Cost for which Fair values are disclosed are classified as Level 3.

If one or more of the significant inputs is not based on observable market data, the respective assets and liabilities are considered under Level 3.

(iii) Fair value of financial assets and liabilities measured at amortised cost

(Amount in Rs.)

Particulars	**As at 31-Mar-2020**		As at 31-Mar-2019		As at 31-Mar-2018	
	Carrying value	**Fair Value**	Carrying value	Fair Value	Carrying value	Fair Value
Financial Assets:						
Cash and cash equivalents	**538,834**	**538,834**	194,780	194,780	352,068	352,068
Bank Balance other than above	**-**	**-**	-	-	-	-
Loans	**137,894,468**	**137,894,468**	170,855,300	170,855,300	209,381,903	209,381,903
Investments	**-**	**-**	-	-	6,705,300	6,705,300
Total Financial Assets	**138,433,302**	**138,433,302**	171,050,080	171,050,080	216,439,271	216,439,271
Financial Liabilities:						
Payables	**87,307**	**87,307**	20,841	20,841	4,051	4,051
Borrowings (Other Than Debt Securiti	**-**	**-**	-	-	69,790,466	69,790,466
Other financial Liabilites	**740,228**	**740,228**	39,491,455	39,491,455	39,556,747	39,556,747
Total Financial Liabilities	**827,535**	**827,535**	39,512,296	39,512,296	109,351,264	109,351,264

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32 DISCLOSURE PURSUANT TO IND AS 107 "FINANCIAL INSTRUMENTS: DISCLOSURES:"

(a) Expected credit loss - Loans:

	As at 31-Mar-2020			As at 31-Mar-2019			As at 31-Mar-2018		
	Gross Carrying Amount	**Expected Credit Loss**	**Carrying amount net of impairment provision**	Gross Carrying Amount	Expected Credit Loss	Carrying amount net of impairment provision	Gross Carrying Amount	Expected Credit Loss	Carrying amount net of impairment provision
Stage-1	**137,894,468**	**344,410**	**137,550,058**	170,855,300	536,973	170,318,327	209,381,903	147,631	209,234,272
Stage-2	**-**	**-**	**-**	-	-	-	-	-	-
Stage-3	**12,613,620**	**12,613,620**	**-**	24,927,598	24,927,598	-	26,508,554	26,508,554	-

Notes:

Stage - 1 : Financial assetsfor whichcredit risk hasnot increasedsignificantlysince initialrecognition
(Loss allowance measured at 12month expectedcredit losses)

Stage - 2 : Financial assetsfor whichcredit riskhas increasedsignificantlyand notcredit-impaired
(Loss allowance measured at lifetimeexpectedcredit losses)

Stage - 3 : Financial assetsfor whichcredit riskhas increasedsignificantly andcredit-impaired
(Loss allowance measured at lifetimeexpectedcredit losses)

(b) Reconciliation of loss allowance provision - Loans:

	Stage - 1	Stage - 2	Stage -3	Total
Loss allowance as on March 31, 2018	147,631	-	26,508,554	26,656,185
New Assets Orginated	389,342	-	9,080,000	9,469,342
Amount Written Off	-	-	(3,760,956)	(3,760,956)
Transfer to Stage - 1	-	-	-	-
Transfer to Stage - 2	-	-	-	-
Transfer to Stage - 3	-	-	-	-
Impact on year end ECL of Exposure transferred between stages during theyear	-	-	-	-
Increase / (Decrease) in provision on existing financial assets (Net of recovery)	-	-	(6,900,000)	(6,900,000)
Loss allowance as on March 31, 2019	**536,973**	**-**	**24,927,598**	**25,464,571**
New Assets Orginated	**-**	**-**	**-**	**-**
Amount Written Off	**-**	**-**	**(6,263,978)**	**(6,263,978)**
Transfer to Stage - 1	**-**	**-**	**-**	**-**
Transfer to Stage - 2	**-**	**-**	**-**	**-**
Transfer to Stage - 3	**-**	**-**	**-**	**-**
Impact on year end ECL of Exposure transferred between stages during theyear	**-**	**-**	**-**	**-**
Increase / (Decrease) in provision on existing financial assets (Net of recovery)	**(192,563)**	**-**	**(6,050,000)**	**(6,242,563)**
Loss allowance as on March 31, 2020	**344,410**	**-**	**12,613,620**	**12,958,030**

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33 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company activities exposes it to a variety of financial risk namely credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effect on its financial perfomance.

(a) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk primarily arises from Trade receivables and Loans, Cash and cash equivalents and Deposit with banks.

The Company exposure to the credit risk is limited as follows:

Loans

i) The Company's customers base consists of a large corporate customers and business enterprenures. Hence credit risk is not high.

ii) Customer's credit risk is managed by the company's established policies, procedures and control relating to customer's credit risk management. Before accepting any new customer, the Company has appropriate level of control procedures to assess the potential customer's credit quality. The credit-worthiness of its customers are reviewed based on their financial position, past experience and other factors. Outstanding loan receivables are regularly monitored. The credit risk related to the loan is mitigated by setting appropriate payment terms and credit period, and by setting and monitoring internal limits on exposure to individual customers.

iii) As required by Ind AS 109 company recognises Expected Credit Loss Allowances

iv) The gross carrying amount of Loan is Rs. 150852498 as at 31st March, 2020, Rs. 196319871 as at 31st March, 2019 and Rs. 236038088 as at 31st March, 2018.

Reconciliation of Expected Credit Loss Allowances

(Amount in Rs.)

Particulars	**2019-20**	2018-19
Loss allowance at the beginning of the year	**25,464,571**	26,656,185
Add: Changes in loss allowances	**(12,506,541)**	(1,191,614)
Loss allowance at the end of the year	**12,958,030**	25,464,571

Financial Assets other than Loans

i) The Company places its cash and cash equivalents and deposits with banks with high investment grade ratings which limits the amount of credit exposure with bank and conducts ongoing evaluation of the credit worthiness of the bank with which it does business. Given the high credit ratings of these financial institutions, the Company does not expect these financial institutions to fail in meeting their obligations.

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ii) In case of Investments, security deposits, advances and receivables given by the company provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount.

iii) The gross carrying amount of Financial Assets other than Loans are Rs. 538834 as at 31st March, 2020, Rs. 45583971 as at 31st March, 2019 and Rs. 7057368 as at 31st March, 2018

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

(Amount in Rs.)

Particulars	Carrying Amount	Up to 1 Year	Beyond 1 Year	Total
Borrowings	-	-	-	-
Trade and other payables	827,535	827,535	-	827,535
Total (as at March 31, 2020)	**827,535**	**827,535**	**-**	**827,535**
Borrowings	-	-	-	-
Trade and other payables	109,347,213	109,347,213	-	109,347,213
Total (as at March 31, 2019)	**109,347,213**	**109,347,213**	**-**	**109,347,213**

34 CAPITAL MANAGEMENT

The capital structure of the Company consists of net debt and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Company's risk management committee reviews the capital structure of the Company considering the cost of capital and the risks associated with each class of capital.

35 DISCLOSURE PURSUANT TO IND AS 7 "STATEMENT OF CASH FLOWS" CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES CAPITAL MANAGEMENT

	2019-20	2018-19
Borrowings (Other Than Debt Securities)		
Opening Balance	-	69,790,466
Cash Flows	-	(69,790,466)
Others	-	-
Closing Balance	-	-

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36 First-time adoption of Ind-AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31st March, 2020, the comparative information presented in these financial statements for the year ended 31st March, 2019 and in the preparation of an opening Ind AS Balance Sheet at 1st April, 2018 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed:

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1) Deemed cost :

The company has adopted the carrying value determined in accordance with Previous GAAP for all of its property plant &

2) Estimates:

The estimates as at April 01, 2018 and at March 31, 2019 are consistent with those made for the same dates in accordance

3) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification and measurement of financial assets (debt instruments) on the basis of The Company has applied the above assessment based on facts and circumstances exist at the transition date.

4) Derecognition of Financial Assets and Financial Liabilities :

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirement provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

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Reconciliations

The following reconciliations provide the effect of transition to Ind AS from Previous GAAP in accordance with Ind AS 101

1. Reconciliation of Equity as at 1 April 2018 and 31 March 2019
2. Reconciliation of Total Comprehensive Income for the year ended 31 March 2019
3. Impact of Ind AS on the Statement of Cash Flows for the year ended 31 March 2019

1 Reconciliation of equity as previously reported under Previous GAAP to IND AS

Particulars	Notes	As at 31-Mar-2019	As at 31-Mar-2018
Equity as per Previous GAAP		127,662,186	116,140,617
Changes due to Ind AS		-	-
Equity as per Ind AS		127,662,186	116,140,617

2 Reconciliation of Total Comprehensive Income for the year ended 31 March 2019

Particulars	Notes	2018-19
Net profit after tax as per Previous GAAP		11,521,570
Changes due to Ind AS	a	(93,543)
Net profit/(loss) after tax as per Ind AS		11,428,027
Other comprehensive income (net of tax)	a	93,543
Total comprehensive income as per Ind AS		11,521,570

(a) Actuarial gains and losses pertaining to defined benefit obligations and re-measurement pertaining to return on plan assets are recognised in Other Comprehensive Income in accordance with Ind AS 19 and are not reclassified to profit or loss.

3 Impact of Ind AS on the Statement of Cash Flows for the year ended 31 March 2019

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Net cash used in operating activities (A)		35,206,870	-	35,206,870
Net cash used in investing activities (B)		34,451,200	-	34,451,200
Net cash generated from financing activities (C)		(69,815,358)	-	(69,815,358)
Net increase in cash and cash equivalents (A+B+C)		(157,288)	-	(157,288)
Cash and cash equivalents at beginning of the year		352,068	-	352,068
Cash and cash equivalents at the end of the year		194,780	-	194,780

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37 In respect of the entity in which the related parties has significant influence (i.e. Tokyo Constructions Limited), no interest is due for the current year on account of the adjustment of excess interest charged in earlier years as a result of compound intead of simple interest.

38 COVID-19 PANDEMIC

The outbreak of Coronavirus (COVID-19) pandemic globally is causing a slowdown in economic activity. In many countries, businesses are being forced to cease or limit their operations for a long or indefinite period. Measures are taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered disruptions to businesses worldwide, resulting in an economic slowdown and uncertainties pertaining to future operations.

The Company has considered the possible effects that may result from COVID 19 on the carrying amounts of its assets. In developing the assumptions relating to the possible future uncertainties in the global conditions because of the pandemic, the Company, as on date on approval of these financial results have used variable information as available. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.

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The impact of COVID 19 may differ from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to the operations based on future economic conditions.

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