

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓



# TOKYO PLAST

*International Ltd.*

Report  junction.com

ANNUAL REPORT  
1997-98



# TOKYO PLAST INTERNATIONAL LIMITED

## BOARD OF DIRECTORS

**Velji L. Shah**  
Chairman & M.D.

**Malshi L. Shah**

**Haresh V. Shah**

## AUDITORS

**Swamy & Chhabra**  
Chartered Accountants

## BANKERS

**Bombay Mercantile Co-Op. Bank Ltd.**

## REGISTERED OFFICE

Tokyo House  
9/49, Marol Co-Op. Indl. Estate  
Sakinaka, Andheri (East),  
Mumbai - 400 059.

## WORKS

Mumbai: Sakinaka, Andheri  
Daman : Kachigam Road, Daman

## REGISTRAR AND TRANSFER AGENT

**Choksh Infotech Ltd.**  
35, Ajanta House,  
Marol Co-Op. Industrial Estate,  
Sakinaka, Andheri (East),  
Mumbai - 400 059.

### Fifth Annual General Meeting

**Date** : 24th September, 1998

**Time** : 10.00 A.M.

**Venue** : **SHRI SATYANARAYAN  
GOENKA BHAVAN**  
87, J.B. Nagar,  
Andheri (East),  
Mumbai - 400 059.

### CONTENTS

Notice .....	1
Directors' Report .....	2
Auditors' Report .....	4
Balance Sheet .....	6
Profit and Loss Account.....	7
Schedules to the Accounts .....	8
Cash Flow Statement .....	20

## 5TH ANNUAL REPORT 1997-98

## NOTICE

**NOTICE** is hereby given that the Fifth Annual General Meeting of the Shareholders of **TOKYO PLAST INTERNATIONAL LIMITED** will be held at Shri Satyanarayan Goenka Bhavan, 87, J.B. Nagar, Andheri (East), Mumbai - 400 059 on Thursday the 24th September, 1998 at 10.00 A.M. to transact the following business :

## ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31.03.1998 and Profit & Loss Account of the Company for the year ended on that date together with the Reports of the Directors and Auditors.
2. To appoint a Director in place of Shri Haresh V. Shah, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting.

## SPECIAL BUSINESS

4. To consider, and if thought fit, to pass the following Resolution, with or without modification, as an Ordinary Resolution:  
 "RESOLVED THAT pursuant to the powers conferred by clause B (13) & B (15) of the Memorandum of Association of the Company and subject to such permission and clearances as may be required under The Companies Act 1956, from the Reserve Bank of India or such other Government agencies as may be required the company be and is hereby authorised to form one or more subsidiary company/ companies either wholly owned or otherwise in India or abroad and/or enter into one or more Joint venture/Joint Ventures with any entity in India or abroad or to participate in the equity of such company/ companies in excess of 50% in India or abroad for carrying on activities relating to plastic and other related products.

FURTHER RESOLVED THAT Shri Velji L. Shah, Chairman and Managing Director of the Company, be and is hereby authorised to take all necessary steps, to sign all papers and documents, to obtain requisite approvals and to do all acts, deeds and things as may be required to be done for formation of such company / companies or for participation in the equity of such company/ companies.

By Order of the Board

**MALSI L. SHAH**  
Director

Mumbai, June 30, 1998

## 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. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books will remain closed from 15.09.98 to 22.09.98 (both days inclusive)
3. Members are requested to notify the change of address, if any, to the Company's Registrar and Share Transfer Agent, Choksh Infotech Ltd., 35, Ajanta House, Marol Co-op. Industrial Estate, Andheri-Kurla Road, Mumbai-400 059.
4. For the convenience of Members and for proper conduct of the meeting, entry to the place of meeting will be regulated by attendance card, which is attached herewith.
5. Members are requested to kindly bring their copies of Annual Report to the Meeting.

**ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT AS REQUIRED  
UNDER SECTION 173 OF THE COMPANIES ACT, 1956.**

Item No. 4.

The Company feels that there is a substantial potential for trading activities in foreign markets and specially in the United States of America for the products of the company and also for other related products. The company is of the view that to tap the potentials of these products a separate infrastructure in the United States of America would be of tremendous benefit to the company. The company is exploring the possibilities of having a subsidiary company/ companies or of entering into a Joint venture with any other entity or participating in the equity of another company to deal in its own and other products, in India or abroad. The company is of the view that similar opportunities are likely to arise in other places as well. Hence the company would like to have the option of entering into such arrangements. Though the company already has the authority under clause B (13) and (15) of the Memorandum of Association of the company for entering into such an arrangement, the directors have decided to take the consent of the members for the above in the general meeting.

None of the Directors of the Company is interested or concerned in this resolution.



## TOKYO PLAST INTERNATIONAL LIMITED

### DIRECTOR'S REPORT

Your Directors have pleasure in presenting their Fifth Annual Report and Audited Accounts of the Company for the year ended March 31, 1998

#### FINANCIAL RESULTS

	1997-98	1996-97
Sales	2021.14	2006.92
Profit before interest, depreciation & tax	362.48	336.14
Interest	136.51	93.78
Depreciation	78.28	63.76
Provision For Taxation	NIL	NIL
Profit after tax	147.69	178.60
Add : Excess provision for prior year taxes written back	NIL	6.18
Profit available for appropriation	147.69	184.79

#### APPROPRIATION

Dividend Tax	3.39	10.35
Proposed Dividend - Equity	NIL	95.01
Proposed Dividend - Preference	33.92	8.48
Transfer to General Reserve	NIL	15.00
Surplus Carried Over	110.38	55.95

#### DIVIDEND :

Keeping in view the need to conserve the Company's resources and to meet the enhanced working capital requirements of the company for the increased activity in the current year, your Directors are constrained not to recommend any dividend on the equity shares for the year under report.

Preference dividend @ 16 % will be paid to the preference shareholders. The total outflow on account of dividend including the dividend tax will be Rs. 37.31 lakhs.

#### PERFORMANCE :

The year gone by has been testing and challenging for the entire Plastic Industry, particularly for Indian Plastic Exports in view of the continuing dumping from China and Taiwan in the Global market. To meet the challenge, your company focused on increasing its market presence by keeping the level of prices competitive enough vis-a-vis the global dumping and by concentrating on volume sales. This has resulted in squeeze on unit margins. However, your directors are of the view that in the long term the policy of sustaining in the market during tough times would further consolidate and strengthen its long term prospects.

Viewed in this context, your company's performance of achieving turnover of Rs.20 crore for the second year in succession and increasing their export market share is quite encouraging.

#### EXPORTS :

Your company continued to cross new milestones in exports in the year under review. The exports during the years at Rs. 1441.80 lakhs reflects a 17 % growth over the previous year figure of Rs. 1230.67 lakhs. Your company captured new markets during the year and exports to American markets have been stepped up.

#### NEW PRODUCT :

During the year your company introduced "Spectrum" water jugs in 2 sizes and "Colombus" insulated flasks in 3 sizes which was an instant hit in the export markets. Your company has made fresh investment in moulds for these products which would enable it to meet the increase demand. The "Rainbow" water Jug which was introduced in the earlier years continued to be well patronised by overseas buyers. Your company added one more size in this range giving the buyers a wider choice to choose from.

#### PARTICULARS OF EMPLOYEES :

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

#### DIRECTOR :

Shri Harish V. Shah retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Your directors recommend his reappointment.

#### AUDITORS :

M/S Swamy & Chhabra, Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and the Board recommends their reappointment.

#### PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO IN TERMS OF SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956.

##### A. CONSERVATION OF ENERGY :

Your company is continuing its efforts to conserve energy. A very high priority is accorded to the measures of energy conservation. Routine measures of energy conservation include careful monitoring and optimisation of fuel and electrical energy consumption.

##### B. RESEARCH & DEVELOPMENT :

Continuous efforts in cost reduction, standards compliance and reliability improvements in the full range of products.

1. Specific area where R&D is being carried out by the Company.

## 5TH ANNUAL REPORT 1997-98

Development of new moulds and product designs.

2. Benefits derived as a results of the above R&D:

Substantial increase in orders, both in International and Domestic Market by creation of new and Innovative products.

3. Future Plan of Action :

Continuous efforts in improving product quality, reliability and cost reduction.

Focus in improving design efficiency and productivity. Strengthening the design and development processes to address the global market and new opportunities.

4. Expenditure on R & D :

Not applicable since the company does not have a separate R & D Department.

### C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

1. **Efforts** : The Company is constantly taking steps which will result in reduction in the idle time of production process.

2. **Benefits** : Significant improvement in product quality and reliability has been achieved .

3. **Imported Technology** : Nil

### D. FOREIGN EXCHANGE EARNINGS / OUTGO :

During the year under review , the company's foreign exchange earnings were Rs. 1335.42 (Previous Year Rs. 1128 Lakhs). The expenditure in foreign currency including imports during the year amounted to Rs . 585 lakhs (Previous Year Rs. 592 Lakhs).

### ACKNOWLEDGMENT

Your Directors wish to place on record their appreciation of the continued co-operation the Company received from various departments of the Central and State Government , Company's Bankers , Dealers & Suppliers of the company.

The Board also wishes to place on record its gratitude to our valued Customers , Members , Investing public and employees for their continued support and confidence in the Company .

On Behalf of Directors

**MALSHI L. SHAH**  
Director

Mumbai, June 30, 1998



# TOKYO PLAST INTERNATIONAL LIMITED

## AUDITORS REPORT

To:  
The Shareholders of  
Tokyo Plast International Limited

We have audited the attached Balance Sheet of Tokyo Plast International Limited, as at 31st March 1998 and the Profit and Loss Account for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing And Other Companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph (1) 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 and Profit and Loss Account referred to in this report are in agreement with the books of accounts.
  - (d) 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 gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
    - (i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 1998 and
    - (ii) In the case of the Profit and Loss Account of the profit for the year ended 31st March, 1998.

**For Swamy & Chhabra**  
Chartered Accountants

**C. Ayyaswamy**  
Partner

Mumbai, June 30, 1998

## ANNEXURE TO AUDITOR'S REPORT

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

1. The Company has maintained proper records to show full particulars including quantitative details and situation of Fixed Assets. As explained to us these Fixed Assets have been physically verified by the Management during the year and no serious discrepancies have been noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. As explained to us, the stock of finished goods, semi finished goods and raw materials have been physically verified by the management at reasonable intervals during the year.
4. As per the information given to us, the procedure of physical verification of the stocks followed by the management is generally reasonable and adequate in relation to the size of the company and the nature of its business.
5. The Company maintains the purchase register giving quantity wise details of receipts. However, no issue records are maintained. The consumption of materials is derived by adjusting the opening and closing stock to the receipts figure. The stock of materials, consumables and stores and spares were physically taken at the year end. However, the discrepancies between physical stock and book records could not be ascertained as the stock records were not maintained in details.
6. On the basis of our examination, the valuation of stocks are fair and proper in accordance with the normally accepted accounting principles.
7. The Company has taken unsecured loans from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, or from Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956. However the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the company.
8. The Company has granted unsecured loans to parties listed in the register maintained under section 301 of the company act, 1956. However the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the company.
9. In respect of loans and advances in the nature of loans given by the Company, where stipulations have been made, the parties are repaying the principal



## 5TH ANNUAL REPORT 1997-98

amount as stipulated or as rescheduled from time to time.

10. In our opinion, the company has an adequate internal control procedure commensurate with the size of the company and the nature of its business for purchase of stores, raw materials, including components, plant and machinery, equipment and other assets and for the sale of goods.
11. In our opinion and according to the information and explanation given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party.
12. As explained to us, no unserviceable or damaged stores, raw materials or finished goods are determined by the company and hence no provision for loss have been made in the accounts.
13. In our opinion and according to the information and explanation given to us, and based on the view taken by the company that deposits can be prematurely repaid with interest, in less than six months from the date of acceptance, the company has complied with provisions of section 58 A of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 with regard to the deposits accepted by the company.
14. We are informed that because of the nature of the industry no significant saleable scrap is generated.
15. The company does not have a separate internal audit system. However, in our opinion, the existing internal control procedures are adequate having regard to the size and nature of the business of the Company.
16. As per the information given to us, the Central Government has not prescribed the maintenance of the cost records under section 209(1)(d) of the Companies Act, 1956.
17. The company has been generally regular in depositing the Provident Fund and Employees State Insurance dues with the appropriate authorities.
18. Undisputed sales tax liability amounting to Rs. 25.28 lacs is outstanding as at March 31, 1998 for a period of more than six months from the date they became payable. Except the above there are no undisputed amounts payable in respect of Income tax, Wealth Tax, Customs, Excise Duty and Sales Tax which have remained outstanding as at March 31, 1998 for a period of more than six months from the date they

became payable.

19. During the course of examination of the books of account carried out in accordance with the generally accepted auditing practices, and according to the information and explanation given to us, we have not come across any personal expenses, other than those payable under contractual obligations or in accordance with the generally accepted business practices, which have been charged to Profit and Loss Account.
20. The Company is not a sick industrial company within the meaning of clause (O) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. As regards the company's trading activities, no damaged goods have been determined by the company.

**For Swamy & Chhabra**  
Chartered Accountants

**C. Ayyaswamy**  
Partner

Mumbai, June 30, 1998