



# **TOKYO PLAST**

*International Ltd.*

CERTIFIED TRUE COPY  
For TOKYO PLAST INTERNATIONAL LTD.



## ***ANNUAL REPORT 2002 - 2003***



# TOKYO PLAST INTERNATIONAL LIMITED

## BOARD OF DIRECTORS

**Shri. Velji L. Shah**  
Chairman

**Malshi L. Shah**

**Haresh V. Shah**

**Paresh R. Chheda**

**AUDITORS**  
Swamy & Chhabra  
Chartered Accountants

**BANKERS**  
Bombay Mercantile Co-op. Bank Ltd.

**REGISTERED OFF:**  
Tokyo House,  
9/49, Marol Co-Op. Industrial Estate, Sakinaka,  
Andheri (East), Mumbai – 400 059.

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

**REGISTRAR AND TRANSFER AGENT**  
**Choksh Infotech Ltd.**  
106, Mhada Shopping Complex,  
New Link Road, Oshiwara,  
Jogeshwari (West), Mumbai - 400 102.

### Tenth Annual General Meeting

**Date :** 29<sup>th</sup> September 2003

**Time :** 11.00 A.M.

**Venus :** Gomantak Sevasangh Hall,  
1st Floor, Malviya Road,  
Vile Parle (E),  
Mumbai - 400057

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## TENTH ANNUAL REPORT 2002 - 2003

### NOTICE

Notice is hereby given that the Tenth Annual General Meeting of the shareholders of Tokyo Plast International Limited will be held at Gomantak Seva sangh Hall, 1<sup>st</sup> floor, Malviya Road, Vileparle (East) Mumbai - 400057 on September 29, 2003 at 11.00 A.M. to transact the following business :

#### Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2003 Profit & Loss Account for the year ended 31<sup>st</sup> March, 2003 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Malshi L. Shah who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors M/s. Swamy & Chhabra, Chartered Accountants to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

#### Special Business :

4. To Consider and if thought fit, to pass the following resolutions, with or without modifications, as an Ordinary resolution.

**"RESOLVED THAT** Mr. Paresh R. Chheda, who was appointed as an additional director of the company by the Board of Directors of the Company and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of director, be and is hereby appointed a director of the company liable to retirement by rotation.

By Order of the Board of Directors

**HARESH V. SHAH**  
**DIRECTOR**

Place : Mumbai  
Date : 30<sup>th</sup> June 2003.

#### Registered Off:

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

#### Administrative Off:

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



## TOKYO PLAST INTERNATIONAL LIMITED

### NOTES :

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

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

2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.

3. The Register of members and the share transfer books of the company will remain closed from Sept. 29, 2003 to Sept. 30, 2003 (both days inclusive) in connection with the Annual General Meeting.

#### 4. INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

As required under the Listing Agreement, the particulars of the Directors who are proposed to be appointed/re-appointed are furnished below :

##### i) Item No.2 of the Notice :

Name : Mr. Malshi L. Shah

Age : 57 years

Qualification : 7<sup>th</sup> std.

Expertise : 30 years in Plastic trading and 19 years as Manufactures of Plastics.

Date of Appointment : Since the inception of the Company.

Mr. Malshi L. Shah is not having directorship in any other Company and he is a member of

Remuneration Committee, Audit Committee and Share Transfer and Shareholders Grievance Committee and not having chairmanship of any other Committee.

##### ii) Item No.4 of the Notice :

Name : Mr. Paresh R. Chheda

Age : 23 years

Qualification : B.Com

Expertise : 5 years in Bakelite Industry.

Date of Appointment: 27<sup>th</sup> March, 2003

He is a Chairman of the Audit Committee and a member of Remuneration Committee and Share Transfer and Shareholders Grievance Committee of the Company and not having any chairmanship in any other committee.

- 5 Members are requested to notify the change of address, if any, to the company's Registrar and Share Transfer Agent, Choksh Infotech Ltd., 106, Mhada Shopping Complex, New Link Road, Oshiwara, Jogeshwari(west), Mumbai - 400 102.

- 6 Members desiring any information on the accounts are requested to write to the Company, which should reach the Company at least one week before the meeting so as to enable the management to keep the information ready. Replies will be provided only at the meeting.

- 7 Members / Proxies should bring the attendance slip at the meeting.

#### EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

##### Item No.4

Mr. Paresh R. Chheda was appointed an additional director of the company on 27<sup>th</sup> day of March, 2003 by

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the Board of Directors of the company. According to the provisions of Section 260 of the Companies Act, 1956 he holds office as a Director only up to the date of the Annual General Meeting. As required by Section 257 of the Act, a notice has been received from member signifying his intention to propose appointment of Mr. Paresh R. Chheda as a Director along with deposit of Rupees Five Hundred. The Board considers it desirable that the company should continue to avail itself of his services.

By Order of the Board of Directors

**HARESH V. SHAH**  
DIRECTOR

**MALSHI L. SHAH**  
DIRECTOR

**Registered Off:**

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

**Administrative Off:**

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

Place : Mumbai

Date : 30<sup>th</sup> June 2003.

**DIRECTORS' REPORT**

To  
The Members,  
Tokyo Plast International Limited

The Directors have pleasure in presenting the Tenth Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2003.

**FINANCIAL RESULTS :**

	<b>31.03.2003</b> <b>(Rs. In Lakhs)</b>	<b>31.03.2002</b> <b>(Rs. In Lakhs)</b>
Sales	2383.74	2654.75
Profit after Tax	140.25	293.62
Appropriations		
Transferred to General Reserve	—	50.00
Surplus carried over to Balance Sheet	140.25	243.62

**DIVIDEND :**

In view of the continued requirement for increased working capital, your Directors do not recommend dividend for the year under review.

**DIRECTORS :**

In accordance with the provisions of the Companies Act, 1956 and the company's Articles of Association Mr. Malshi L. Shah, Director of the Company retires by rotation, and being eligible offers himself for re-appointment.





## TOKYO PLAST INTERNATIONAL LIMITED

Mr. Paresh R. Chheda was appointed as additional director effective from 27<sup>th</sup> March, 2003 as additional Director to hold office up to the date of the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

### DEPOSITS :

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

### DIRECTORS' RESPONSIBILITY STATEMENT :

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

- i) That in preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2003, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii) That the directors had selected such accounting policies and applied consistently and made judgements and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2003 and the profit of the Company for the year under review.
- iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the annual accounts for the year ended 31<sup>st</sup> March, 2003 have been prepared on a 'going concern basis'.

### AUDITORS :

The Auditors M/s. Swamy & Chhabra, Chartered Accountants, retire at the ensuing Annual General Meeting and they being eligible offer themselves for re-appointment.

### 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

Measures of energy conservation have been continuing systematically. Conscious efforts are made to bring awareness amongst users for energy conservation. Routine measures of energy conservation include careful monitoring and optimization of fuel and electrical energy consumption.

#### B. RESEARCH & DEVELOPMENT:

1. Specific area where R&D is being carried out by the Company. Development of new moulds and product designs.
2. Benefits derived as a results of the above R&D: Sustenance of market share in the stiff competitive global market and increase in orders by creation of new and innovative products with attractive variations.
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.1933.71 lacs (Previous Year Rs.2083.64 lacs) . The expenditure in foreign currency including imports during the year amounted to Rs.21.70 lacs (Previous Year Rs.84.62 lacs).

**TENTH ANNUAL REPORT 2002 - 2003****AUDITORS REPORT**

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

**PARTICULARS OF EMPLOYEES:**

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

**CORPORATE GOVERNANCE :**

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

**DISCLOSURE UNDER SECTION 274(1)(G):**

None of the Directors of the company have been disqualified under section 274(1)(g) of the Companies Act, 1956.

**DEPOSITORY SYSTEM :**

The Company has entered into agreement with the National Securities Depository Limited (NSDL) as well as the Central Depository Services (India) Limited (CDSL) to enable shareholders to hold shares in a dematerialized form. The Company also offers simultaneous dematerialization of the physical shares lodged for transfer.

**ACKNOWLEDGEMENT :**

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

**ON BEHALF OF DIRECTORS**

**HARESH V. SHAH      MALSHI L. SHAH**  
**DIRECTOR**

Place : Mumbai

Date : 30<sup>th</sup> June 2003.

**Registered Off:**

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

**Administrative Off:**

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

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

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

1. The Stock Exchange, Mumbai,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400001.
2. National Stock Exchange of India Ltd,  
Exchange Plaza,  
Bandra – Kurla Complex,  
Bandra (East), Mumbai – 400 051.

There are no arrears of listing fees payable to any of the above Stock Exchanges. The Company has applied for de-listing of the equity shares from the following stock exchanges as approved by the shareholders in Annual General Meeting held on 29th September, 1999.

1. The Stock Exchange, Ahmedabad
2. The Calcutta Stock Exchange Association Ltd.
3. Madras Stock Exchange Ltd.
4. Vadodara Stock Exchange Ltd.
5. The Delhi Stock Exchange Association Ltd.

**MANAGEMENT DISCUSSION AND ANALYSIS****a) Industrial Structure and Development;**

The plastic household industry continues to be expanding with a number of unorganized players. The competition is therefore immense and one has to be always on toes to be ahead of others. Your company continues research on development of new range of products and a strict adherence to quality keeps it ahead of its competitors.

**b) Opportunity and threats :**

The opportunity for your company is in the form of ever expanding global marketing. With the addition of new products the existing market can also be widened.



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The competition from the Global Players particulars China is a matter of concern. Your company counters this threat through innovation in products and quality.

### c) Segment wise performance :

Manufacturing Exports	Rs. 1,281.14 Lacs
Trading Exports	Rs. 833.59 Lacs
Export Benefits	Rs. 269.00 Lacs

### d) Outlook:

Despite the competition from Global Players your company continues to be consciously optimistic about the future.

### e) Risk and Concerns:

Since majority of the sales are exports, your company faces the risk of drop in rupee revenues due to the strengthening of rupee vis-a-vis dollar. This is an era where prediction of the movement of the currency is difficult and your company has to keep this in mind while fixing prices.

### f) Internal Control System and their adequacy :

The scope for improvement in the internal control system and your company is taking efforts in this directions.

### g) Discussion on Financial Performances :

During the year, the company has not been able to achieve an increase in its exports due to stiff competition in the International Market and drop in rupee revenues the total turnover decreased by 10% from 2654.75 Lacs to 2383.74 Lacs. The company has made a net profit of 140.25 Lacs as against 293.62 Lacs for the previous year.

### h) Human Resources :

Training and development programmes for all levels of employees were imparted in order to optimize the contribution of the employees to the Company's business and operations. Occupational Health Safety and Environmental management are given at most importance in our plant. Relation with the employees and workers were very cordial.

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Corporate Governance:

Your company has always believed that good corporate practice leads to efficiency and excellence in the operations of a company. To this end its commitment to fair and ethical business and corporate practices and transparency in its dealings has been communicated to all the levels in the organization.

The Securities & Exchange Board of India has introduced a code of Corporate Governance for implementation by all the listed companies vide an amendment to the Listing Agreement. As per this requirement, the compliance of this code is required to be disclosed in the Directors Report. The same is presented below:

### 2. Board Directors:

#### a) Composition and Category of Directors :

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

Sr. No.	Name of Directors	Category	No. of Outside Directorships held	No. of Membership/ Chairmanship on the Committees of the Board
1	Mr. Velji L. Shah	Promoter Executive	4	1/1
2	Mr. Haresh V. Shah	Executive	4	3/-
3	Mr. Malshi L. Shah	Promoter - Non-Executive	-	2/1
4	Mr. Paresh R. Chheda	Independent	-	2/1



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### b) Meetings and attendance record of each Director:

The Board of Directors had held 12 Meeting during the year on 02-04-2002, 29-06-2002, 30-06-2002, 22-07-2002, 31-07-2002, 31-10-2002, 04-12-2002, 14-12-2002, 31-01-2003, 01-03-2003, 25-03-2003 & 27-03-2003.

The attendance record of the Directors at the Board Meetings during the year ended on 31<sup>st</sup> March, 2003 and at the last Annual General Meeting (AGM) is as under .

Sr. No.	Name of Directors	No. of Outside Directorships held	Annual General Meeting on 23.09.2002
1	Mr. Velji L. Shah - Chairman	7	No
2	Mr. Hareish V. Shah - Director	12	Yes
3	Mr. Malshi L. Shah	12	Yes
4	Mr. Paresh R. Chheda - Director	1	No

### 3. Audit Committee:

The Audit Committee was constituted on 27<sup>th</sup> March, 2003. The Audit Committee reviews financial reporting systems, Internal control systems and procedures and ensures compliance with the regulatory guidelines. The Committee also monitors the Annual Audit Plan and recommends appointment and fixes remuneration of external auditors. The composition of the Audit Committee is as follows :-

1. Mr. Paresh R, Chheda - Chairman
2. Mr. Hareish V. Shah - Member
3. Mr. Malshi L. Shah - Member

The committee had a meeting on 27.03.2003 during the year in which the Chairman and other 2 members had attended.

### 4. Remuneration Committee:

The Remuneration Committee was constituted on 27<sup>th</sup> March, 2003 and it reviews and approves the annual remunerations, performance commission,

service agreements and other employment conditions for executive directors.

The composition of the Remuneration Committee are as follows :-

1. Mr. Velji L. Shah - Chairman
2. Mr. Malshi L. Shah - Member
3. Mr. Hareish V. Shah - Member
4. Mr. Paresh R. Chheda - Member

During the year the committee had a meeting on 27.03.2003 in which the Chairman and other 3 members had attended.

### 5. Share Transfer and Shareholders'/Investor Grievance Committee :

This Committee was constituted on 27<sup>th</sup> March, 2003 to specifically look into the transfer/ transmission of shares, issue of duplicate share certificate, review of shares dematerialized, all other matters related to shares and to redress shareholders and investors complaints like transfer of shares, non-receipt of dividends, non-receipt of Annual Report, etc. The members of the Shareholders'/Investor Grievance Committee are as follows :