



TOKYO PLAST

International Plc.

Report  junction.com

ANNUAL REPORT 2003 - 2004



TOKYO PLAST INTERNATIONAL LIMITED

BOARD OF DIRECTORS

Shri. Velji L. Shah
Chairman

Shri. Haresh V. Shah

Shri. Malshi L. Shah

Shri. Paresh R. Chheda

AUDITORS
Swamy & Chhabra
Chartered Accountants

BANKERS
The Cosmos Co-op. Bank Ltd.

REGISTERED OFFICE
Tokyo House
9/49, Marol Co-Op. Ind. Estate, Sakinaka,
Andheri (E), Mumbai - 400 059.

REGISTRAR AND TRANSFER AGENT

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

ELEVENTH ANNUAL GENERAL MEETING

Date : 28th September, 2004
Time : 2.30 P.M.
Venue : Gomantak Sevasangh Hall,
1st Floor, Malviya Road,
Vile Parle (E),
Mumbai - 400 057

CONTENTS

Notice	1
Directors' Report	2
Auditors' Report	9
Balance Sheet	12
Profit and Loss Account	13
Schedules to the Account	14
Cash Flow Statement	26

ELEVENTH ANNUAL REPORT 2003 - 2004**NOTICE**

Notice is hereby given that the Eleventh Annual General Meeting of the shareholders of Tokyo Plast International Limited will be held at Gomantak Seva sangh Hall, 1st floor, Malviya Road, Vileparle (East) Mumbai - 400057 on 28th September, 2004 at 2.30 P.M. to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2004 Profit & Loss Account for the year ended 31st March, 2004 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Haresh V. 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.

By Order of the Board of Director

HARESH V. SHAH
DIRECTOR

Place : Mumbai
Date : 30th June 2004.

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.

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 commencement of the aforesaid meeting.

2. The Register of members and the share transfer books of the company will remain closed from Sept 24, 2004 to Sept 28, 2004 (both days inclusive) in connection with the Annual General Meeting.

3. INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

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

i) Item No.2 of the Notice :

Name : Mr. Haresh V. Shah
Age : 30 years
Qualification : Diploma in Plastic Engineering
Expertise : 10 years as Manufacturer of Plastics.

Date of Appointment : 1st July 1996.

Mr. Haresh V. Shah is a member of Remuneration Committee, Audit Committee and Investor Relations Committee and not having chairmanship of any Committee in the Company. He is having directorship of Tokyo Finance Limited and where he holds chairmanship of Investor Relations Committee, membership of Audit committee and remuneration committee.

4. 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.
5. 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.
6. Members/proxies are requested to kindly bring duly filled in attendance slip at the meeting.

By Order of the Board of Directors

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

Place : Mumbai
Date : 30th June 2004.



TOKYO PLAST INTERNATIONAL LIMITED

DIRECTORS' REPORT

To
The Members,
Tokyo Plast International Limited

The Directors have pleasure in presenting the Eleventh Annual Report together with the Audited Accounts for the year ended 31st March, 2004

FINANCIAL RESULTS :

	31.03.2004 (Rs. In Lakhs)	31.03.2003 (Rs. In Lakhs)
Sales	1276.20	2383.74
Profit after Tax	26.78	140.25
Surplus carried over to Balance Sheet	26.78	140.25

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. Haresh V. Shah Director of the Company retires by rotation, 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 :

- That in the preparation of the Annual Accounts for the year ended 31st March 2004, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- That the directors had selected such accounting policies and applied consistently and made judgments 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 31st March, 2004 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 31st March, 2004 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 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

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:

- Specific area where R&D is being carried out by the Company. Development of new moulds and product designs.
- Benefits derived as 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.
- 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 .
- Expenditure on R & D :
Not applicable since the company does not have a separate R & D Department.

ELEVENTH ANNUAL REPORT 2003 - 2004**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.799.82 lacs (Previous Year Rs.1933.71 lacs). The expenditure in foreign currency including imports during the year amounted to Rs.36.20 lacs (Previous Year Rs.58.95 lacs).

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 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.

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
DIRECTOR

MALSHI L. SHAH
DIRECTOR

Place : Mumbai
Date : 30th June 2004.

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 – Kuria 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 the 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 market. With the addition of new products the existing market can also be widened.

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

During the year, your company and in fact the entire Plastic Industry in India is hit by the "China Syndrome". The dumping by the Chinese Players in the global markets of low value added products at unthinkable prices have left the Indian Players with limited option. Your company had to face this reality when in developed markets the Low value added products couldn't just match with the prices of the Chinese market. Your company, therefore, reluctantly had to forego a significant market share in the Low value added products.

Your company, however, continued its focus on developing high Value added products which in the long run would ensure a Stable market share.



TOKYO PLAST INTERNATIONAL LIMITED

c) Segment wise performance :

Manufacturing Exports	: Rs. 897.29 Lacs
Trading Exports	: Rs.149.40 Lacs
Export Benefits	: Rs. 229.51 Lacs

d) Outlook :

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

e) Risk and Concerns:

Since majority of the sales are exports, your company faces the risk of drop in rupees revenues due to the strengthening of rupee vis-à-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. The continuous dumping by the Chinese players continues to be a concern putting pressure on margins.

f) Internal Control System and their adequacy :

There is scope for improvement in the internal control system and your company is taking effects 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 46% from 2383.74 Lacs to 1276.20 Lacs. The company has made a net profit of 26.78 Lacs as against 140.25 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 utmost importance in our plant. Relation with the employees and workers were very cordial.

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance :

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

2. Board of Directors :

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	3	1/1
2	Mr. Hareesh V. Shah	Executive	3	3/ -
3	Mr. Malshi L. Shah	Promoter - Non-Executive	—	2/1
4	Mr. Paresch R. Chheda	Independent	1	2/1

b) Meetings and attendance record of each Director :

The Board of Directors had held 10 meetings during the year on 02.05.2003, 06.06.2003, 26.06.2003, 30.06.2003, 31.07.2003, 30.08.2003, 31.10.2003, 31.01.2004, 20.01.2004, and 16.02.2004.

The attendance record of the Directors at the Board Meetings during the year ended on 31st March, 2004 and at the last Annual General Meeting (AGM) is as under:

Sr. No.	Name of Director & Designation	No. of Board Meetings Attended	Annual General Meeting on 29.09.2003
1	Mr.Velji L. Shah – Chairman	2	No
2	Mr.Hareesh V. Shah – Director	10	Yes
3	Mr.Malshi L. Shah – Director	10	Yes
4	Mr.Paresch R. Chheda – Director	10	Yes

ELEVENTH ANNUAL REPORT 2003 - 2004**3. Audit Committee :**

The Audit Committee reviews Internal control systems and their compliance thereof, oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible. The Committee 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. Haresh V. Shah - Member
3. Mr. Malshi L. Shah - Member

During the year under review, the Audit committee met 4 times on 30.06.2003, 31.07.2003, 31.10.2003 and 31.01.2004. The Chairman and other 2 members attended all meetings.

4. Remuneration Committee :

It reviews and approves the annual remunerations, performance commission, service agreements and other employment conditions for executive directors. The composition of the Remuneration Committee is as follows:

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

Meetings and attendance during the year:- There was no meeting held during the year.

5. Investor Relations Committee:

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

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

The Committee, on behalf of the Company, has designated Choksh Infotech Ltd., 106, Mhada Shopping Complex, New Link Road, Oshiwara, Jogeshwari (west), Mumbai 400 102 the Registrar and Share Transfer Agent to look into above matter and review their working regularly.

During the year the committee met two times on May 26, 2003 and February 25, 2004 to review the investor grievances. Mr. Haresh V. Shah, Mr. Malshi L. Shah and Mr. Paresh R. Chheda attended all the meetings, Mr. Velji L. Shah took leave of absence for both the meetings.

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

Number of Shareholder complaints received – 5.

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

Number of Pending Transfers – Nil



TOKYO PLAST INTERNATIONAL LIMITED

6. General Body Meeting :

i. Location and time where last three AGMs held :

Financial year	Location	Date	TIME
2000-01	Shri Satyanarayana Goenka Bhavan, J.B. Nagar, Andheri (East), Mumbai – 400 059.	28 th September, 2001	11.00 AM
2001-02	Shri Satyanarayana Goenka Bhavan, J.B. Nagar, Andheri (East), Mumbai – 400 059.	23 rd September, 2002	11.00 AM
2002-03	Gomantak Seva sangh Hall, 1 st floor, Malviya Road, Vileparle (East) Mumbai – 400057	29 th September, 2003	11.00 AM

Other than the Annual General Meeting, there was no General Meeting of the shareholders of the Company held during the year ended on 31st March 2004.

- ii. Whether special resolutions were put through postal ballot exercise, details of voting pattern - No Postal ballot was conducted.
- iii. Person who conducted the postal ballot exercise : Not applicable.
- iv. Are proposed to be conducted through postal ballot : No
- v. Procedure for postal ballot : Not applicable.

7. Disclosures :

- i. Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management or their relatives etc. that may have potential conflict with the interest of company at large – Note 19 . 2 forming part of notes to accounts contains the list of related party relationships and the transactions as required by the accounting standard 18 on “ Related party Disclosures” issued by Institute of Chartered Accountants of India.
- ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years : Nil

8. Means of Communication :

- i. Whether half yearly report sent to each shareholders residence : No
- ii. Quarterly Result :
 - (a) News papers normally published in :
 - (1) Free Press Journal Mumbai edition
 - (2) Navshakti Mumbai Edition
 - (b) Web site were displayed : www.sebiedifar.inc.in maintained by National Informatics Center (NIC)
- iii. (a) Whether it also displays official news releases : No
 - (b) The presentations made to institutional investors or to the analysts : No
- iv. Whether Management Discussion & Analysis Report is a part of annual report or not : Yes

ELEVENTH ANNUAL REPORT 2003 - 2004**9. General Shareholder Information :**

- i. AGM: Date, time and Venue : 11th Annual General Meeting, Date : 28th September, 2004 at 2.30 p.m. , Gomantak Seva sangh Hall, 1st floor, Malviya Road, Vileparle (East) Mumbai – 400057.
- ii. Financial Year : April, 1 to March, 31
- iii. Date of Book Closure : 24th September, 2004 to 28th September, 2004.
- iv. Dividend Payment Date : No dividend declared during the year
- v. Listing on Stock Exchanges : The Stock Exchange, Mumbai and National Stock Exchange.
- vi. Listing fee for the financial year 2004-05 has been paid to both the stock exchanges, where the shares of the Company are listed.
- vii. Stock Code : BSE – 418 , NSE - Tokyo Plast
- viii. Market price data :

Month	BSE		NSE	
	High (Rs)	Low(Rs.)	High (Rs)	Low(Rs.)
April, 2003	3.50	2.65	No trading	No trading
May, 2003	4.25	2.80	3.50	3.50
June, 2003	5.25	3.25	4.30	3.55
July, 2003	5.90	4.40	5.00	4.30
August, 2003	5.10	4.50	5.10	4.60
September, 2003	6.40	4.60	4.70	4.50
October, 2003	4.00	3.15	3.50	3.50
November, 2003	3.95	3.30	No trading	No trading
December, 2003	4.45	3.60	No trading	No trading
January, 2004	5.20	4.50	4.90	4.10
February, 2004	3.40	3.25	4.55	3.80
March, 2004	3.50	3.25	4.00	3.10

- ix. Share Transfer System : Securities lodged for transfer at the Company's address or the share Transfer Agent's address are processed within 30 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialisation of securities are processed and the confirmation is given to the depositories with in 21 days. The Company also offers transfer-cum-demat facility for the convenience of the investors.

- x. Distribution of Shareholding as on March 31, 2004 :

Sr. No.	Category	No of Shares Held	Percentage of Shareholding
1	Promoters	4516202	47.53
2	Banks, Financial Institutions , Insurance Companies	100	0.00
3	Private Corporate Bodies	110124	1.16
4	Indian Public	4530074	47.68
5	NRI/OCBs	344900	3.63
Total :		9501400	100.00

- xi. Dematerialisation of shares and liquidity : The Company's equity shares are under compulsory demat trading effective from February 2004 by the investors. As on March 31, 2004 electronic holding by Members comprising 28.70% of the total equity of the Company through the National Securities Depository Limited (26.80%)and Central Depository Services (India) Limited (1.90%).