



TOKYO PLAST

International Ltd.

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ANNUAL REPORT 2004 - 2005


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 (East), Mumbai - 400 059.

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

TWELFTH ANNUAL GENERAL MEETING	CONTENTS
<p>Date : 29th September, 2005</p> <p>Time : 2.30 P.M.</p> <p>Venue : Gomantak Sevasangh Hall, 1st Floor, Malviya Road, Vile Parle (East), Mumbai - 400 057.</p>	<p>Notice..... 1</p> <p>Directors' Report..... 2</p> <p>Auditors Report..... 10</p> <p>Balance Sheet..... 13</p> <p>Profit and Loss Account..... 14</p> <p>Schedules to the Account..... 15</p> <p>Cash Flow Statement..... 24</p>

TWELFTH ANNUAL REPORT 2004 - 2005**NOTICE**

Notice is hereby given that the Twelfth 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 – 400 057 on 29th September, 2005 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 2005, Profit & Loss Account for the year ended on that date 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.

Place : Mumbai

Date : 30th June 2005

By Order of the Board of Director

HARESH V. 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 05674.

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL 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 September 27, 2005 to September 29, 2005 (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 :

Item No.2 of the Notice :

Name : Mr. Malshi L. Shah
Age : 59 years
Qualification : 7th std.
Expertise : 32 years in Plastic trading and 21 years as Manufacturers 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 having chairmanship of Investor Relations Committee and a member of Remuneration Committee and Audit 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.

Place : Mumbai

Date : 30th June 2005

By Order of the Board of Directors
HARESH V. SHAH **MALSHI L. SHAH**
DIRECTOR **DIRECTOR**



TOKYO PLAST INTERNATIONAL LIMITED

DIRECTORS' REPORT

To
The Members,
Tokyo Plast International Limited

The Directors have pleasure in presenting the Twelfth Annual Report together with the Audited Accounts for the year ended 31st March, 2005.

	31.03.2005 (Rs. in Lakhs)	31.03.2004 (Rs. in Lakhs)
Sales	1176.58	1276.20
Profit after Tax	2.76	26.78
Surplus carried over to Balance Sheet	2.76	26.78

DIVIDEND :

In view of the meagre profits, 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.

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 2005, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- they have selected such accounting policies in consultation with statutory auditors and have applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2005 and of the profit of the Company for the year under review.
- 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.
- the annual accounts for the year ended 31st March, 2005 have been prepared on a 'going concern basis'.

AUDITORS :

The Auditors M/s. Swamy & Chhabra, Chartered Accountants, retire at the end of this Annual General Meeting and, 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 &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.

TWELFTH ANNUAL REPORT 2004 - 2005**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.863.00 lacs (Previous Year Rs.799.82 lacs). The expenditure in foreign currency including imports during the year amounted to Rs.47.85 lacs (Previous Year Rs.36.20 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:

Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance along with a certificate on compliance of conditions of Corporate Governance form part of this report.

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

Place : Mumbai

Date : 30th June 2005

**HARESH V. SHAH
DIRECTOR**

**MALSHI L. SHAH
DIRECTOR**

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 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.



TOKYO PLAST INTERNATIONAL LIMITED

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 for the 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.

c) Segment wise performance :

Manufacturing Exports	:	Rs. 984.11 Lacs
Trading Exports	:	Rs. 84.15 Lacs
Export Benefits	:	Rs. 108.32 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 efforts in this direction.

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 7.8% from 1276.20 Lacs to 1176.58 Lacs. The company has made a net profit of 2.76 Lacs as against 26.78 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.

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REPORT ON CORPORATE GOVERNANCE
(Pursuant to Clause 49 of the Listing Agreement)

1. Company's Philosophy :

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

2. Board of Directors :**Composition of Board of Directors and related information :**

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 in other Companies	No. of Committee positions held in other companies. Membership/ Chairmanship.	No. of Board Meetings Attended	Whether attended AGM held on 28.09.2004
1	Mr. Velji L. Shah	Promotor, Executive, Non-Independent	3	2/-	2	No
2	Mr. Haresh V. Shah	Non-Independent, Executive	3	3/ -	6	Yes
3	Mr. Malshi L. Shah	Promotor, Non-Executive, Non-Independent	--	2/1	6	Yes
4	Mr. Paresh R. Chheda	Non-Executive, Independent	1	1/2	6	Yes

The Board of Directors had held 6 meetings during the year on 30.06.2004, 31.07.2004, 28.09.2004, 30.10.2004, 29.01.2005 and 10.03.2005.

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.

During the year under review, the Audit committee met 4 times on 30.06.2004, 31.07.2004, 30.10.2004 and 29.01.2005. The composition, names of the members, chairperson, particulars of the meetings of the members during the year are as follows:

Name of Directors	Category	No. of Meeting Held During the F.Y. ended 31st March, 2005.	No. of Meeting Attended during the F.Y. ended 31st March, 2005
Mr. Paresh R. Chheda (Chairman)	Independent / Non-Executive	4	4
Mr. Haresh V. Shah	Non-Independent / Executive	4	4
Mr. Malshi L. Shah	Non Independent / Non-Executive	4	4



TOKYO PLAST INTERNATIONAL LIMITED

4. Remuneration Committee :

It reviews and approves the annual remunerations, performance commission, service agreements and other employment conditions for executive directors.

During the year, the Remuneration Committee held its Meeting on 15th March 2005. The Composition, names of the members, chairperson, particulars of the Meeting and attendance of the members during the year are as follows.

Name of Directors	Category	No. of Meeting Held During the F.Y. ended 31st March, 2005.	No. of Meeting Attended during the F.Y. ended 31st March, 2005
Mr. Paresh R. Chheda (Chairman)	Independent / Non-Executive	1	1
Mr. Velji L. Shah	Non-Independent / Executive	1	1
Mr. Haresh V. Shah	Non-Independent / Executive	1	1
Mr. Maishi L. Shah	Non Independent / Non-Executive	1	1

5. Investor Relations Committee:

This Committee 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 composition, name of the members, chairperson, particulars of the meetings and attendance of the members during the year are as follows:

Name of Directors	Category	No. of Meeting Held During the F.Y. ended 31st March, 2005.	No. of Meeting Attended during the F.Y. ended 31st March, 2005
Mr. Maishi L. Shah (Chairman)	Non-Independent / Non-Executive	2	2
Mr. Velji L. Shah	Non-Independent / Executive	2	1
Mr. Haresh V. Shah	Non-Independent / Executive	2	1
Mr. Paresh R. Chheda	Independent / Non-Executive	2	2

During the year the committee met two times on May 24, 2004 and February 20, 2005

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

Number of Shareholder complaints received – 4.

Number of complaints not solved to the satisfaction of Shareholders -1

Number of Pending Transfers – 1

The required details have been submitted to Stock Exchange and the concerned Investor and has been solved thereafter.