



TOKYO PLAST **International Ltd.**

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ANNUAL REPORT 2005 - 2006


TOKYO PLAST INTERNATIONAL LIMITED
BOARD OF DIRECTORS

Shri. Velji L. Shah
Chairman

Shri. Haresh V. Shah

Shri. Malshi L. Shah

Shri Paresh R. Chheda

Shri Tassadduq A. Khan

Shri Chimanlal A. Kachhi

AUDITORS

Swamy & Chhabra
Chartered Accountants

BANKERS

The Cosmos Co-Op. Bank Ltd.

REGISTERED OFFICE

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

REGISTRAR AND TRANSFER AGENT

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

THIRTEENTH ANNUAL GENERAL MEETING	CONTENTS
<p>Date : 29th September, 2006</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..... 3</p> <p>Auditors Report..... 11</p> <p>Balance Sheet..... 14</p> <p>Profit and Loss Account..... 15</p> <p>Schedules to the Account..... 16</p> <p>Cash Flow Statement..... 26</p>

ANNUAL REPORT 2005 - 2006**NOTICE**

Notice is hereby given that the Thirteenth 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, 2006 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 2006, 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. Haresh V. Shah who retires by rotation and being eligible, offers himself for re-appointment.
3. To Place on record the appreciation of the valuable services rendered by Shri. Paresh R. Chheda, who retires by rotation and does not offer himself for reappointment.
4. To Place on record the appreciation of the valuable services rendered by Shri. Malshi L. Shah, who retires by rotation and does not offer himself for reappointment.
5. 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 :

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

"RESOLVED THAT Shri. Tassadduq Ali Khan who was appointed as an Additional director of the company by the Board of Directors of the Company with effect from December 27, 2005 who hold office upto the date of this Annual General Meeting of the Company in terms of section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the company liable to retirement by rotation.
7. To Consider and if thought fit to pass with or without modifications the following resolution as an Ordinary resolution.

"RESOLVED THAT Shri. Chimanlal Andarji Kachhi who was appointed as an Additional director of the company by the Board of Directors of the Company with effect from December 27, 2005 who hold office upto the date of this Annual General Meeting of the Company in terms of section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the company liable to retirement by rotation.

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 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 27, 2006 to Sept 29, 2006 (both days inclusive) in connection with the Annual General Meeting.
3. 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.
4. 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.
5. Members/proxies are requested to kindly bring duly filled in attendance slip at the meeting.

By Order of the Board of Directors

Place : Mumbai
 Date : 30th June 2006.

VELJI L. SHAH
 CHAIRMAN

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



TOKYO PLAST INTERNATIONAL LIMITED

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the following Explanatory statement set out all material facts relating to the business mentioned under item No. 6 and 7 of the accompanying Notice dated 30th June 2006.

i) Item No.6

Mr. Tassadduq Ali Khan, 58, is a graduate in commerce and he has more than 2 decades of long experience in banking Industry. He is a Chairman of the Audit Committee, a member of Remuneration Committee of the Company. He is having directorship of Tokyo Finance Ltd., and also he is a chairman of Audit committee and a member of Remuneration Committee of the Company.

ii) Item No.7

Mr. Chimanlal Andarji Kachhi, 55, is an under graduate. He, however, has vast experience in business and Industry. He is the Manufacturer of Spices under Brand PRABHAT. He is not having Chairmanship of any committee and he is a member of the Audit Committee and Investor Relations Committee. He is having directorship of Tokyo Finance Ltd., and also he is a member of Audit committee of the Company.

By Order of the Board

Velji L. Shah
Chairman

Place : Mumbai
Date : 30th June 2006.

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

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DIRECTORS' REPORT

To
The Members,
Tokyo Plast International Limited

The Directors have pleasure in presenting the Thirteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2006.

FINANCIAL RESULTS:

	31.03.2006 (Rs. in Lakhs)	31.03.2005 (Rs. in Lakhs)
Sales	1442.64	1176.58
Profit after Tax	6.83	2.76
Surplus carried over to Balance Sheet	8.63	2.76

DIVIDEND :

In view of the meager 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. Haresh V. Shah, Director of the Company retires by rotation, and being eligible offers himself for re-appointment.

Mr. Pares R. Chheda Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting. He expressed his willingness to discontinue his Directorship from the ensuing AGM. The Board wishes to place on record his sincere appreciation of the valuable services rendered by Mr. Pares R. Chheda during his tenure.

Mr. Malshi L. Shah Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting. He is not reappointed to make way for more independent representation in the Board. The Board wishes to place on record his sincere appreciation of the valuable services rendered by Mr. Malshi L. Shah from the inception of the Company.

Mr. Tassadduq Ali Khan and Mr. Chimanlal Andarji Kachhi who were appointed as Independent directors hold office upto the date of the AGM. The Board recommends their reappointment.

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 :

1. in the preparation of the Annual Accounts for the year ended 31st March 2006, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. 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, 2006 and of the profit of the Company for the year under review.
3. 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.
4. the annual accounts for the year ended 31st March, 2006 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:

1. **Specific area where R&D is being carried out by the Company.**
Development of new moulds and product designs.
2. **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.



TOKYO PLAST INTERNATIONAL LIMITED

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 :

The Company has not incurred any expenditure on R & D.

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.1069.10 lacs (Previous Year Rs.863.00 lacs). The expenditure in foreign currency including imports during the year amounted to Rs.86.96 lacs (Previous Year Rs. 48.75 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 Employees of the Company for their co-operation received during the year under review.

ON BEHALF OF THE DIRECTORS

Place : Mumbai

Date : 30th June 2006

VELJI L. SHAH
CHAIRMAN

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.

The Stock Exchange, Ahmedabad
The Calcutta Stock Exchange Association Ltd
Madras Stock Exchange Ltd
Vadodara Stock Exchange Ltd
The Delhi Stock Exchange Association Ltd.

ANNUAL REPORT 2005 - 2006**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.

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. 1381.53 Lacs

Trading Exports : Rs. 0.53 Lacs

Export Benefits : Rs. 60.58 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 been able to achieve an increase in its exports in spite of stiff competition in the International Market. The total turnover increased by 22.61% from 1176.58 Lacs to 1442.64 Lacs. The company has made a net profit of 6.83 Lacs as against 2.76 Lacs for the previous year.

h) Human Resources :

Relation with the employees and workers were cordial.



TOKYO PLAST INTERNATIONAL LIMITED

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 bench marking 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 :

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 :

Name of Directors	Category	No. of Board Meetings Attended	Whether attended AGM held on 29.09.2005	Directorships in other Public companies Chairman / Member	positions held in other public companies. Member / Chairman
Mr. Velji L. Shah	Executive, Non-Independent	10	Yes	3 / -	- / -
Mr. Haresh V. Shah	Executive, Non-Independent	11	Yes	- / 3	- / -
Mr. Malshi L. Shah	Non-Executive, Non-Independent	11	Yes	- / -	- / -
Mr. Paresh R. Chheda	Non-Executive, Independent	7	Yes	- / 2	2 / 1
Mr. Tassadduq Ali Khan *	Non-Executive, Independent	3	N/A **	- / 1	1 / 1
Mr. Chimanlal Andarji Kachhi *	Non-Executive, Independent	3	N/A **	- / 1	1 / -

* Appointed as additional Directors on 27th December, 2005 and details provided from the date of appointment.

** Appointed after the AGM.

The Board of Directors had held 11 meetings during the year on 02.04.2005, 01.06.2005, 30.06.2005, 08.07.2005, 30.7.2005, 19.09.2005, 31.10.2005, 27.12.2005, 09.01.2006, 31.01.2006 and 15.03.2006

3. Audit Committee :

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchange. Mr. Tassadduq Ali Khan was appointed as a Chairman of the Committee on 27th December 2005 in place of Mr. Paresh R. Chheda, who stepped down from Chairmanship of the committee. Mr. Chimanlal Andarji Kachhi was appointed as a member of the Audit Committee on 27th December 2005 and Mr. Haresh V. Shah and Mr. Kamlesh Khirani were stepped down as member of the Audit Committee on December 27, 2005.

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 5 times on 30.06.2005, 30.07.2005, 31.10.2005, 27.12.2005 and 31.01.2006. 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, 2006.	No. of Meeting Attended during the F.Y. ended 31st March, 2006.
Mr. Tassadduq Ali Khan (Chairman)	Independent, Non-executive	2	2*
Mr. Chimanlal Andarji Kachhi	Independent, Non-executive	2	2*
Mr. Paresh R. Chheda	Independent, Non-executive	5	5
Mr. Haresh V. Shah	Executive, Non-Independent	3	3**
Mr. Malshi L. Shah	Non-Executive, Non-Independent	3	3**

* Details provided from the date of appointment

** Details provided up to the date of discontinuation from committee

ANNUAL REPORT 2005 - 2006**4. Remuneration Committee :**

It reviews and approves the annual remunerations, service agreements and other employment conditions.

During the year, the Remuneration Committee held its Meeting on 22nd February, 2006. 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, 2006.	No. of Meeting Attended during the F.Y. ended 31st March, 2006.
Mr. Paresh R. Chheda (Chairman)	Independent, Non-Executive	1	1
Mr. Tassadduq Ali Khan	Independent, Non-executive	1	1
Mr. Malshi L. Shah	Non-Executive, Non-Independent	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, 2006.	No. of Meeting Attended during the F.Y. ended 31st March, 2006.
Mr. Malshi L. Shah (Chairman)	Non-Executive, Non-Independent	1	1
Mr. Chimanlal Andarji Kachhi	Non-Executive, Independent	1	1

During the year the committee met on February 22, 2006.

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

Number of Shareholder complaints received – 14.

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

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