

TOKYO PLAST

International Ltd.

ANNUAL REPORT 2011 - 2012

TOKYO PLAST INTERNATIONAL LIMITED

BOARD OF DIRECTORS

Shri Velji L. Shah
Chairman

Shri Haresh V. Shah

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
Ajel Infotech Ltd.
106, Oshiwara Link Plaza Commercial Complex,
2nd Floor, New Link Road, Oshiwara,
Jogeshwari (West)
Mumbai - 400 102.

NINETEENTH ANNUAL GENERAL MEETING

Date : 28th September, 2012

Time : 2.30 P.M.

Venue : Gomanthak Seva Sangh Hall
First Floor, Malviya Road,
Vile Parle (East)
Mumbai - 400 057.

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NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the shareholders of Tokyo Plast International Limited will be held at Gomantak Seva Sangh Hall, 1st Floor, Malviya Road, Vile Parle (East) Mumbai – 400057 on 28th September, 2012 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 2012, 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 Shri Velji L. Shah Director who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Chimanlal A. Kachhi,Director who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.

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 from Sept 27, 2012 to Sept 28, 2012 (both days inclusive) in connection with the Annual General Meeting.
3. Members are requested to notify the change in address or bank details to their respective Depository Participants in respect of their shareholding in Demat mode and in respect of their physical shareholding to the company's Registrar and Share Transfer Agent, Ajel Ltd., 106, Oshiwara Link Plaza Commercial Complex, 2nd Floor, 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.

ANNEXURE TO NOTICE

BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT AND EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.2

Re-appointment of Shri Velji L. Shah as Director

Shri Velji L. Shah aged 64 years, is an under graduate. He however, has over 40 years of experience and vast knowledge in the plastic industry since 1973. He has extensively traveled abroad and tapped the export market potentials of
Plastic Products.

Apart from being on the Board as a chairman of the Company and also a Member of its Audit Committee, Shri Velji Shah having directorship of Tokyo Finance Limited and also he is a member of the Remuneration Committee of the
Tokyo Finance Limited.

He is having 2555850 Shares of the Company

Item No.3

Shri Chimanlal Andarji Kachhi 61 years, is an under graduate. He has vast experience in business and Industry. He is the Manufacturer of Spices under Brand PRABHAT.

He is the Chairman of Investor Relations Committee and he is a member of the Audit Committee and Remuneration Committee. He is having directorship of Tokyo Finance Ltd., and also he is a chairman of the Investor Relation Committee and a member of Audit committee & Remuneration Committee of the Tokyo Finance Limited.

He does not have any shares of the Company

By Order of the Board of Directors

VELJI L. SHAH
CHAIRMAN

Place : Mumbai
Date : 30th May 2012

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

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circular stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this Green Initiative of the Government in full measure, members who have not registered their e-mail address, so far, are requested to register their e-mail address, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with M/s. Ajel Limited.

DIRECTORS'REPORT

To
The Members,
Tokyo Plast International Limited

The Directors have pleasure in presenting the Nineteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS:

	31.03.2012 (Rs.in Lakhs)	31.03.2011 (Rs.in Lakhs)
Revenue from Operations	5127.41	4973.97
Profit after Tax	528.76	430.06
Surplus Carried Over to Balance Sheet	528.76	430.06

During the year the turnover has increased by 3.08% and PAT has increased by 23%.

DIVIDEND:
In Order to conserve resources for future operations, your directors have decided not to recommend any dividend for the year.

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

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.

DIRECTORS:
In accordance with the provisions of the Companies Act, 1956 and the company's Articles of Association, Shri Velji L. Shah Director and Shri Chimanlal A. Kachhi Independent Director of the Company retires by rotation, and being eligible, offer themselves for re-appointment.

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

i. in the preparation of the Annual Accounts for the year ended 31st March 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

ii. 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, 2012 and of the profit of the Company for the year under review.

iii. 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. The annual accounts for the year ended 31st March, 2012 have been prepared on a 'going concern basis'.

PARTICULARS OF THE EMPLOYEES:

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

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.

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.

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.

AUDITORS REPORT:

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

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.

ANNEXURE TO DIRECTORS' REPORT
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.

The Total Electric consumption during the year: 3478030 Unit.

B. RESEARCH & DEVELOPMENT:

1. Specific area where R&D is being carried out by the Company.
Development of innovative product designs.

2. Benefits derived as results of the above R&D:
Sustenance of market share in the stiff competitive global market and despite global recession, 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:
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.4860.92 lacs (Previous Year Rs.4485.85 lacs). The expenditure in foreign currency including imports during the year amounted to Rs.1183.81 lacs (previous year Rs. 767.70 lacs.)

ON BEHALF OF BOARD OF DIRECTORS

VELJI L. SHAH
CHAIRMAN

Place: Mumbai
Date : 30th May 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industrial Structure and Development:

Following the global financial and economic turmoil, last year was a year of stability and significant restoration of confidence in global markets. Regarding the Indian economy it has been rebounded strongly from the impact of the global financial crises and demonstrated its inherent strength and growth potential.

We believe that we can look forward to a period of sustained growth driven by India's strong domestic fundamentals. It is In the framework of this evolving economic scenario that we have set out our growth strategy.

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 :

The Company is operating in a single segment. Hence, no separate segment wise information is given.

d) Industry Outlook:

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

e) Risk and Concerns:

Your Company faces severe price cycling caused by factors such as crude oil price and exchange rate fluctuation rupee vis-à-vis US 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. Your Company is taking proactive steps to stem the margin erosion due to this factor.

The continuous dumping by the Chinese players continues to be a concern putting pressure on margins.

f) Internal Control System and their adequacy:

The Company has in place adequate internal control systems, commensurate with the size and nature of its business. The company has a well defined system of management reporting and periodic review of business to ensure timely decision making and corrective action.

The management information system forms an integral part of the Company's control mechanism.

g) Discussion on Financial Performances:

During the year, the company has achieved growth in its exports and margins in spite of stiff competition in the International Market. The total turnover increased by 3.08% from 4973.97 Lacs to Rs.5127.41 Lacs and net profits increased by 23% from Rs.430.06 Lacs to Rs.528.76 Lacs.

h) Human Resources:

The Company recognizes human resources as a key component for facilitating organizational growth and shareholder value creation. Various initiatives have been taken to strengthen human resources of the Company. Relation with the employees and workers were cordial.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

1. Company's Philosophy:

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

2. Board of Directors :

The Board of Directors of the Company ("The Board") is well represented by and has adequate representation of Executive, Non Executive and Independent directors. The Board has constituted various committees of Directors, for the matters requiring special attention and their proper, effective & efficient disposal. The details are as given below:

Name of Directors	Category	Meeting held during respective tenure of Directors	No. of Board Meetings Attended	Whether attended AGM held on 30.09.2011	No. of Directorships in other Public Companies as on 31.03.2012	No. of Committee positions held in other Public Comapanies	
						As Chairman	As Member
Mr. Velji L. Shah (Chairman)	Non- Executive, Non-Independent	10	10	No	3	--	1
Mr. Haresh V. Shah	Executive, Non-Independent	10	10	Yes	3	--	1
Mr. Tassadduq Ali Khan	Non-Executive, Independent	10	9	Yes	1	2	--
Mr. Chimanlal Andarji Kachhi	Non-Executive, Independent	10	8	No	1	1	2

The Board of Directors had held 10 meetings during the year on 15/04/2011, 30/05/2011, 09/06/2011, 13/08/2011, 06/09/2011, 22/09/2011, 11/11/2011, 15/12/2011, 14/02/2012 & 24/02/2012.

3. Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements. The Audit Committee presently comprises of two independent directors and one non independent
non executive director.

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 reviews with the Management the quarterly unaudited financial statements and annual financial statements before submission to the Board. 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 30.05.2011, 13.08.2011, 11.11.2011 and 14.02.2012. The composition, names of the members, chairperson, particulars of the meetings of the members during the year are as follows:

Name of Members	Category	No. of Meeting Held During the F.Y. ended 31st March, 2012	No. of Meeting Attended during the F.Y. ended 31st March, 2012
Mr. Tassadduq Ali Khan (Chairman)	Non-Executive, Independent	4	4
Mr. Chimanlal Andarji Kachhi	Non-Executive, Independent	4	4
Mr. Velji L. Shah	Non-Executive, Non-Independent	4	4

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 14th February, 2012. The Composition, names of the members, chairperson, particulars of the Meeting and attendance of the members during the year are as follows.

Name of Members	Category	No. of Meeting Held During the F.Y. ended 31st March, 2012.	No. of Meeting Attended during the F.Y. ended 31st March, 2012.
Mr. Tassadduq Ali Khan (Chairman)	Non-Executive, Independent	1	1
Mr. Chimanlal Andarji Kachhi	Non-Executive, Independent	1	1

Total remuneration paid to Shri Haresh V. Shah, Executive Director during the year ended March 31, 2012 : - Rs. 24,00,000/-