



TOKYO PLAST

International Ltd.

ANNUAL REPORT
1996-97

MD	/		BKC	1996
CS	/		DPY	1996
RO	/		DIV	1996
TRA	/		AC	1996
ACM	/		SFI	1996
YE	/			1996



TOKYO PLAST INTERNATIONAL LIMITED

BOARD OF DIRECTORS

Velji L. Shah
Chairman & M.D.

Malshi L. Shah

Haresh V. Shah

AUDITORS

Swamy & Chhabra
Chartered Accountants

BANKERS

Bombay Mercantile Co-Op. Bank Ltd.

REGISTERED OFFICE

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

WORKS

Mumbai : Sakinaka, Andheri
Daman : Kachigam Road, Daman

REGISTRAR AND TRANSFER AGENT

Choksh Securities Co. Ltd.
35, Ajanta House,
Marol Co-Op. Industrial Estate,
Sakinaka, Andheri (East),
Mumbai - 400 059.

Fourth Annual General Meeting

Date : 30th September, 1997

Time : 10.00 A.M.

Venue : **SHRI SATYANARAYAN
GOENKA BHAVAN**
87, J. B. Nagar,
Andheri (East),
Mumbai - 400 059.

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NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting of the Shareholders of TOKYO PLAST INTERNATIONAL LIMITED will be held at Shri Satyanarayan Goenka Bhavan, 87, J. B. Nagar, Andheri (East), Mumbai - 400 059. on Tuesday the 30th September, 1997 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31.3.1997 and Profit & Loss Account of the company for the year ended on that date together with the Reports of the Directors and Auditors.
2. To declare Dividend.
3. To appoint a Director in place of Shri. Malshi L. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting.

By Order of the Board

VELJI L. SHAH

Chairman and Managing Director

Mumbai, June 30, 1997

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books will remain closed from 02.09.97 to 10.09.97 (both days inclusive).
3. Dividend, if any, that may be declared at the meeting will be paid to those members, whose names appear in the Company's Register of Members as on 02.09.97.
4. Members are requested to notify the change of address, if any, to the Company's Registrar and Share Transfer Agent, Choksh Securities Co. Ltd., 35, Ajanta House, Marol Co-op. Industrial Estate, Andheri-Kurla Road, Mumbai-400 059.
5. For the convenience of Members and for proper conduct of the meeting, entry to the place of meeting will be regulated by attendance card, which is attached herewith.
6. Members are requested to kindly bring their copies of Annual Report to the Meeting.



TOKYO PLAST INTERNATIONAL LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Fourth Annual Report and Audited Accounts of the Company for the year ended March 31, 1997.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	1996-97	1995-96
Sales	2006.92	1301.67
Profit before interest, depreciation & Tax	336.14	355.25
Interest	93.78	55.43
Depreciation	63.76	49.90
Provision for Taxation	NIL	NIL
Profit after tax	178.60	249.92
Add: Excess provision for prior year taxes written back.	6.18	--
Profit available for appropriation	184.79	249.92
Appropriations		
Dividend Tax	10.35	--
Proposed Dividend - Equity	95.01	142.52
Proposed Dividend - Preference	8.48	--
Transfer to General Reserve	15.00	15.00
Surplus Carried Over	55.95	92.40

DIVIDEND :

Your Directors are pleased to declare the following dividends for the year ended 31-03-97:-

- Preference - 16% (Pro-rata)
- Equity - 10% (Previous Year 15%)

The total outflow on account of dividend including the dividend tax would be Rs.113.84 Lakhs. The dividend is tax free in the hands of the Shareholders.

PERFORMANCE :

Your company has posted record sales during the year under review crossing the 20 crore mark. This has been achieved despite stiff competition from both within the country and from abroad, particularly from Korea and China. Your company concentrated on volume sales to penetrate new markets which had put a pressure on the unit margins. However breakthroughs achieved in the new markets should place your company on firmer grounds and your directors would endeavour to consolidate this position further in the current year.

EXPORTS :

Your company continued to cross new milestones in exports in the year under review. The exports during the year at Rs.1231 lakhs reflects a 17 % growth over the previous year figure of Rs. 1048 lakhs. Your company

captured new markets during the year and exports to American markets have been stepped up. During the year your company made its entry in Germany, Sudan, Curacao, Morocco, Finland, Russia, Sultan of Oman, Norway and Belgium.

Your company's relentless thrust on exports has been rewarded during the year and it has received the Government's recognition as an "Export House".

NEW PRODUCTS :

During the year your company introduced "Freezer Box Set" which was an instant hit in the advanced countries such as USA, Germany and Russia. Your company has made fresh investments in moulds for this product which would enable it to meet the increased demand. The "Rainbow" water Jug which was introduced in the earlier years continued to be well patronised by overseas buyers. Your company added two more sizes in this range giving the buyers a wider choice to choose from.

PARTICULARS OF EMPLOYEES :

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

DIRECTOR :

Shri. Malshi L. Shah retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your directors recommend his reappointment.

AUDITORS :

M/s. SWAMY & CHHABRA, Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and the Board recommends their 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 :

Your company is continuing its efforts to conserve energy. A very high priority is accorded to the measures of energy conservation. Routine measures of energy conservation include careful monitoring and optimisation of fuel and electrical energy consumption.

B. RESEARCH & DEVELOPMENT :

Continuous efforts in cost reduction, standards compliance and reliability improvements in the full range of products.

- Specific areas where R&D is being carried out by the Company.

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Developing of new moulds and product designs.

2. **Benefits derived as a result of the above R&D :**
Substantial increase in orders, both in International and Domestic Market by creation of new and innovative products.

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 period under review, the Company's foreign exchange earnings were Rs.1128 Lakhs (Previous Year 943 Lakhs). The expenditure in foreign currency including imports during the year amounted to Rs.572 Lakhs (Previous Year 188 Lakhs).

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the continued co-operation the Company received from various departments of the Central and State Government, Company's Bankers, Dealers & Suppliers of the Company.

The Board also wishes to place on record its gratitude to our valued Customers, Members, Investing public and employees for their continued support and confidence in the Company.

On behalf of Board of Directors

VELJI L. SHAH
Chairman & Managing Director

Mumbai, June 30, 1997

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TOKYO PLAST INTERNATIONAL LIMITED

AUDITORS REPORT

To:
The Shareholders of
TOKYO PLAST INTERNATIONAL LIMITED

We have audited the attached Balance Sheet of TOKYO PLAST INTERNATIONAL LIMITED, as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and other Companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph (1) above.
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account, as required by law, have been kept by the company so far as appears from our examination of such books.
 - (c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of accounts.
 - (d) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts together with notes thereon gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (i) In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 1997 and
 - (ii) In the case of Profit and Loss Account of the profit for the year ended 31st March, 1997.

FOR SWAMY & CHHABRA
Chartered Accountants

C. AYYASWAMY
Partner

Mumbai, June 30, 1997

ANNEXURES REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

1. The Company has maintained proper records to show full particulars including quantitative details and situation of Fixed Assets. As explained to us these Fixed Assets have been physically verified by the Management during the year and no serious discrepancies have been noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. Physical verification of finished goods, raw materials & components has been made by the management at the close of the year. We are of the opinion that the procedures followed by the management for physical verification of the Stocks are reasonable and adequate in relation to the size of the Company and the nature of its business.
4. The Company maintains purchase register giving quantity wise details of receipts. However, no issue records are maintained. The consumption of materials is derived by adjusting the opening and closing stock to the receipts figure. The stock of materials consumables and stores and spares were physically taken at the year end. However, the discrepancies between physical stock and book records could not be ascertained as the stock records were not maintained in detail.
5. On the basis of our examination, the valuation of stocks are fair and proper in accordance with the normally accepted accounting principles.
6. The Company has taken unsecured loans from parties listed in the register maintained under section 301 of the Companies Act, 1956. However the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the company.
7. The company has granted unsecured loans to parties listed in the register maintained under section 301 of the Companies Act, 1956. However the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the company.
8. In respect of loans and advances in the nature of loans given by the company, where stipulations have

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been made, the parties are repaying the principal amount as stipulated or as rescheduled and are also regular in payment of interest.

9. We are informed that the Purchases are made on the basis of quotations obtained and at competitive prices under the supervision of the Director. The purchases of fixed assets are approved by the Director. On the basis of aforesaid information, in our opinion, the internal control procedure for purchase of raw materials, stores, plant and machinery and other assets are commensurate with the size of the Company and the nature of its business.
10. The transaction of sale of goods and materials made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods. There is no purchase of goods and materials from persons covered under section 301 of the Companies Act, 1956.
11. No unserviceable or damaged stores, raw materials or finished goods are determined by the company and hence no provision for loss, if any, have been made in the accounts.
12. We are informed that because of the nature of the industry no significant saleable scrap is generated.
13. The company does not have an internal audit system commensurate with the size and nature of its business.
14. The Company does not have a separate internal audit system. However, in our opinion, the existing internal control procedures are adequate having regard to the size and the nature of the business of the Company.
15. The Central Government has not prescribed the maintenance of the cost records under section 209(1) (d) of the Companies Act, 1956.
16. The company has been generally regular in depositing the P.F., E.S.I.C. dues with authorities.
17. In our opinion and according to the information and explanations given to us, and based on the view taken by the company that deposits can be prematurely

repaid with interest, in less than six months from the date of acceptance, the company has complied with the provisions of Section 58 A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the company.

18. An amount of Rs.551063 is outstanding towards Sales tax as at March 31, 1997 for a period of more than 6 months from the date they became payable, except the above there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs and Excise Duty which have remained outstanding as at March 31, 1997 for a period of more than six months from the date they became payable.
19. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses, other than those payable under contractual obligations or in accordance with the generally accepted business practices, which have been charged to Profit and Loss Account.
20. The Company is not a sick industrial company within the meaning of clause (O) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In respect of trading activities no damaged goods have been determined by the company.

FOR SWAMY & CHHABRA
Chartered Accountants

C. AYYASWAMY
Partner

Mumbai: June 30, 1997