



TOKYO PLAST

International Ltd.

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ANNUAL REPORT 2007 - 2008



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

FIFTEENTH ANNUAL GENERAL MEETING	CONTENTS
<p>Date : 30th September, 2008</p> <p>Time : 2.30 P.M.</p> <p>Venue : Gomantak Sevasangh Hall, First Floor, Malviya Road, Vile Parle (East) Mumbai - 400 057.</p>	<p>Notice..... 1</p> <p>Directors' Report..... 2</p> <p>Auditors Report..... 12</p> <p>Balance Sheet..... 15</p> <p>Profit and Loss Account..... 16</p> <p>Schedules to the Account..... 17</p> <p>Cash Flow Statement..... 28</p>

ANNUAL REPORT 2007 - 2008**NOTICE**

Notice is hereby given that the Fifteenth 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 30th September, 2008 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 2008, 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 Andarji 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 closed from Sept 26, 2008 to Sept 30, 2008 (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 Director

VELJI L. SHAH
CHAIRMAN

Place: Mumbai
Date: 30th June 2008

Registered Office:

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


TOKYO PLAST INTERNATIONAL LIMITED
DIRECTORS' REPORT

To
The Members,
Tokyo Plast International Limited

The Directors have pleasure in presenting the Fifteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS:

	31.03.2008 (Rs. In Lakhs)	31.03.2007 (Rs. In Lakhs)
Sales	2221.30	1687.62
Profit after Tax	47.61	26.30
Surplus carried over to Balance Sheet	47.61	26.30

The turnover has increased by 31.62% and the PAT has gone up by 81.02%.

DIVIDEND:

In view of the meager profits and the need to conserve the resources for the increased activity, your Directors do not recommend dividend for the year under review.

ADDITIONAL PLANT:

To cater the increasing demand, Your Company has setup an additional plant at Kandla Special Economic Zone and it has been commissioned and started its commercial production in April 2007.

INDUSTRY OUTLOOK:

Your Company is optimistic about the outlook for the industry. Despite the continued threat from Chinese market for the plastic industry, Your Company has positioned itself as a value added player and has successfully thwarted the threat.

However the rising rupee vis-à-vis the US dollar has raised some uncertainties and has put pressure on margins. However Your Company is taking proactive steps to tackle the situation and ensure that the margin erosion is kept to the minimum.

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 Andarji Kachhi, Independent Director of the Company retires by rotation, and being eligible offer themselves for re-appointment.

DEPOSITS:

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

ANNUAL REPORT 2007 - 2008**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 2008, 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, 2008 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, 2008 have been prepared on a 'going concern bases'.

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.

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.


TOKYO PLAST INTERNATIONAL LIMITED
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.2065.50 lacs (Previous Year Rs.1450.92 lacs). The expenditure in foreign currency including imports during the year amounted to Rs.136.52 lacs (Previous Year Rs.92.44 lacs) and on account of capital expenditure for import of machinery of Rs.10.03 lacs (Previous Year Rs.145.90 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 DIRECTORS

VELJI L. SHAH
CHAIRMAN

Place: Mumbai

Date: 30th June 2008.

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
Brandra – 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.

ANNUAL REPORT 2007 - 2008**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.

Your Company faces threat from the rising rupee vis-à-vis US dollar. Your Company is taking proactive steps to stem the margin erosion due to this factor.

c) Segment wise performance :

The company is operating only one segment, i.e. Manufacturing of Plastic Products and hence no segment reporting is done.

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 31.62% from 1687.62 Lacs to 2221.30 Lacs. Your company has made a net profit of 47.61 Lacs as against 26.30 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:

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 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	Meeting held during respective tenure of Directors	No. of Board Meetings Attended	Whether attended AGM held on 28.09.2007	No. of Directorships in other Public Companies as on 31.03.2008	No. of Committee positions held in other Public Companies	
						As Chairman	As Member
Mr. Velji L. Shah (Chairman)	Non- Executive, Non-Independent	8	8	Yes	3	--	1
Mr. Haresh V. Shah	Executive Non-Independent	8	8	Yes	3	--	1
Mr. Tassadduq Ali Khan	Non-Executive, Independent	8	4	Yes	1	2	--
Mr. Chimanlal Andarji Kachhi	Non-Executive, Independent	8	5	No	1	1	2

The Board of Directors had held 8 meetings during the year on 05.05.2007, 16.06.2007, 30.06.2007, 31.07.2007, 30.09.2007, 31.10.2007, 02.01.2008, and 31.01.2008.

3. Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements and also it meets the requirements under section 292A of the Companies Act 1956. The Audit Committee presently comprises of two independent Directors.

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 30.06.2007, 31.07.2007, 31.10.2007, and 31.01.2008. The composition, names of the members, chairperson, particulars of the meetings of the members during the year are as follows:

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Name of Directors	Category	No. of Meeting Held During the F.Y. ended 31st March, 2008.	No. of Meeting Attended during the F.Y. ended 31st March, 2008.
Mr. Tassadduq Ali Khan (Chairman)	Non-executive , Independent	4	4
Mr. Chimanlal Andarji Kachhi	Non-executive , Independent	4	3
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 31st January, 2008. 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, 2008.	No. of Meeting Attended during the F.Y. ended 31st March, 2008.
Mr. Tassadduq Ali Khan	Non-executive, Independent	1	1
Mr. Chimanlal Andarji Kachhi	Non-executive , 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, 2008.	No. of Meeting Attended during the F.Y. ended 31st March, 2008.
Mr. Chimanlal Andarji Kachhi	Non-executive , Independent	1	1
Mr. Haresh V. Shah	Executive Non-Independent	1	1