

KAPASHI COMMERCIAL LIMITED

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13TH

ANNUAL REPORT 1997-98



KAPASHI COMMERCIAL LIMITED

MD	✓		BKC	✓
CS	NA		DPY	✓
RO	✓		DIV	✓
TRA	NA		AG	✓
AGM	✓	✓	SH	✓
YE	✓	✓		

DIRECTORS :

SEVANTILAL SHANTILAL KAPASHI
 INDUKUMAR SHANTILAL KAPASHI
 PARESH SEVANTILAL KAPASHI
 NIMISH INDUKUMAR KAPASHI
 HARESHCHANDRA MAGANLAL

REGISTERED OFFICE :

75, Dr. Annie Besant Road
 Worli, Mumbai - 400 018.

AUDITORS :

D. V. VORA & CO.
 Chartered Accountants.

BANKERS :

GLOBAL TRUST BANK LTD.
 VIJAYA BANK
 THE KANKARIYA MANINAGAR SAHAKARI BANK LTD.
 THE UNION CO-OPERATIVE BANK LTD.
 THE KURLA NAGARIK SAHAKARI BANK LTD.
 PATAN CO-OPERATIVE BANK LTD.

KAPASHI COMMERCIAL LIMITED

NOTICE

NOTICE is hereby given that Thirteenth Annual General Meeting of the members of KAPASHI COMMERCIAL LIMITED will be held at 402-A Poonam Chambers, Dr. Annie Besant Road, Worli, Mumbai 400 018 on Tuesday, the 29th day of September, 1998 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Indukumar Kapashi, who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Mr. Hareeshchandra Maganlal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. The retiring Auditors M/s. D. V. VORA & CO., Chartered Accountants, are eligible for re-appointment.

SPECIAL BUSINESS :

6. To pass with or without modification the following resolution as an Ordinary Resolution :
 "RESOLVED pursuant to the provisions of Section 198, 269, 310, 311 and other applicable provisions of the Companies Act, 1956, that the consent of the Company be and is hereby accorded to the re-appointment of and payment of remuneration to Mr. Sevantilal S. Kapashi, Whole-Time Director for a period of five years with effect from 16th June, 1998 as detailed hereunder :

PART A

1. Basic Salary : Rs. 15,000/- per month

PART B

1. House Rent Allowance : 60% of the salary.
2. Electricity Charges : Actual reimbursement.
3. Medical Reimbursement : Reimbursement of expenses incurred subject to a ceiling of one month salary in a year, or three months salary over a period of three years.
4. Leave Travel Concessions : Leave Travel Concessions for Mr. Sevantilal S. Kapashi and his family once in a year incurred in accordance with the rules of the Company for the time being in force.
5. Club Fees : Fees of Two Clubs.
6. Personal Accident Insurance : Premium not exceeding Rs. 1,000/- per month.
7. Car with Driver for Office use.
8. Telephone at residence subject to personal long distance calls to be reimbursed to the Company.

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FURTHER RESOLVED THAT the entitlement of Mr. Sevantilal S. Kapashi to usual benefits such as provident fund, bonus, gratuity (subject to a ceiling of Rs. 2,50,000/-), privilege leave, etc., as available to other executives of the Company are also approved.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profit in any year the salary payable to Mr. Sevantilal S. Kapashi, Whole-Time Director shall be the minimum remuneration.

FURTHER RESOLVED THAT the remuneration of Mr. Sevantilal S. Kapashi can be increased by the Board of Directors from time to time subject to ceiling fixed Schedule XIII of the Companies Act, 1956."

7. To pass with or without modification the following resolution as an Ordinary Resolution :

"RESOLVED pursuant to the provisions of Sections 198, 269, 310, 311 and other applicable provisions of the Companies Act, 1956, that the consent of the Company be and is hereby accorded to the re-appointment of and payment of remuneration to Mr. Indukumar S. Kapashi, Whole-Time Director for a period of five years with effect from 16th June, 1998 as detailed hereunder :

PART A

1. Basic Salary : Rs. 15,000/- per month.

PART B

1. House Rent Allowance : 60% of the salary.
2. Electricity Charges : Actual reimbursement.
3. Medical Reimbursement : Reimbursement of expenses incurred subject to a ceiling of one month salary in a year, or three months salary over a period of three years.
4. Leave Travel Concessions : Leave Travel Concessions for Mr. Indukumar S. Kapashi and his family once in a year incurred in accordance with the rules of the Company for the time being in force.
5. Club Fees : Fees of Two Clubs.
6. Personal Accident Insurance : Premium not exceeding Rs. 1,000/- per month.
7. Car with Driver for Office use.
8. Telephone at residence subject to personal long distance calls to be reimbursed to the Company.

FURTHER RESOLVED THAT the entitlement of Mr. Indukumar S. Kapashi to usual benefits such as provident fund, bonus, gratuity (subject to a ceiling of Rs. 2,50,000/-), privilege leave, etc., as available to other executives of the Company are also approved.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profit in any year the salary payable to Mr. Indukumar S. Kapashi, Whole-Time Director shall be the minimum remuneration.

FURTHER RESOLVED THAT the remuneration of Mr. Indukumar S. Kapashi can be increased by the Board of Directors from time to time subject to ceiling fixed Schedule XIII of the Companies Act, 1956."

Place : MUMBAI

Dated : 30th June, 1998.

By order of the Board of Directors

S.S. KAPASHI
Chairman

Regd. Office :

75, Dr. Annie Besant Road,
Worli, Mumbai - 400 018.

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Notes :

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member.
2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is annexed herewith.
3. The instrument appointing a proxy has to be deposited at the Company's Registered Office, not less than 48 hours before the time for holding the aforesaid meeting.
4. The Register of Member and the Transfer Books will remain closed from Tuesday, 15th September, 1998 to Tuesday, 29th September, 1998 (both days inclusive).
5. The dividend when sanctioned will be paid from 3rd October, 1998 to those shareholders whose names stand on the Register of Members on 29th September, 1998.
6. Members are requested to bring their copy of the Annual Report to the meeting.
7. Members or their proxies, as the case may be, are further requested to fill in the enclosed attendance slip and deposit the same at the time of attending the Annual General Meeting.
8. Members are requested to :
 - (i) Quote their registered folio number in all correspondence with the Company.
 - (ii) Notify the Company immediately of change if any, in their registered address.

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 :

Item No. 6 :

Mr. Sevantilal S. Kapashi has been re-appointed as a Whole-Time Director by the Board of Directors by a resolution passed at the Board Meeting effective from 16th June, 1998.

Mr. Sevantilal S. Kapadia has wide and rich experience in the field of business of Automobiles, Textiles, Iron and Steel. The Board of Directors considering his experience and abilities, recommended his re-appointment for a period of five years. His terms of re-appointment are set out below.

The Remuneration (salary and perquisites) payable to Mr. Sevantilal S. Kapashi is as follows :

PART A

- | | | |
|-----------------|---|-------------------------|
| 1. Basic Salary | : | Rs. 15,000/- per month. |
|-----------------|---|-------------------------|

PART B

- | | | |
|-----------------------------|---|--|
| 1. House Rent Allowance | : | 60% of the salary. |
| 2. Electricity Charges | : | Actual reimbursement. |
| 3. Medical Reimbursement | : | Reimbursement of expenses incurred subject to a ceiling of one month salary in a year, or three months salary over a period of three years. |
| 4. Leave Travel Concessions | : | Leave Travel Concessions for Mr. Sevantilal S. Kapashi and his family once in a year incurred in accordance with the rules of the Company for the time being in force. |

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5. Club Fees : Fees of Two Clubs.
6. Personal Accident Insurance : Premium not exceeding Rs. 1,000/- per month.
7. Car with Driver for Office use.
8. Telephone at residence subject to personal long distance calls to be reimbursed to the Company.

Plus usual benefits such as provident fund, bonus, gratuity (subject to a ceiling of Rs. 2,50,000/-), privilege leave, etc., as available to other Senior Executives of the Company.

This explanatory statement together with the accompanying Notice may be treated as an abstract of the terms and conditions of service of Mr. Sevantilal S. Kapashi and Memorandum of Interest under Section 302 of the Companies Act, 1956.

All the Directors except Mr. Hareshchandra Maganlal are deemed to be concerned or interested in this resolution.

Item No. 7 :

Mr. Indukumar S. Kapashi has been re-appointed as a Whole-Time Director by the Board of Directors by a resolution passed at the Board Meeting effective from 16th June, 1998.

Mr. Indukumar S. Kapashi has wide and rich experience in the field of industry. The Board of Directors considering his experience and abilities, recommended his re-appointment for a period of five years. His terms of appointment are set out below.

The Remuneration (salary and perquisites) payable to Mr. Indukumar S. Kapashi is as follows :

PART A

1. Basic Salary : Rs. 15,000/- per month.

PART B

1. House Rent Allowance : 60% of the salary.
2. Electricity Charges : Actual reimbursement.
3. Medical Reimbursement : Reimbursement of expenses incurred subject to a ceiling of one month salary in a year, or three months salary over a period of three years.
4. Leave Travel Concessions : Leave Travel Concessions for Mr. Indukumar S. Kapashi and his family once in a year incurred in accordance with the rules of the Company for the time being in force.
5. Club Fees : Fees of Two Clubs.
6. Personal Accident Insurance : Premium not exceeding Rs. 1,000/- per month.
7. Car with Driver for Office use.
8. Telephone at residence subject to personal long distance calls to be reimbursed to the Company.

Plus usual benefits such as provident fund, bonus, gratuity (subject to a ceiling of Rs. 2,50,000/-), privilege leave, etc., as available to other Senior Executives of the Company.

KAPASHI COMMERCIAL LIMITED

This explanatory statement together with the accompanying Notice may be treated as an abstract of the terms and conditions of service of Mr. Indukumar S. Kapashi and Memorandum of Interest under Section 302 of the Companies Act, 1956.

All the Directors except Mr. Hareshchandra Maganlal are deemed to be concerned or interested in this resolution.

Place : MUMBAI
Dated : 30th June, 1998.

By order of the Board of Directors

S.S. KAPASHI
Chairman

Regd. Office :
75, Dr. Annie Besant Road,
Worli, Mumbai - 400 018.



KAPASHI COMMERCIAL LIMITED

DIRECTORS' REPORT

To
The Members
KAPASHI COMMERCIAL LIMITED

Your Directors have pleasure in presenting the 13th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 1998

2. FINANCIAL RESULTS

	1997-98 Rs.	1996-97 Rs.
Profit subject to Depreciation & Tax	77,94,343	90,58,251
Less : Depreciation	54,18,536	58,02,641
Profit before tax	23,75,807	32,55,610
Less : Provision for taxation	2,40,000	2,50,000
Profit after tax	21,35,807	30,05,610
Profit brought forward from previous year	56,70,632	60,93,295
	78,06,439	90,98,905
Add : Excess provision for taxation	—	2,21,727
Amount available for Appropriation	78,06,439	93,20,632
Appropriations :		
Proposed Dividend	15,00,000	15,00,000
Tax on Dividend	1,50,000	1,50,000
General Reserve	20,00,000	20,00,000
	36,50,000	36,50,000
Profit for the year carried to Balance Sheet	41,56,439	56,70,632

3. DIVIDEND

Yours Directors have great pleasure to recommend dividend of Rs. 1.50 per share (1996-97 Rs. 1.50 per share) for the year ended 31st March, 1998.

4. OPERATION

The Company diversified in the field of Commercial activities i.e. **dealing in cloth and steel**, due to which income of the Company rose to Rs. 422.54 lacs in the year under review although there being prolonged sluggishness in the market, compared to income of Rs. 243.49 lacs in the year 1996-97. Due to very steep increase in loss on sale of vehicles and other expenditure, the net profit reduced to Rs. 21.36 lacs as against Rs. 30.05 lacs in the year 1996-97.

5. EMPLOYEES

Particulars as required under Section 217 (2A) of the Companies Act, 1956, and the rules made thereunder as amended are annexed to form of this Report.

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DIRECTORS' REPORT (Contd.)

6. DIRECTORATE

Mr. Indukumar Kapashi and Mr. Hareshchandra Maganlal, Directors, retire by rotation and being eligible offer themselves for re-appointment.

Mr. Sevantilal S. Kapashi and Mr. Indukumar S. Kapashi whose term expired on 16.06.1998, were reappointed as Whole-time Directors w.e.f. 16.06.1998 for a period of five years. The Board recommends your approvals.

7. AUDITORS

M/s. D.V. Vora & Co., Chartered Accountants, Mumbai retire and are eligible for reappointment.

8. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

The provisions of Section 217 (1) (e) in respect of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, in respect of Conservation of Energy and Technology Absorption are not applicable in case of your Company. There were no earnings or outgoings of foreign exchange during the year under review.

By Order of the Board of Directors

Place : Mumbai.

Date : 30th June, 1998.

S.S. KAPASHI

Chairman