

# KAPASHI COMMERCIAL LIMITED

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## ANNUAL REPORT 1998-99

## **KAPASHI COMMERCIAL LIMITED**

### **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 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 the Fourteenth 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 Friday, the 24th day of September, 1999 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, 1999, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sevantilal Kapashi, who retires by rotation and being eligible offer himself for re-appointment.
3. 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.

Place : MUMBAI

Dated : 20th August, 1999.

Regd. Office :

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

By order of the Board of Directors

S.S. KAPASHI  
Chairman

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## **KAPASHI COMMERCIAL LIMITED**

**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. 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.
3. The Register of Member and the Transfer Books will remain closed from Friday, 10th September, 1999 to Friday, 24th September, 1999 (both days inclusive).
4. Members are requested to bring their copy of the Annual Report to the meeting.
5. 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.
6. 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.

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## KAPASHI COMMERCIAL LIMITED

### DIRECTORS' REPORT

To  
The Members  
KAPASHI COMMERCIAL LIMITED

Your Directors have pleasure in presenting the 14th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 1999.

#### 2. FINANCIAL RESULTS

	1998-99 Rs.	1997-98 Rs.
Profit subject to Depreciation & Tax	-6,60,464	77,94,343
Less : Depreciation	-32,49,701	-54,18,536
Profit before tax	-39,10,165	23,75,807
Less : Provision for taxation	-3,00,000	-2,40,000
Profit after tax	-42,10,165	21,35,807
Profit brought forward from previous year	41,56,439	56,70,632
	-53,726	78,06,439
Add : Excess provision for taxation	5,203	0
Amount available for Appropriation	-48,523	78,06,439
<b>Appropriations :</b>		
Proposed Dividend	0	15,00,000
Tax on Dividend	0	1,50,000
General Reserve	0	20,00,000
	-48,523	36,50,000
Profit for the year carried to Balance Sheet	-48,523	41,56,439

#### 3. DIVIDEND

Your Directors are unable to recommend any dividend (1997-98 Rs. 1.50 per share) for the year ended 31st March, 1999. Your Directors are aware that this is the first time since 1989 that your Company has bypassed payment of Dividend to the Shareholders.

#### 4. OPERATION

The year gone by has been a very difficult and challenging year for the Company in terms of business of leasing of vehicles. The recession, which began in 1997 in the transportation business has not shown any sign of abatement and this caused irregular payments by transporters and in many cases the Company was forced to reduce the lease period and had to sell these vehicles in the open market which resulted in very steep loss on sale of vehicles. The Company therefore decided to diversify in the field of Commercial activities i.e. dealing in cloth and steel, which curbed the loss to Rs. 42.10 lacs as against the net profit of Rs. 21.36 lacs in the year 1997-98.

## KAPASHI COMMERCIAL LIMITED

### DIRECTORS' REPORT (Contd.)

#### 5. Y2K COMPLIANCE

The Company has taken appropriate and effective steps to meet any possible disruption in any hardware, network components and third party software programme, etc. due to Y2K impact. The Company does not anticipate significant material costs which may in opinion of the Board of Directors, materially affects the Company's profitability given Y2K compliance needs.

#### 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.

#### 6. DIRECTORATE

Mr. Sevantilal S. Kapashi, Director, retires by rotation and being eligible offers himself for re-appointment.

#### 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 : 20th August, 1999.

S.S. KAPASHI  
Chairman

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## KAPASHI COMMERCIAL LIMITED

### ANNEXURE TO DIRECTRS' REPORT

Informatin as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees Rules, 1975) and forming part of the Directors' Report for the Financial year ended 31st March, 1999.

Sr. No.	Name	Designation	Age	Joining Date	Qualification	Experience	Gross Remuneration	Last Employment	Designation
1.	Mr. Sevantilal S. Kapashi	Whole Time Director	64	16.06.1993	B.Sc. (Tech.) M.S. (U.S.A.)	40 years	Rs. 4,50,747/-	Ruby Coach Builders Limited	Whole Time Director
2.	Mr. Indukumar S. Kapashi	Whole Time Director	62	16.06.1993	Inter Commerce	44 years	Rs. 4,31,938/-	Ruby Coach Builders Limited	Whole Time Director

- Note :** (a) Shri Sevantilal S. Kapashi is related to Shri Indukumar S. Kapashi, Director as Brother and to Shri Paresh S. Kapashi as Father.  
 (b) Shri Indukumar S. Kapashi is related to Shri Sevantilal S. Kapashi, Director as Brother and to Shri Nimish I. Kapashi as Father.  
 (c) All appointments are contractual for a period of five years.  
 (d) Gross remuneration includes salary, allowances, bonus, monetary value of perquisites and leave assitance, etc.

For and on Behalf of the Board

Place : Mumbai  
 Dated : 20th August, 1999.

S. S. Kapashi  
 Chairman

## KAPASHI COMMERCIAL LIMITED

### AUDITORS' REPORT

TO,  
THE MEMBERS OF KAPASHI COMMERCIAL LIMITED

We have audited the attached Balance Sheet of KAPASHI COMMERCIAL LIMITED as at 31st day of March, 1999 and the Profit & Loss A/c. for the year ended on that date annexed thereto and report :

- (1) As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure in paragraph 4 and 5 of the said order to the extent applicable to the Company.
- (2) Further to 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 accounts as required by law have been kept by the Company so far as appears from our examination of the books.
  - (c) The Balance Sheet and Profit & Loss A/c., dealt with by 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 explanation given to us, the said accounts give 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, 1999 and
    - (ii) In the case of Profit & Loss A/c. of the Profit of the Company for the year ended on that date.

For D. V. VORA & CO.  
Chartered Accountants

Place : Mumbai.  
Date : 20th August, 1999.

D. V. VOA  
Proprietor



## KAPASHI COMMERCIAL LIMITED

### ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 1 of our Report of even date on the accounts for the year ended 31st March 1999 of the KAPASHI COMMERCIAL LIMITED.

- (1) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. The Fixed Assets have been physically verified by the management and no discrepancy was noticed on such verification.
- (2) None of the Fixed Assets have been revalued during the year.
- (3) The Company has taken loans from Companies, Firms or other parties listed in the register maintained U/S 301 of the Companies Act, 1956 (1 of 1956) and from the Companies under the same management as defined under Sub-Section (1B) of Sec. 370 of the Companies Act, 1956 (1 of 1956). The rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.
- (4) The Company has granted loans to Companies, Firms or other parties listed in the registers maintained U/S 301 and to the Companies under the same management as defined under Sub-Section (1B) of Sec. 370 of Companies Act, 1956 (1 of 1956). The rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the Company.
- (5) The parties to whom the loans and advances in the nature of loans, have been given by the Company are repaying the principal amounts as stipulated.
- (6) In our opinion, and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the Company and the nature of the business with regard to purchase of assets.
- (7) As explained to us, no damaged goods were determined in the class of goods traded by the Company.
- (8) The Company has complied with provisions of Section 58 A of the Companies Act, 1956, and rules framed thereunder, in respect of deposits accepted from the public.
- (9) The Company did not have any internal audit during the year.
- (10) As at the last date of the financial year, there were no amounts outstanding in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty or Excise Duty which were due to more than six months from the date they become payable.
- (11) *During the year no personal expenses have been charged on revenue account.*
- (12) The Company is not a sick Industrial Company within the meaning of clause (0) of Section 3(1) of the Sick Industrial Companies (Special Provision Act, 1985).
- (13) The Company has maintained proper records in respect of the investment activities and all the shares have been held by the Company in its own name.
- (14) To our opinion and according to the information and explanations given to us, clause (iii), (iv), (v), (vi), (xi), (xiv), (xvi) and (xvii) specified in paragraph 4(a) of the Manufacturing and other Companies (Auditors Report) Order 1975 are not applicable in the case of this Company.

For D. V. VORA & CO.  
Chartered Accountants

Place : Mumbai.  
Date : 20th August, 1999.

D. V. VOA  
Proprietor