

KAPASHI COMMERCIAL LIMITED

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15th
ANNUAL REPORT 1999-2000

KAPASHI COMMERCIAL LIMITED

DIRECTORS :

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

REGISTERED OFFICE :

402-A Poonam Chambers,
Dr. Annie Besant Road,
Worli, Mumbai - 400 018.

CORPORATE 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 Fifteenth Annual General Meeting of the members of KAPASHI COMMERCIAL LIMITED will be held at 75, Dr. Annie Besant Road, Worli, Mumbai 400 018 on Friday, the 29th day of September, 2000 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, 2000, 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. Paresh Kapashi, who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint Director in place of Mr. Nimish 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

By order of the Board of Directors

Dated : 22nd August, 2000.

S.S. KAPASHI

Chairman

Regd. Office :

402-A, Poonam Chambers,
Dr. Annie Besant Road,
Worli, Mumbai - 400 018.

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 Corporate 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 Saturday, 16th September, 2000 to Friday, 29th September, 2000 (both days inclusive).
4. Members are requested to bring their copy of the Annual Report to the meeting.
5. Members of 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.



KAPASHI COMMERCIAL LIMITED

DIRECTORS' REPORT

To
The Members
KAPASHI COMMERCIAL LIMITED

Your Directors have pleasure in presenting the 15th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2000.

2. FINANCIAL RESULTS

	1999-2000 Rs.	1998-1999 Rs.
Sales	5,35,66,973	3,52,71,762
Other Income	1,23,80,876	1,36,01,817
	<u>6,59,47,867</u>	<u>4,88,73,579</u>
Profit subject to Depreciation & Tax	9,29,351	(6,60,464)
Less : Depreciation	16,05,361	(32,49,701)
Profit before tax	(6,83,264)	(39,10,165)
Less : Provision for taxation	(2,00,000)	(3,00,000)
Profit after tax	(8,83,264)	(42,10,165)
Profit brought forward from previous year	(48,523)	41,56,439
	<u>(9,31,787)</u>	<u>(53,726)</u>
Add : Excess provision for taxation	0	5,203
Profit for the year carried to Balance Sheet	<u>(9,31,787)</u>	<u>(48,523)</u>

3. DIVIDEND

Your Directors are unable to recommend any dividend (1998-99 Rs. NIL per share) for the year ended 31st March, 2000. However, the Management hopes that the current business situation will improve and the Company would reflect dividend.

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. 6.83 lacs as against the net loss of Rs. 42.10 lacs in the year 1998-99. The Company has also diversified in the business of property development in joint venture which will help the Company to reflect better results in the years to come.

KAPASHI COMMERCIAL LIMITED

DIRECTORS' REPORT (*Contd.*)

5. Y2K COMPLIANCE

The Company has taken appropriate and effective steps to meet any possible disruption in any network hardware components and third party software programme, etc. due to Y2K impact. The impact of which was materially nil.

6. EMPLOYEES

None of the employees has drawn salary as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

7. DIRECTORATE

Mr. Paresh Kapashi and Mr. Nimish Kapashi, Directors, retire by rotation and being eligible offers themselves for re-appointment.

8. AUDITORS

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

9. 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 : 22nd August, 2000.

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, 2000 and the Profit & Loss A/c. for the year ended on that date annexed thereto and we 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 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, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the 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 this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report are in compliance with the Accounting standards referred to in Section 211 (3C) of the Companies Act, 1956, in so far as they are applicable to the Company.
 - (e) In our opinion and to the best of our information and according to the explanations 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, 2000 and
 - (ii) In the case of Profit & Loss Account of the Loss for the year ended on that date.

For M/s. D. V. VORA & CO.
Chartered Accountants

Place : Mumbai.
Date : 22nd August, 2000

(D. V. VOA)
Proprietor

KAPASHI COMMERCIAL LIMITED

ANNEXURE TO AUDITORS' REPORT

- (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 register maintained under Section 301 of the Companies Act, 1956 and from the Companies under the same management as defined under Sub-Section (1B) of Sec. 370 of the Companies Act, 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. 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 its 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's did not have any internal audit during the year.
- (10) As at the last date of the financial year, there were no undisputed 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) 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 M/s. D. V. VORA & CO.
Chartered Accountants

Place : Mumbai.
Date : 22nd August, 2000

(D. V. VOA)
Proprietor

KAPASHI COMMERCIAL LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2000**

	Schedule	Rupees	As at 31.03.2000 Rupees	As at 31.03.1999 Rupees
SOURCES OF FUNDS :				
CAPITAL	A	1,00,00,000	1,00,00,000	
RESERVES & SURPLUS	B	<u>60,15,000</u>	<u>60,15,000</u>	
			1,60,15,000	1,60,15,000
SECURED LOAN	C		1,60,04,926	1,02,04,044
UNSECURED LOAN	D		<u>4,25,11,996</u>	<u>4,01,83,346</u>
	TOTAL		<u>7,45,31,922</u>	<u>6,64,02,390</u>
APPLICATION OF FUNDS :				
FIXED ASSETS	E			
Gross Block		1,74,05,918	2,43,25,348	
Less : Depreciation		<u>74,28,024</u>	<u>98,10,738</u>	
			99,77,894	1,45,14,610
INVESTMENTS	F		2,45,91,575	1,31,55,860
CURRENT ASSETS, LOANS & ADVANCES	G	5,16,45,875	5,18,33,625	
Less : Current Liabilities & Provisions	H	<u>1,26,15,949</u>	<u>1,31,55,180</u>	
NET CURRENT ASSETS			3,90,29,926	3,86,78,445
Profit & Loss A/c.			9,31,787	48,523
MISCELLANEOUS EXPENDITURE :				
(To the extent not written off or adjusted)	I		740	4,952
	TOTAL		<u>7,45,31,922</u>	<u>6,64,02,390</u>
Notes on Accounts	N			

As per our Report attached of even date

For and on behalf of the Board

For D. V. VORA & CO.
Chartered AccountantsS. S. KAPASHI }
I. S. KAPASHI } Directors(D. V. VORA)
ProprietorMumbai.
Dated : 22nd August, 2000.Mumbai.
Dated : 22nd August, 2000.