

KAPASHI COMMERCIAL LIMITED

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16TH

ANNUAL REPORT 2000-2001

KAPASHI COMMERCIAL LIMITED

DIRECTORS :

SEVANTILAL SHANTILAL KAPASHI
INDUKUMAR SHANTILAL KAPASHI
PARESH SEVANTILAL KAPASHI
NIMISH INDUKUMAR KAPASHI
HARESHCHANDRA MAGANLAL
MAHASUKHBHAI SHAH
ASUL VORA

REGISTERED OFFICE :

'Nishuvi', 4th Floor,
75, Dr. Annie Besant Road,
Worli, Mumbai - 400 018.

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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 Sixteenth Annual General Meeting of the members of KAPASHI COMMERCIAL LIMITED will be held at the Registered Office at 'NISHUVI' 4th Floor, 75, Dr. Annie Besant Road, Worli, Mumbai - 400 018 on Friday, the 28th day of September, 2001 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, 2001, 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. Indukumar S. Kapashi, who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint Director in place of Mr. Hareshchandra Maganlal, who retires by rotation and being eligible offer 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 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:

5. To pass with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Mahasukhbhai Shah be and is hereby appointed as a Director of the Company."
6. To pass with or without modification, the following resolution as an Ordinary Resolution :
"RESOLVED THAT Mr. Atul Vora be and is hereby appointed as a Director of the Company."

Place : MUMBAI

By order of the Board of Directors

Dated : 29th June, 2001.

S.S. KAPASHI
Chairman

Regd. Office :

'NISHUVI', 4th Floor,
75, 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. Explanatory statement pursuant to Section 173(2) in relation to item No. 5 and 6 of the Special Business is annexed herewith.
4. The Register of Members and the Transfer Books will remain closed from Saturday, 15th September, 2001 to Friday, 28th September, 2001 (both days inclusive).
5. Members are requested to bring their copy of the Annual Report to the meeting.
6. 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.
7. 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

EXPLANATORY STATEMENT:

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 and forming part of the Notice dated 29th June, 2001.

ITEM NO. 5: Mr. Mahasukhbhai Shah was appointed as a Additional Director on 28th November, 2000 to have the benefit of his experience in the business.

The Company has received notice pursuant to Section 257 of the Companies Act, 1956 from a member recommending his appointment as a Director. The Board recommends his appointment as a Director subject to retire by rotation.

None of the Directors except Mr. Mahasukhbhai Shah is interested in the resolution.

ITEM NO. 6: Mr. Atul Vora was appointed as an Additional Director on 28th November, 2000 to have the benefit of his experience in the industry.

The Company has received notice pursuant to section 257 of the Companies Act, 1956 from a member recommending his appointment as a Director. The Board recommends his appointment as a Director subject to retire by rotation.

None of the Directors except Mr. Atul Vora is interested in the resolution.

Place : MUMBAI
Dated : 29th June, 2001.

By order of the Board of Directors

Regd. Office :
'NISHUVI', 4th Floor,
75, Dr. Annie Besant Road,
Worli, Mumbai - 400 018.

S.S. KAPASHI
Chairman

KAPASHI COMMERCIAL LIMITED

DIRECTORS' REPORT

To
The Members
KAPASHI COMMERCIAL LIMITED

Your Directors have pleasure in presenting the 16th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2001.

2. FINANCIAL RESULTS

	2000-2001 Rs.	1999-2000 Rs.
Sales	5,62,18,597	5,35,66,973
Other Income	1,10,80,621	1,23,80,876
	<u>6,72,99,218</u>	<u>6,59,47,867</u>
Profit subject to Depeciation & Tax	(4,20,908)	9,22,097
Less : Depreciation	<u>(6,55,568)</u>	<u>16,05,361</u>
Profit before tax	(10,76,476)	(6,83,264)
Less : Provision for taxation	<u>(1,75,000)</u>	<u>(2,00,000)</u>
Profit after tax	(12,51,476)	(8,83,264)
Profit/(Loss) brought forward from previous year	<u>(9,31,787)</u>	<u>(48,523)</u>
	<u>(21,83,263)</u>	<u>(9,31,787)</u>
Add : Excess provision for taxation for earlier year	3,19,004	NIL
Profit/(Loss) carried to Balance Sheet	<u>(18,64,259)</u>	<u>(9,31,787)</u>

3. DIVIDEND

Your Directors regret their inability to recommend any dividend for the year ended 31st March, 2001. However, the Management hopes that in the current year due to diversification of the activities, the Company would be able to declare 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 these caused irregular payments by transporters, which forced the Company to stop new business activity in the said business of leasing of vehicles. The Company therefore diversified in the business of dealing in cloth and steel and also diversified in the business of development of properties by entering into partnership business of 'SHREEJEE CORPORATION' PARTH ENTERPRISE' AND 'RUSHABH DEVELOPERS'. The returns of the investments in the said firms would be reflected in the current year and again in the current year, the Company would be able to reflect profit.

5. 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.

KAPASHI COMMERCIAL LIMITED

DIRECTORS' REPORT (Contd.)

6. DIRECTORATE

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

Mr. Mahasukhbhai Shah and Mr. Atul Vora were appointed as Additional Directors on 28th November, 2000 and hold the office till the day of the 16th Annual General Meeting. The Company has received notices from members pursuant to section 257 of the Companies Act, 1956 recommending their appointments as Directors, subject to retirement by rotation. The Board recommends their appointments looking at their experience and knowledge.

7. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed :

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2001, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements 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 of the profit or loss of the Company for the year under review.
- (iii) that the directors had taken proper and sufficient care 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) that the directors had prepared accounts for the financial year ended 31st March, 2001 on a going concern basis.

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 : 29th June, 2001.

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, 2001 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, 2001 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 : 29th June, 2001

(D. V. VORA)
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 during 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 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), (xii), (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 M/s. D. V. VORA & CO.
Chartered Accountants

Place : Mumbai.
Date : 29th June, 2001

(D. V. VORA)
Proprietor