

# KAPASHI COMMERCIAL LIMITED

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**18<sup>TH</sup>**

**ANNUAL REPORT 2002-2003**

## **KAPASHI COMMERCIAL LIMITED**

### **DIRECTORS :**

SEVANTILAL SHANTILAL KAPASHI  
INDUKUMAR SHANTILAL KAPASHI  
PARESH SEVANTILAL KAPASHI  
NIMISH INDUKUMAR KAPASHI  
MAHASUKHBHAI SHAH  
ATUL VORA

### **REGISTERED OFFICE :**

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

### **AUDITORS :**

D. V. VORA & CO.  
Chartered Accountants.

### **BANKERS :**

GLOBAL TRUST BANK LTD.  
VIJAYA BANK

## KAPASHI COMMERCIAL LIMITED

### NOTICE

**NOTICE** is hereby given that the Eighteenth Annual General Meeting of the members of KAPASHI COMMERCIAL LIMITED will be held on Tuesday, 23rd day of September, 2003 at 11.00 a.m. at the Registered Office of the company at 'NISHUVI' 4th Floor, 75, Dr. Annie Besant Road, Worli, Mumbai - 400 018 to transact the following business :

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003, 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. Nimish I. Kapashi, who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint Director in place of Mr. Indukumar S. Kapashi, 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 fix their remuneration.

Place : MUMBAI

Dated : 30th June, 2003.

By order of the Board of Directors

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 a proxy to attend and vote instead of himself / here self and the proxy need not be a member of the company.
2. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.
3. The Register of Members and the Transfer Books of the company will remain closed from Tuesday, 16th day of the September, 2003 to Tuesday, 23rd September, 2003 (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 18th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2003.

#### 2. FINANCIAL RESULTS

	2002-2003 Rs.	2001-2002 Rs.
Sales	2,75,43,582	5,61,37,671
Other Income	3,36,28,273	1,11,26,252
	<u>6,11,71,855</u>	<u>6,72,63,923</u>
Profit/(Loss) subject to Depreciation & Tax	86,76,950	(9,61,577)
Less : Depreciation	1,92,301	(3,72,163)
Profit/(Loss) before tax	84,84,649	(13,33,740)
Less : Provision for taxation	—	—
Profit/(Loss) after tax	84,84,649	(13,33,740)
Profit/(Loss) brought forward from previous year	(30,63,030)	(18,64,259)
	<u>54,21,619</u>	<u>(31,97,999)</u>
Add : Excess provision for taxation for earlier year	7,804	1,34,969
Profit/(Loss) carried to Balance Sheet	<u>54,29,423</u>	<u>(30,63,030)</u>

#### 3. DIVIDEND

No dividend has been recommended for the year under review, so as to conserve the resources of the company

#### 4. OPERATION

The Real Estate sector in India today is witness to a wide spectrum of changes that is making real estate development, particularly in the residential segment, an area with tremendous potential. Recent Policy announcements by the government, the continuation of fiscal incentives, reduction in interest rates and the ongoing reforms being proposed, that will have a bearing on construction activity, are expected to be catalysts that will drive real estate development in the near future. Your company has now entered into Partnership with other firms and undertaken large-scale projects of residential complexes. The company also continues to deal in M.S. Rebars and plans to expand in trading activities in construction material. For the year ended 31st March 2003 the company has posted a Profit of Rs. 84,84,649/- as against Loss of Rs. 13,33,740/- in the Previous year.

(Contd.)

## KAPASHI COMMERCIAL LIMITED

### DIRECTORS' REPORT (Contd.)

#### 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.

#### 6. DIRECTORATE

Mr. Nimish I. Kapashi and Mr. Indukumar S. Kapashi, Directors, retire by rotation and being eligible offer themselves for re-appointment.

#### 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, 2003, 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, 2003 on a going concern basis.

#### 8. AUDITORS

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

#### 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 : 30th June, 2003.

S.S. KAPASHI  
Chairman

## KAPASHI COMMERCIAL LIMITED

### AUDITORS' REPORT TO THE MEMBERS

1. We have audited the attached Balance Sheet of KAPASHI COMMERCIAL LIMITED as at March 31, 2003 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annexe hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) 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 purposes of our audit;
  - (b) in our opinion, proper books of account 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 and Loss account dealt with by 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 comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (e) on the basis of the written representations received from the Directors, as on March 31, 2003, and taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified as on March 31, 2003 from being appointed as a Director, in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - (f) 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 in conformity with the accounting principles generally accepted in India;
    1. in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2003; and
    2. in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date.

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

Place : Mumbai.  
Date : 30th June, 2003

(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, Firm 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 Company 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 Company (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 : 30th June, 2003

(D. V. VORA)  
Proprietor



## KAPASHI COMMERCIAL LIMITED

### COMPLIANCE CERTIFICATE

To,

The Members

KAPASHI COMMERCIAL LIMITED

We have examined the registers, records, books and papers of KAPASHI COMMEERCIAL LIMITED (the Company) as required to be maintained under the Companies Act, 1596, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2002. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its Officers and agents, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company, has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met 7 (Seven) times on 5th April, 2002, 28th June, 2002, 30th July, 2002, 16th September, 2002, 31st October, 2002, 30th January, 2003 and 17th February, 2003 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members, and/or Debenture-holders from 14th September, 2002 to 27th September, 2002 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March, 2002 was held on 27th September, 2002 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary meeting(s) was/were held during the financial year.
8. The Company has not advanced any loans to its directors and/or persons or firms or companies referred in the section 295 of the Act.
9. The Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. The Company has obtained necessary approvals from the Board of Directors, members and previous approval of the Central Government pursuant to section 314 of the Act wherever applicable.

## KAPASHI COMMERCIAL LIMITED

### COMPLIANCE CERTIFICATE (Contd.)

12. The Company has not issued any duplicate share certificates during the year.
13. The Company has :
  - (i) delivered all the certificates on allotment of securities and on lodgement thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act;
  - (ii) not deposited any amount in separate Bank Account as no dividend including interim dividend was declared during the financial year;
  - (iii) not posted warrants for dividends to any members of the Company as no dividend was declared during the financial year;
  - (iv) no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years, so no amount has been transferred to Investor Education and Protection Fund;
  - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
15. The appointment of Whole-time Directors has been made in compliance with the provisions of section 269 read with Schedule XIII of the Act.
16. The Company has not appointed sole-selling agents during the financial year.
17. The Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Directors, Registrar or such other authorities as prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued shares/debentures/other securities during the financial year.
20. The Company has not bought back any shares during the financial year ending 31st March, 2003.
21. There was no redemption of preference shares/debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited any deposits including any unsecured loans falling with the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from directors, public financial institutions, banks and others during the financial year ended 31st March, 2002 are within the borrowing limits of the Company and that necessary resolutions as per section 293(1)(d) of the Act, have been passed in duly convened annual/extra-ordinary general meeting.