

KAPASHI COMMERCIAL LIMITED



23rd

ANNUAL REPORT 2007-2008

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.

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AUDITORS :

D. V. VORA & CO.
Chartered Accountants

BANKERS:

ORIENTAL BANK OF COMMERCE
UTI BANK LTD.

KAPASHI COMMERCIAL LIMITED

NOTICE

NOTICE is hereby given that the Twenty-third Annual General Meeting of the Members of KAPASHI COMMERCIAL LIMITED will be held on Tuesday, 26th day of August, 2008 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 Balance Sheet as at 31st March, 2008, 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 S. Kapashi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sevantilal S. Kapashi, who retires by rotation and being eligible offers 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.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Section 198, 269, 310, 311, Schedule XIII & other applicable provisions if any, of the Companies Act, 1956, the Salary of Shri Sevantilal Shantilal Kapashi, Whole-time Director be increased from 15,000/- p.m. to Rs. 50,000/- p.m. and he be entitled to commission of 5% of the net profit inclusive of his salary with effect from 1st November, 2007 for the remaining period of his office and his remuneration be re-structured as detailed hereunder:

PART A

1. Basic Salary:	Rs. 50,000/- per month.
2. Commission:	5% of net profit inclusive of Salary as prescribed under the Companies Act, 1956

PART B

1. House Rent Allowance	60% of the Salary
2. Electricity Charges	Actual Reimbursement
3. Medical Reimbursement	Reimbursement of the expenses actually incurred subject to ceiling of one month salary in a year or three months salary over a period of three years.

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4. Leave Travel Concession	Leave Travel Concessions for Shri Sevantilal S. Kapashi and his family once in 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 Shri 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 is also approved.”

4. To consider and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** subject to the provisions of Section 198, 269, 310, 311, Schedule XIII & other applicable provisions if any, of the Companies Act, 1956, the Salary of Shri Indukumar Shantilal Kapashi, Whole-time Director be increased from 15,000/- p.m. to Rs. 50,000/- p.m. and he be entitled to commission of 5% of the net profit inclusive of his salary with effect from 1st November, 2007 for the remaining period of his office and his remuneration be re-structured as detailed hereunder:

PART A

1. Basic Salary:	Rs. 50,000/- per month.
2. Commission:	5% of net profit inclusive of Salary as prescribed under the Companies Act, 1956

PART B

1. House Rent Allowance	60% of the Salary
2. Electricity Charges	Actual Reimbursement
3. Medical Reimbursement	Reimbursement of the expenses actually incurred subject to ceiling of one month salary in a year or three months salary over a period of three years.
4. Leave Travel Concession	Leave Travel Concessions for Shri Indukumar S. Kapashi and his family once in 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 Shri. 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 is also approved."

By Order of the Board of Directors

Place: Mumbai
Dated: 24th June, 2008.

S. S. KAPASHI
CHAIRMAN.

Regd. Office :

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

NOTES:

1. Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of Item No. 5 and 6 of the Special Business mentioned above is annexed herewith.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a Member of the Company.
3. A PROXY IN ORDER TO BE EFFECTIVE, THE PROXY FORM MUST BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.
4. The Register of Members and the Transfer Books of the Company will remain closed from Tuesday, 12th day of August, 2008 to Tuesday, 26th day of August, 2008 (both days inclusive).
5. Members are requested to bring their copies of the Annual Report to the Meeting.
6. 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.
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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EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2)

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE NOTICE DATED 24TH JUNE, 2008.

ITEM NO.5:

Mr. Sevantilal S. Kapashi, Whole-Time Director has been looking after the business of the Company. He is of 73 years of age and is an Industrialist having diversified experience of more than 40 years in the area of Automobile, Steel, Construction, Investment, etc. and under stewardships business has expanded on account of amalgamation.

The Board has increased his remuneration with effect from 1st November, 2007 subject to consent of the members of the Company on the terms and conditions as mentioned in the Resolution under Item No. 5 of the Notice.

None of the Directors is interested in the Resolution except Shri Sevantilal S. Kapashi is concerned or interested in the resolution. Shri Indukumar S. Kapashi and Shri Paresh S. Kapashi being relative of Shri Sevantilal S. Kapashi may be deemed to be interested in the resolution.

The Notice convening ensuing Annual General Meeting of the Company along with the above Explanatory Statement may be treated as an abstract of the terms of the Agreement relating to the remuneration of Shri Sevantilal S. Kapashi as required by Section 302 of the Companies Act, 1956.

Your Board recommends the resolution for your approval.

ITEM NO.6:

Mr. Indukumar S. Kapashi, Whole-Time Director who has been looking after the business of the Company. He is of 71 years of age and is an Industrialist having diversified experience of more than 40 years in the area of Automobile, Steel, Construction, Investment, etc. and under stewardships business has expanded on account of amalgamation.

The Board has increased his remuneration with effect from 1st November, 2007 subject to consent of the members of the Company on the terms and conditions as mentioned in the Resolution under Item No. 5 of the Notice.

None of the Directors is interested in the Resolution except Shri Indukumar S. Kapashi is concerned or interested in the resolution. Shri Sevantilal S. Kapashi and Shri Nimish I. Kapashi being relative of Shri Indukumar S. Kapashi may be deemed to be interested in the resolution.

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The Notice convening ensuing Annual General Meeting of the Company along with the above Explanatory Statement may be treated as an abstract of the terms of the Agreement relating to the remuneration of Shri Indukumar S. Kapashi as required by Section 302 of the Companies Act, 1956.

Your Board recommends the resolution for your approval.

By Order of the Board of Directors

Place: Mumbai
Dated: 24th June, 2008.

S. S. KAPASHI
CHAIRMAN.

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



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DIRECTORS' REPORT

To
The Members
KAPASHI COMMERCIAL LIMITED

Your Directors have pleasure in presenting the 23rd Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2008.

2. FINANCIAL RESULTS

	2007-2008	2006-2007
	Rs.	Rs.
Sales	214,882,816	39,989,981
Other Income	<u>46,001,112</u>	<u>13,279,853</u>
	<u>260,883,928</u>	<u>53,269,834</u>
Profit/(Loss) subject to Depreciation & Tax	46,430,479	10,964,432
Less: Depreciation	<u>299,781</u>	<u>252,884</u>
Profit/(Loss) before tax	46,130,698	10,711,548
Add: Share of Profit from Partnership firm	<u>8,952,697</u>	<u>29,897,389</u>
	55,083,395	40,608,937
Less: Share of Firm Tax	-	8,229
Provision for taxation	<u>1,950,000</u>	<u>1,300,000</u>
	53,133,395	39,300,708
Less Provision for Fringe benefit Tax	<u>40,000</u>	<u>55,000</u>
Profit/(Loss) after tax	53,093,395	39,245,708
Profit/(Loss) brought forward from previous year	<u>80,870,703</u>	<u>41,624,995</u>
Profit/(Loss) carried to Balance Sheet	133,964,098	80,870,703
	=====	=====

3. DIVIDEND

Your Directors do not recommend dividend for the year under review, so as to conserve the resources of the Company for further planned expansion of business activities.

4. OPERATION

The Company expanded its trading activities especially in non-Ferrous materials and posted sales of Rs.214,882,816/- compared to Rs.39,989,981/- in previous year. For the year ended 31st March, 2008 the company has posted net profit after tax of Rs.53,093,395/- compared to net Profit of Rs.39,245,708/- in the previous year.

The Company has entered into Partnership with effect from 1st April, 2008 to carry on the business of developing, constructing and development of immovable properties. Share of Profit & Loss of the Company in the said firm is 65%.

The Company has also purchased property admeasuring 6,500 sq. feet (approximately) subject to Tenancy from M/s. Nishuvi Corporation for developing the same.

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5. AMALGAMATION

The Company during the year under review amalgamated its 100% subsidiaries, acquired during the year under review, viz. RUNISHA COMMERCIAL LTD. and NASHIMA DEVELOPERS LTD. under Scheme of Amalgamation sanctioned on 17th April, 2008 by the Hon'ble Bombay High Court with effect from 1st October, 2007 which was the Appointed Date under the Scheme. The effect of the merger in the Profit & Loss Account has been incorporated. The figures for the year ended 31st March, 2008 includes the operations consequent to merger and thus are not comparable with the year ended 31st March, 2007.

6. 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, 2008, 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 judgments 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, 2008 on a going concern basis.

7. AUDITORS

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

8. SECRETARIAL COMPLIANCE CERTIFICATE

M/S. R. N. Shah & Associates, Company Secretaries have furnished certificate as required under Sub-section (1) of Section 383A of the Companies Act, 1956 and which is annexed to this report.

9. DIRECTORATE

Mr. Paresh S. Kapashi and Mr. Sevantilal S. Kapashi, Directors, retire by rotation and being eligible offer themselves for re-appointment.

Remuneration of Mr. Sevantilal S. Kapashi and Mr. Indukumar S. Kapashi, Whole-Time Directors is increased from Rs.15,000/- per month to Rs.50,000/- with effect from 1st November, 2007 to remaining period of their term, subject to

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approval by the Members in the General Meeting. Accordingly the necessary approval is sought at the ensuing Annual General Meeting.

10. **EMPLOYEES**

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

11. **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: 24th June, 2008

S. S. KAPASHI
Chairman

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