

# **KAPASHI COMMERCIAL LIMITED**

## **DIRECTORS:**

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

## **REGISTERED OFFICE:**

'Nishuvi', 4<sup>th</sup> Floor  
75, Dr. Annie Besant Road  
Worli, Mumbai 400 018.

## **AUDITORS :**

D. V. VORA & CO.  
Chartered Accountants

## **BANKERS:**

ORIENTAL BANK OF COMMERCE  
AXIS BANK LTD.

# KAPASHI COMMERCIAL LIMITED

## NOTICE

**NOTICE** is hereby given that the Twenty-Fifth Annual General Meeting of the Members of KAPASHI COMMERCIAL LIMITED will be held on Wednesday, 30<sup>th</sup> day of June, 2010 at 11.00 a.m. at the Registered Office of the Company at 'NISHUVI', 4<sup>th</sup> 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 31<sup>st</sup> March, 2010, 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. Atul V. Vora, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mahasukhlal P. Shah, 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 a Special Resolution:

**“RESOLVED** pursuant to the provisions of Section 198, 269, 310, 311, Schedule XIII & other applicable provisions if any, of the Companies Act, 1956 that Mr. Sevantilal Shantilal Kapashi, be and is hereby re-appointed as Whole-time Director for a period of five years with effect from 1<sup>st</sup> February, 2010 and he be paid remuneration as detailed hereunder:

#### **PART A**

1. Basic Salary:	Rs. 150,000/- per month.
------------------	--------------------------

#### **PART B**

1. Car with Driver for office use	--
2. Telephone at residence	Subject to personal long distance calls to be reimbursed to the Company.

**FURTHER RESOLVED THAT** the entitlement of Mr. Sevantilal S. Kapashi to usual benefits such as provident fund, bonus, gratuity (subject to a ceiling of Rs.3,50,000/-), privilege leave etc., as available to other executives of the Company is also approved.”

6. To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:

# KAPASHI COMMERCIAL LIMITED

**“RESOLVED** pursuant to the provisions of Section 198, 269, 310, 311, Schedule XIII & other applicable provisions if any, of the Companies Act, 1956 that Mr. Indukumar Shantilal Kapashi, be and is hereby re-appointed as Whole-time Director for a period of five years with effect from 1<sup>st</sup> February, 2010 and he be paid remuneration as detailed hereunder:

## PART A

1. Basic Salary:	Rs. 150,000/- per month.
------------------	--------------------------

## PART B

1. Car with Driver for office use	--
2. Telephone at residence	Subject to personal long distance calls to be reimbursed to the Company.

**FURTHER RESOLVED THAT** the entitlement of Mr. Indukumar S. Kapashi to usual benefits such as provident fund, bonus, gratuity (subject to a ceiling of Rs.3,50,000/-), privilege leave etc., as available to other executives of the Company is also approved.”

**By Order of the Board of Directors**

**Place: Mumbai**  
**Dated: 15<sup>th</sup> May, 2010**

**S. S. KAPASHI**  
**CHAIRMAN.**

**Regd. Office:**

‘NISHUVI’, 4<sup>th</sup> 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 Wednesday, 23<sup>rd</sup> day of June, 2010 to Wednesday, 30<sup>th</sup> day of June, 2010 (both days inclusive).

## KAPASHI COMMERCIAL LIMITED

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.

### 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 15<sup>th</sup> MAY, 2010.

#### **ITEM NO.5:**

Mr. Sevantilal S. Kapashi, Whole-Time Director has been looking after the business of the Company. He is of 75 years of age and is B. Sc., B. Sc. (Tech) and M. S. (U.S.A.). He is an Industrialist having diversified experience of more than 45 years in the area of Automobile, Steel, Construction, Investment, etc. and under his stewardships business has expanded many folds.

The Board has re-appointed him as Whole-Time Director with effect from 1<sup>st</sup> February, 2010 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 73 years of age and is an Industrialist having diversified experience of more than 45 years in the area of Automobile, Steel, Construction, Investment, etc. and under his stewardships business has expanded many folds.

The Board has re-appointed him as Whole-Time Director with effect from 1<sup>st</sup> February, 2010 subject to consent of the members of the Company on the terms and conditions as mentioned in the Resolution under Item No. 6 of the Notice.

## **KAPASHI COMMERCIAL LIMITED**

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.

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: 15<sup>th</sup> May, 2010.**

**S. S. KAPASHI**  
**CHAIRMAN.**

**Regd. Office:**  
`NISHUVI', 4<sup>th</sup> Floor,  
75, Dr. Annie Besant Road,  
Worli, Mumbai – 400 018.

# KAPASHI COMMERCIAL LIMITED

## DIRECTORS' REPORT

To  
The Members  
KAPASHI COMMERCIAL LIMITED

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2010.

### 1. FINANCIAL RESULTS

Particulars	2009-2010	2008-2009
	Rs.	Rs.
Sales	248,603,773	256,279,598
Other Income	56,165,466	40,460,198
	304,769,239	296,739,796
Profit / (Loss) subject to Depreciation & Tax	51,179,615	45,266,928
Less: Depreciation	349,146	328,048
Profit / (Loss) before tax	50,830,469	44,938,880
Add: Share of Profit / (Loss) from Partnership firm	(379,289)	9,865,984
Excess Provision of Taxation	20,505	256,831
	50,471,685	55,061,695
Less: Short Provision of Taxation	769,196	-
	49,702,489	55,061,695
Less: Security Transaction Tax	-	183,629
Provision for Taxation	12,100,000	12,000,000
	37,602,489	42,878,066
Less: Provision for Fringe Benefit Tax	-	65,000
Profit / (Loss) after Tax	37,602,489	42,813,066
Less: Special Reserve	7,525,000	-
	30,077,489	42,813,066
Profit / (Loss) brought forward from previous year	176,777,164	133,964,098
Profit / (Loss) carried to Balance Sheet	206,854,653	176,777,164

### 2. 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.

### 3. OPERATION

The Company expanded its trading activities especially in non-Ferrous materials and posted sales of Rs.248,603,773/- compared to Rs. 256,279,598/- in previous year. For the year ended 31<sup>st</sup> March, 2010 the company has posted net profit after tax of Rs.37,602,489/- compared to net Profit of Rs. 42,813,066/- in the previous year. The reduction in profit by 12.17% is partly attributed to decline in demand for material and increase in operational cost.

# KAPASHI COMMERCIAL LIMITED

## 4. 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 31<sup>st</sup> March, 2010, 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 31<sup>st</sup> March, 2010 on a going concern basis.

## 5. AUDITORS

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

## 6. 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.

## 7. DIRECTORATE

The Board of Directors of the Company consists of highly qualified persons.

Mr. Sevantilal S. Kapashi, Whole-Time Director is B. Sc., B. Sc. (Tech) and M.S. (U.S.A.).

Mr. Indukumar S. Kapashi, Whole-Time Director is Matriculate and having diversified experience of more than 45 years in the area of Automobile, Steel, Construction, Investment, etc.

Mr. Paresh S. Kapashi, Director is B.E., M.B.A. (U.S.A.).

Mr. Nimish I. Kapashi, Director is B.B.A. (U.S.A.)

Mr. Atul Vora is an Independent Director and is B. Com., LL.B.

Mr. Mahasukhlal Shah is an Independent Director and is B. Sc. (Chem) (U.S.A.)

Mr. Atul Vora and Mr. Mahasukhlal Shah, Directors, retire by rotation and being eligible offer themselves for re-appointment.

# KAPASHI COMMERCIAL LIMITED

Mr. Sevantilal S. Kapashi and Mr. Indukumar S. Kapashi, Whole-Time Directors have been re-appointed with effect from 1<sup>st</sup> February, 2010 for the period of five years, subject to approval by the Members in the General Meeting. Accordingly the necessary approval is sought at the ensuing Annual General Meeting.

## 8. 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.

## 9. CORPORATE SOCIAL RESPONSIBILITY

Our company is committed to making positive contribution to society in a number of ways. To encourage economic and social development of weaker sections of women, we have implemented a project for their upliftment and social sustainability.

A building which was under construction has been completed during the year at **Palitana, Gujarat** where women under a registered charitable trust known as **Shri Bhagini Mitra Mandal** are trained and work to become self sufficient which will help them and their family members to lead a respectable life. Assisting women to break free from age-old backward customs and to empower them to fight for their rights. More than sixty women have already been trained.

## 10. 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: 15<sup>th</sup> May, 2010

**S. S. KAPASHI**  
Chairman



# KAPASHI COMMERCIAL LIMITED

## AUDITOR'S REPORT TO THE MEMBERS

1. We have audited the attached Balance Sheet of KAPASHI COMMERCIAL LIMITED as at March 31, 2010, also the Profit and Loss Account and the Cash Flow statement 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 Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Amendment Order 2004. 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, to the extent applicable to the company.
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 those books;
  - (c) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet Profit and Loss account and Cash Flow statement 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, 2010 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, 2010 from being appointed as a Director, in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;