

# **KAPIL COTEX LIMITED**

**ANNUAL REPORT 2007-2008**

# KAPIL COTEX LIMITED

**Regd. Office:** 305, Bewitching Apt., Miniland, Tank Road, Bhandup (W), Mumbai – 400 078

## **DIRECTORS' REPORT TO THE MEMBERS**

The Directors present herewith the Twenty Fourth Annual Report together with the Statement of Accounts for the year ended March 31, 2008.

### **OPERTIONS:**

The results of the company for the year under report after providing for depreciation and taxation show a net profit of Rs. 42,683./-. After adding thereto brought forward profit, the balance, Rs. 8,24,381/- has been carried to Balance Sheet.

### **LISTING:**

The Equity Shares of the Company are listed on Mumbai Stock Exchange and the company has paid the Annual Listing Fees for the year 2008-2009.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

As specifically required under the Companies Act, 1956, your Directors state:

- (i) in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 and of the loss of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis.

**PARTICULARS OF EMPLOYEES:**

The Company does not have any employee whose particulars is required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**PARTICULARS UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956:**

In view of nature of activities of the company, the information regarding conservation of energy and technology absorption is not given.. Lights and power were switched off whenever not necessary.

The company does not use any technology for its existing business.

Foreign Exchange Earnings : Rs. NIL

Foreign Exchange Outgo : Rs. NIL

**COMPLIANCE CERTIFICATE:**

A Compliance Certificate from a secretary in whole-time practice under Section 383A of the Companies Act. 1956 in respect of the financial year ended on March 31, 2008 is attached hereto.

**AUDITORS:**

M/s. Kabra Agarwal & Co, Chartered Accountants, the Auditors of the company would retire at the ensuing Annual General Meeting of the company and they are eligible for re-appointment.

You are requested to appoint Auditors and to fix their remuneration.

**FOR AND ON BEHALF OF THE BOARD**

  
Chairman

Mumbai.  
25/06/2008

**AUDITOR'S REPORT TO THE MEMBERS OF  
KAPIL COTEX LTD.**

1. We have audited the attached Balance Sheet of **KAPIL COTEX LTD.** as at 31<sup>st</sup> March 2008, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company. 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956. We enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

4. Further to our comments in the Annexure referred in paragraph above: -

- (i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (ii) 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 such books.
- (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Profit & Loss Account, Cash Flow Statement & Balance Sheet comply with the Accounting Standards as referred in sub section (3c) of section 211 of The Companies Act, 1956 to the extent applicable.
- (v) On the basis of written representation received from directors as on 31<sup>st</sup> March 2008, and taken on records by the Board of Directors, we report that none of the director is disqualified as on 31<sup>st</sup> March 2008 from being appointment as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by The Companies Act of India 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a.) In the case of the Balance Sheet, of the State of affairs of the Company as at 31<sup>st</sup> March 2008;
  - (b.) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date; and
  - (c.) In the case of the Cash Flow Statement, of the Cash flow of the Company for the year ended on that date.

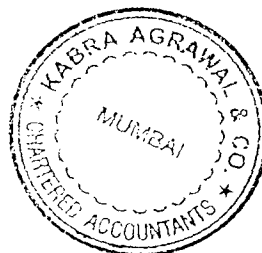
MUMBAI: 25<sup>TH</sup> JUNE, 2008

 **For KABRA AGRAWAL & CO.**  
Chartered Accountants  
  
**(CA PAWAN KABRA)**  
PARTNER

**ANNEXURE TO THE AUDITORS REPORT**

(\*Referred to in our report of even date on the accounts of KAPIL COTEX LTD. for the year ended 31<sup>st</sup> March 2008).

1. The Company has maintained proper records showing full particulars including quantitative and situation fixed assets. The assets have been physically verified by the management during year and no material discrepancies were noticed on such verification.  
Company has disposed all its fixed assets during the year, however the same does not effect the company substantially.
2. There is no Inventory held by the company during the last financial year.
3. As per the information and explanation given to us, the Company has not given any loan to parties covered in the register covered in the register maintained under section 301 of the Companies Act, 1956. However The company has taken interest free loan from one of director of the company. The maximum aggregate amount involved during the year was Rs. Twenty Eight Thousand and the year end balance of the same is Rs. Six Thousand Seven Hundred.
4. In our opinion and according to information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventories and purchases of fixed Assets and the sale of goods. During the course of our audit no major weakness has been noticed in the internal control procedure with regards to these areas.
5. According to the information and explanations provided to us, we are of the opinion that the transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered. As informed, the transactions exceeding the value of Rs. Five lakh in respect of any such party during the year, we are unable to comment on these transactions in absence of similar transaction with other parties.
6. The Company has not accepted deposits from public.
7. There is no internal audit system.
8. We have been informed that Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act 1956 for any of the products of the company.
9. The Company has been regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax and other dues. According to the information and explanations given to us, the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and Employees State Insurance Act, 1948 are not applicable to the Company. According to the records of the company, there were no arrears of the aforesaid statutory dues outstanding as on 31<sup>st</sup> March 2008, for a period of more than six months from the date they became payable. According to the information and explanations given to us, there are no dues outstanding in respect of statutory dues on account of any dispute.
10. The Company has no accumulated losses as at year-end and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institutions or banks.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund company or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
14. In respect of dealing in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the company in its own name.
15. The Company has not given any guarantee for loans taken by other from banks or financial institutions.



**KABRA AGRAWAL & CO.**

CHARTERED ACCOUNTANTS

A-307, "DATTAGURU", PLOT NO. 15,  
ROAD RSC-19, GORAI-2,  
BORIVALI (W), MUMBAI - 92  
TEL : (022) 28618506, FAX : 28077210

16. The Company has not taken any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the fund raised on short terms funds have been used for short term working capital.
18. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment of Shares during the year to parties and Companies covered in the register maintained under Section 301 of the Companies Act 1956.
19. The Company has not issued any debentures during the year and accordingly, the question of creating security in respect thereof does not arise.
20. The Company has not made any public issues during the year, and accordingly the question of disclosing the end use of money raised by public issue does not arise.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **KABRA AGRAWAL & CO.**  
Chartered Accountants



*Pawan*  
(CA PAWAN KABRA)  
PARTNER

MUMBAI: 25<sup>TH</sup> JUNE, 2008

# KAPIL COTEX LIMITED

BALANCE SHEET AS ON 31ST MARCH, 2008

<u>SOURCES OF FUNDS :-</u>	SCHEDULE	31ST MARCH,2008 RUPEES.	31ST MARCH,2007 RUPEES.
SHARE CAPITAL	'A'	2400000	2400000
RESERVE & SURPLUS	'B'	824381	781698
UNSECURED LOAN	'C'	6700	0
		<b>3231081</b>	<b>3181698</b>
<u>APPLICATION OF FUNDS :-</u>			
FIXED ASSETS	'D'	0	10794
INVESTMENTS	'E'	1850000	0
CURRENT ASSETS, LOANS & ADVANCES	'F'		
a) Cash & Bank Balance		160857	1182765
b) Loan & Advances		1046440	1768752
		<b>1207297</b>	<b>2951517</b>
Less :CURRENT LIABILITIES & PROVISIONS	'G'		
a) Current Liabilities		5618	5000
b) Provisions		19087	23724
		<b>24705</b>	<b>28724</b>
NET CURRENT ASSETS		<b>1182592</b>	<b>2922793</b>
MISCELLENEOUS EXPENDITURE (To the extent not written off or adjusted)			
Preliminary Expenses		198489	248111
TOTAL		<b>3231081</b>	<b>3181698</b>

Notes Forming Part of the Accounts

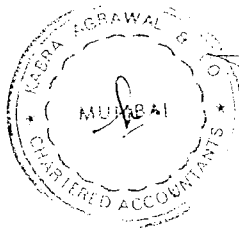
'I'

AS PER OUR REPORT OF EVEN DATE

For KABRA AGRAWAL & CO.  
Chartered Accountants

For and on behalf of the Board of Directors

*Pawan*  
CA Pawan Kabra  
( Partner)  
(M.No.120872).



*Sakish Redhi*  
Director

*Rathi*  
Director

Mumbai: 25-06-2008

Mumbai: 25-06-2008

# KAPIL COTEX LIMITED

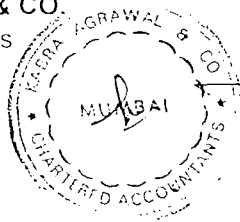
## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

SCHEDULE		31ST MARCH, 2008 RUPEES	31ST MARCH, 2007 RUPEES
<b>INCOME</b>			
Other Income:			
Interest Income		Nil	Nil
		204487	150411
	<b>Total - A</b>	<b>204487</b>	<b>150411</b>
<b>EXPENDITURE</b>			
Cost of Production		Nil	Nil
Office & Administration Cost	'H'	90013	74821
Depreciation		0	5520
Loss on Sale Of Fixed Asset		3082	0
Preliminary Exp. W/off		49622	0
	<b>Total - B</b>	<b>142717</b>	<b>80341</b>
<b>Profit (Loss) before Tax</b>	<b>(A-B)</b>	<b>61770</b>	<b>70070</b>
Provision for Tax		19087	23666
Provision for FBT		0	58
<b>Profit (Loss) after Tax</b>		<b>42683</b>	<b>46346</b>
Surplus brought forward		781698	735352
<b>Balance Carries to Reserve &amp; surplus</b>		<b>824381</b>	<b>781698</b>
Notes Forming Part of the Accounts			
Earnings/(Loss) Per Share Basic & Diluted		0.18	0.19

AS PER OUR REPORT OF EVEN DATE

For KABRA AGRAWAL & CO.  
Chartered Accountants

CA Pawan Kabra  
( Partner)  
(M.No.120872)



For and on behalf of the Board of Directors

Director

Director

Mumbai: 25-06-2008

Mumbai: 25-06-2008



KAPIL COTEX LIMITED

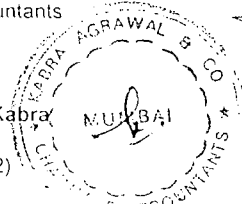
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

	31/03/2008 Amount (Rs.)	31/03/2007 Amount (Rs.)
<b><u>A. CASH FLOW FROM OPERATING ACTIVITIES :</u></b>		
Net Profit before tax and Extraordinary Items	61770	70070
Adjustment for :		
Interest Income	(204487)	(150411)
Preliminary Exp. w/off	49622	0
Loss on sale of Fixed Assets/Discarding of Fixed Asset	6494	0
Depreciation Provided during the Year	0	5520
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(86601)</b>	<b>(74821)</b>
Adjustment For :		
Increase in Sundry Creditors	618	1634
Other Current Assets (Loans and Advances)	743513	376159
<b>Net Flow before Tax Adjustment</b>	<b>657530</b>	<b>302972</b>
Income Tax Paid	(44925)	0
<b>Net Cash Flow From Operating Activities</b>	<b>A 612605</b>	<b>302972</b>
<b><u>B. CASH FLOW FROM INVESTING ACTIVITIES :</u></b>		
Interest Income	204487	150411
Sale of Fixed Asset	4300	0
Fixed Deposit with Bank	(1850000)	0
Miscellaneous expenditure :	0	(248111)
<b>Net Cash Flow From Investing Activities</b>	<b>B (1641213)</b>	<b>(97700)</b>
<b><u>B. CASH FLOW FROM FINANCING ACTIVITIES :</u></b>		
Loan from Director	6700	0
<b>Net Cash Flow From Financing Activities</b>	<b>C 6700</b>	<b>0</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(1021908)</b>	<b>205272</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>1182765</b>	<b>977493</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>160857</b>	<b>1182765</b>

As Per our attached report of even date

For KABRA AGRAWAL & CO.  
Chartered Accountants

*Pawan*  
CA Pawan Kabra  
( Partner )  
(M.No.120872)



Mumbai: 25-06-2008

For and on behalf of the Board of Directors

*Satish Rathi* *Rathi*  
( Director ) ( Director )

Mumbai: 25-06-2008

# KAPIL COTEX LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31-03-2008

## SCHEDULE:- "A":

### SHARE CAPITAL

#### Authorised :

20,00,000 Equity Shares of Rs. 10 Each

#### Issued ,Subscribed & paid up :

2,40,000 Equity Shares of Rs. 10 Each

## SCHEDULE:- "B":

### RESERVE & SURPLUS

Surplus in Profit & Loss A/c

## SCHEDULE:- "C"

### UNSECURED LOANS

Interest Free Loan from Director

## SCHEDULE:- "E"

### INVESTMENTS

F.D.R. With The Federal Bank Limited

## SCHEDULE:- "F"

### CURRENT ASSETS,LOANS & ADVANCE

#### a) CASH & BANK BALANCE

Cash in hand

Bank Balance with The Federal Bank Limited

#### b) LOANS & ADVANCES

Advances Recoverable in Cash or in Kind on Value to be received

TDS Receivable

Income Tax Receivable

## SCHEDULE:- "G"

### CURRENT LIABILITIES& PROVISIONS

#### a) CURRENT LIABILITIES

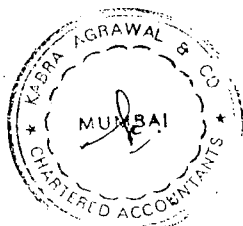
Sundry Creditors for Expenses

#### b) PROVISIONS

Provision for Taxation

Provision for FBT

31ST MARCH,2008 RUPEES	31ST MARCH,2007 RUPEES
2,00,00,000	2,00,00,000
2400000	2400000
824381	781698
6700	0
6700	0
1850000	0
1850000	0
350	5391
160507	1177374
160857	1182765
991487	1735000
44867	33752
10086	0
1046440	1768752
5618	5000
5618	5000
19087	23666
0	58
19087	23724



# KAPIL COTEX LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET

### SCHEDULE:- " D "

#### FIXED ASSETS

DISCRIPTION OF THE ASSETS	RATE OF DEPN	OPENING WDV AS ON 1.04.07	ADDITION DURING THE YEAR		DEDUCTION DURING THE YEAR	TOTAL	DEPN. FOR THE YEAR	WDV AS ON 31.03.2008
			MORE THEN 180 DAYS	LESS THEN 180 DAYS				
Computer Fax	40%	7382	0	0	7382	0	0	0
	15%	3412	0	0	3412	0	0	0
		10794	0	0	10794	0	0	0
Previous Year		16314	0	0	0	16314	5520	10794



# KAPIL COTEX LIMITED

## SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

### SCHEDULE:- 'H' :OFFICE & ADMINISTRATIVE EXP.

Accounting Charges  
Auditor's Remuneration  
Bank Charges  
Conveyance Exp.  
Depository Charges  
Fringe Benefit Tax  
Fixed Asset W/off  
Listing Fees  
Legal & Professional Fees  
Printing & Stationery Expenses  
Rates & Taxes  
Salary  
Sundry Exp.

31ST MARCH,2008 RUPEES	31ST MARCH,2007 RUPEES
18000	0
5618	5000
0	35
2458	3475
8985	4490
0	239
3412	0
10000	10000
29620	20000
610	1742
9500	7500
0	19500
1810	2840
90013	74821



**1 Significant Accounting Policies**

**(a) Basis of Preparation**

Financial statements have been prepared on the basis of going concern, under the historical cost convention and in accordance with the normally accepted accounting standards. Accrual method of accounting is followed with regards to income & expenditure.

**(b) Fixed Assets**

Fixed Assets are stated at acquisition cost less accumulated depreciation.

**(c) Depreciation**

Depreciation is provided on "Written Down Value Method", at the rates and in the manner specified under Income Tax Act, 1961 of India.

**(d) Investments**

Long terms investments are stated at cost. Diminution of permanent nature, if any, is provided for.

**(e) Inventories**

There is no Inventory during the year.

**(f) Sales**

There is No Sales during the year.

**(g) Earnings Per Share (EPS)**

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing basic EPS is weighted average number of shares outstanding during the year.

**(i) Employees Benefit.**

Company does not have any employee during the year. Hence AS-15 (Revised 2007) Employees Benefits is not applicable on the company.

**(j) Segment Reporting**

The company has not carried any business activity during the year. Consequently As-17 Segment Reporting is not applicable on the company.

**(k) Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred Tax is recognized to that extent only, subject to consideration of prudence in respect of deferred tax assets, or timing differences, being the differences between the taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years, having tax consequences.

**(l) Provisions, Contingent liabilities and Contingent Assets**

A provision is made based on reliable estimate when it is probable that an outflow or resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material, are disclosed by way of notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.



**KAPIL COTEX LIMITED****SCHEDULE : " I " : NOTES FORMING PART OF THE ACCOUNTS****2 Notes to Accounts**

- (a) Figures have been rounded off to the nearest Rupees.
- (b) The figures of the Previous Year have been regrouped and recast wherever necessary so as to make it comparable with those of the current year.
- (c) In the opinion of the board , the current assets, loan & advances approximately of the value states, if required in the ordinary course of the business. The provision made for all known liabilities is adequate and is neither in excess of nor in short of the amount reasonably necessary.
- (d) Balances of Loans and Advances, Deposits and Sundry Creditors, including Advances received from Customers, if any, are subject to confirmation.
- (e) Based on the information available with the company there are no dues to micro and small enterprises under the Micro, Small and Medium Enterprise Development Act, 2006.
- (f) **Related Party Transactions**
- (i) **Enterprises in which key management personnel have significant influence :**

NIL

(ii) **Key Management Personnel**

1 Prakash Rath (Director)

Details of transaction are as follows:

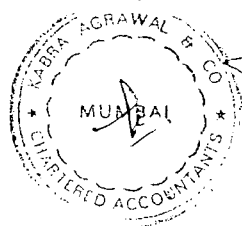
Nature of Transaction	Key management Personnel
<b><u>Loan Taken</u></b>	
Prakash Rath	28000
<b><u>Loan Repaid</u></b>	
Prakash Rath	21300

AS PER OUR REPORT OF EVEN DATE

For KABRA AGRAWAL &amp; CO.

Chartered Accountants

*Pawan*  
CA Pawan Kabra  
( Partner )  
(M.No.120872)



For and on behalf of the Board of Directors

*Satish Rathi*  
( Director )

*Rathi*  
( Director )

Mumbai: 25-06-2008