

# KAPASHI

Commercial Ltd.

## FORM A

1.	Name of the Company Script Code No.	<b>KAPASHI COMMERCIALS LIMITED.</b> <b>512399</b>
2.	Annual Financial statements for the year ended	31 <sup>ST</sup> March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Nil
5.	To be signed by –  • Whole-time Director  • Auditor of the Company  • Audit Committee Chairman  • CFO of the Company	Not applicable.

For KAPASHI COMMERCIAL LIMITED

  
**DIRECTOR**

**Board of Directors**

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S. S. Kapashi  
I. S. Kapashi  
P. S. Kapashi  
N. I. Kapashi  
M. P. Shah  
A. V. Vora

**Registered Office:**

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'Nishuvi', 4<sup>th</sup> Floor, 75 Dr. Annie Besant Road, Worli, Mumbai 400018.  
CIN: L51900MH1985PLC037452  
Phone: 43005100 Fax: 43005105  
Website: [www.kapashicommercial.com](http://www.kapashicommercial.com)  
Email: [kc ltd@rediffmail.com](mailto:kc ltd@rediffmail.com)

**Auditors:**

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D. V. Vora & Co.

**Bankers:**

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Oriental Bank of Commerce  
Axis Bank Ltd.

**Registrar & Transfer Agents:**

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Purva Sharegistry (India) Pvt. Ltd.,  
9, Shiv Shakti Industrial Estate,  
J. R. Boricha Marg,  
Opp. Kasturba Hospital,  
Lower Parel (East),  
Mumbai – 400 011.  
Phone: 23018261 / 23016761  
Fax: 23012517  
Email: [busicomp@vsnl.com](mailto:busicomp@vsnl.com), [purvashr@mtnl.net.in](mailto:purvashr@mtnl.net.in)

**NOTICE**

**NOTICE** is hereby given that the Twenty-Ninth Annual General Meeting of the Members of KAPASHI COMMERCIAL LIMITED will be held on Wednesday, 24<sup>th</sup> day of September, 2014 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, 2014, 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 Sevantilal Kapashi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sevantilal Shantilal Kapashi, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and, if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Messrs. D. V. Vora & Co., Chartered Accountants, Mumbai (Registration No. 111624W) be and are hereby appointed as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors of the Company.”

**SPECIAL BUSINESS:**

5. To appoint Mr. Mahasukhlal Popatlal Shah. (DIN:00073676) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Mahasukhlal Popatlal Shah, who was appointed as an Independent Director pursuant to the provisions of Listing Agreement, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to March 31, 2019.”

6. To appoint Mr. Atul Vrajlal Vora. (DIN:00073693) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Atul Vrajlal Vora. (DIN:00073693), who was appointed as an Independent Director pursuant to the provisions of Listing Agreement, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to March 31, 2019.”

7. To re-appoint Mr. Sevantilal S. Kapashi (DIN: 00008435) as Whole-Time Director and in this regard to consider and if thought fit to pass, with or without modification the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of Companies Act, 2013 and the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) approval of the Company be and is hereby accorded to re-appointment of Mr. Sevantilal S. Kapashi (DIN: 00008435) as Whole-Time Director of the Company, for a period of 5 (Five) years with effect from 1<sup>st</sup> September, 2014 on the terms and conditions including remuneration as set out in the statement annexed to the Notice convening this meeting, with the liberty to the Board of directors (herein after referred to as ‘Board’ which term shall be deemed to include the Human Resource, Nomination and Remuneration Committee of the Board) to alter and vary terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Sevantilal S. Kapashi, subject to the same not exceeding the limits specified in Schedule V to the Companies Act, 2013 or any statutory modification(s) or enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To re-appoint Mr. Indukumar S. Kapashi (DIN: 00008413) as Whole-Time Director and in this regard to consider and if thought fit to pass, with or without modification the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of Companies Act, 2013 and the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) approval of the Company be and is hereby accorded to re-appointment of Mr. Indukumar S. Kapashi (DIN: 00008413) as Whole-Time Director of the Company, for a period of 5 (Five) years with effect from 1<sup>st</sup> September, 2014 on the terms and conditions including remuneration as set out in the statement annexed to the Notice convening this meeting, with the liberty to the Board of directors (herein after referred to as ‘Board’ which term shall be deemed to include the Human Resource, Nomination and Remuneration Committee of the Board) to alter and vary terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Indukumar S. Kapashi, subject to the same not exceeding the limits specified in Schedule V to the Companies Act, 2013 or any statutory modification(s) or enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By Order of the Board of Directors**

**Place: Mumbai**  
**Dated: 28<sup>th</sup> May, 2014**  
**Regd. Office:**  
‘NISHUVI’, 4<sup>th</sup> Floor,  
75, Dr. Annie Besant Road,  
Worli, Mumbai – 400 018.

**(S. S. KAPASHI)**  
**CHAIRMAN.**  
**DIN: 00008435**

**NOTES:**

1. 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. A proxy in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Register of Members and the Transfer Books of the Company will remain closed from Tuesday, 16<sup>th</sup> day of September, 2014 to Wednesday, 24<sup>th</sup> day of September, 2014 (both days inclusive).
3. The Details of the Directors seeking re-appointment and appointment at the forthcoming Annual General Meeting as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are also annexed.
4. Members are requested to bring their copies of the Annual Report to the Meeting.
5. 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.
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.
7. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business to be transacted at the meeting as set out above is annexed hereto and forms part of the Notice.
8. **GREEN INITIATIVE IN CORPORATE GOVERNANCE- Electronic mode of documents.**

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies. The Companies Act, 2013 read with The Companies Act (Management and Administration) Rules, 2014 and Listing Agreement permits circulation of financial statement, notice, etc. to shareholders in electronic mode.

Keeping in view of the above objective the Company proposes treating the e-mail addresses available in the records of Depository Participant/the Company/the Registrars for sending the notice calling the Annual General Meeting and Annual Report containing its Balance Sheet, Statement of Profit and Loss and Directors' Report, etc. and other communication in electronic form.

In this regard we seek your whole hearted support for this initiative. We would request you to register your e-mail ID with your depositories or register the same with Registrars or email us at [kcltd@rediffmail.com](mailto:kcltd@rediffmail.com)

As and when there is change in your email address, you are requested to update the same with your Depository Participant.

**9. Voting through electronic means**

In Compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 29<sup>th</sup> Annual General Meeting (AGM) by electronic means and the items of business as detailed in this Notice may be transacted through e-voting services provided by the National Securities Depository Limited (NSDL). e-voting detailed instructions form is attached.

**ANNEXURE TO THE NOTICE:**

Explanatory statement pursuant to Section 102 of the Companies Act, 2013 and forming part of the Notice dated 28<sup>th</sup> May, 2014.

**Item No.5:**

Mr. Mahasukhlal Popatlal Shah was appointed as an Independent Director by the Board of Directors of the Company under the Provisions of Listing Agreements with stock exchanges.

Mr. Mahasukhlal Popatlal Shah is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a director.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Mahasukhlal Popatlal Shah that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Mahasukhlal Popatlal Shah fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Mahasukhlal Popatlal Shah is independent of the management.

Mr. Mahasukhlal Popatlal Shah is a B. Sc. (Chem) (U.S.A) and he does not hold any shares in the Company.

Mr. Mahasukhlal Popatlal Shah is on the Board of Electro Engineering Company Private Limited., STG Heating Private Limited, Steefab Engineering Co. Private Limited, Chandra Prabha Engineers Private Limited, STG Infrastructure Private Limited, STG Refractory Services Private Limited, and VMC Refractory Solutions Private Limited.

Your Directors recommend the Resolution for your approval. None of the other Directors except Mr. Mahasukhlal Popatlal Shah is deemed to be concerned or interested in this item of business.

Copy of the draft letter for appointment of Mr. Mahasukhlal Popatlal Shah as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

**Item No.6:**

Mr. Atul Vrajlal Vora was appointed as an Independent Director by the Board of Directors of the Company under the Provisions of Listing Agreements with stock exchanges.

Mr. Atul Vrajlal Vora is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a director.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Atul Vrajlal Vora that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Atul Vrajlal Vora fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Atul Vrajlal Vora is independent of the management.

Mr. Atul Vrajlal Vora is a B. Com., LL.B and he does not hold any shares in the Company.

Mr. Atul Vrajlal Vora is on the Board of Khodiyar Fininvest Private Limited.,

Your Directors recommend the Resolution for your approval. None of the other Directors except Mr. Atul Vrajlal Vora is deemed to be concerned or interested in this item of business.

Copy of the draft letter for appointment of Mr. Atul Vrajlal Vora as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

**Item No. 7:**

Mr. Sevantilal S. Kapashi, Whole-Time Director has been looking after the business of the Company. He is of 79 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 49 years in the area of Automobile, Steel, Construction, Investment, etc. and under his stewardships business has expanded many folds.

The Board has recommended his re-appointed him as Whole-Time Director with effect from 1<sup>st</sup> September, 2014 subject to consent of the members of the Company for a further period up to 31.08.2019 to comply with provision of Section 196, 197, 203, Schedule V of the Companies Act, 2013. The remuneration payable to Mr. Sevantilal S. Kapashi and other terms of employment are set out as under keeping in view the provisions of Sections 269, 309, 311 & Schedule XIII of the Companies Act, 1956 and Sections 196, 197, 203 & Schedule V of the Act. His appointment and the remuneration payable to him are subject to the approval of shareholders of the Company at the general meeting.

The general terms of the remuneration payable to Mr. Sevantilal S. Kapashi referred to in resolution in item no.7 of the notice are as under:

**REMUNERATION:** Salary : Rs. Nil

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.

Your Board recommends the resolution for your approval.

**Item No. 8:**

Mr. Indukumar S. Kapashi, Whole-Time Director has been looking after the business of the Company. He is of 78 years of age and is Matriculate. He is having diversified experience of more than 49 years in the area of Automobile, Steel, Construction, Investment, etc. and under his stewardships business has expanded many folds.

The Board has recommended his re-appointed him as Whole-Time Director with effect from 1<sup>st</sup> September, 2014 subject to consent of the members of the Company for a further period up to 31.08.2019 to comply with provision of Section 196, 197, 203, Schedule V of the Companies Act, 2013. The remuneration payable to Mr. Indukumar S. Kapashi and other terms of employment are set out as under keeping in view the provisions of Sections 269, 309, 311 & Schedule XIII of

the Companies Act, 1956 and Sections 196, 197, 203 & Schedule V of the Act. His appointment and the remuneration payable to him are subject to the approval of shareholders of the Company at the general meeting.

The general terms of the remuneration payable to Mr. Indukumar S. Kapashi referred to in resolution in item no.7 of the notice are as under:

**REMUNERATION:** Salary : Rs. Nil

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.

Your Board recommends the resolution for your approval.

**By Order of the Board of Directors**

**Place: Mumbai**

**Dated: 28<sup>th</sup> May, 2014**

**Regd. Office:**

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

**(S. S. KAPASHI)**

**CHAIRMAN.**

**DIN: 00008435**



**Details of the Directors seeking re-appointment/appointment at the Annual General Meeting**

Particulars	Mr. Mahasukhlal P. Shah	Mr. Atul V. Vora
Date of Birth	May 19, 1937	December 12, 1956
Date of Appointment	November 28, 2000	November 28, 2000
Expertise in specific area	A qualified B. Sc. (Chem) (U.S.A) with over 47 years experience in Management, Commercial, HRD, Factory operations, Projects, etc.	A qualified Commerce and Law Graduate with over 40 years having expertise in Finance, Accounting and Taxation.
Directorship held in other public Companies (excluding Foreign Companies And Section 25 Companies)	Nil	Nil
Memberships/ Chairmanships of other Public Companies (includes only Audit and Shareholders'/ Investors' Grievance Committees)	Nil	Nil
Number of shares held	Nil	1,165

Particulars	Mr. Sevantilal S. Kapashi	Mr. Indukumar S. Kapashi
Date of Birth	March 12, 1935	January 3, 1936
Date of Appointment	September 11, 1985	September 11, 1985
Expertise in specific area	A qualified B. Sc. (Chem) (U.S.A) with over 49 years experience in more than 49 years in the area of Automobile, Steel, Construction, Investment, etc.	A Matriculate with over 49 years in the area of Automobile, Steel, Construction, Investment, etc.
Directorship held in other public Companies (excluding Foreign Companies And Section 25 Companies)	Nil	Nil
Memberships/ Chairmanships of other Public Companies (includes only Audit and Shareholders'/ Investors' Grievance Committees)	Nil	Nil
Number of shares held	80,202	72,494

## BOARD'S REPORT

To,  
The Shareholders,

The Board of Directors has pleasure to submit their Twenty-Ninth Annual Report together with Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2014.

### FINANCIAL RESULTS AND DIVIDEND

(i) Financial Results:

	(Rs. in Lakhs)	
	As at 31.03.2014	As at 31.03.2013
Sales	0.00	0.00
Other Income	64.76	52.28
<b>Total</b>	<b>64.76</b>	<b>52.28</b>
Profit / (Loss) Subject to Depreciation & Tax	(111.09)	5.78
Less: Depreciation	0.00	0.00
Profit / (Loss) before extra-ordinary items and Tax	(111.09)	5.78
Add: Share of Profit / (Loss) from Partnership firm	0.00	0.00
Excess/(short) Provision of Taxation	(13.10)	3.91
Profit / (Loss) before Provision for Taxation	(124.19)	9.69
Profit / (Loss) after Tax	(140.19)	7.69
Less: Special Reserve	0.00	1.92
	(140.19)	5.77
Profit / (Loss) brought forward from previous year	(543.92)	2537.51
Less: On Demerger	0.00	3087.20
Profit / (Loss) carried to Balance Sheet	(684.11)	(543.92)

### 2. OPERATION

There have been nil sales in the current financial year compared to Rs. Nil in the previous financial year.

### 3. DIVIDEND

Due to the Surplus in the Profit and Loss account has been negative to the tune of Rs.68,410,696/-. The Board of Directors regret their inability to recommend dividend for the year under review.

### 4. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134 of the Companies Act, 2013 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, 2014, 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, 2013, 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, 2014 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. Paresh S. Kapashi and Mr. Sevantilal S. Kapashi, Directors, retire by rotation and being eligible offer themselves for re-appointment.

Mr. Mahasukh Shah and Mr. Atul Vora, Directors, being independent Director appointed under clause 49 of Listing Agreement with Stock Exchange being recommended for appointments as Independent Directors under provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014.

Mr. Sevantilal S. Kapashi and Mr. Indukumar S. Kapashi, Whole-Time Directors being recommended for re-appointment being recommended for appointments as Whole-Time Directors (Key managerial personnel) with effect from 1<sup>st</sup> September, 2014 for a period of 5 (Five) years and under provisions of Section 203 and all other applicable provisions of Companies Act, 2013 and rules framed there under.

**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's commitment towards changing the socio-economic development of the weaker sections of women continues its support for the project undertaken by it for their upliftment and social sustainability.

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.

**For and on behalf of the Board of Directors**

Place: Mumbai  
Date: 28<sup>th</sup> May, 2014

**S. S. KAPASHI**  
**Chairman**  
**DIN: 00008435**

**Independent Auditors' Report**

To the Members of  
**Kapashi Commercial Ltd.**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Kapashi Commercial Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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 March 31, 2014.
- (b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1] As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2] As required by Section 227(3) of the Act, 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 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss comply with the Accounting Standards notified under the Act, (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).
  - e. On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For D. V. VORA & CO.  
Chartered Accountants  
(FRN 111624W)**

**( D.V.VORA )  
PARTNER  
Membership No. 30013**

**Place: Mumbai:  
Date : 28<sup>th</sup> May, 2014**

**ANNEXURE TO AUDITOR'S REPORT**

**Referred to in paragraph 3 of our report of even date.**

- [I] The Company do not have any fixed Assets
- [II] The Company do not hold any Inventory.
- [III] The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- [IV] In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets. The activities of the Company do not involve sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- [V] [a] According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- [b] In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees Five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- [VI] In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board.
- [VII] In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- [VIII] The Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 does not apply in respect of Company's business.
- [IX] [a] The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise-duty, cess and other statutory dues applicable to it.
- [b] According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March 2014 for a period of more than six months from the date they became payable.
- [c] According to the information and explanation given to us, there are no dues of sale tax, income-tax, customs duty, wealth-tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- [X] The company has accumulated losses as at 31<sup>st</sup> March, 2014. The company has incurred Cash Losses during the financial year covered by the audit and has not incurred any Cash Losses during the immediately preceding financial year.

- [XI] During the year, the company has not taken any loan from any financial institution or bank and has not issued any debenture.
- [XII] The company has not granted any loans and advances on the basis of security byway of pledge of shares, debentures and other securities.
- [XIII] In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the said order are not applicable to the company.
- [XIV] According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- [XV] The company has not given any guarantee for loans taken by others from Bank or financial institutions.
- [XVI] The provision of clause 4(XVI) of the order is not presently applicable to the company since it has not taken any term loan during the financial year.
- [XVII] According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- [XVIII] According to the information and explanations given to us, during the year the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- [XIX] The company has not issued any debentures during the year.
- [XX] The company has not raised any money through Public Issue during the year.
- [XXI] In our opinion and 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 D. V. VORA & CO.  
Chartered Accountants  
(FRN 111624W)**

**( D.V.VORA )  
PARTNER  
Membership No. 30013**

**Place: Mumbai.  
Dated: 28<sup>th</sup> May, 2014**



**COMPLIANCE CERTIFICATE**

To,  
The Shareholders  
**KAPASHI COMMERCIAL LIMITED**

We have examined the registers, records, books and papers of **KAPASHI COMMERCIAL LIMITED** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2014. 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 there under 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 there under.
3. The Company being a Public Limited Company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met 6 (Six) times on 12<sup>th</sup> April, 2013; 29<sup>th</sup> May, 2013; 14<sup>th</sup> August, 2013; 25<sup>th</sup> September, 2013, 13<sup>th</sup> November, 2013 and 5<sup>th</sup> February, 2014 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, 17<sup>th</sup> day of September 2013 to, 25<sup>th</sup> day of September, 2013 (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 31<sup>st</sup> March, 2013 was held on 25<sup>th</sup> September, 2013 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was 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. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or the Central Government as the case may be.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) The Company has delivered all the certificates on lodgement for transfer /

transmission or any other purpose in accordance with the provisions of the Act.

- (ii) The Company has not deposited any amount in separate bank account as no dividend including interim dividend was declared during the financial year;
  - (iii) The Company has not posted warrants to any member 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) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There were no appointments of directors, additional directors, alternate directors and directors to fill casual vacancies during the financial year.
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 any sole selling agent during the financial year.
17. The Company has obtained all necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act as detailed below:-
- (i) Approval of the Registrar of Companies, Maharashtra to Form 21 along with High Court, Bombay approval to the Petition to the Scheme for Demerger and/or transfer and vesting of the Strategic Business undertaking engaged in Real Estate and Trading into Parinee Infra-Agro Private Limited.
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 there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from Directors, financial institutions, banks and others during the financial year ended 31<sup>st</sup> March, 2014 is 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.
25. The Company has made loans and investments or advances or given guarantees or provided securities to other bodies corporate and has made necessary entries in the register kept for the purpose.

26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. As the provisions of the Provident Fund Act are not applicable to the Company, the Company is not supposed to deposit both employees' and employer's contribution towards Provident Fund during the financial year with prescribed authorities pursuant to Section 418 of the Act.

**For R. N. SHAH & ASSOCIATES  
COMPANY SECRETARIES**

**PLACE: MUMBAI  
DATE: 28<sup>th</sup> May, 2014**

**(RAJNIKANT N. SHAH)  
Proprietor  
C. P. No. 700**

*Annexure A*

**Registers as maintained by KAPASHI COMMERCIAL LIMITED:**

1. Board Minutes Book u/s. 193.
2. Members Minutes Book u/s. 193.
3. Attendance Register.
4. Application for and Allotment of Shares u/s.72.
5. Register of Members u/s. 150.
6. Register of Share Transfers u/s. 108.
7. Register of Directors, Managing Directors u/s. 303.
8. Register of Directors' Share holdings u/s.307.
9. Register of Contracts u/s. 301.
10. Register of Companies and Firms in which Directors interest u/s. 301(3).
11. Register of Charge u/s.143

*Annexure B*

**Forms and Returns as filed by KAPASHI COMMERCIAL LIMITED with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31<sup>st</sup> March, 2014: -**

1. Form 66 together with Compliance Certificate for the financial year ended 31/03/2013 filed u/s. 383A on 27/09/2013.
2. Form 23AC & Form 23ACA together with Balance Sheet as on 31/03/2013 and Profit & Loss for the year ended on that filed u/s. 220 on 28/09/2013.
3. Form 20B together with Annual Return dated 25/09/2013 filed u/s.159 on 12/11/2013.
4. Form 21 dated 09/04/2013 for filing the certified copy of the court order related to Demerger filed u/s. 394(1) on 12/04/2013.

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014**

Particulars	Note No.	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	10000000	10000000
(b) Reserves and Surplus	2	27125845	41144378
<b>(2) Current Liabilities</b>			
(a) Other current liabilities	3	77276	3238451
Short term provisions			
(b) Provision for taxation (Net of Advance Tax)		246142	0
<b>Total</b>		<b>37449263</b>	<b>54382829</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Long term loans and advances	4	28524381	1801115
(d) Other non-current assets	5	0	29816343
<b>(2) Current Assets</b>			
(a) Cash and cash equivalents	6	141058	114676
(b) Short term loans and advances	7	8783824	22294515
(c) Other current assets	-		
Advance tax (Net of Provision)	-	0	356180
<b>Total</b>		<b>37449263</b>	<b>54382829</b>

**Significant Accounting Policies ]**  
**Notes on Financial Statements ]**      1 to 15  
 The accompanying notes are an integral part of financial statements

**As per our Report of even date**

**For D. V. VORA & CO.**  
*Chartered Accountants*  
**(FRN 11624W)**

**(D. V. VORA)**  
**Partner**  
**Membership No. 30013**

**Mumbai**  
**Dated: 28<sup>th</sup> May, 2014**

**For and on behalf of the Board**

**[ S. S. KAPASHI ]      [N. I. KAPASHI]**  
**DIN: 00008435      DIN: 00073665**  
*Directors*

**Mumbai**  
**Dated: 28<sup>th</sup> May, 2014**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

Particulars	Note No.	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
I. Net Sales/Interest earned/Operating income (Net of excise duty)	8	6476212	5227843
<b>II. Total Revenue ( I )</b>		<b>6476212</b>	<b>5227843</b>
III. Expenses			
Employee benefit expense	9	0	2663460
Financial costs	10	51139	0
Other expenses	11	17534242	1986228
<b>Total Expenses</b>		<b>17585381</b>	<b>4649688</b>
IV. Profit before exception and extraordinary items and tax		(11109169)	578155
V. Excess/Short Provision of earlier years		(1309364)	390843
VI. Profit before tax (IV - V)		(12418533)	968998
VII. Tax expenses			
(1) Current tax		1600000	200000
VIII. Profit/(Loss) from the period from continuing operations (VI -VII)		(14018533)	768998
IX. Earning per equity share			
(a) Profit/(Loss) after tax and prior period items as per Profit & Loss Account (in Rupees)		(14018533)	768998
(b) Weighted average number of equity shares outstanding		1000000	1000000
(c) Basic & Diluted		(14.02)	0.77

**Significant Accounting Policies ]**  
**Notes on Financial Statements ]**      1 to 15  
The accompanying notes are an integral part of financial statements

**As per our Report of even date**

**For D. V. VORA & CO.**  
**Chartered Accountants**  
**(FRN 11624W)**

**(D. V. VORA)**  
**Partner**  
**Membership No. 30013**  
**Mumbai**  
**Dated: 28<sup>th</sup> May, 2014**

**For and on behalf of the Board**

**[ S. S. KAPASHI ]      [N. I. KAPASHI]**  
**DIN: 00008435      DIN: 00073665**  
**Directors**

**Mumbai**  
**Dated: 28<sup>th</sup> May, 2014**

**Kapashi Commercial Ltd.**

(PURSUANT TO AMENDMENT TO CLAUSE 32 OF THE LISTING AGREEMENT)

	PARTICULARS		As at 31-03-2014 Rupees		As at 31-03-2013 Rupees
<b>I</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
(A)	Net profit before tax & extra ordinary item		(11109169)		578155
(B)	Adjustment				
	Add:				
	i) Depreciation	-		-	
	ii) Interest paid	-	-	-	-
	Less:				
	i) Interest Earned	(6476212)		(5227843)	
	ii) Excess/Short Provision of earlier years	(1309364)		-	
	iii) Long Term/Short Term Capital Gain	-	(7785576)		(5227843)
	<b>CASH FROM OPERATIONS</b>		<b>(18894745)</b>		<b>(4649688)</b>
(C)	(Increase)/Decrease in Current Assets				
	i) Inventories	-		-	
	ii) Sundry Debtors	4,000		18704161	
	iii) Other current Assets and Loans and Advances	16895434		(1193956)	
	Increase/(decrease) in Current Liabilities				
	i) Liabilities	(115990)		3066796	
	ii) Provisions	(4109177)	12674267	(1152337)	19424664
(D)	Loss from Demerger		-		(17851628)
	<b>Net Cash from Operations (A)</b>		<b>(6220478)</b>		<b>(3076652)</b>

*Contd...*

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014</b>
<b>(PURSUANT TO AMENDMENT TO CLAUSE 32 OF THE LISTING AGREEMENT)</b>

	PARTICULARS		As at 31-03-2014 Rupees		As at 31-03-2013 Rupees
<b>II</b>	<b>CASH FLOW FROM INVESTMENT ACTIVITIES:</b>				
	Add:				
	i) Drawing from Partnership Firm	-		-	
	ii) Interest Earned	6476212		5227843	
		-	6476212	-	5227843
	Less:				
	i) (Increase)/Decrease in Investment, net	-		-	
	ii) Purchase of Fixed Assets	-		-	
	iii) Purchase/Sale of Investments	-			
	iv) Purchase/Sale of Fixed Assets	-		-	
	v) Purchase/Sale of Property	-		-	
	vi) Interest Paid	-			
	vii) Proceeds from issue of share Capital	-		-	
	viii) Repayment of loans	-		-	
	ix) Net Proceeds from Borrowings	-	-	-	
	<b>Net Cash from Investments (B)</b>		<b>6476212</b>		<b>5227843</b>
	<b>Net Increase/Decrease in Cash &amp; Cash Equivalent (A + B)</b>		<b>255734</b>		<b>2151191</b>
	<b>Opening Balance</b>		<b>114676</b>		<b>2036515</b>
	<b>Closing Balance</b>		<b>141058</b>		<b>114676</b>

**As per our Report of even date**

**For D. V. VORA & CO.**  
*Chartered Accountants*  
**(FRN 11624W)**

**(D. V. VORA)**  
**Partner**  
**Membership No. 30013**

Mumbai  
Dated: 28<sup>th</sup> May, 2014

**For and on behalf of the Board**

**[ S. S. KAPASHI ] [ N. I. KAPASHI ]**  
**DIN: 00008435      DIN: 00073665**  
**Directors**

Mumbai  
Dated: 28<sup>th</sup> May, 2014



SIGNIFICANT ACCOUNTING POLICIES

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1. ***Basis of Preparation of Financial Statements***  
The financial statements are prepared under the historical cost convention, except for certain fixed assets which are re-valued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.
2. ***Recognition of Income & Expenditure***
  - (a) Revenue / Income and Cost / Expenditure are generally accounted on accrual as they are earned or incurred.
3. ***Use of Estimates***  
The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.
4. ***Taxation***  
Provision for taxation has been made after considering disallowable, exemptions and deductions as per the law as laid down and interpreted by various authorities.
5. ***Provisions Contingent Liabilities and Contingent Assets***  
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed.
6. ***Impairment of Assets***  
An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**Notes on Financial Statements for the Year Ended 31<sup>st</sup> March, 2014.**

Note No.	Particulars	As at 31st March 2014 Rs	As at 31st March 2013 Rs		
<b>1)</b>	<b>SHARE CAPITAL</b>				
	<b>AUTHORIZED CAPITAL</b>				
	1000000 Equity Shares of Rs.10/- each	<u>10000000</u>	10000000		
	<b>ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL</b>				
	1000000 Equity Shares of Rs.10/- each	<u>10000000</u>	10000000		
1.1)	Shares in the Company held by each shareholder holding 5 Percent shares				
	Name of the Shareholder	Number of Shares	%	Number of Shares	%
	Sevantilal S. Kapashi	80202	8.02	80202	8.02
	Indubhai S. Kapashi	72494	7.25	72494	7.25
	Paresh S. Kapashi	134750	13.47	134750	13.47
	Nimish I. Kapashi	155850	15.58	155850	15.58
	Nandini P. Kapashi	109200	10.92	109200	10.92
	Bhakti N. Kapashi	60950	6.09	60950	6.09
1.2)	Reconciliation of number of Shares outstanding				
	Equity Shares at the beginning of the year	<b>1000000</b>		1000000	
	Equity Shares at the end of the year	<b>1000000</b>		1000000	
<b>2)</b>	<b>RESERVES &amp; SURPLUS</b>				
i)	<b>GENERAL RESERVE</b>				
	Balance as per last Balance Sheet	<u>75589291</u>		75589291	
		<u>75589291</u>		75589291	
ii)	<b>SPECIAL RESERVE</b> (U/S 451 of RBI ACT)				
	Balance as per last Balance Sheet	<b>19947250</b>		19755000	
	Additions during the year	<b>0</b>		192250	
		<u>19947250</u>		<u>19947250</u>	
iv)	<b>PROFIT &amp; LOSS ACCOUNT</b>				
	Balance as per last Balance Sheet	<b>(54392163)</b>		253750735	
	Add: Profit during the year	<b>(14018533)</b>		768998	
	Less: Transferred to Special Reserve	<b>0</b>		192250	
	Less: On Demerger	<b>0</b>		308719646	
		<u><b>(68410696)</b></u>		<u><b>(54392163)</b></u>	
	<b>Total: i+ii+iii+iv</b>	<u><b>27125845</b></u>		<u><b>41144378</b></u>	

Note Particulars

As at

As at

## Kapashi Commercial Ltd.

No.	31st March 2014 Rs.	31st March 2013 Rs.
<b>3) OTHER CURRENT LIABILITIES</b>		
From Associate Company	0	2709177
Other payables	64719	180296
Statutory Liabilities	12557	59112
Overdrawn Bank Balance	0	289866
<b>Total</b>	<b>77276</b>	<b>3238451</b>
<b>4) LONG TERM LOANS AND ADVANCES</b>		
1) Other Loans & Advances		
Advance payments to parties	28188000	0
Advance payment of Income Tax (Net of Provisions)	336381	1801115
<b>Total</b>	<b>28524381</b>	<b>1801115</b>
<b>5) OTHER NON CURRENT ASSETS</b>		
1) Others		
Advance payments to parties	0	29816343
<b>Total</b>	<b>0</b>	<b>29816343</b>
<b>6) CASH &amp; CASH EQUIVALENTS</b>		
i) Balances with Banks		
Axis Bank Ltd.	30713	9712
Oriental Bank of Commerce	47279	0
ii) Cash on hand	63065	104963
<b>Total</b>	<b>141058</b>	<b>114676</b>
<b>7) SHORT TERM LOANS &amp; ADVANCES</b>		
i) To related parties	0	0
ii) To others	8783824	22294515
<b>Total</b>	<b>8783824</b>	<b>22294515</b>
<b>8) OTHER INCOME</b>		
i) Interest Gross	6438575	5227843
ii) Interest on Income tax refund	37637	0
<b>Total</b>	<b>6476212</b>	<b>5227843</b>
<b>9) EMPLOYEE BENEFIT EXPENSES</b>		
i) Salaries	0	426000
ii) Director Remuneration	0	1800000
iii) Bonus (includes paid to Directors - (Current year Nil – Previous year 4,26,000/-)	0	426000
iv) Leave Salary	0	11460
<b>Total</b>	<b>0</b>	<b>2663460</b>
<b>10) FINANCE COST</b>		
i) Interest to Directors	51139	0
<b>Total</b>	<b>51139</b>	<b>0</b>
<b>11) OTHER EXPENSES</b>		
Rent	539328	1264000
<b>Payment to Auditors</b>		
Statutory Audit fees	33708	61798
Tax Audit fees	33708	28090
Taxation Matters	0	67416

## Kapashi Commercial Ltd.

Other Services	0	22472
Listing fees	16854	16854
Donation	721000	0
Bad Debts W/off	15763343	0
Miscellaneous expenses	426301	525598
<b>Total</b>	<b>17534242</b>	<b>1986228</b>

### 12) Related Party Transactions

Other Associates – Nishuvi Trading And Investments Pvt. Ltd., Creative Corporation, Nishuvi Corporation, Indu Corporation Pvt. Ltd., Shreejee Darshan Corporation.

Directors / Key Management Personnel – Mr. Sevantilal Shantilal Kapashi, Mr. Indukumar Shantilal Kapashi.

Summary of the transactions with the above – related parties are as follows :

		Transaction for the	
		Year ended March 2014 Amount in Rs.	Year ended March 2013 Amount in Rs.
	Directors Remuneration & Bonus	Nil	2160000
	Interest to Directors	51139	0

### Contingent Liability

Current Year Rs. NIL

Previous Year Rs. NIL

### Segment Reporting

The Company has only one primary business segment namely Trading “Ferrous – Non-Ferrous, Textiles, etc.”, as such no separate reporting is being done for the year since it is reported in the final accounts for the year.

Previous year’s figures have been regrouped, reclassified and/or renamed to conform to this year’s classification.

**Financial Company**

(as required in terms of Paragraph 9BB of Non-Banking  
Financial Companies Prudential Norms  
(Reserve Bank) Directions, 1998

<b>Particulars</b>		As at 31.03.2014	
<b>Liabilities side:</b>			
[1]	<b>Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>	Amount Outstanding	Amount Overdue
	[a] Debentures : Secured	NIL	NIL
	: Unsecured (other than falling within the meaning of public deposits*)	NIL	NIL
	[b] Deferred Credits	NIL	NIL
	[c] Term Loans	NIL	NIL

15. Inserted by Notification No. DNBS. 135/CGM (VSNM)-2000, dated 13-1-2000, w.e.f. 13-1-2000.
16. Inserted by Notification No. DNBS. 155/CGM (LMF)-2000, dated 1-1-2000, w.e.f. 1-1-2002.
17. Inserted by Notification No. DNBS. 167/CGM (OPA)-2003, dated 29-3-2003 w.e.f. 29-3-2003.

	<b>Particulars</b>		
	[d] Inter-corporate loans and borrowing	NIL	NIL
	[e] Commercial Paper	NIL	NIL
	[f] Public deposits*	NIL	NIL
	[g] Other Loans (specify nature)	NIL	NIL
	* Please see Note 1 below		
[2]	<b>Break-up of [1][f] above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
	[a] In the form of Unsecured debentures	NIL	NIL
	[b] In the form of partly secured debentures i.e. debentures where there is a shortfall in value of security	NIL	NIL
	[c] Other public deposits	NIL	NIL
<b>Assets side:</b>			
		Amount outstanding	
[3]	<b>Break-up of Loans and Advances including bills receivables (other than those included in (4) below:</b>		
	[a] Secured		
	[b] Unsecured	Rs.37308205	

[4]	<b><i>Break-up of Leased Assets and Stock on hire and hypothecation loans counting towards EL/HP activities</i></b>		N. A.	
	<p>[i] Lease assets including lease rentals under sundry debtors:</p> <p>[a] Financial lease [b] Operating lease</p> <p>[ii] Stock on hire including hire charges under sundry debtors:</p> <p>[a] Assets on hire [b] Repossessed Assets</p> <p>[iii] Hypothecation loans counting towards EL/HP activities</p> <p>[a] Loans where assets have been repossessed [b] Loans other than [a] above.</p>			
[5]	<b><i>Break-up of Investments</i></b>			
	<p>Current Investments:</p> <p>1. Quoted:</p> <p>[i] Shares: [a] Equity [b] Preference</p> <p>[ii] Debentures and Bonds [iii] Units of mutual funds [iv] Government Securities [v] Others (please specify)</p>		N. A.	
	<p>2. Unquoted:</p> <p>[i] Shares: [a] Equity [b] Preference</p> <p>[ii] Debentures and Bonds [iii] Units of mutual funds [iv] Government Securities [v] Others (please specify)</p>			
	Long Term Investments:			
	1.	<p>Quoted:</p> <p>[i] Shares: [a] Equity [b] Preference</p> <p>[ii] Debentures and Bonds [iii] Units of mutual funds [iv] Government Securities [v] Others (please specify)</p>	NIL	

	2.	Unquoted: [i] Shares:           [a] Equity [b] Preference  [ii] Debentures and Bonds [iii] Units of mutual funds [iv] Government Securities [v] Others (please specify)	NIL  NIL NIL NIL	
[6]	<b><i>Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:</i></b> Please see Note 2 below		N. A.	
	Category		<i>Amount net of provisions</i>	
			Secured	Unsecured
			Total	
	1. Related Parties **			
	[a] Subsidiaries			
	[b] Companies in the same group			
	[c] Other related parties			
	2. Other than related parties			
	Total			
[7]	<b><i>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</i></b>  Please see Note 3 below			
	Category		Market Value / Break-up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties **			
	[a] Subsidiaries			
	[b] Companies in the same group			
	[c] Other related parties			
	2. Other than related parties			
	Total			

\*\* As per Accounting Standard of ICAI (Please see Note 3)

[8]     ***Other information***

	<i>Particulars</i>		Amount
[i]	Gross Non-Performing Assets		
	[a] Related parties		
	[b] Other than related parties		NIL
[ii]	Net Non-Performing Assets		
	[a] Related parties		
	[b] Other than related parties		NIL
[iii]	Assets acquired in satisfaction of debt		NIL

Notes:

1. As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserved Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break-up / fair value / NAV in respect of un-quoted investments should be disclosed irrespective of whether they are classified as long term or current in column [5] above.

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**As per our Report of even date**

**For D. V. VORA & CO.**  
***Chartered Accountants***  
**(FRN 11624W)**

**For and on behalf of the Board**

**(D. V. VORA)**  
**Partner**  
**Membership No. 30013**

**[ S. S. KAPASHI ] [N. I. KAPASHI]**  
**DIN: 00008435      DIN: 00073665**  
***Directors***

**Mumbai**  
**Dated: 28<sup>th</sup> May, 2014**

**Mumbai**  
**Dated: 28<sup>th</sup> May, 2014**



# Kapashi Commercial Ltd.

KAPASHI COMMERCIAL LIMITED

CIN : L51900MH1985PLC037452

Regd Office : 'Nishuvi', 4<sup>th</sup> Floor, 75 Dr. Annie Besant Road, Worli, Mumbai 400018.

Tel No. : +91 22 43005100, Email : [kcltd@rediffmail.com](mailto:kcltd@rediffmail.com) website : [www.kapashicommercial.com](http://www.kapashicommercial.com)

## ATTENDANCE SLIP

**To be handed over at the entrance of the Meeting Hall**

Folio No./Client ID :

I hereby record my presence at the 29<sup>th</sup> ANNUAL GENERAL MEETING to be held at 'Nishuvi', 4<sup>th</sup> Floor, 75 Dr. Annie Besant Road, Worli, Mumbai 400018 on September 24, 2014 at 11.00 a.m.

Member's/Proxy's Full Name

Member's/Proxy's Signature

KAPASHI COMMERCIAL LIMITED

CIN : L51900MH1985PLC037452

Regd Office : 'Nishuvi', 4<sup>th</sup> Floor, 75 Dr. Annie Besant Road, Worli, Mumbai 400018.

Tel No. : +91 22 43005100, Email : [kcltd@rediffmail.com](mailto:kcltd@rediffmail.com) website : [www.kapashicommercial.com](http://www.kapashicommercial.com)

## PROXY FORM

Name of the Member (s):	Folio No./Client Id:
Registered Address:	DP ID:
E-mail Id:	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint :

- |    |                   |                 |                                  |
|----|-------------------|-----------------|----------------------------------|
| 1. | Name : .....      | Address : ..... | Signature : ..... or failing him |
|    | E-mail Id : ..... |                 |                                  |
- |    |                   |                 |                                  |
|----|-------------------|-----------------|----------------------------------|
| 2. | Name : .....      | Address : ..... | Signature : ..... or failing him |
|    | E-mail Id : ..... |                 |                                  |
- |    |                   |                 |                                  |
|----|-------------------|-----------------|----------------------------------|
| 3. | Name : .....      | Address : ..... | Signature : ..... or failing him |
|    | E-mail Id : ..... |                 |                                  |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29<sup>th</sup> annual general meeting of the company, to be held at 'Nishuvi', 4<sup>th</sup> Floor, 75 Dr. Annie Besant Road, Worli, Mumbai 400018 on September 24, 2014 at 11.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Particulars	Optional*	
		For	Against
1.	Adoption of Financial Statements for the year ended March 31, 2014		
2.	Re-appointment of Mr. Paresh S. Kapashi who retires by rotation		
3.	Re-appointment of Mr. Sevantilal S. Kapashi who retires by rotation		
4.	Appointment of M/s. D. V. Vora & Co., Chartered Accountants as Auditors and fixing remuneration		
5.	Appointment of Mr. Mahasukhlal P. Shah as an Independent Director		
6.	Appointment of Mr. Atul V. Vora as an Independent Director		
7.	Appointment of Mr. Sevantilal S. Kapashi as Whole-Time Director from 1-9-2014 to 31-8-2019 and payment of remuneration		
8.	Appointment of Mr. Indukumar S. Kapashi as Whole-Time Director from 1-9-2014 to 31-8-2019 and payment of remuneration		

Signed this ..... day of ..... 2014

Signature of Shareholder : .....

Signature of Proxy holder(s) : .....

Affix 1 Rupee
Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.