

KAPASHI COMMERCIAL LIMITED

DIRECTORS:

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

REGISTERED OFFICE:

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

AUDITORS :

D. V. VORA & CO.
Chartered Accountants

BANKERS:

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, 30th day of June, 2010 at 11.00 a.m. at the Registered Office of the Company at 'NISHUVI', 4th Floor, 75, Dr. Annie Besant Road, Worli, Mumbai – 400 018, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 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 1st February, 2010 and he be paid remuneration as detailed hereunder:

PART A

1. Basic Salary:	Rs. 150,000/- per month.
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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 1st February, 2010 and he be paid remuneration as detailed hereunder:

PART A

1. Basic Salary:	Rs. 150,000/- per month.
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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: 15th May, 2010

S. S. KAPASHI
CHAIRMAN.

Regd. Office:

‘NISHUVI’, 4th Floor,
75, Dr. Annie Besant Road,
Worli, Mumbai – 400 018.

NOTES:

1. Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of Item No. 5 and 6 of the Special Business mentioned above is annexed herewith.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a Member of the Company.
3. A proxy in order to be effective, the proxy form must be lodged with the company at least 48 hours before the meeting.
4. The Register of Members and the Transfer Books of the Company will remain closed from Wednesday, 23rd day of June, 2010 to Wednesday, 30th day of June, 2010 (both days inclusive).

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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 15th 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 1st 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 1st 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.

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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: 15th May, 2010.

S. S. KAPASHI
CHAIRMAN.

Regd. Office:
`NISHUVI', 4th 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 25th Annual Report together with the Audited Statement of Accounts for the year ended 31st 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 31st 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.

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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 31st 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 31st 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.

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Mr. Sevantilal S. Kapashi and Mr. Indukumar S. Kapashi, Whole-Time Directors have been re-appointed with effect from 1st 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: 15th 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;

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AUDITOR'S REPORT TO THE MEMBERS (Contd.)

- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
1. In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2010
 2. In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date and
 3. In the case of Cash Flow statement, of the Cash Flows for the year ended on that date

For D. V. VORA & CO.
Chartered Accountants

(D.V.VORA)
PARTNER

Membership No. 30013

Mumbai:
Date : 15th May, 2010

KAPASHI COMMERCIAL LIMITED

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date,

- [I] [a] The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- [b] The company has a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- [c] During the year, the Company has not disposed off any major part of the Fixed Assets.
- [II] [a] The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- [b] The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- [c] The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- [III] [a] The Company had taken loan from four parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.256.52 lacs and the year-end balance of loans taken from such parties was Rs. NIL lacs. There are no parties covered in the register maintained under section 301 of the Companies Act, 1956 to which the company has granted loans.
- [b] In our opinion the rate of interest and other terms and conditions on which loans have been taken from/granted to companies, firms or other parties listed in the registers maintained under Section 301 are not, prima facie, prejudicial to the interest of the company.
- [c] The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
- [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 purchases of inventory, fixed assets and with regard to the 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.

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ANNEXURE TO AUDITORS' REPORT (Contd.)

- [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 31st March 2010 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 no accumulated losses as at 31st March, 2010 and has not incurred any cash losses during the financial year covered by our audit and 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 by way 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.

KAPASHI COMMERCIAL LIMITED

ANNEXURE TO AUDITORS' REPORT (Contd.)

- [XIV] In our opinion, the company has maintained proper records of the transactions and contracts of the investments dealt in by the company and timely entries have been made there in. The investments made by the company are held in its own name except to the extent of the exemption under section 4a of the act.
- [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] 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

[D. V. Vora]
Partner

Membership No. 30013

Place: Mumbai.
Dated: 15th May, 2010

KAPASHI COMMERCIAL LIMITED

COMPLIANCE CERTIFICATE

To,
The Members
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 31st March, 2010. 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 8 (Eight) times on 28th April, 2009; 30th June, 2009; 3rd July, 2009; 29th July, 2009; 28th October, 2009; 25th November, 2009; 27th January, 2010 and 17th March, 2010 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 26th August, 2009 to 2nd September, 2009 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 31st March, 2009 was held on 2nd September, 2009 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.

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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) There was no allotment/transfer/transmission of securities during the financial year.
(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 was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made 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.

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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 Company has not made any borrowings during the financial year ended 31st March, 2010.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made 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: 15th May, 2010**

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

KAPASHI COMMERCIAL LIMITED

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 31st March, 2010: -

1. Form 20B together with Annual Return dated 02/09/2009 filed u/s.159 on 01/10/2009.
2. Form 23AC & Form 23ACA together with Additional Attachment and Balance Sheet as on 31/03/2009 and Profit & Loss for the year ended on that filed u/s. 220 on 08/09/2009.
3. Form 66 together with Compliance Certificate for the financial year ended 31/03/2009 filed u/s. 383A on 08/09/2009.
4. Form No. 23 dated 17/03/2010 filed u/s 269(2) on 25/03/2010 for the re-appointment and payment of Remuneration to Mr. Sevantilal Shantilal Kapashi and Mr. Indukumar Shantilal Kapashi as Whole-time Directors of the Company with effect from 1st February, 2010
5. Form No. 25C dated 17/03/2010 filed u/s. 269(2) on 25/03/2009 for the re-appointment and payment of Remuneration to Mr. Sevantilal Shantilal Kapashi as Whole-time Director of the Company with effect from 1st February, 2010.
6. Form No. 25C dated 17/03/2010 filed u/s. 269(2) on 25/03/2009 for the re-appointment and payment of Remuneration to Mr. Indukumar Shantilal Kapashi as Whole-time Director of the Company with effect from 1st February, 2010.

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

**PLACE: MUMBAI
DATE: 15th May, 2010**

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

KAPASHI COMMERCIAL LIMITED

SCHEDULES TO THE STATEMENT OF ACCOUNTS AS AT AND FOR THE YEAR ENDED 31.03.2010

SCHEDULE 'L'

I. Significant Accounting Policies.

1. **Basis of Accounting.**
The accounts have been prepared on historical cost basis of accounting. The Company adopts accrual system of accounting unless stated otherwise.
2. **Expenses.**
It is the Company's Policy to provide for all expenses on accrual basis.
3. **Fixed Assets.**
All the fixed assets have been valued at historical cost less accumulated depreciation.
4. **Depreciation.**
The Company provided Depreciation on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
5. **Inventories**
Inventories are valued at lower of cost or net realizable value.
6. **Investments.**
Investments have been stated at cost and provision is made to recognize any diminution in value, other than that of temporary nature.
7. **Taxation.**
Provision for taxation has been made after considering disallowables, exemptions and deductions as per the law as laid down and interpreted by various authorities.

Deferred Tax is recognised subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
8. **Employee Benefit.**
 - a] There is no defined contribution plan.
 - b] Defined Benefits – The company's liability towards gratuity and leave encashment are determined on basis of actuarial valuation.
9. **Provisions Contingent Liabilities and Contingent Assets**
Provisions involving substantial degree of estimation in measurement are recognised 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 recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed.

KAPASHI COMMERCIAL LIMITED

SCHEDULES TO THE STATEMENT OF ACCOUNTS AS AT AND FOR THE YEAR ENDED 31.03.2010

SCHEDULE 'L' (Contd.)

II. Additional Information pursuant to Para 3, 4B, 4C & 4D of the Part II of the Schedule VI to the Companies Act, 1956.

Quantitative information in respect of the opening stock, purchases, sales and closing stock for each class of goods traded in by the Company.

	Quantity M.T	As at 31-03-2010 Rupees	Quantity M.T.	As at 31-03-2009 Rupees
A. ZINC				
Opening Stock	0	0	0	0
Purchase	1909.009	227681661	2671.148	225562169
Sales	1909.009	238642358	2671.148	244795777
Closing Stock	0	0	0	0
B. H. R. Coils				
Opening Stock	0	0	0	0
Purchase			238.005	10391132
Sales			238.005	11397894
Closing Stock	0	0	0	0
C. Steel				
Opening Stock	0	0	0	0
Purchase	290.200	8845386	0	0
Sales	290.200	9961415	0	0
Closing Stock	0	0	0	0
D. Contingent Liability.	NIL			(Previous Year Rs. NIL)

	As at 31-03-2010	As at 31-03-2009
III. Directors Remuneration.		
3.1. Salaries & Other Benefits	16,00,000	12,00,000
3.2. Bonus	3,20,000	2,40,000

KAPASHI COMMERCIAL LIMITED

SCHEDULES TO THE STATEMENT OF ACCOUNTS AS AT AND FOR THE YEAR ENDED 31.03.2010

SCHEDULE 'L' (Contd.)

IV. Deferred Tax:

The value of deferred tax assets and Deferred Tax Liability as on 31st March, 2010. is not material. Hence the value of such Net deferred tax assets is not recognized in accordance with AS22

V. Earnings per Share:

	<u>2009-10</u>	<u>2008-09</u>
a. Basic and diluted earnings per share in Rupees (Face Value Rs.10/- per share)	37.60	42.81
b. Profit / (Loss) after tax and prior period items as Per Profit & Loss Account (In Rupees)	3,76,02,489	4,28,13,066
c. Weighted average number of equity shares outstanding	10,00,000	10,00,000

VI. 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.

VII. Related Party Transactions

Other Associates – Nishuvi Trading And Investments Pvt. Ltd., Creative Corporation, Nishuvi Corporation, Indu Corporation Pvt. Ltd., Ratna Shree.

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

Summary of the transactions with the above –related parties is as follows.

Nature of Transaction	Transaction for the year ended March 10 Amount in Rs.
Directors Remuneration & Bonus	19,20,000/-

KAPASHI COMMERCIAL LIMITED

SCHEDULES TO THE STATEMENT OF ACCOUNTS AS AT AND FOR THE YEAR ENDED 31.03.2010

SCHEDULE 'L' (Contd.)

VIII. Employee Benefits – As per revised AS - 15

A] Expenses recognized In the statement of Profit & Loss Account	2009-10 Non-Funded		2008-09 Non-Funded	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	49,739	37,247	39,577	27,891
Interest Cost	--	--	16,880	7,284
Benefits Paid	--	(20,200)	--	--
Net Actuarial Gain	5,32,617	3,74,806	1,28,157	1,24,422
Net Period Cost	5,82,356	3,90,853	1,84,614	1,59,597
B] Net Asset/Liability Recognized in the Balance Sheet.				
Present Value of The obligation	5,82,356	3,90,583	3,95,616	2,50,643
C] Change in Present Value of obligation.				
Present Value of Obligation at beginning.	--	--	2,11,002	91,046
Current Service Cost	49,739	37,247	39,577	27,891
Interest Cost	--	--	16,880	7,284
Benefits Paid	--	(21,200)	--	--
Net Actuarial Gain	5,32,617	3,74,806	1,28,157	1,24,422
	5,82,356	3,90,853	3,95,616	2,50,643
D] Actuarial assumptions				
1) Discount Rate	8.5%	8.5%	8%	8%
2) Salary Escalation	6%	6%	5%	5%

KAPASHI COMMERCIAL LIMITED

SCHEDULES TO THE STATEMENT OF ACCOUNTS AS AT AND FOR THE YEAR ENDED 31.03.2010

SCHEDULE 'L' (Contd.)

- IX.** Previous years figures have been regrouped, reclassified and/or renamed to conform to this year's classification.
-

SIGNATORIES TO SCHEDULES 'A' TO 'L'

As per our Report attached of
even date.

For and on behalf of the Board

For D. V. VORA & CO.
Chartered Accountants

S. S. KAPASHI]
N. I. KAPASHI]

(D. V. VORA)
Partner

Directors

Place: Mumbai
Dated: 15.05.2010

Place: Mumbai
Dated: 15.05.2010

KAPASHI COMMERCIAL LIMITED

CERTIFICATE

To
**The Board of Directors,
Kapashi Commercial Limited**

We have examined the attached Cash Flow Statement of 'Kapashi Commercial Limited' for the period ended 31st March, 2010. The Statement has been prepared in accordance with the requirements of listing agreement clause 32 with the Stock Exchange, Mumbai and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 15th May, 2010 to the Members of the Company.

**For D. V. VORA & CO.
Chartered Accountants**

Place: Mumbai
Dated: 15.05.2010

**(D. V. VORA)
Partner**

KAPASHI COMMERCIAL LIMITED

PROXY

REGISTERED OFFICE
'NISHUUVI', 4th Floor,
75, DR. ANNIE BESANT ROAD, WORLI, MUMBAI 400 018.

MASTER FOLIO NO.	
------------------	--

I/We

_____ of _____ being member / members of **KAPASHI COMMERCIAL LIMITED** hereby appoint _____ of _____ as my / our proxy to vote for me / us on my / our behalf at the 25th Annual General Meeting of the Company to be held on Wednesday, 30th day of June, 2010

Signed _____ day of _____ 2010 by the said _____

Revenue
Stamp

NOTE:

1. The Proxy Form should be signed across the Stamp as per specimen signature registered with the Company.
2. The Proxy Form must be returned so as to reach the Corporate Office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting. The Proxy need not be a member of the Company.

KAPASHI COMMERCIAL LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	<u>Schedule</u>	<u>Rupees</u>	<u>As at 31-03-2010 Rupees</u>	<u>As at 31-03-2009 Rupees</u>
SOURCES OF FUNDS:				
CAPITAL	A	10,000,000	10,000,000	
RESERVES & SURPLUS	B	<u>356,573,774</u>	<u>252,366,455</u>	
			366,573,774	262,366,455
SECURED LOANS				
UNSECURED LOANS	C		-	11,006,197
	TOTAL		<u><u>366,573,774</u></u>	<u><u>273,372,652</u></u>
APPLICATION OF FUNDS:				
FIXED ASSETS				
Gross Block	D	7,691,858	7,474,321	
Less: Depreciation		<u>2,535,211</u>	<u>5,156,647</u>	<u>5,288,256</u>
INVESTMENTS	E		233,272,982	188,866,595
CURRENT ASSETS, LOANS & ADVANCES	F	181,895,193	131,338,370	
Less: Current Liabilities & Prc	G	<u>53,751,048</u>	<u>52,120,569</u>	
NET CURRENT ASSETS			128,144,145	79,217,801
	TOTAL		<u><u>366,573,774</u></u>	<u><u>273,372,652</u></u>
Notes on Accounts	L			

As per our Report attached of even date

For D. V. VORA & CO.
Chartered Accountants

(D. V. VORA)
Partner

Mumbai
Dated : 15.05.2010

For and on behalf of the Board

S.S.KAPASHI }
N.I. KAPASHI } *Directors*

Mumbai
Dated : 15.05.2010

KAPASHI COMMERCIAL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

		As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
INCOME:			
Sales		248,603,773	256,279,598
Other Income	H	56,165,466	40,460,198
		<u>304,769,239</u>	<u>296,739,796</u>
EXPENDITURE			
Purchases		236,527,047	236,039,229
Office & Administrative Expen	I	13,010,454	7,765,511
Personnel Expenses	J	3,762,288	3,577,613
Speculation Loss		5,612	-
Short Term Loss On Sale Of Shares		-	1,307,535
Long Term Loss On Sale Of Shares		-	816,104
Financial Expenses	K	284,223	1,966,876
Depreciation		349,146	328,048
	TOTAL	<u>253,938,770</u>	<u>251,800,916</u>
Profit before Taxation		50,830,469	44,938,880
Add:- Share of Profit/(Loss) from Partnership Firm		(379,289)	9,865,984
		<u>50,451,180</u>	<u>54,804,864</u>
Add:- Excess Provision Of Taxation		20,505	256,831
		<u>50,471,685</u>	<u>55,061,695</u>
Less:-Short Provision Of Taxation		769,196	-
		<u>49,702,489</u>	<u>55,061,695</u>
Less: Security Transaction Tax		-	183,629
		<u>49,702,489</u>	<u>54,878,066</u>
Less :-Provision for current tax		12,100,000	12,000,000
		<u>37,602,489</u>	<u>42,878,066</u>
Less :-Provision for fringe benefit tax		-	65,000
		<u>37,602,489</u>	<u>42,813,066</u>
Less :-Special Reserve		7,525,000	-
		<u>30,077,489</u>	<u>42,813,066</u>
Balance brought forward from previous year		176,777,164	133,964,098
Balance carried to Balance Sheet		<u>206,854,653</u>	<u>176,777,164</u>
Earnings per Share		37.60	42.81
Notes on Accounts:	L		

As per our Report attached of even date

For D. V. VORA & CO.
Chartered Accountants

For and on behalf of the Board

S.S.KAPASHI }
N.I. KAPASHI } *Directors*

(D. V. VORA)
Partner

Mumbai
Dated : 15.05.2010

Mumbai
Dated : 15.05.2010

KAPASHI COMMERCIAL LIMITED

SCHEDULES TO THE BALANCE SHEET AS AT 31.03.2010

Schedule	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
SCHEDULE - 'A'		
SHARE CAPITAL		
AUTHORISED CAPITAL:		
10,00,000 Equity Shares of Rs.10/- each	10,000,000	<u>10,000,000</u>
ISSUED,SUBSCRIBED & PAID-UP CAPITAL:		
10,00,000 Equity Shares of Rs.10/- each	10,000,000	10,000,000
TOTAL	<u>10,000,000</u>	<u>10,000,000</u>
SCHEDULE - 'B'		
RESERVES & SURPLUS:		
(1) GENERAL RESERVE		
Balance as per last Balance Sheet	75,589,291	75,589,291
(2) REVALUATION RESERVE		
Balance as per last Balance Sheet	-	-
Addition During The Year	<u>66,604,830</u>	-
(3) SPECIAL RESERVE (U/S 45I OF RBI ACT)		
Balance as per last Balance Sheet	-	-
Addition During The Year	<u>7,525,000</u>	7,525,000
(4) PROFIT & LOSS A/C	206,854,653	176,777,164
	<u>356,573,774</u>	<u>252,366,455</u>
SCHEDULE - 'C'		
UNSECURED LOAN		
From Directors	-	11,006,197
TOTAL	<u>-</u>	<u>11,006,197</u>

KAPASHI COMMERCIAL LIMITED

SCHEDULES TO THE BALANCE SHEET AS AT 31.03.2010

	Share of Profit / Loss	TOTAL As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
SCHEDULE - 'E'			
A) INVESTMENTS :			
A) Shreejee Corporation			
		16,039	16,039
Name of Partners			
(1) Kapashi Commercial Ltd	61%		
(2) Vinayak K. Shah	21%		
(3) Mehta Jaising Const.	18%		
TOTAL CAPITAL AS AT			
31st March 2010	####		
31st March 2009	####		
B) Ratna Shree			
		1,237,694	7,624,984
Name of Partners			
(1) Kapashi Commercial Ltd.	66%		-
(2) Jaising Construction.	34%		
TOTAL CAPITAL AS AT			
31st March 2010	NIL		
31st March 2009	NIL		
B) Shreejee Darshan Corporation			
		32,500	32,500
(1) Kapashi Commercial Ltd.			
(1) Kapashi Commercial Ltd.	65%		
(2) Ms.Janhavi Desai	25%		
(3) Mr.Paresh Kapashi	5%		
(4) Mr.Nimish Kapashi	5%		
TOTAL CAPITAL AS AT			
31st March 2010	####		
31st March 2009	####		
Flat [Ratan Shree]			
		-	2,366,140
Property at Mumbai		142,177,970	75,573,140
Rooms In Nishuvi Bldg		210,628	210,628
Aggregate of Quoted Investments			
		89,093,151	102,538,164
Aggregate of Unquoted Investments			
		505,000	505,000
		233,272,982	188,866,595

KAPASHI COMMERCIAL LIMITED

SCHEDULES TO THE BALANCE SHEET AS AT 31.03.2010

	As at 31-03-2010 <u>Rupees</u>	As at 31-03-2009 <u>Rupees</u>
SCHEDULE - 'F'		
CURRENT ASSETS, LOANS & ADV.		
CURRENT ASSETS :		
Debtors		
More than six months	754,027	349,081
Others	<u>25,925,003</u>	<u>6,119,754</u>
	26,679,030	6,468,835
CASH AND BANK BALANCES:		
CASH IN HAND	55,778	44,725
BALANCE WITH BANKS:		
(1) Current Account with:		
Bank A/c Schedule Bank		
Axis Bank Ltd. A/c No. 116	28,399	775,666
Oriental Bank Of Commerce	1606587	2,344,957
OBC Dividend	28443	28,443
Patan Co. Op Bank	12598	133,040
 (2) Deposit Account with Schedule Bank		
fixed deposit		
Against Sales Tax	<u>8,492</u>	<u>8,492</u>
	1,684,519	3,290,598
LOANS AND ADVANCES:		
(Considered Good)		
(A) Advance Recoverable in Cash or Kind for value to be received.		
	118,791,545	99,277,222
(B) Staff Loan	1,619,607	1,076,316
(C) Deposits	2,691,400	2,391,400
(D) Income Tax	<u>30,373,314</u>	<u>18,789,274</u>
	153,475,866	121,534,212
 TOTAL	 <u>181,895,193</u>	 <u>131,338,370</u>

KAPASHI COMMERCIAL LIMITED

SCHEDULES TO THE BALANCE SHEET AS AT 31.03.2010

	<u>As at</u> <u>31-03-2010</u> <u>Rupees</u>	<u>As at</u> <u>31-03-2009</u> <u>Rupees</u>
SCHEDULE - 'G'		
CURRENT LIABILITIES AND PROVISIONS:		
CURRENT LIABILITIES:		
Sundry Creditors	927,839	354,310
Deposits Received	23,000,000	33,669,000
PROVISIONS:		
Provision for Taxation	28,690,000	17,291,000
Provision for Gratuity	582,356	395,616
Provision for Leave Salary	390,853	250,643
Provision for Fringe Benefit Tax	160,000	160,000
	29,823,209	18,097,259
	53,751,048	52,120,569

SCHEDULE TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

	<u>For the year</u> <u>ended</u> <u>31-03-2010</u> <u>Rupees</u>	<u>For the year</u> <u>ended</u> <u>31-03-2009</u> <u>Rupees</u>
SCHEDULE - ' H '		
<u>OTHER INCOME :-</u>		
Interest Gross (TDS Rs.1126005/- Previous year TDS Rs160	6527891	6,280,695
Dividend	1211472	906,833
L. T. Capital Gains	778350	-
S. T. Capital Gains	9363979	-
Rent Income(TDS Rs.5479226/- Previous year TDS Rs.787	34114950	32,839,132
Interest Received On I.Tax	9927	-
Profit/Loss On Mutual Fund	68313	-
Profit On Sale Of Flat	2222860	-
Other Income	1867724	433,538
	56,165,466	40,460,198

KAPASHI COMMERCIAL LIMITED

SCHEDULE TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

SCHEDULE - ' I '	For the year ended		For the year ended	
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
OFFICE AND ADMINISTRATIVE EXP.				
Listing/Filing/SEBI Fees		14,530		14,084
Auditors Remuneration				-
For Audit & Tax Audit Fees		165,450		165,476
Bank Charges		17,143		59,935
Demat Charges		55,834		50,618
Insurance Charges		25,295		33,401
Directors Remuneration		1,600,000		1,200,000
Donation		4,725,000		2,025,000
Meeting Expenses		16,000		18,000
Telephone Expenses		198,125		180,021
Rent		1,737,225		673,130
Rebate and Discount		1,037,000		87,778
Maintenance Charges		934,690		890,368
Motor Car Expenses		162,765		247,679
Miscellaneous Expenses		1,027,707		899,901
Conveyance Expenses		113,370		69,800
Municipal Taxes		1,180,320		1,150,320
		<u>13,010,454</u>		<u>7,765,511</u>

SCHEDULE - ' J '**PERSONNEL:**

Salary	2,430,556	2,329,080
Bonus	789,039	698,616
(Includes Paid to Directors Rs. - Previous year Rs.2,40,000/-)		
Leave Salary	207,232	195,863
Gratuity	186,740	184,614
Staff Welfare Expenses	148,721	169,440
TOTAL	<u>3,762,288</u>	<u>3,577,613</u>

SCHEDULE - ' K '**FINANCIAL EXPENSES:****INTEREST:**

Directors	284,223	1,966,876
TOTAL	<u>284,223</u>	<u>1,966,876</u>