

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-Sixth Annual General Meeting of the Members of KAPASHI COMMERCIAL LIMITED will be held on Wednesday, 7th day of September, 2011 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, 2011, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Paresh S. Kapashi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sevantilal S. Kapashi, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold Office from the conclusion of this Meeting until the conclusion of the Next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

Place: Mumbai
Dated: 25th MAY, 2011

S. S. KAPASHI
CHAIRMAN.

Regd. Office:

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

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.
2. A proxy in order to be effective, the proxy form must be lodged with the company at least 48 hours before the meeting.
3. The Register of Members and the Transfer Books of the Company will remain closed from Tuesday, 30th day of August, 2011 to Wednesday, 7th day of September, 2011 (both days inclusive).
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.

KAPASHI COMMERCIAL LIMITED

DIRECTORS' REPORT

To
The Members
KAPASHI COMMERCIAL LIMITED

The Board of Directors have pleasure in presenting the 26th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2011.

1. FINANCIAL RESULTS

Particulars	2010-2011	2009-2010
	Rs.	Rs.
Sales	293,834,313	248,603,773
Other Income	48,115,170	56,165,466
Total	341,949,483	304,769,239
Profit / (Loss) subject to Depreciation & Tax	40,202,101	51,179,615
Less: Depreciation	432,075	349,146
Profit / (Loss) before tax	39,770,026	50,830,469
Add: Share of Profit / (Loss) from Partnership firm	(1,443,542)	(379,289)
Excess Provision of Taxation	726,070	20,505
	39,052,554	50,471,685
Less: Short Provision of Taxation	-	769,196
	39,052,554	49,702,489
Provision for Taxation	8,200,000	12,100,000
	30,852,554	37,602,489
Less: Provision for Fringe Benefit Tax	-	-
Profit / (Loss) after Tax	30,852,554	37,602,489
Less: Special Reserve	6,575,000	7,525,000
	24,277,554	30,077,489
Profit / (Loss) brought forward from previous year	206,854,653	176,777,164
Profit / (Loss) carried to Balance Sheet	231,132,207	206,854,653

The fiscal year 2010-11 began on a buoyant note for the Indian economy despite the financial meltdown universally. Continuous reforms are on towards improvement of productive and efficient economy and India has displayed its stability in the global market. India has become a window for global markets looking for investment and we will not miss an opportunity to cash on it and the Board of Directors are confident that the company will be able to achieve better results in the coming financial year.

2. DIVIDEND

To conserve the resources of the Company for further expansion of its activities including development of real estate, the Board of Directors have decided not to recommend dividend for the year under review.

3. OPERATION

The Company expanded its trading activities especially in non-Ferrous materials and posted sales of Rs.293,834,313/- compared to Rs. 248,603,773/- in previous

KAPASHI COMMERCIAL LIMITED

DIRECTORS' REPORT (Contd.)

year. For the year ended 31st March, 2011 the company has posted net profit after tax of Rs.30,852,554/- compared to net Profit of Rs.37,602,489/- in the previous year. The profit has been lower as compared to the previous year due to increase in cost of material and all other expenses has led to reduction in profit by 17.95%.

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, 2011, 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, 2011 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.

KAPASHI COMMERCIAL LIMITED

DIRECTORS' REPORT (Contd.)

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.

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.

By Order of the Board of Directors

Place: Mumbai
Date: 25th May, 2011

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, 2011, 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, 2011 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, 2011 from being appointed as a Director, in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

KAPASHI COMMERCIAL LIMITED

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, 2011
 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

Place: Mumbai:
Date : 25th May, 2011

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.538.48 lacs and the year-end balance of loans taken from such parties was Rs. 60.06 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.

KAPASHI COMMERCIAL LIMITED

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 2011 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, 2011 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.

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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: 25th May, 2011

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, 2011. 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 15th May, 2010; 14th June, 2010; 11th August, 2010; 27th October, 2010; 2nd February, 2011 and 16th March, 2011 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, 23rd day of June, 2010 to, 30th day of June, 2010 (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, 2010 was held on 30th June, 2010 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.

KAPASHI COMMERCIAL LIMITED

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.

KAPASHI COMMERCIAL LIMITED

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 31st March, 2011 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: 25th May, 2011**

**(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, 2011: -

1. Form 66 together with Compliance Certificate for the financial year ended 31/03/2010 filed u/s. 383A on 06/07/2010.
2. Form 23AC & Form 23ACA together with Additional Attachment and Balance Sheet as on 31/03/2010 and Profit & Loss for the year ended on that filed u/s. 220 on 08/07/2010.
3. Form No. 23 filed u/s 269(2) on 15/07/2010 approving the re-appointments and payment of Remuneration to Mr. Sevantilal Shantilal Kapashi and Mr. Indukumar S. Kapashi as Whole-time Directors of the Company with effect from 1st February, 2010.
4. Form 20B together with Annual Return dated 30/06/2010 filed u/s.159 on 05/08/2010.

KAPASHI COMMERCIAL LIMITED

SCHEDULES TO THE STATEMENT OF ACCOUNTS AS AT AND FOR THE YEAR ENDED 31.03.2011

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 31.03.2011

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 31-03-2011 Rupees	Quantity M.T.	As at 31-03-2010 Rupees
A. ZINC				
Opening Stock	0	0	0	0
Purchase	2322.845	281248006	1909.009	227681661
Sales	2322.845	293834313	1909.009	238642358
Closing Stock	0	0	0	0
B. H. R. Coils				
Opening Stock	0	0	0	0
Purchase			0	0
Sales			0	0
Closing Stock	0	0	0	0
C. Steel				
Opening Stock	0	0	0	0
Purchase	0	0	290.200	8845386
Sales	0	0	290.200	9961415
Closing Stock	0	0	0	0
D. Contingent Liability.	NIL			(Previous Year Rs. NIL)

	As at 31-03-2011	As at 31-03-2010
III. Directors Remuneration.		
3.1.Salaries & Other		
Benefits	36,00,000	16,00,000
3.2.Bonus	7,20,000	3,20,000

KAPASHI COMMERCIAL LIMITED

SCHEDULES TO THE STATEMENT OF ACCOUNTS AS AT AND FOR THE YEAR ENDED 31.03.2011

SCHEDULE 'L' (Contd.)

IV. Deferred Tax:

The value of deferred tax assets and Deferred Tax Liability as on 31st March, 2011. is not material. Hence the value of such Net deferred tax assets is not recognized in accordance with AS22

V. Earnings per Share:

	<u>2010-11</u>	<u>2009-10</u>
a. Basic and diluted earnings per share in Rupees (Face Value Rs.10/- per share)	32.92	37.60
b. Profit / (Loss) after tax and prior period items as Per Profit & Loss Account (In Rupees)	3,29,20,475	3,76,02,489
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., Shreejee Darshan Corporation..

Directors / Key Management Personnel – Mr. Sevanttilal 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 11 Amount in Rs.
Directors Remuneration & Bonus	43,20,000/-
Other Associate Concerns	
Rent	49,65,501/-
Advance for Purchase of Property	977,77,072/-

KAPASHI COMMERCIAL LIMITED

SCHEDULES TO THE STATEMENT OF ACCOUNTS AS AT AND FOR THE YEAR ENDED 31.03.2011

SCHEDULE 'L' (Contd.)

VIII. Employee Benefits – As per revised AS - 15

A] Expenses recognized In the statement of Profit & Loss Account	2010-11 Non-Funded		2009-10 Non-Funded	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	50,911	38,943	49,739	37,247
Interest Cost	49,500	33,223	--	--
Benefits Paid	--	--	--	(20,200)
Net Actuarial Gain	(35,735)	5,284	5,32,617	3,74,806
Net Period Cost	64,676	77,450	5,82,356	3,90,853
<hr/>				
B] Net Asset/Liability Recognized in the Balance Sheet.				
Present Value of The obligation	6,47,032	4,38,070	5,82,356	3,90,583
C] Change in Present Value of obligation.				
Present Value of Obligation at beginning.	5,82,356	3,90,853	--	--
Current Service Cost	50,911	38,943	49,739	37,247
Interest Cost	49,500	33,223	--	--
Benefits Paid	--	(30,233)	--	(21,200)
Net Actuarial Gain	(35,735)	5,284	5,32,617	3,74,806
	6,47,032	4,38,070	5,82,356	3,90,853
<hr/>				
D] Actuarial assumptions				
1) Discount Rate	8.5%	8.5%	8.5%	8.5%
2) Salary Escalation	6%	6%	6%	6%

KAPASHI COMMERCIAL LIMITED

SCHEDULES TO THE STATEMENT OF ACCOUNTS AS AT AND FOR THE YEAR ENDED 31.03.2011

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]
I. S. KAPASHI]

(D. V. VORA)
Partner

Directors

Place: Mumbai
Dated: 25.05.2011

Place: Mumbai
Dated: 25.05.2011

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, 2011. 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 25th May, 2011 to the Members of the Company.

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

Place: Mumbai
Dated: 25.05.2011

**(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 26th Annual General Meeting of the Company to be held on Wednesday, 7th day of September, 2011

Signed _____ day of _____ 2011 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, 2011

	<u>Schedule</u>	<u>Rupees</u>	<u>As at 31-03-2011 Rupees</u>	<u>As at 31-03-2010 Rupees</u>
SOURCES OF FUNDS:				
CAPITAL	A	10,000,000	10,000,000	
RESERVES & SURPLUS	B	<u>387,426,328</u>	<u>356,573,774</u>	
			397,426,328	366,573,774
SECURED LOANS				
UNSECURED LOANS	C		6,006,485	-
	TOTAL		<u>403,432,813</u>	<u>366,573,774</u>
APPLICATION OF FUNDS:				
FIXED ASSETS				
Gross Block	D	8,676,895	7,691,858	
Less: Depreciation		<u>2,967,286</u>	<u>5,709,609</u>	5,156,647
INVESTMENTS	E		261,639,938	233,272,982
CURRENT ASSETS, LOANS & ADVANCES	F	195,341,387	181,895,193	
Less: Current Liabilities & Provisions	G	<u>59,258,121</u>	<u>53,751,048</u>	
NET CURRENT ASSETS			136,083,266	128,144,145
	TOTAL		<u>403,432,813</u>	<u>366,573,774</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 : 25.05.2011

For and on behalf of the Board

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

Mumbai
Dated : 25.05.2011

KAPASHI COMMERCIAL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedule	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
INCOME:			
Sales		293,834,313	248,603,773
Other Income	H	48,115,170	56,165,466
		<u>341,949,483</u>	<u>304,769,239</u>
EXPENDITURE			
Purchases		281,248,006	236,527,047
Office & Administrative Expenses	I	13,488,912	13,010,454
Personnel Expenses	J	4,211,822	3,762,288
Speculation Loss		-	5,612
Financial Expenses	K	2,798,642	284,223
Depreciation		432,075	349,146
	TOTAL	<u>302,179,457</u>	<u>253,938,770</u>
Profit before Taxation		39,770,026	50,830,469
Add:- Share of Profit/(Loss) from Partnership Firm		(1,443,542)	(379,289)
		38,326,484	50,451,180
Add:- Excess Provision Of Taxation		726,070	20,505
		39,052,554	50,471,685
Less:-Short Provision Of Taxation		-	769,196
		39,052,554	49,702,489
Less :-Provision for current tax		8,200,000	12,100,000
		30,852,554	37,602,489
Less :-Special Reserve		6,575,000	7,525,000
		24,277,554	30,077,489
Balance brought forward from previous year		206,854,653	176,777,164
Balance carried to Balance Sheet		<u>231,132,207</u>	<u>206,854,653</u>
Earnings per Share		30.85	37.60
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 : 25.05.2011

For and on behalf of the Board

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

Mumbai
Dated : 25.05.2011

KAPASHI COMMERCIAL LIMITED

SCHEDULES TO THE BALANCE SHEET AS AT 31.03.2011

<u>Schedule</u>	<u>As at 31-03-2011 Rupees</u>	<u>As at 31-03-2010 Rupees</u>
SCHEDULE - 'A'		
SHARE CAPITAL		
AUTHORISED CAPITAL:		
10,00,000 Equity Shares of Rs.10/- each	<u>10,000,000</u>	<u>10,000,000</u>
ISSUED, SUBSCRIBED & PAID-UP CAPITAL:		
10,00,000 Equity Shares of Rs.10/- each	<u>10,000,000</u>	<u>10,000,000</u>
TOTAL	<u><u>10,000,000</u></u>	<u><u>10,000,000</u></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	66,604,830	66,604,830
(3) SPECIAL RESERVE (U/S 45I OF RBI ACT)		
Balance as per last Balance Sheet	7,525,000	-
Addition During The Year	<u>6,575,000</u>	<u>7,525,000</u>
(4) PROFIT & LOSS A/C	231,132,207	206,854,653
	<u><u>387,426,328</u></u>	<u><u>356,573,774</u></u>
 SCHEDULE - 'C'		
UNSECURED LOAN		
From Directors	6,006,485	-
TOTAL	<u><u>6,006,485</u></u>	<u><u>-</u></u>

KAPASHI COMMERCIAL LIMITED

SCHEDULES TO THE BALANCE SHEET AS AT 31.03.2011

	Share of Profit / <u>Loss</u>	TOTAL As at 31-03-2011 <u>Rupees</u>	As at 31-03-2010 <u>Rupees</u>
SCHEDULE - 'E'			
A) INVESTMENTS :			
A) Shreejee Corporation			
		-	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 2011	NIL		
31st March 2010	111483		
B) Ratna Shree			
		-	1,237,694
Name of Partners			
(1) Kapashi Commercial Ltd.	66%		-
(2) Jaising Construction.	34%		
TOTAL CAPITAL AS AT			
31st March 2011	NIL		
31st March 2010	NIL		
B) Shreejee Darshan Corporation			
		1,607,500	32,500
(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 2011	50000		
31st March 2010	50000		
Property at Mumbai		147,122,970	142,177,970
Rooms In Nishuvi Bldg		210,628	210,628
Aggregate of Quoted Investments		112,193,840	89,093,151
Aggregate of Unquoted Investments		505,000	505,000
		<u>261,639,938</u>	<u>233,272,982</u>

KAPASHI COMMERCIAL LIMITED

SCHEDULES TO THE BALANCE SHEET AS AT 31.03.2011

	As at 31-03-2011 <u>Rupees</u>	<u>Rupees</u>	As at 31-03-2010 <u>Rupees</u>
SCHEDULE - 'F'			
CURRENT ASSETS, LOANS & ADV.			
CURRENT ASSETS :			
Debtors			
More than six months	303,217	754,027	
Others	<u>13,428,257</u>	<u>25,925,003</u>	
	13,731,474		26,679,030
CASH AND BANK BALANCES:			
CASH IN HAND	76,246		55,778
BALANCE WITH BANKS:			
(1) Current Account with:			
Bank A/c Schedule Bank			
Axis Bank Ltd. A/c No. 116	74,631	28,399	
Oriental Bank Of Commerce	3725862	1606587	
OBC Dividend	28443	28443	
Patan Co. Op Bank	0	12598	
(2) Deposit Account with Schedule Bank			
fixed deposit			
Against Sales Tax	<u>-</u>	<u>8,492</u>	
	3,828,936	-	1,684,519
LOANS AND ADVANCES:			
(Considered Good)			
(A) Advance Recoverable in Cash or Kind for value to be received.			
	137,467,100	118,791,545	
(B) Staff Loan	2,186,127	1,619,607	
(C) Deposits	2,691,400	2,691,400	
(D) Income Tax	<u>35,360,104</u>	<u>30,373,314</u>	
	177,704,731		153,475,866
TOTAL	<u><u>195,341,387</u></u>	<u><u>181,895,193</u></u>	

KAPASHI COMMERCIAL LIMITED

SCHEDULES TO THE BALANCE SHEET AS AT 31.03.2011

	As at 31-03-2011 <u>Rupees</u>	As at 31-03-2010 <u>Rupees</u>
SCHEDULE - 'G'		
CURRENT LIABILITIES AND PROVISIONS:		
CURRENT LIABILITIES:		
Sundry Creditors	1,372,749	927,839
Deposits Received	23,000,000	23,000,000
PROVISIONS:		
Provision for Taxation	33,640,000	28,690,000
Provision for Gratuity	647,032	582,356
Provision for Leave Salary	438,340	390,853
Provision for Fringe Benefit Tax	160,000	160,000
	34,885,372	29,823,209
	59,258,121	53,751,048

SCHEDULE TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

	For the year ended 31-03-2011 <u>Rupees</u>	For the year ended 31-03-2010 <u>Rupees</u>
SCHEDULE - 'H'		
<u>OTHER INCOME :-</u>		
Interest Gross (TDS Rs.`974627/- Previous year TDS Rs1126005/-)	5488286	6527891
Dividend	1169980	1211472
L. T. Capital Gains	5477920	778350
S. T. Capital Gains	4218343	9363979
Rent Income(TDS Rs.2974581/- Previous year TDS Rs.5479226/-)	29745840	34114950
Interest Received On I.Tax Refunds	376807	9927
Profit/Loss On Mutual Fund	0	68313
Profit On Sale Of Flat	0	2222860
Other Income	1637994	1867724
	48,115,170	56,165,466

KAPASHI COMMERCIAL LIMITED

SCHEDULE TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

		For the year ended 31-03-2011		For the year ended 31-03-2010
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
SCHEDULE - ' I '				
OFFICE AND ADMINISTRATIVE EXP.				
Listing/Filing/SEBI Fees		15,580		14,530
Auditors Remuneration For Audit & Tax Audit Fees		176,480		165,450
Bank Charges		10,080		17,143
Demat Charges		47,848		55,834
Insurance Charges		79,426		25,295
Impairment of Assets		387,000		
Directors Remuneration		3,600,000		1,600,000
Donation		1,115,000		4,725,000
Meeting Expenses		24,000		16,000
Telephone Expenses		184,801		198,125
Rent		4,965,705		1,737,225
Rebate and Discount		43,085		1,037,000
Maintenance Charges		900,000		934,690
Motor Car Expenses		232,580		162,765
Miscellaneous Expenses		459,993		1,027,707
Conveyance Expenses		67,014		113,370
Municipal Taxes		1,180,320		1,180,320
		13,488,912		13,010,454
SCHEDULE - ' J '				
PERSONNEL:				
Salary		2,616,079		2,430,556
Bonus (Includes Paid to Directors Rs. 7,20,000/- Previous year Rs.3,20,000/-)		1,309,200		789,039
Leave Salary		131,328		207,232
Gratuity		64,676		186,740
Staff Welfare Expenses		90,539		148,721
TOTAL		4,211,822		3,762,288
SCHEDULE - ' K '				
FINANCIAL EXPENSES:				
INTEREST:				
Directors		2,798,642		284,223
TOTAL		2,798,642		284,223