

Board of Directors

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

Registered Office:

'Nishuvi', 4th Floor, 75 Dr. Annie Besant Road, Worli, Mumbai 400018.

Auditors:

D. V. Vora & Co.

Bankers:

Oriental Bank of Commerce
Axis Bank Ltd.

Registrar & Transfer Agents:

Purva Sharegistry (India) Pvt. Ltd.,
9, Shiv Shakti Industrial Estate,
J. R. Boricha Marg,
Opp. Kasturba Hospital,
Lower Parel (East),
Mumbai – 400 011.

NOTICE

NOTICE is hereby given that the Twenty-Seventh Annual General Meeting of the Members of KAPASHI COMMERCIAL LIMITED will be held on Wednesday, 5th day of September, 2012 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, 2012, 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. Nimish I. Kapashi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Indukumar 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: 30th MAY, 2012

Regd. Office:

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

S. S. KAPASHI

CHAIRMAN.

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, 28th day of August, 2012 to Wednesday, 5th day of September, 2012 (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.

BOARD'S REPORT

To,
The Shareholders,

The Board of Directors has pleasure to submit the report and audited Balance Sheet and Statement of Profit and Loss Account of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS AND DIVIDEND

(i) Financial Results:

	(Rs. In lakhs)	
	As at 31.03.2012	As at 31.03.2011
Sales	2807.53	2938.34
Other Income	431.51	481.15
Total	3239.04	3419.49
Profit / (Loss) Subject to Depreciation & Tax	366.87	402.02
Less: Depreciation	4.14	4.32
Profit / (Loss) before Tax	362.73	397.70
Add: Share of Profit / (Loss) from Partnership firm	0	(14.43)
Excess Provision of Taxation	0	7.26
	362.73	390.52
Provision for Taxation	80.00	82.00
	282.73	308.52
Profit / (Loss) after Tax	282.73	308.52
Less: Special Reserve	56.55	65.75
	226.18	242.77
Profit / (Loss) brought forward from previous year	2311.32	2068.54
Profit / (Loss) carried to Balance Sheet	2537.50	2311.32

The developments over the last year in major economies of the world have not been encouraging though the concerns about a crisis have abated somewhat since dawn of 2012. There is an apprehension that the process of global economic recovery that began after the financial crisis of 2008 is beginning to stall and the sovereign debt crisis in the euro zone area may persist for a while. The US economy has shown some improvement but economic growth remains sluggish, despite extensive use of both fiscal and monetary tools. Unemployment situation in advanced economies in general, and the peripheral economies of the euro zone in particular, which had deteriorated in the wake of global crisis has not improved. At this juncture, in the short run, the global economy is being buffeted by multiple shocks emanating from various sources, economic, social and geopolitical. A worsening of the conditions in the Middle-East and North Africa could derail global growth. The lower global growth forecast by IMF for most countries in 2012 perhaps reflects the repeated bouts of uncertainty arising from these diverse sets of factors. However, the global financial crisis is no longer the major force dictating the pace of economic activity in the developing countries. The BRICS nations with China in the lead role are gaining decisive force in the global economic arena. The global growth for 2012 and 2013 is expected to be lower than earlier anticipated since the emerging and developing economies are also showing signs of slowdown in growth.

In line with this, growth in India is slowing down. The Indian economy was 5.3% in 2011-12 in terms of gross domestic product as compared to 8.4% in 2010-11, which shows weakening of the growth. Due to the crisis in the euro-zone area has lead to the slowdown and the global economic and financial conditions are likely to remain under pressure during the current fiscal 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 also started its trading activities in Aluminium and posted sales of Rs.16,749,530/- compared to Rs. Nil in the previous year. However, sales of Zinc has reduced to Rs.264,003,592/- compared to Rs. 293,834,313/- in previous year. For the year ended 31st March, 2012 the company has posted net profit after tax of Rs.25,324,804/- compared to net Profit of Rs. 30,852,554/- in the previous year. The profit has been lower as compared to the previous year due to reduced sales and all other expenses have led to reduction in profit by 17.92%..

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, 2012, 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, 2012 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. Pares 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. Nimish I. Kapashi and Mr. Indukumar 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: 30th May, 2012

S. S. KAPASHI
Chairman

AUDITOR'S REPORT TO THE MEMBERS

1. We have audited the attached Balance Sheet of KAPASHI COMMERCIAL LIMITED as at 31st March, 2012, also the Statement of 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, Statement of 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, Statement of 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 31st March, 2012 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, 2012 from being appointed as a Director, in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

(f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant Accounting Policies and notes thereon 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 31st March, 2012
2. In the case of the Statement 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
(FRN 111624W)**

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

**Place: Mumbai:
Date : 30th May, 2012**

ANNEXURE TO AUDITOR'S 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 programme 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 223.14 lacs and the year-end balance of loans taken from such parties was Rs. 14.21 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.
- [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 2012 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 does not have accumulated losses as at 31st March, 2012, The company has not incurred any cash losses during the financial year covered by the 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.
- [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] 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: 30th May, 2012**

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 31st March, 2012. 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 5 (Five) times on 25th May, 2011; 10th August, 2011; 9th November, 2011; 30th November, 2011; 8th February, 2012 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, 30th day of August, 2011 to, 7th day of September, 2011 (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, 2011 was held on 7th September, 2011 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 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.
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, 2012 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: 30th May, 2012**

**(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 31st March, 2012: -

1. Form 66 together with Compliance Certificate for the financial year ended 31/03/2011 filed u/s. 383A on 08/09/2011.
2. Form 23AC & Form 23ACA together with Additional Attachment and Balance Sheet as on 31/03/2011 and Profit & Loss for the year ended on that filed u/s. 220 on 09/09/2011.
3. Form 20B together with Annual Return dated 07/09/2011 filed u/s.159 on 22/09/2011.

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31st March 2012 Rs	As at 31st March 2011 Rs
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	10000000	10000000
(b) Reserves and Surplus	2	415699856	387426328
(2) Share application money pending allotment		0	0
(3) Non-Current Liabilities			
(a) Other Long term liabilities	3	25206233	23556233
(b) Long term provisions	4	1961134	1805782
(4) Current Liabilities			
(a) Short term borrowings	5	1420791	6006485
(b) Other current liabilities	6	341730	816516
(c) Short term provisions	7	913000	438340
Total		455542744	430049684
II. Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	8	5295380	5709609
(b) Non-current investments	9	259452023	261639938
(c) Long term loans and advances	10	6741744	5527512
(d) Other non-current assets	11	30968623	34948663
(2) Current Assets			
(a) Current investments	-	0	0
(b) Inventories	-	0	0
(c) Trade receivables – Others	12	18704161	13428257
(d) Cash and cash equivalents	13	2036515	3905182
(e) Short term loans and advances	14	132344298	104166315
(f) Other current assets	-		
Advance tax (Net of Provision)	-	0	724208
Total		455542744	430049684

Significant Accounting Policies]
Notes on Financial Statements] 1 to 25

As per our Report of even date

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

For and on behalf of the Board

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

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

Directors

Mumbai
Dated: 30th May, 2012

Mumbai
Dated: 30th May, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	As at 31st March 2012 Rs	As at 31st March 2011 Rs
I. Revenue from operations	15	280753122	293834313
II. Other Income	16	43151161	48115170
III. Total Revenue (I + II)		323904283	341949483
IV. Expenses			
Purchase of Traded goods	17	267845974	281248006
Employee benefit expense	18	8166996	7811822
Financial costs	19	570680	2798642
Depreciation	-	414229	432075
Other expenses	20	10632876	9501912
Total Expenses		287630755	301792457
V. Profit before exception and extraordinary items and tax		36273528	40157026
VI. Exceptional Items (Impairment of Assets)		0	-38700
VII. Share of Loss from Partnership Firm		0	-1443542
VIII. Excess Provision of earlier years		0	726070
IX. Profit before tax		36273528	39052554
X. Tax expenses			
(1) Current tax		8000000	8200000
(2) Deferred tax		0	0
XI. Profit/(Loss) from the period from continuing operations (IX – X)		28273528	30852554
XII. Earning per equity share			
(a) Profit/(Loss) after tax and prior period items as per Profit & Loss Account (in Rupees)		28273528	30852554
(b) Weighted average number of equity shares outstanding		1000000	1000000
(c) Basic & Diluted		28.27	30.85

Significant Accounting Policies]
Notes on Financial Statements] 1 to 25

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: 30th May, 2012

For and on behalf of the Board

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

Directors

Mumbai
Dated: 30th May, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH 2012 (PURSUANT TO AMENDMENT TO CLAUSE 32 OF THE LISTING AGREEMENT)

	PARTICULARS		As at 31-03-2012 Rupees		As at 31-03-2011 Rupees
I	CASH FLOW FROM OPERATING ACTIVITIES:				
(A)	Net profit before tax & extra ordinary item		36273528		39770026
(B)	Adjustment				
	Add:				
	i) Depreciation	414229		432075	
	ii) Interest paid	570680	984909	2798642	3230717
	Less:				
	i) Interest Earned	(3196690)		(5111479)	
	ii) Dividend Earned	(1542483)		(1169980)	
	iii) Long Term/Short Term Capital Gain	(3112509)	(7851682)	(9696263)	(15977722)
	CASH FROM OPERATIONS		29406755		27023021
(C)	(Increase)/Decrease in Current Assets				
	i) Inventories	-		-	
	ii) Sundry Debtors	(5275904)		12947556	
	iii) Other current Assets and Loans and Advances	(29575458)		(24297144)	
	Increase/(decrease) in Current Liabilities				
	i) liabilities	1175214		(445270)	
	ii) Provisions	630012	(33046136)	(3062163)	(14857021)
	Net Cash from Operations (A)		(3639381)		12166000

Contd...

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH 2012
(PURSUANT TO AMENDMENT TO CLAUSE 32 OF THE LISTING AGREEMENT)

PARTICULARS		As at 31-03-2012 Rupees		As at 31-03-2011 Rupees
II CASH FLOW FROM INVESTMENT ACTIVITIES:				
Add:				
i) Drawing from Partnership Firm	-			
ii) Interest Earned	3196690		5111479	
iii) Dividend Earned	1542483	4739173	1169980	6281459
Less:				
i) (Increase)/Decrease in Investment, net	-		-	
ii) Purchase of Fixed Assets	-		(985037)	
iii) Purchase/Sale of Investments	2187915		(28366956)	
iv) Purchase/Sale of Fixed Assets	-		-	
v) Purchase/Sale of Property	-		-	
vi) Interest Paid	(570680)		(2798642)	
vii) Proceeds from issue of share Capital	-		-	
viii) Repayment of loans	(4585694)		6006485)	
ix) Net Proceeds from Borrowings	-	(2968459)	-	(38157120)
Net Cash from Investments (B)		1770741		(31875661)
Net Increase/Decrease in Cash & Cash Equivalent (A + B)		(1868667)		(19709661)
Opening Balance		3905182		1740297
Closing Balance		2036515		3905182

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: 30th May, 2012

For and on behalf of the Board

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

Directors

Mumbai
Dated: 30th May, 2012

SIGNIFICANT ACCOUNTING POLICIES

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.
 - (b) Sale of goods is recognized on transfer of significant risk and rewards of ownership which is generally on the despatch of goods.
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. ***Fixed Assets***

All the fixed assets have been stated at historical cost less accumulated depreciation.
5. ***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.
6. ***Inventories***

Inventories are valued at lower of cost or net realizable value.
7. ***Investments***

Investments have been stated at cost and provision is made to recognize any diminutions in value, other than that of temporary nature.
8. ***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.

Deferred Tax is recognized 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.
9. ***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.
10. ***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.
11. ***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 31st March, 2012.

Note No.	Particulars	As at 31st March 2012 Rs	As at 31st March 2011 Rs		
1)	SHARE CAPITAL				
	AUTHORIZED CAPITAL				
	1000000 Equity Shares of Rs.10/- each	10000000	10000000		
	ISSUED, SUBSCRIBED & PAID-UP CAPITAL				
	1000000 Equity Shares of Rs.10/- each	10000000	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	123202	12.32
	Indubhai S. Kapashi	72494	7.25	133394	13.34
	Paresh S. Kapashi	134750	13.47	134750	13.47
	Nimish I. Kapashi	155850	15.58	155850	15.58
	Nandini P. Kapashi	109200	10.92	66200	6.62
	Mona Snehal Kothari	0	0	68000	6.80
	Bhakti N. Kapashi	60950	6.09	0	0
1.2)	Reconciliation of number of Shares outstanding				
	Equity Shares at the beginning of the year	1000000		1000000	
	Equity Shares at the end of the year	1000000		1000000	
2)	RESERVES & SURPLUS				
i)	GENERAL RESERVE				
	Balance as per last Balance Sheet	75589291		75589291	
ii)	REVALUATION RESERVE				
	Balance as per last Balance Sheet	66604830		66604830	
iii)	SPECIAL RESERVE				
	(U/S 451 of RBI ACT)				
	Balance as per last Balance Sheet	14100000		7525000	
	Additions during the year	5655000		6575000	
		19755000		14100000	
iv)	PROFIT & LOSS ACCOUNT				
	Balance as per last Balance Sheet	231132207		206854653	
	Add: Profit during the year	28273528		30852554	
	Less: Transferred to Special Reserve	5655000		6575000	
		253750735		231132207	
	Total: i+ii+iii+iv	415699856		387426328	

Kapashi Commercial Ltd.

Note No.	Particulars	As at 31st March 2012 Rs	As at 31st March 2011 Rs
3)	OTHER LONG TERM LIABILITIES		
	Others (Unsecured)		
	Rent Deposit	24650000	23000000
	Axis Risk Consultancy	556233	556233
	Total	25206233	23556233
4)	LONG TERM PROVISIONS		
	Provision for Taxation (Net of Advance tax)	998750	998750
	Provision for Gratuity	802384	647032
	Provision for Fringe Benefit	160000	160000
	Total	1961134	1805782
5)	SHORT TERM BORROWING		
	Unsecured Loan		
	From Directors	1420791	6006485
6)	OTHER CURRENT LIABILITIES		
	Other payables	171655	407377
	Statutory Liabilities	170075	409139
	Total	341730	816516
7)	SHORT TERM PROVISIONS		
	Provisions for Leave Salary	519413	438340
	Provision for Taxation (Net of Advance Tax)	393587	0
	Total	913000	438340

8) FIXED ASSETS – Tangible Assets										
DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 31-3-11	ADDIT-ION	DEDUCT-ION / ADJUST-MENT	AS AT 31-3-12	AS AT 31-3-11	ADDIT-ION	DEDUC-TION / ADJUS-TMENT	AS AT 31-3-12	AS AT 31-3-12	AS AT 31-3-11
MACHINERY	3281600	--	--	3281600	589327	--	--	589327	2692273	2692273
TOTAL OF A	3281600	--	--	3281600	589327	--	--	589327	2692273	2692273
B – OWN ASSETS										
1 – MOTOR CAR	3594715	--	--	3594715	1690606	341498	--	2032104	1562611	1904109
2 – TELEPHONE EXPBAX	248105	--	--	248105	90245	11785	--	102030	146075	157860
3 – AIR CONDITIONER	1283075	--	--	1283075	327708	60946	--	388654	894421	955367
TOTAL OF B	5125895	--	--	5125895	2108559	414229	--	2522788	2603107	3017336
TOTAL OF A+B	8407495	--	--	8407495	2697886	414229	--	3112115	5295380	5709609
PREVIOUS YEAR	7691858	985037	--	8676895	2535211	432075	--	2967286	5709609	5156647

Kapashi Commercial Ltd.

Note No.	Particulars	As at 31st March 2012 Rs	As at 31st March 2011 Rs
9)	NON CURRENT INVESTMENTS		
	OTHER INVESTMENTS		
1)	Investment in Properties		
	At Mumbai	147122970	147122970
	Rooms in Nishuvi Complex	210628	210628
2)	Investment in Equity	112085486	112373106

Name of The Company	No. of Shares 31.03.2012	No. of Shares 31.03.2011	Face Value Per Share Rupees	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
A. Quoted Shares fully Paid Unless Otherwise Stated at Cost.					
Adani Power	7500	6500	10	953747	876139
Aditya Birla Nuvo Ltd.	0	2000	10	0	1606028
Akzo Nobel India Ltd.	600	600	10	161431	161431
Alps BPO Services Ltd.	10000	10000	10	12500	12500
Arvind Mills	8500	8500	10	572254	572254
Ashok Leyland Ltd.	11000	5500	10	264679	264679
Asian Consolidated Industries	1000	1000	10	32000	32000
Atul Ltd.	10500	7000	10	1026822	448841
Bharat Electronics Ltd.	2500	1000	10	4371497	2004186
Bharti Airtel Ltd.	0	772	10	0	87125
Bombay Dyeing & Manufacture	11100	12150	10	4129554	4755242
Bosch Ltd.	68	68	10	346317	346317
Cairn India Ltd.	21066	17500	10	7193343	5845513
Century Textiles & Industries Ltd.	21500	21500	10	10357206	10357206
Coal India Ltd.	808	1096	10	268188	363812
Container Corp	0	62	10	0	80562
Crompton Greaves	3000	2000	2	830452	530793
D B Corp Ltd.	1000	1000	10	286725	286725
Dena Bank	0	1500	10	0	52177
Dhar Cement Ltd.	20	20	10	1000	1000
DIVIS LAB	0	114	2	0	82211
DR REDDY LAB	1500	0	5	2525807	0
EXIDE INDS EQ NEW	1000	0	1	120321	0
Gamma In foway Exalt Ltd.	1000	1000	10	38460	38460
Glaxo Smithkline Pharmaceuticals	140	140	10	177269	177269
Glenmark Pharmaceuticals	2050	7550	1	861264	2543486
Gran Heal Pharma Ltd.	500	500	10	5000	5000
GPPL	10000	10000	10	652999	652999
Gujarat B.D. Luggage Ltd.	2000	2000	10	20000	20000
Gujarat Perstorp Electron..	100	100	10	1000	1000
HDFC Bank Ltd.	948	196	2	198644	205096
Helios & Matheson Inform..	2000	2000	1	490108	490108
Hero Honda Motors	212	212	10	154244	154244
HIND LEVER	6000	15000	1	2301690	4291113
Hindalco Ind.	2000	2000	10	330709	330709
Hindoostan Spinning (MERGER)	0	4000	10	0	173973
Hindoostan Mills Ltd.	320	0	10	173973	0
Hindustan Construction	20000	10000	1	750740	415676
Hindustan Motors Ltd.	52500	52500	5	1785403	1785403
Hindustan Zinc Ltd.	0	3010	2	0	4176235
Housing Development Finance Corp	498	69	10	200829	100164
Idea Cellular	4000	4000	10	503387	503387
Indian Oil Corporation	344	864	10	87376	171407

Kapashi Commercial Ltd.

			As at 31st March 2012	As at 31st March 2011	
			Rs	Rs	
INEOS ABS	0	275	10	0	102189
Infosys Technologies Ltd.	148	148	10	302073	302073
Infrastructure Development...	17000	17000	10	2319358	2319358
ITC LTD	1178	0	1	252357	0
Jay Bharat Maruti	0	792	5	0	89100
JBF Industries Ltd.	12000	12000	10	1930890	1930890
Jubilant Industries Ltd.	0	16	10	0	
Jubilant Life Sciences Ltd.	0	330	1	0	105292
Kalyani Refineries Ltd. (L...	2000	2000	10	28300	28300
KEC International	10000	10000	2	1293408	1293408
KSB PUMPS LTD	21378	10689	10	6201642	6201642
Larsen & Toubro Ltd.	3239	1189	2	4893680	1778651
Madras Cements Ltd.	0	2000	1	0	150787
Mahindra & Mahindra	6000	6000	5	1970427	1970427
Mahindra Forgings	2800	2800	10	153201	153201
Manappuram Gen Finance & Leasing	4000	2000	2	364594	364595
McLeod Russel India Ltd.	12000	10000	10	2767227	2270712
Metazinc Industries Ltd.	700	700	10	35000	35000
Motorol Enterprises Ltd. (Rinki)	5000	5000	10	40402	40402
Mphasis Ltd.	5000	5000	10	2782725	2782725
National Organic chemical Industries Ltd.	0	27828	10	0	725335
Nelco Ltd.	2500	2500	10	275776	275776
Nesco Ltd.	2000	2000	10	911150	911150
Nestle india ltd	110	112	10	327179	332435
Network 18 Media (PCCPS)	216	216	10	32400	32400
NHPC LTD	2000	2000	10	63620	63620
NIIT Technologies	0	1500	10	0	229587
NTPC Ltd.	2000	2000	10	469551	469551
ORACLE FIN SERVICES SOFTWARE	1000	0		2219433	0
Oriental Bank of Commerce	0	189	10	0	93744
Patan Co-op. Bank Ltd.	120	120	10	3000	3000
Patni Computer Systems	0	10000	10	0	4665777
Peninsula Land	41355	41355	2	4060266	4060266
PIPAVAV SHIP	10000	10000	10	832111	832111
PIRAMAL HEALTHCARE	4000	4000	2	1959016	1959015
Power Grid	4500	4500	10	502896	502896
Precision Fastners Ltd. (W..)	500	500	10	25000	25000
Punj Lloyd Ltd.	1450	1450	2	332345	332345
R. T. Exports	1335	1335	10	121469	121469
Real Value Appliances Ltd.	1100	1100	10	71500	71500
Reliance Communication Ltd.	2600	2600	10	820195	820195
Reliance Industries Ltd.	4000	1242	10	3955488	1481449
Reliance infrastructure	850	850	10	1182841	1182841
Reliance POWER	1500	1500	10	1001911	1001911
Punj Lloyd Ltd.	1450	1450	2	332345	332345
RSWM LTD	5000	5000	10	785372	785372
Sasken Comm	300	300	10	153460	153459
Sesa Goa Ltd.	500	1000	1	118340	272922
Sharp Ind	12695	12695	10	948195	948195
Shree Rayalaseema - Pref.	1800	1800	10	44899	44899
Shree renuka Sugars ltd	0	15000	10	0	1465214
SINTEX IND	11000	7000	1	1675228	1208083
Sonata Software Ltd.	2500	2500	1	166202	166202
SREI INFAR FINANCE	0	1593	10	0	108014
Standrose Mafatlal Lub. Ltd.	100	100	10	12100	12100
State Bank of Bikaner & Jaipur	2800	2000	10	1379531	1067531
State Bank of India	99	149	10	119409	156685
State Bank of Mysore	0	650	10	0	469721
State Bank of Travancore	2000	2000	10	1335773	1335773

Kapashi Commercial Ltd.

				As at 31st March 2012 Rs	As at 31st March 2011 Rs
Sterlite Ind	11000	8000	1	2292061	1807477
Summit Securities Ltd.(octav)	0	160	10	0	0
Sun Pharma	100	100	10	16397	16397
Surlux Health Centres Ltd.	20000	20000	10	326000	326000
SJVN	10000	0	10	220406	0
Tata Chemical	1250	1250	10	356108	356107
Tata Motors Ltd.	20000	8550	2	4622100	7610728
TATA MOTOR DVR	25000	0	2	3569420	0
Tata Steel – Shares	9000	8000	10	5164740	4783706
Texmaco Ltd.	0	494	1	0	42558
Texmaco Rail & Engineering Ltd.	0	494	10	0	42558
Time Techno Plast	10000	10000	1	538611	538611
Tributon Exports Ltd.	300	300	10	3000	3000
Tulip IT Services Limited	3500	3500	2	146150	146150
TVS Motor Company Ltd.	4000	4000	1	111430	111430
U B Engineering Ltd.	5000	5000	10	633692	633692
Whirpool	0	330	10	0	106408
Motilal Oswal (Cash)		0		152495	34520
TOTAL (A)	560797	714213		111580486	111868106
B. Unquoted Shares fully Paid Unless Otherwise Stated at Cost.					
Bharat Hydro Power Corpn. Ltd.	50000	50000	10	500000	500000
Southern Herbal	500	500	10	5000	5000
TOTAL (B)	50500	50500		500500	500500
GRAND TOTAL(A + B)				112085925	112373106
3) Investment in Mutual Funds				439	325734
Mutual Fund Units:					
Quoted					
ICICI Prudential flexible Income Plan					
				0	325295
Bench Mark Liquid Bees				439	439
TOTAL (3)				439	325734

Kapashi Commercial Ltd.

Note No.	Particulars	As at 31st March 2012 Rs	As at 31st March 2011 Rs
1.	Aggregate of Quoted Investments		
	AT COST (2A +3)	111580925	112193840
	MARKET VALUE	96390959	109197377
2.	Aggregate of Unquoted Investments		
	AT COST (2B)	505000	505000
4)	Investment in Partnership Firms		
	Shreejee Darshan Corporation	32500	1607500
	Partners		
	i) Kapashi Commercial Ltd.	65%	
	ii) Ms. Janhavi Desai	25%	
	iii) Mr. Paresh Kapashi	5%	
	iv) Mr. Nimish Kapashi	5%	
	TOTAL CAPITAL AS AT		
	31 st March, 2012	50000	
	31 st March 2011	50000	
	Total	259452023	261639938
10)	LONG TERM LOANS AND ADVANCES (Unsecured and considered Good)		
	1) Deposits	2701400	2691400
	2) Other Loans & Advances		
	i) Advance payment of Income-tax (Net of Provisions)	2908968	1994646
	ii) Vat refund receivable	1131376	841466
	Total	6741744	5527512
11)	OTHER NON CURRENT ASSETS (Unsecured and considered Good)		
	i) Long term Trade receivable	303217	303217
	ii) Others		
	Advance payments to parties	30665406	33828715
	Total	30968623	34131932
12)	Trade Receivables – Others	18704161	13428257
13)	CASH & CASH EQUIVALENTS		
	i) Balances with Banks		
	Axis Bank Ltd.	476332	74631
	Oriental Bank of Commerce	1467680	3725862
	ii) Cash on hand	64193	76246
	iii) Earmarked Balances with Bank		
	Oriental Bank of Commerce – Dividend	28310	28443
	Total	2036515	3905182
14)	SHORT TERM LOANS & ADVANCES (Unsecured and considered Good)		
	i) To related parties	117439153	101961688
	ii) To others	12771813	18500
	iii) Staff loan	2133332	2186127
	Total	132344298	104166315

Kapashi Commercial Ltd.

Note No.	Particulars	As at 31st March 2012 Rs	As at 31st March 2011 Rs
15)	REVENUE FROM OPERATIONS		
	Sale of Products		
	Traded Goods		
	Alumium	16749530	0
	Zinc	264003592	293834313
	Total	280753122	293834313
16)	OTHER INCOME		
	Interest Gross (TDS RS.888177 - Previous year		
i)	RS.974627)	3196690	5488286
ii)	Interest on Income tax refund	0	376807
iii)	Dividend	1542483	1169980
iv)	Long Term Capital Gains	2222858	5477920
v)	Short Term Capital Gains	889651	4218343
	vi)Rent Income (TDS RS.3308236 - Previous year		
	2974581)	32770840	29745840
vii)	Other income	2528639	1637994
	Total	43151161	48115170
17)	PURCHASES		
	Sale of Products		
	Traded Goods		
	Alumium	16613784	0
	Zinc	251232190	281248006
	Total	267845974	281248006
18)	EMPLOYEE BENEFIT EXPENSES		
i)	Salaries	2758800	2616079
ii)	Director Remuneration	3600000	3600000
iii)	Bonus (includes paid to Directors – Rs.720000	1271760	1309200
	Previous year Rs. 720000		
iv)	Leave Salary	185642	131328
v)	Gratuity	155352	64676
vi)	Staff Welfare	195442	90539
	Total	8166996	7811822

Kapashi Commercial Ltd.

Note No.	Particulars	As at 31st March 2012 Rs		As at 31st March 2011 Rs	
Employee Benefits – As per revised AS – 15					
Expenses recognized in the statement of Profit & Loss Account					
A]		2011-12 Non-Funded		2010-11 Non-Funded	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Current Service Cost	59096	42368	50911	38943
	Interest Cost	54998	37236	49500	33223
	Benefits Paid	--	--	--	--
	Net Actuarial Gain	41258	47623	(35735)	5284
	Net Period Cost	155352	127227	64676	77450
B]	Net Asset / Liability recognized in the Balance Sheet				
	Present Value of the obligation	802384	519413	647032	438070
C]	Change in Present Value of obligation.				
	Present Value of obligation at beginning	647032	438070	582356	390853
	Current Service Cost	59096	42368	50911	38943
	Interest Cost	54998	37236	49500	33223
	Benefits Paid	--	(45884)	--	(30233)
	Net Actuarial Gain	41258	47623	(35735)	5284
	Total	802384	519413	647032	438070
D]	Actuarial assumptions				
	1) Discount Rate	8.5%	8.5%	8.5%	8.5%
	2) Salary Escalation	6%	6%	6%	6%
19)	FINANCE COST				
	i) Interest to Directors			570680	2798642
20)	OTHER EXPENSES				
	Rent		4963500		4965705
	Maintenance charges		900000		900000
	Insurances		23977		79426
	Municipal Taxes		1180320		1180320
	Payment to Auditors				
	Statutory Audit Fees		61798		60665
	Tax Audit Fees		28090		27575
	Taxation Matters		67416		66180
	Other Services		22472		22060
	Listing fees		16545		15580
	Donation		1605555		1115000
	Motor Car expenses		235231		232580
	Telephone expenses		117302		184801
	Meeting Expenses		19000		24000
	Miscellaneous expenses		1391670		628020
	Total		10632876		9501912

21) **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 are as follows:

Nature of Transaction	Transaction for the year ended March 2012 Amount in Rs.	Transaction for the year ended March 2011 Amount in Rs.
Directors Remuneration & Bonus	43,20,000/-	43,20,000/-
Other Associate Concerns		
Rent	49,65,501/-	49,65,501/-
Loans and Advances	112598074/-	9,77,77,072/-

22) Contingent Liability Current Year - NIL Previous Year – NIL

23) **Deferred Tax:**

The value of deferred tax assets and Deferred Tax Liability as on 31st March, 2012. is not material. Hence the value of such Net deferred tax assets is not recognized in accordance with AS22

24) **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.

25) The Financial Statements for the year ended 31st March 2011 were prepared as per the then applicable pre-revised Schedule VI to Companies Act, 1956, consequent to the notification under the Companies Act, 1956. The Financial Statements for the year ended 31st March, 2012 are prepared under revised Schedule VI accordingly the previous year’s figures have also been re-classified to conform to this year’s classification.

**Schedule to the Balance Sheet of a Non-Banking
Financial Company**

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

Particulars		As at 31.03.2012	
Liabilities side:			
[1]	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	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.

	Particulars		
	[d] Inter-corporate loans and borrowing	NIL	NIL
	[e] Commercial Paper	NIL	NIL
	[f] Public deposits*	NIL	NIL
	[g] Other Loans (specify nature)	1420791	NIL
	* Please see Note 1 below		
[2]	Break-up of [1][f] above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
	[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
	Assets side:		
		Amount outstanding	
[3]	Break-up of Loans and Advances including bills receivables (other than those included in (4) below:		
	[a] Secured		
	[b] Unsecured	139086042	

[4]	Break-up of Leased Assets and Stock on hire and hypothecation loans counting towards EL/HP activities	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]	Break-up of Investments	
	<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:	
	<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>	

	2.	Unquoted: [i] Shares: [a] Equity [b] Preference [ii] Debentures and Bonds [iii] Units of mutual funds [iv] Government Securities [v] Others (please specify)			
[6]	<i>Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:</i> 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]	<i>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</i> 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		96895959		112085925
	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			14601655
	[ii]	Net Non-Performing Assets			
		[a] Related parties			
		[b] Other than related parties			14601655
	[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.

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]
Directors

Mumbai
Dated: 30th May, 2012

Mumbai
Dated: 30th May, 2012

PROXY

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

MASTER FOLIO NO.	
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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 27th Annual General Meeting of the Company to be held on
Wednesday, 5th day of September, 2012

Signed _____ day of _____ 2012 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.