

35th Annual Report 2019-2020
KAPASHI COMMERCIAL LIMITED

**KEY MANAGERIAL PERSONNEL &
BOARD OF DIRECTOR**

SHWETA SAMIR SHAH

Managing Director (DIN: 03082967)

MUNJAL MAHENDRABHAI PATEL

Director (DIN: 02319308)

JAYESH SHAH

Independent Director (DIN: 08218502)

CIN: L51900GJ1985PLC110976

MANISH MEHTA

Independent Director (DIN: 08516146)
(With effect from 6th March 2020)

AUDIT COMMITTEE

Manish Mehta	Chairperson
Shweta Samir Shah	Member
Jayeshkumar R. Shah	Member

MAHENDRABHAI GULABDAS PATEL

Director (DIN: 00104706)
(upto 10th February 2020)

**NOMINATION AND REMUNERATION
COMMITTEE:**

Manish Mehta	Chairperson
Munjali Patel	Member
Jayeshkumar R. Shah	Member

RAXESH CHANDRAVADAN SATIA

Independent Director (DIN: 00577822)
(Upto 06th March 2020)

**STAKEHOLDERS RELATIONSHIP
COMMITTEE**

Manish Mehta	Chairperson
Shweta Samir Shah	Member
Jayeshkumar R. Shah	Member

PINAJ JAIN

Company Secretary & Compliance Officer

VIRAJ SHAH

CHIEF FINANCIAL OFFICER
(With Effect from 13th November 2019)

REGISTERED OFFICE

206, S.F. Ashirwad Paras 1, Near Kanti Bharwad
PMT Opposite Andaz Party Plot, Makarba
Ahmedabad, Gujarat 380051

RAJASVEE SHAH

Chief financial officer
(Upto 13th November 2019)

BANKERS

STATE BANK OF INDIA

AUDITORS

M/s. Ashit N. Shah & Co.
Chartered Accountants

SECRETARIAL AUDITOR

M/s. Khandelwal Devesh & Associates
Company Secretaries

REGISTRAR AND SHARE TRANSFER AGENT

PurvaSharegistry (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 **35thAnnual General Meeting** of the Members of **KAPASHI COMMERCIAL LIMITED** will be held on **Wednesday, 30th September, 2020** at **4.00 P.M. through Video Conferencing / Other Audio-Visual to transact the following business:**

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2020, Statement of Profits & Loss together with Cash Flow Statement and Notes forming part thereto ("Financial Statements") for the year ended on 31st March, 2020 and Report of the Board of Directors and Auditors thereon
2. To appoint a Director in place of Mr. Munjal Mahendrabhai Patel (DIN: 02319308) Director who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To Appoint M/S. Ashit N. Shah & Co, Chartered Accountants As Statutory Auditors Of The Company.

To consider and, if thought fit, with or without modification(s), to pass the following resolution(s) as an **Ordinary Resolution(s)**:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under, as amended from time to time, M/s. Ashit N. Shah & Co, Chartered Accountants, Ahmedabad (FRN.: 100624W), be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of 35th Annual General Meeting (AGM) till the conclusion of the 40th Annual General Meeting of the Company to be held in the year 2025, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS:

4. **Appointment of Mr. Manish Mehta (DIN: 08516146) as an Independent Director of the Company.**

To consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION:-**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made there under and Schedule IV to the said Act, Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Manish Mehta (DIN: 08516146) who was appointed as an Additional Director of the Company under the category of Independent director w.e.f. 06.03.2020 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 to propose him as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a period of five (5) consecutive years.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to sign the form DIR-12 and make arrangement to file the same with Registrar of Companies and intimate to Stock Exchange(s) and to take such other steps as may be necessary in this regard.”

Registered Office

206, S.F. ashirwad Paras 1
Near Kanti Bharwad PMT
Opposite Andaz party Plot,
Makarba , Ahmedabad
Gujarat 380051

Place: Ahmedabad

Dated: 05/09/2020

**By order of Board of Directors
KAPASHI COMMERCIAL LIMITED**

**Sd/-
Shweta Samir Shah
Chairman & Managing Director
DIN: 03082967**

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said circulars, the 35th Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 16 and available at the Company's website www.kapashicommercial.com.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars, the Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at www.kapashicommercial.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. Bombay Stock Exchange at www.bseindia.com respectively.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
6. The Register of members and share transfer books of the Company will remain closed from Wednesday, 23rd September, 2020 to Wednesday, 30th September, 2020 (both days inclusive) for the purpose of Annual General Meeting.
7. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
8. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
9. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual members holding shares in the physical form. The members who are desirous of availing this facility, may kindly write to Company's R & T Agent for nomination form by quoting their folio number.

10. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.
11. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
12. Process and manner for members opting for voting through Electronic means:
- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL), as the Authorized e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL.
 - II. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Wednesday, 23rd September, 2020, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
 - III. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Wednesday, 23rd September, 2020, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.
 - IV. The remote e-voting will commence on Sunday, 27th September, 2020 at 9.00 a.m. and ends on Tuesday, 29th September, 2020 at 5.00 p.m. During this period, the members of the Company holding shares either in physical form or in demat form as on the Cut-off date i.e. Wednesday, 23rd September, 2020 may cast their vote electronically. The members will not be able to cast their

vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter.

- V. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again. The voting rights of the members shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off date i.e. Cut-off date i.e. Wednesday, 23rd September, 2020

13. The Company has appointed CS Devesh Khandelwal, Practicing Company Secretary (Membership No. FCS: 4202; CP No: 6897), to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

14. Process for those shareholders whose email ids are not registered:

- For members holding shares in Physical mode - please provide necessary details like Folio No., Name of shareholder by email to shwetasmirshah1997@gmail.com.
- Members holding shares in Demat mode can get their E-mail ID registered by contacting their respective Depository Participant or by email to shwetasmirshah1997@gmail.com.

15. The instructions for shareholders for remote voting are as under:

- The voting period begins on 27th September, 2020 at 9.00 a.m. and ends on Tuesday, 29th September, 2020 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off date i.e. Wednesday, 23rd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on Shareholders.
- Now Enter your User ID
For CDSL: 16 digits beneficiary ID
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first-time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	• Enter your 10 digit alpha-numeric PAN issued by

	Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- After entering these details appropriately, click on “SUBMIT” tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN of the Company –KAPASHI COMMERCIAL LIMITED on which you choose to vote.
- On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Shareholders can also cast their vote using CDSL’s mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

- Note for Non – Individual Shareholders and Custodians
- A. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- B. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- C. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- D. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- E. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- F. Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

16. The instructions for shareholders voting on the day of the AGM on e-voting system are as under:

- A. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- B. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the AGM.
- C. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
- D. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

17. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kapashicommercial.com within three days of the passing of the Resolutions at the 35th Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

18. Instructions for members for attending the AGM through VC / OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM or view the live webcast of AGM through the CDSL e-Voting system. Members may access the same at [https:// www.evotingindia.com](https://www.evotingindia.com) under shareholders'/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. For ease of conduct, members who would like to ask questions may send their questions in advance at least (7) days before AGM mentioning their name, demat account number / folio number, email id, mobile number at shwetasmirshah1997@gmail.com and register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
6. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

19. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542). Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Registered Office

206, S.F. ashirwad Paras 1
Near Kanti Bharwad PMT
Opposite Andaz party Plot,
Makarba , Ahmedabad
Gujarat 380051

Place: Ahmedabad

Dated: 05/09/2020

**By order of Board of Directors
KAPASHI COMMERCIAL LIMITED**

Sd/-

**Shweta Samir Shah
Chairman & Managing Director
DIN: 03082967**

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

<i>NAME OF DIRECTORS</i>	<i>MUNJAL MAHENDRABHAI PATEL</i>
DIN	02319308
Date of Birth	26/06/1982
Date of Appointment	20/07/2018
Qualification and experience in specific functional area	MBA
Directorship held in other companies*	LINCOLN PHARMACEUTICALS LTD KARNAVATI DISTRIBUTORS LIMITED
Membership / Chairmanships of Committee in other Public Companies	0
Number of shares held in the company	7,42,505
Relationship with any Director(s) of the Company	No

*Pvt. Companies excluded

Registered Office

206, S.F. ashirwad Paras 1
Near Kanti Bharwad PMT
Opposite Andaz party Plot,
Makarba , Ahmedabad
Gujarat 380051

Place: Ahmedabad**Dated: 05/09/2020**

**By order of Board of Directors
KAPASHI COMMERCIAL LIMITED**

Sd/-

**Shweta Samir Shah
Chairman & Managing Director
DIN: 03082967**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**ITEM NO.3**

M/s. Ashit N. Shah & Co, Chartered Accountants, Ahmedabad shall hold office as statutory auditor from the conclusion of 35th Annual general meeting till the conclusion of 40th Annual general meeting. M/s. Ashit N. Shah & Co, Chartered Accountants, Ahmedabad have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013. The Board recommends passing of resolution as set out in **ITEM No 3** of this notice. None of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

ITEM NO.4

Mr. Manish Mehta (DIN: 08516146) has been appointed as an additional director under the category of Independent Director of the Company by the Board of Directors w.e.f 06.03.2020. Under section 161 of the Companies Act, 2013, Mr. Manish Mehta holds office upto the date of ensuing Annual General Meeting. However, he is eligible for appointment as an Independent Director. Due notice under section 160 of the Act has been received to propose him as a candidate for the office of Director of the Company. He has also given the declaration to the board that he fulfills the criteria of independence as provided under section 149(6) of the Act. Mr. Manish Mehta is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Mr. Manish Mehta shall not be liable to determination by retirement of Directors by rotation, in terms of Section 149 (13) of the Companies Act, 2013 and the relevant rules made thereunder.

Brief profile of Mr. Manish Mehta in terms of Regulation 36 (3) of the Listing Regulations is forming part of this notice.

The Board recommends the passing of the Ordinary Resolution as set out in the **Item no. 4** of the Notice for the appointment of Mr. Manish Mehta as a Director.

None of the Directors and Key Managerial Personnel of the Company except Mr. Manish Mehta and his relatives are concerned or interested in this resolution.

Registered Office

206, S.F. ashirwad Paras 1
Near Kanti Bharwad PMT
Opposite Andaz party Plot,
Makarba , Ahmedabad
Gujarat 380051

Place: Ahmedabad
Dated: 05/09/2020

By order of Board of Directors
KAPASHI COMMERCIAL LIMITED

Sd/-
Shweta Samir Shah
Chairman & Managing Director
DIN: 03082967

DIRECTOR'S REPORT

To,
**THE MEMBER OF
 KAPASHI COMMERCIAL LIMITED**

Your Directors have pleasure in presenting Thirty Fifth Annual report on the affairs of the Company together with the Audited Statement of Accounts for the year ended on 31st March, 2020.

1. **FINANCIAL PERFORMANCE**

The operations of the Company have shown increase in trend as compared to the previous year. The Company has earned total income of Rs **6,695,883/-** during the year under report as compared to Rs **5,429,043/-** during the previous year reflecting an increase of **23.33%** over the previous year.

➤ **The financial summary or highlights;**

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Total Income from Operation	66.96	54.29
Profit before Interest & finance charges, depreciation & taxation	51.17	23.45
Less: Interest & finance Charges	37.80	10.16
Operating profit before depreciation & taxation	13.13	13.29
Less: Depreciation, amortization & impairment of asset	-	-
Profit before Exceptional Items	13.13	13.29
Add: Exceptional Items	-	-
Less: Provision for earlier Years	-	-
Profit before taxation	13.13	13.29
Less: Current Tax	3.40	4.55
Less: Prior year Tax Provisions	(0.20)	17.53
Less: Deferred Tax Liability	-	-
Profit after taxation	10.17	(8.79)
Add: Balance brought forward	-	-
Profit available for appropriation	10.17	(8.79)
Less: Appropriation:	-	-
Transfer to Special Reserve u/s. 45I of RBI Act.	-	-
Transfer to General Reserve	-	-
Interim Dividend	-	-
Tax on Interim Dividend	-	-
Proposed Dividend	-	-
Provision for Tax on Proposed Dividend	-	-
Less: Additional depreciation charged due to change in useful life	-	-
Balance carried forward to Balance Sheet	10.17	(8.79)

2. **DIVIDEND**

Your Director Feel that it is prudent to plough back the profits of the company for future growth of the company and therefore do not recommend any dividend for the year ended March 31st, 2020.

3. **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Since there was no unpaid/unclaimed dividend, the provisions of Section 125 of the Companies Act, 2013 do not apply.

4. **TRANSFER TO RESERVES**

During the year under review, the Company has not transferred any amount to reserves.

5. **CHANGE IN THE NATURE OF THE BUSINESS**

During the year, there is no change in the nature of the business of the Company.

6. **PUBLIC DEPOSITS**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the period under review. Hence, the requirement for furnishing the details of deposits which are not in compliance with Chapter V of the Act is not applicable.

7. **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company.

8. **BOARD OF DIRECTORS:**

(a) Composition of Board

Name of Directors	Designation	Category	No. of Board Meeting held during the year	No. of Board Meeting attended during the year
Mrs. Shweta Samir Shah	Managing Director	Promoter Executive	10	10
Mr. Munjal M. Patel	Director	Promoter Non Executive	10	10
Mr. Jayeshkumar R. Shah	Director	Independent Non Executive	10	10
Mr. Mahendrabhai G. Patel (upto 10 th February, 2020)	Director	Promoter Non Executive	10	9
Mr. Raxeshbhai C. Satia (upto 6 th March, 2020)	Director	Independent Non Executive	10	10
Mr. Manish Indravardhan Mehta(w.e.f. 6 th March, 2020)	Director	Independent Non Executive	10	1

(b) Changes in the Board during the year:

The Board of Directors of the Company is duly constituted. During the year under review, the following changes have been made in the Board of Directors.

During the year Following Appointments were made:

- The Board of Directors appointed Mr. Manish Indravardhan Mehta (DIN: 08516146) as Additional Director under Independent Director category with effect from 6th march, 2020 which is subject to the approval of shareholders

During the year Following Resignations were made:

- Mr. . Raxeshbhai Chandravadan Satia (DIN: 00577822) resigned from the Directorship of the Company with effect from 6th March, 2020.
- Mr. Mahendra G. Patel (DIN: 00104706) resign from the Directorship of the Company with effect from 10th February, 2020.

(c) Retirement by rotation

As per the provisions of Section 152 of the Companies Act, 2013 , Mr. Munjal M. Patel (DIN: 02319308) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment . Your Directors recommend his reappointment.

(d) NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR

During the year 2019-20, the Board of Directors met Ten (10) times. on 4th May, 2019; 16st May, 2019; 29th May, 2019; 12th August, 2019; 13th November, 2019; 14th November, 2019; 11th December 2019; 16th January, 2020 and 10th february ,2020 and 3rd March, 2020.in respect of said meetings proper notices were given and proceedings were properly recorded and signed in the Minute Book maintained for the purpose.

9. KEY MANAGERIAL PERSONNEL

The Board of Directors accepted the resignation of Mrs. Rajasvee Sagar Shah from the post of Chief Financial Officer of the Company with effect from closing of working hours on 13st November, 2019. Further, pursuant to the provisions of section 203 of the Companies Act, 2013, the Board of Directors appointed Ms. Viraj Samirbhai Shah as a Chief Financial Officer of the company with effect from 13th November, 2019.

As on the date of this report, the following are the key Managerial Personnel of the company:

1. Mrs. Shweta Samir Shah, Managing Director.
2. Ms. Viraj samirbhai Shah, Chief Financial Officer.
3. Ms. Pinaj Jain, Company Secretary & Compliance Officer.

10. DECLARATIONS BY INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given their declarations stating that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and in the opinion of the Board, the Independent directors meet the said criteria.

11. INDEPENDENT DIRECTORS' MEETING

The Independent Directors met on March 29, 2020 to discuss the performance evaluation of the Board, Committees, Chairman and the individual Directors.

The Independent Directors reviewed the performance of the non-independent Directors and Board as whole. The performance of the Chairman taking into account the views of executive Directors and non-executive Directors and assessed the quality, quantity and timeline of flow of information between company management and Board.

12. STATEMENT ON FORMAL ANNUAL EVALUATION OF BOARD

Nomination and Remuneration Committee annually evaluates the performance of individual Directors, Committees, and of the Board as a whole in accordance with the formal system adopted by it. Further, the Board also regularly in their meetings held for various purposes evaluates the performance of all the Directors, committees and the Board as a whole. The Board considers the recommendation made by Nomination and Remuneration Committee in regard to the evaluation of board members and also tries to discharge its duties more effectively. Each Board member's contribution, their participation was evaluated and the domain knowledge they bring. They also evaluated the manner in which the information flows between the Board and the Management and the manner in which the board papers and other documents are prepared and furnished.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(3) (c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2020 and of the profit and loss of the company for that period;
- (iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The directors had prepared the annual accounts on a going concern basis; and
- (v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. STATUTORY AUDITORS

M/s. Ashit and Shah & Co., Chartered Accountants, having registration number FRN No. 100624W were appointed as Statutory Auditors of the Company by board of directors with effect from 11th December, 2019 to fill the casual vacancy caused by the resignation of M/s. J. T. Shah & Co., Chartered Accountants, Further, their appointment as statutory auditor was ratified and approved by the member of the company in the Extra Ordinary General Meeting held on 20th February, 2020. Further, it is proposed to appoint M/s. Ashit and Shah & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of 35th Annual General Meeting (AGM) till the conclusion of the 40th Annual General Meeting of the Company to be held in the year 2025.

There are no qualifications, reservations or adverse remarks made by M/s. Ashit and Shah & Co. Chartered Accountants, the Statutory Auditors of the Company, in their report. The observations made by the Statutory Auditors in their report for the financial period ended 31st March, 2020 read with the

explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

15. SECRETARIAL AUDITOR

M/s Khandelwal Devesh & Associates, Company Secretaries, Ahmedabad were appointed as Secretarial Auditor of the Company to conduct secretarial audit pursuant to the provisions of Section 204 of the Companies Act, 2013. The secretarial audit of the Company has been conducted on a concurrent basis in respect of the matters as set out in the said rules and Secretarial Audit Report given by M/s Khandelwal Devesh & Associates, Company Secretaries, Secretarial Auditor of the Company forms part of this report and is marked as **Annexure-“A”**.

As per the audit report the following qualification were reported:

- a) **As per Regulation 295(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Board of directors of the company was required to complete bonus issue within 2 months from the date of board meeting held for that purpose however there was delay in completing the said issue and accordingly BSE levied fine on the Company as per SEBI circular CIR/CFD/DIL/57/2017.**

The Board of Directors of the Company would like to inform you that due to negligence and lack of information, Company could not complete the procedure within 2 (Two) months and there was a delay, However company has paid the fine levied by Bombay Stock Exchange.

16. COST AUDITORS

The Company has not appointed the Cost Auditor as pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit is **not applicable** to the Company.

17. ADOPTION OF NEW SET OF MOA

The Company has adopted new set of Memorandum of Association by obtaining shareholders' approval through Postal ballot on April 20, 2019.

18. ADOPTION OF NEW SET OF AOA

The Company has adopted new set of Article of Association by obtaining shareholders' approval through Postal ballot on April 20, 2019.

19. CHANGE IN REGISTERED OFFICE OUTSIDE THE STATE

The registered office of the company was firstly shifted within the local limits of same town /city from **4th Floor, 75 DR A. B. RD, Worli, Mumbai-400018** to **Office No 08, Neelkanth Shopping Center Chs Ltd, plot no. 72/4, Cama Lane & M.G. Road Junction Ghotkopar (West), Mumbai 400086** and then it was shifted to the state of Gujarat to **306, S.F, Ashirwad Paras-1 Near KantiBharwad PMT Opp. Andaz Party Plots, Makbara, Ahmedabad- 380051.** which is shifting of registered office from the state of Maharashtra to the state of Gujarat with the consent of the shareholders through postal Ballot dated 20th April 2019.

20. INCREASE IN AUTHORISED SHARE CAPITAL

The Authorized share capital of the Company has been increased **from Rs. 1,00,00,000/- (one crore only)** consisting of **10,00,000 (Ten lakh) Equity Shares of Rs 10/- each TO Rs. 2,50,00,000/- (Two**

crore fifty lakh only) consisting of 25,00,000 (Twenty five lakh) Equity Shares of Rs 10/- each by obtaining shareholders' approval through Postal ballot on April 20, 2019.

21. INCREASE IN ISSUED, SUBSCRIBED& PAID-UP SHARE CAPITAL

The paid up Equity Share Capital of the Company is increased from **1,00,00,000/- (one crore only) to Rs. 2,50,00,000 /- (Two crore fifty lakh only).**

The Company has issued and allotted **15, 00,000 Equity Shares of Rs.10/- (Rupee Ten only) each as Bonus Shares in the proportion of 3 (Three) New Equity Shares for every 2 (Two) existing Equity Shares on 16th May 2019.**

22. POSTAL BALLOT

During the year, pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory amendment(s) or re-enactment(s) made thereunder), your Company passed the following resolution through postal ballot as per the details below

Date of Postal ballot Notice: 14th March, 2019

Date of declaration of result: 22nd April, 2019

Voting period: 22/03/2019 to 20/04/2019

Name of resolution	Type of resolution	No. of votes polled	Votes cast in favor		Votes cast against	
			No. of votes	%	No. of votes	%
Adoption of New Set Of Memorandum of Association of the Company	Special	606675	606674	100	1	0
Adoption of New Set of Articles of Association of the Company	Special	606675	606674	100	1	0
To Consider Increase in Authorised Share Capital of the Company	Ordinary	606675	606674	100	1	0
Issue of Bonus Shares	Ordinary	606675	606674	100	1	0
Appointment of Statutory Auditors to Fill Casual Vacancy	Ordinary	606675	606674	100	1	0
Appointment of Mrs. Shweta Samir Shah (DIN: 03082967) as a Managing Director of The Company for a Period of 5 (Five) Years	Ordinary	606675	606674	100	1	0
Shifting of the Registered Office From the State of Maharashtra to the State of Gujarat	Special	606675	606673	100	2	0

23. LISTING

The equity shares of the Company are listed on of BSE and the Company has paid the annual listing fees for the year 2019-20.

24. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY:

- i. the steps taken or impact on conservation of energy : **Nil**
- ii. the steps taken by the company for utilizing alternate sources of energy : **None**
- iii. the capital investment on energy conservation equipments : **Nil**

B. TECHNOLOGY ABSORPTION

- i. the efforts made towards technology absorption : **None**
- ii. the benefits derived like product improvement, cost reduction, product development or import Substitution: **None**
- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 - a) The details of technology imported: **None**
 - b) The year of import: **N.A.**
 - c) Whether the technology been fully absorbed: **N.A.**
 - d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: **N.A**
 - e) The expenditure incurred on Research and Development: **Nil**

C. FOREIGN EXCHANGE EARNING & OUTGO :

- i. Foreign Exchange Earning : **NIL**
- ii. Foreign Exchange Outgo : **NIL**

25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Pursuant to section 186(11) of the Companies Act, 2013 ("the Act"), the provisions relating to disclosure in the Financial Statements of the full particulars of the loans made and guarantees given or securities provided is **not applicable** to the company.

26. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

During the year, The Company has no material significant transactions with its related parties which may have potential conflict with the interest of the Company at large.

27. EXTRACT OF ANNUAL RETURN:

The extract of the Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 in **Form MGT-9** is appended here in **Annexure "B"** to this Report.

28. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

29. AUDIT COMMITTEE:

Annual Report 2019-20

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section.

➤ **The details of composition of Audit Committee are as follows :**

Name of the Directors	Designation	Category	Number of meeting held	Number of meeting attended
Raxeshbhai Satia*	Chairperson	Independent Director	6	6
Shweta samir Shah	Member	Managing Director	6	6
Mr. Jayeshkumar Shah	Member	Independent Director	6	6
Mr. Manish Mehta**	Chairperson	Independent Director	6	0

* Ceased to be Chairperson & Member of committee w.e.f 06.03.2020

** Inducted to the Chairmanship of the Committee w.e.f. 06.03.2020

The Board of Directors of the company vides resolution passed on 06.03.2020 approved the reconstitution of Audit Committee. The Composition of Audit Committee consists of Mr. Manish Mehta - Chairman, Mrs. Shweta Samir Shah – Member and Mr. Jayeshkumar Rasiklal Shah - Member.

The broad terms of reference of the Audit Committee are as under:

- Reviewing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending the appointment, remuneration and terms of appointment of external Auditor.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the company with related parties.
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Monitoring the end use of funds raised through public offers and related matters.
- Reviewing with management the Annual financial statements and half yearly and Quarterly financial results before submission to the Board.
- Reviewing periodically the adequacy of the internal control system.
- Discussions with Internal Auditor on any significant findings and follow up there on.

➤ **Meetings:**

During the Year 2019-2020, the Member of Audit Committee met Six times viz. on 29th May, 2019, 12th August, 2019, 13th November, 2019 and 14th November, 2019, 11th December 2019 and 10th February 2020.

30. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of Directors was constituted pursuant to the provisions of Section 178 of the Companies Act, 2013. The composition of the Committee is in conformity with the provisions of the said section.

➤ **The details of composition of Nomination and Remuneration Committee are as follows:**

Name of the Directors	Designation	Category	Number of meeting held	Number of meeting attended
Mr. Raxeshbhai Chandravadan Satia*	Chairperson	Independent Director	3	3
Mr. Jayeshkumar Rasiklal Shah	Member	Independent Director	3	3
Mr. Mahendrabhai Gulabdas Patel***	Member	Promoter Non- Executive	3	2
Mr. Munjal Patel**	Member	Promoter Non- Executive	3	1
Mr. Manish Mehta****	Chairperson	Independent Director	3	0

* Ceased to be Chairperson & Member of committee w.e.f 06.03.2020

** Inducted to the Membership of the Committee w.e.f. 10.02.2020

*** Ceased to be member of committee w.e.f. 10.02.2020

**** Inducted to the Chairmanship of the Committee w.e.f. 06.03.2020

The Board of Directors of the company vides resolution passed on 10.02.2020 approved the reconstitution of Nomination and Remuneration Committee. The Composition of Nomination and Remuneration Committee consist of Mr. Raxeshbhai Chandravadan Satia- Chairman, Mr. Munjal Patel- Member and Mr. Jayeshkumar Rasiklal Shah- Member, Then again Board of Directors of the company vides resolution passed on 06.03.2020 approved the reconstitution of Nomination and Remuneration Committee. The Composition of Nomination and Remuneration Committee consist of Mr. Manish Mehta - Chairman, Mr. Manjul Patel - Member and Mr. Jayeshkumar Rasiklal Shah - Member.

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining the qualifications, positive attributes and independence of Director;
- Devising a policy on Board diversity;
- Formulation of Remuneration policy;
- Review the structure, size and composition of the Board;
- Identifying and selection of candidates for appointment as Directors;
- Identifying potential individuals for appointment as Key Managerial Personnel and Senior Management;
- Formulation of criteria for evaluation of Independent Directors and the Board.

➤ **Meetings:**

During the Year 2019-2020, the Member of Nomination and Remuneration Committee met three times on 13th November, 2019, 10th February, 2020 & 06th March, 2020.

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees. The said policy is available on company's website www.kapashicommercial.com.

31. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is constituted in compliance with the requirements of Section 178 of the Companies Act, 2013. Company Secretary is the Compliance Officer, who acts as the Secretary to the Committee and the Members of the Committee are:

Sr.No.	Name of the Directors	Designation	Category
1	Mr. Raxeshbhai C. Satia*	Chairperson	Independent Director
2	Mrs. Shweta Samir Shah	Member	Promoter Executive
3	Mr. Jayeshkumar Rasiklal Shah	Member	Independent Director
4	Mr. Manish Mehta**	Chairperson	Independent Director

* Ceased to be Chairperson & Member of committee w.e.f 06.03.2020

** Inducted to the Chairmanship of the Committee w.e.f. 06.03.2020

The Board of Directors of the company vide resolution passed on 06.03.2020 approved the reconstitution of Stakeholders Relationship Committee. The Composition of Stakeholders Relationship Committee consist of Mr. Manish Mehta - Chairman, Mrs. Shweta Samir Shah - Member and Mr. Jayeshkumar Rasiklal Shah - Member.

During the Year Stakeholders Relationship Committee did not hold any Meeting.

32. Details of Investor's grievances/ Complaints:

The Company has not received any complaints during the year. The pending complaints of the Shareholders/Investors registered with SEBI at the end of the current financial year ended on 31st March, 2020 are **NIL**.

Ms. Pinaj Jain is the Compliance Officer of the Company for the above purpose.

33. COMPLIANCE

The Company has complied with the mandatory requirements as stipulated under the Listing Regulations. The Company has submitted the quarterly compliance status report to the stock Exchange within the prescribed time limit.

34. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2) (e) of the Listing Regulations is given as an **Annexure "C"** to this report.

35. VIGIL MECHANISM/WHISTLER BLOWER POLICY

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has established vigil mechanism/Whistle Blower Policy for Directors and employees of the Company to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's code of conduct and ethics Policy. The said mechanism also provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

The Board of Directors of the Company frequently reviews the vigil mechanism/whistle blower policy in order to ensure adequate safeguards to employees and Directors against victimization.

The said policy is also available on the website of the Company at www.kapashicommercial.com.

36. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

In order to prevent sexual harassment of women at work place the Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and during the year Company has not received any complaint of such harassment.

37. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial Controls with reference to Financial Statements. The Board has inter alia reviewed the adequacy and effectiveness of the Company's internal financial controls relating to its financial statements.

During the year, such Controls were tested and no reportable material weakness was observed

38. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

39. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this financial statements relate and the date of this report.

40. SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material order was passed by regulators or courts or tribunals impacting the going concern status and company's operations in future.

41. PARTICULARS OF EMPLOYEES

Details pertaining to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure D** to this report.

42. STATEMENT REGARDING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company does not have any Risk Management Policy or any statement concerning development and implementation of risk management policy of the company as the elements of risk threatening the Company's existence are very minimal.

43. COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD:

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

44. CORPORATE GOVERNANCE

As per the provisions of SEBI (Listing Obligations and Disclosures requirement) Regulation, 2015, the annual report of the listed entity shall contain Corporate Governance Report and it is also further provided that if the Company is not having the paid up share capital exceeding Rs. 10 crores and Net worth exceeding Rs. 25 crores, the said provisions are not applicable. As our Company does not have the paid up share capital exceeding Rs. 10 crores and Net worth exceeding Rs. 25 crores, the Corporate Governance Report is **not applicable** and therefore not provided by the Board.

ACKNOWLEDGEMENT

We thank our customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

Registered Office

206, S.F. ashirwad Paras 1
Near Kanti Bharwad PMT
Opposite Andaz party Plot,
Makarba , Ahmedabad
Gujarat 380051

Place: Ahmedabad
Dated: 05/09/2020

By order of Board of Directors
KAPASHI COMMERCIAL LIMITED

Sd/-
Shweta Samir Shah
Chairman & Managing Director
DIN: 03082967

ANNEXURE - "A"
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31STMARCH, 2020.

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
KAPASHI COMMERCIAL LIMITED
MUMBAI

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KAPASHI COMMERCIAL LIMITED (CIN: L51900GJ1985PLC110976)**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2020** ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2020** according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the rules made there under;
- ii. The Securities Contracts (**Regulation**) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing. (**not applicable to the company during the audit period**);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**not applicable to the company during the audit period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**not applicable to the company during the audit period**);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ***(not applicable to the company during the audit period);***
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ***(not applicable to the company during the audit period);***

I have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances of other specific applicable Acts, Laws and Regulations to the Company as mentioned hereunder;

- a) Reserve Bank of India Act, 1934 and rules made there under

I have also examined compliance with the applicable Clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned abovementioned above and subject to the following observations;

- b) As per Regulation 295(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Board of directors of the company was required to complete bonus issue within 2 months from the date of board meeting held for that purpose however there was delay in completing the said issue and accordingly BSE levied fine on the Company as per SEBI circular CIR/CFD/DIL/57/2017.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board takes decision by majority of directors while the dissenting directors' views are captured and recorded as part of the minutes.

I further report that:

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and guidelines.

I further report that during the audit period there were no other instances of:

- i. Public/Rights/Preferential issue of Shares/debentures/sweat equity except the Company has allotted 15,00,000 bonus shares to the shareholders as on 16/05/2019 in the ratio of 3:2 i.e. three equity shares for every two-shares held.
- ii. Redemption/buy-back of securities.
- iii. Merger/ amalgamation/ reconstruction, etc.
- iv. Foreign technical collaborations.

**For Khandelwal Devesh & Associates
Company Secretaries**

Place: Ahmedabad

Date: 05/09/2020

**Devesh Khandelwal
Proprietor
FCS NO: 6897
COP NO: 4202
UDIN: F006897B000667535**

Note: This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
KAPASHI COMMERCIAL LIMITED

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representations about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, and Standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For KhandelwalDevesh&Associates
Company Secretaries**

**Place: Ahmedabad
Date: 05/09/2020**

**Devesh Khandelwal
Proprietor
FCS NO: 6897
COP NO: 4202
UDIN: F006897B000667535**

ANNEXURE - "B"**THE EXTRACT OF THE ANNUAL RETURN IN FORM MGT-9:**

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014

I. Registration and other Details

I.	CIN	L51900GJ1985PLC110976
II.	Registration Date	11 th September, 1985
III.	Name of the Company	KAPASHI COMMERCIAL LIMITED
IV.	Category & Sub-Category of the Company	Company Limited by shares /Indian Non-Government Company
V.	Address of the Registered Office and contact details	306, S.F, Ashirwad Paras-1 Near Kanti Bharwad PMT Opp. Andaz Party Plots, Makbara, Ahmedabad- 380051. <u>Tel:(022)24954236</u> Fax:(022)43005105 Email: shwetasmirshah1997@gmail.com Website: www.kapashicommercial.com
VI.	Whether Listed Company	Yes, Listed on BSE Limited
VII.	Name, Address and Contact details of Registrar and Transfer Agent	PurvaSharegistry (India) Pvt. Ltd No. 9, Shiv Shakti Industrial Estate,Ground Floor, J. R. Boricha Marg, Opp. Kasturba Hospital,Lower Parel, Mumbai- 400011. Tel.: 91-22-23016761/8261 Fax: 91-22-23012517 Email: busicomp@vsnl.com

II. PRINCIPAL BUSINESS ACTIVITIES

All the business activities contributing 10% or more of the total turnover of the Company.

SR. No.	Name and Description of main products	NIC Code of the Product	% to total turnover of theCompany
1.	Finance	65293	100%

III. PARTICULAR OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
NIL					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category Of Shareholders	No Of Shares held at the beginning of year				No Of Shares held at the end of year				% Change
	01/04/2019				31/03/2020				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individuals/HUF	735446	0	735446	73.54	1838615	0	1838615	73.54	0.00
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	0	0	0	0	0	0	0	0	0
(e) Banks / FI	0	0	0	0	0	0	0	0	0
(f) Any Other....									
* DIRECTORS	0	0	0	0	0	0	0	0	0
* DIRECTORS RELATIVES	0	0	0	0	0	0	0	0	0
* PERSON ACTING IN CONCERN	0	0	0	0	0	0	0	0	0
Sub Total (A)(1):	735446	0	735446	73.54	1838615	0	1838615	73.54	0.00
(2) Foreign									
(a) NRI Individuals	0	0	0	0	0	0	0	0	0
(b) Other Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other....	0	0	0	0	0	0	0	0	0
Sub Total (A)(2):	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	735446	0	735446	73.54	1838615	0	1838615	73.54	0.00
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	0	0	0	0	0	0	0	0	0
(b) Banks FI	0	0	0	0	0	0	0	0	0
(c) Central Govt	0	0	0	0	0	0	0	0	0
(d) State Govet(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance	0	0	0	0	0	0	0	0	0

Companies									
(g) FIIs	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)									
* U.T.I.	0	0	0	0	0	0	0	0	0
* FINANCIAL INSTITUTIONS	0	0	0	0	0	0	0	0	0
* I.D.B.I.	0	0	0	0	0	0	0	0	0
* I.C.I.C.I.	0	0	0	0	0	0	0	0	0
* GOVERNMENT COMPANIES	0	0	0	0	0	0	0	0	0
* STATE FINANCIAL CORPORATION	0	0	0	0	0	0	0	0	0
* QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0
* ANY OTHER	0	0	0	0	0	0	0	0	0
* OTC DEALERS (BODIES CORPORATE)	0	0	0	0	0	0	0	0	0
* PRIVATE SECTOR BANKS	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):	0	0	0	0	0	0	0	0	0
(2) Non- Institutions									
(a) Bodies Corp.									
(i) Indian	1841	0	18 41	0.18	3125	0	3125	0.13	-0.06
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	7311	2250	95 61	0.96	3726	5330	9056	0.36	-0.59
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	132902	0	13 29 02	13.29	34700 9	0	34700 9	13.88	0.59
(c) Others (specify)									
* UNCLAIMED OR SUSPENSE OR ESCROW ACCOUNT	0	0	0	0	0	0	0	0	0
* IEPF	0	0	0	0	0	0	0	0	0
* LLP	2466	0	24 66	0.25	28957	0	28957	1.16	0.91

* FOREIGN NATIONALS	0	0	0	0	0	0	0	0	0
* QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0
* ALTERNATE INVESTMENT FUND	0	0	0	0	0	0	0	0	0
* N.R.I.	0	0	0	0	0	0	0	0	0
* FOREIGN CORPORATE BODIES	0	0	0	0	0	0	0	0	0
* TRUST	0	0	0	0	0	0	0	0	0
* HINDU UNDIVIDED FAMILY	109286	0	109286	10.93	273238	0	273238	10.93	0.00
* EMPLOYEE	0	0	0	0	0	0	0	0	0
* CLEARING MEMBERS	8498	0	8498	0.85	0	0	0	0	-0.8498
* DEPOSITORY RECEIPTS	0	0	0	0	0	0	0	0	0
* OTHER DIRECTORS & RELATIVES	0	0	0	0	0	0	0	0	0
* MARKET MAKERS	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):	262304	2250	264554	26.46	656055	5330	661385	26.46	0.00
Total Public Shareholding (B) = (B)(1)+(B)(2)	262304	2250	264554	26.46	656055	5330	661385	26.46	0.00
C. TOTSHR held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
GrandTotal(A + B + C)	997750	2250	1000000	100	2494670	5330	2500000	100	0

(ii) Shareholding of Promoters

SL No.	ShareHolder's	ShareHolding	at	the	ShareHolding at the end of
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	Name	beginning of the year			the year			
		01/04/2019			31/03/2020			
		No of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged / Encumbered to total shares	% change in share holding during the year
1	MUNJAL MAHENDRAB HAI PATEL	297002	29.70	0.00	742505	29.70	0.00	17.82
2	SHWETA SAMIRBHAI SHAH	289950	29.00	0.00	724875	29.00	0.00	17.40
3	MAHENDRAB HAI GULABDAS PATEL	148494	14.85	0.00	371235	14.85	0.00	8.91

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SL No.	ShareHolder's Name	ShareHolding at the beginning of the year		Cumulative ShareHolding at the end of the year		Type
		01/04/2019		31/03/2020		
		No of Shares	% of Total Shares of the Company	No. of Shares	% change in share holding during the year	
1	MUNJAL MAHENDRABHAI PATEL	297002	29.70	297002	29.70	
	31-05-2019	445503	17.82	742505	29.70	Issue of bonus shares on 16-05-2019
	31-03-2020			742505	29.70	
2	SHWETA SAMIRBHAI SHAH	289950	29.00	289950	29.00	
	31-05-2019	434925	17.40	724875	29.00	Issue of bonus shares on 16-05-2019
	07-02-2020	-83261	-3.33	641614	25.66	Sell
	13-02-2020	26133	1.05	667747	26.71	Buy
	21-02-2020	38247	1.53	705994	28.24	Buy

	06-03-2020	18881	0.76	724875	29.00	Buy
	31-03-2020			724875	29.00	
3	MAHENDRABHAI GULABDAS PATEL	148494	14.85	148494	14.85	
	31-05-2019	222741	8.91	371235	14.85	Issue of bonus shares on 16- 05-2019
	31-03-2020			371235	14.85	

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1. INDRAVADAN MEHTA				
At the beginning of the year	65000	6.50	65000	6.50
Bonus Issue on 31-05-2019	97500	3.90	162500	6.50
At the End of the year	162500	6.50	162500	6.50
2. MITESH JAGDISH PARIKH(HUF)				
At the beginning of the year	60000	6.00	60000	6.00
Bonus Issue on 31-05-2019	90000	3.60	150000	6.00
At the End of the year	150000	6.00	150000	6.00
3. AMISHABEN MANISHBHAI MEHTA				
At the beginning of the year	33500	3.35	33500	3.35
Bonus Issue on 31-05-2019	50250	2.01	83750	3.35
Sell on 06-12-2019	(1)	(0.00)	83749	3.35
Sell on 13-12-2019	(2)	(0.00)	83747	3.35
At the End of the year	83747	3.35	83747	3.35
4. RAKHI NIRAJ SHAH				
At the beginning of the year	19902	1.99	19902	1.99
Bonus Issue on 31-05-2019	29853	1.19	49755	1.99
At the End of the year	49755	1.99	49755	1.99
5. KAMLESH JAYANTILAL PATEL				
At the beginning of the year	14500	1.45	14500	1.45
Bonus Issue on 31-05-2019	21750	0.87	36250	1.45
At the End of the year	36250	1.45	36250	1.45
6. BAHVESH NATAVARLAL				

SHETH				
At the beginning of the year	14253	1.43	14253	1.43
Bonus Issue on 31-05-2019	21379	0.86	35632	1.43
At the End of the year	35632	1.43	35632	1.43
7				
JAEYSH NATAVARLAL SHETH				
At the beginning of the year	14222	1.42	14222	1.42
Bonus Issue on 31-05-2019	21333	0.85	35555	1.42
At the End of the year	35555	1.42	35555	1.42
8.				
NILESH NATAVARLAL SHETH				
At the beginning of the year	10611	1.06	10611	1.06
Bonus Issue on 31-05-2019	15916	0.64	26527	1.06
At the End of the year	26527	1.06	26527	1.06
9.				
AJAY NATAVARLAL SHETH				
At the beginning of the year	10200	1.02	10200	1.02
Bonus Issue on 31-05-2019	15300	0.61	25500	1.02
At the End of the year	25500	1.02	25500	1.02
10. ANS PVT LIMITED				
At the beginning of the year	8498	0.85	8498	0.85
Buy on 03-05-2019	598	0.06	9096	0.91
Bonus Issue on 31-05-2019	13644	0.55	22740	0.91
Sell on 27-09-2019	(22740)	(0.91)	0	0.00
Buy on 22-11-2019	1	0.00	1	0.00
Sell on 29-11-2019	(1)	(0.00)	0	0.00
At the End of the year	0	0.00	0	0.00

v) Shareholding of Directors and Key Managerial Personnel:

	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
MUNJAL MAHENDRABHAI PATEL (Non Executive Director)				
At the beginning of the year	297002	29.70	297002	29.70
Bonus Issue on 31-05-2019	445503	17.82	742505	29.70
At the End of the year	742505	29.70	742505	29.70
SHWETA SAMIRBHAI SHAH (Managing Director)				
At the beginning of the year	289950	29.00	289950	29.00
Bonus Issue on 31-05-2019	434925	17.40	724875	29.00
Sell on 07-02-2020	(83261)	(3.33)	641614	25.66
Buy on 13-02-2020	26133	1.05	667747	26.71
Buy on 21-02-2020	38247	1.53	705994	28.24

Buy on 06-03-2020	18881	0.76	724875	29.00
At the End of the year	724875	29.00	724875	29.00
MAHENDRABHAI GULABDAS PATEL (Executive Director)				
At the beginning of the year	148494	14.85	148494	14.85
Bonus Issue on 31-05-2019	222741	8.91	371235	14.85
At the End of the year	371235	14.85	371235	14.85
RAJASVEE SANDIPBHAI SHAH (Chief Financial Officer)				
At the beginning of the year	-	-	-	-
At the End of the year	-	-	-	-
PINAJ JAIN (Company Secretary)				
At the beginning of the year	-	-	-	-
At the End of the year	-	-	-	-
RAXESHBHAI CHANDRAVADAN SATIA (Executive Director)				
At the beginning of the year	-	-	-	-
At the End of the year	-	-	-	-
JAYESHKUMAR RASIKLAL SHAH (Executive Director)				
At the beginning of the year	-	-	-	-
At the End of the year	-	-	-	-
Manish Indravardhan Mehta* (Independent Director)				
At the beginning of the year	-	-	-	-
At the End of the year	-	-	-	-
VIRAJ SAMIRBHAI SHAH* *(Chief Financial Officer)				
At the beginning of the year	-	-	-	-
At the End of the year	-	-	-	-

*Appointed as Director w.e.f 06th March, 2020.

** Appointed as CFO w.e.f 13th November, 2019

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial	Nil	29,014,597	Nil	29,014,597

year` i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year • Addition • Reduction	Nil	- 2,012,971	Nil	- 2,012,971
Net Change		2,012,971		2,012,971
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	Nil	27,001,626	Nil	27,001,626
Total (i+ii+iii)	Nil	27,001,626	Nil	27,001,626

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN	Particulars of Remuneration	Name of MD/WTD/ Manager	
		Shweta S. Shah Managing Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961	0.00	0.00
	(b) Value of Perquisites under Section 17 (2) Income-Tax Act,1961	0.00	0.00
	(c) Profits in lieu of salary under Section 17 (3) Income-Tax Act, 1961	0.00	0.00
2	Stock Option	0.00	0.00
3	Sweat Equity	0.00	0.00
4	Commission - as % of profit - others specify	0.00	0.00
5	Others, please specify	0.00	0.00
	Total (A)	0.00	0.00

B. Remuneration to other directors:

SN	Particulars of Remuneration	Name of Directors			Total Amount
		Manish Mehta *(Director)	Munjal M. Patel (Director)	Jayesh R. Shah (Independent Director)	
1	Independent Directors				
	Fee for attending board / committee meetings	0.00	0.00	0.00	0.00
	Commission	0.00	0.00	0.00	0.00
	Others, please specify	0.00	0.00	0.00	0.00
	Total (1)	0.00	0.00	0.00	0.00
2	Other Non-Executive Directors				
	Fee for attending board / committee meetings	0.00	0.00	0.00	0.00
	Commission	0.00	0.00	0.00	0.00
	Others, please specify	0.00	0.00	0.00	0.00
	Total (2)	0.00	0.00	0.00	0.00
Total (B) = (1+2)		0.00	0.00	0.00	0.00

*Appointed During the Year.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		CEO	Ms. Pinaj Jain (Company Secretary)	Mrs. Rajasvee Shah (Chief financial officer)#	Ms. Viraj Samir Shah (Chief financial officer)##	
	Gross salary					
1	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961	0.00	12,000	0.00	0.00	1,44,000
	(b) Value of Perquisites under Section 17 (2) Income-Tax Act, 1961	0.00	0.00	0.00	0.00	0.00
	(c) Profits in lieu of salary under Section 17 (3) Income-Tax Act, 1961	0.00	0.00	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00	0.00
4	Commission - as % of profit - others specify	0.00	0.00	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00	0.00	0.00
	Total (A)	0.00	12,000	0.00	0.00	1,44,000

#Mrs. Rajasvee Sagar Shah resigns from the post of Chief Financial Officer W.e.f closing of working hour on 13th November, 2019.

##Ms. Viraj samir Shah was appointed as a Chief Financial Officer w.e.f 13th November, 2019.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal if any details)	made (give
Penalty	-	-	-	-	-	
Punishment	-	-	-	-	-	
Compounding	-	-	-	-	-	
C. Other Officers in Default						
Penalty	-	-	-	-	-	
Punishment	-	-	-	-	-	
Compounding	-	-	-	-	-	

ANNEXURE - "C"**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

In terms of the provisions of Regulation 34(2) (e) of the Listing Regulations, the Management's discussion and analysis are as follows.

INDUSTRY STRUCTURE AND DEVELOPMENT:

The financial year 2019-20 had been quite a challenging year for the Indian economy and particularly for the financial services sector. The continued liquidity crunch, uncertain and volatile credit environment and slow economic growth created headwinds. The COVID-19 pandemic and subsequent lockdowns have impacted the businesses and aggravated the prevailing sectoral challenges. NonBanking Financial Companies (NBFCs), today, are confronted with multiple challenges. The unprecedented business environment has put to test the resilience, prudence and adaptability of any business model. Having said that, the fiscal year has been full of learnings. The Company continues to closely observe the situation. The NBFC segment witnessed marginal growth during first half of 2019-20 but during the second half of the year, NBFCs were impacted on account of tight liquidity conditions, high cost of borrowing and volatility in the capital markets. The spread of the COVID-19 pandemic and the subsequent synchronized lockdown across global markets resulted in shrinking of the capital market lending business.

OPPORTUNITIES AND THREATS:

Your Company being an investment Company seeks opportunities in the capital market. The volatility in stock indices in the financial year under report represents both an opportunity and challenge for the Company. Capital market activities in which most of our activities depend on is also influenced by global events happening in the US, UK & China and hence there is an amount of uncertainty in the near term outlook of the market. However, strong and stable government at centre, the capital market prospect would significantly improve.

OUTLOOK AND FUTURE PROSPECTS

The Covid-19 crisis has disrupted global economy and created extraordinary challenges. The economic activity in India was down to a standstill owing to the nation-wide lockdown in India. The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On March 11, 2020, the COVID-19 outbreak was declared as a global pandemic by the World Health Organisation. On March 24, 2020 the Indian Government had announced a strict 21 day lockdown which kept on getting extended across the Country with gradual and modest relaxations. The Pandemic had a severe impact on the Capital market. The Company carries shares and securities in its books. The effect of mark to market losses thereon have been taken into account in the Statement of Profit and Loss for the year. The Company believes that it has taken into account the impact of known events arising out of COVID 19 pandemic in the preparation of financial results resulting out of fair valuation of these investments. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions During the lockdown LKP Finance migrated to 100% work from home scenario and all the business operations continue to run smoothly. The government and the RBI have introduced several liquidity and stimulus measures to support the NBFC industry however those are yet to show tangible results.

RISKS & CONCERNS

The very nature of the Company's business makes it subject to various kinds of risks. The Company encounters credit risk and operational risks in its daily business operations. Further the performance of the Company is dependent on the capital markets for its returns. Even though it is envisaged that Indian stock market will continue to do well, global concerns can result in sharp corrections.

HUMAN RESOURCES

The Company's relations with the employees continued to be cordial

SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

The Company operates in only single segment. Hence segment wise performance is **not applicable**.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUENCY

Your Company has an effective system of accounting and administrative controls supported by an internal audit system with proper and adequate system of internal check and controls to ensure safety and proper recording of all assets of the Company and their proper and authorized utilization. As part of the effort to evaluate the effectiveness of the internal control systems, your Company's internal audit department reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate. The internal audit department is manned by highly qualified and experienced personnel and reports directly to the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings. An Information Security Assurance Service is also provided by independent external professionals. Based on their recommendations, the Company has implemented a number of control measures both in operational and accounting related areas, apart from security related measures.

CAUTIONARY STATEMENT

Statement made in this report describing the Company's objectives, projection, estimates and expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting the Markets in which company operates; changes in the Government regulations; tax laws and other statutes and incidental factors.

RATIO SIGNIFICANT CHANGES

There is no significant change in the revenue of the company above 25% in comparison to the last year .

Registered Office

206, S.F. ashirwad Paras 1
Near Kanti Bharwad PMT
Opposite Andaz party Plot,
Makarba , Ahmedabad
Gujarat 380051

Place: Ahmedabad

Dated: _____

By order of Board of Directors

KAPASHI COMMERCIAL LIMITED

Shweta Samir Shah

Chairman & Managing Director

DIN: 03082967

ANNEXURE - "D"**DISCLOSURES REGARDING REMUNERATION REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

Company Have As On 31st March, 2020 Only One(1) Employee who is getting salary i.e. Company Secretary of The Company(Ms. Pinaj Jain)So Disclosures Regarding Remuneration Required Under Section 197(12) Of The Companies Act, 2013 Read With Rule 5(1) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014 Is Not Required To Be Mentioned.

Registered Office

206, S.F. ashirwad Paras 1
Near Kanti Bharwad PMT
Opposite Andaz party Plot,
Makarba , Ahmedabad
Gujarat 380051

Place: Ahmedabad
Dated: 05/09/2020

By order of Board of Directors
KAPASHI COMMERCIAL LIMITED

Sd/-
Shweta Samir Shah
Chairman & Managing Director
DIN: 03082967

INDEPENDENT AUDITORS' REPORT

To,
The Members of
Kapashi Commercial Limited
Ahmedabad

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of **KAPASHI COMMERCIAL LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss (including the Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statement.

Emphasis of Matter

Attention is drawn to note no 6 regarding accounting treatment of share warrants. On the basis of explanation received from management, the company has intention to hold share warrants which will be converted to the shares in compliance with terms mentioned in the share warrants.

Our opinion is not modified in respect of the above matters.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a

reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The comparative financial information of the Company for the year ended 31 March 2019 and the transition date opening balance sheet as at 1 April 2018 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statement prepared in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under Section 133 of the Act, audited by the predecessor auditor whose report for the year ended 31 March 2019 and 31 March 2018 dated 29 May 2019 and 21 May 2018 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the difference in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and 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 it appears from our examination of those books.
 - (c) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

- (e) On the basis of written representations received from the directors of the Company as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies(Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
- 1 The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - 2 The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - 3 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Ashit N Shah & Co
Chartered Accountants
FRN: 100624W

Ashit N. Shah
(Proprietor)
Membership No. 036857
UDIN: 20036857AAAABJ9677

Place of Signature: Ahmedabad
Date: 27th June, 2020

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f)] under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over financial reporting of Kapashi Commercial Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Ashit N Shah & Co
Chartered Accountants
FRN: 100624W**

**Place of Signature: Ahmedabad
Date: 27th June, 2020**

**Ashit Shah
(Proprietor)
Membership No: 036857
UDIN: 20036857AAAABJ9677**

ANNEXURE “B” TO INDEPENDENT AUDITOR’S REPORT

With reference to the “Annexure B” referred to in the Independent Auditor’s Report to the members of the Company on the Ind AS Financial statements for the year ended 31st March, 2020, we report the following:

(Referred to in paragraph 2 under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date.)

(i) In respect of its fixed assets:

(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) As explained to us, the fixed assets have been physically verified by the management during the year and there is 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) Based on our audit procedures and on the basis of information and explanations given to us by the management, the title deeds of immovable properties are held in the name of the Company.

(ii) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

(iii) During the year the Company has not given any loans secured or unsecured to the companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence Clause (iii) (a), (b) and (c) are not applicable to the Company.

(iv) Based on our audit procedures and on the basis of information and explanations given to us by the management, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security have been complied with.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit and hence the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014, with regard to the deposits accepted are not applicable to the Company. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the company.

(vi) The Company is not required to maintain cost records under sub-section (1) of section 148 of Companies Act, 2013. Therefore, the provisions of clause (vi) of paragraph 3 of the Order are not applicable to the Company.

(vii) In respect of statutory dues:

(a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Goods and Service tax, Duty of customs, Duty of excise, Value added tax and Cess as at 31st March, 2020, which have not been deposited with the appropriate authorities on account of any dispute.

- (viii) Based on our audit procedures and on the basis of information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of dues to the financial institution, banks, Government or debenture holders as at the balance sheet date.
- (ix) In our opinion and according to the information and explanation given to us, neither any moneys raised by Initial public offer/ further public offer (including debt instruments) nor any term loans has been availed by the company, hence purpose of question of proper utilization does not arise.
- (x) Based on the audit procedures performed and representation obtained from management we report that, no case of material fraud by the Company or on the Company by its officer or employee has been noticed or reported for the year under audit.
- (xi) Based on our audit procedures and on the basis of information and explanations given to us by the management, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company, therefore; the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) Based on our audit procedures and on the basis of information and explanations given to us by the management, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements , as required by the applicable accounting standards;
- (xiv) Based on our audit procedures and on the basis of information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the company.
- (xv) Based on our audit procedures and on the basis of information and explanations given to us by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore the provisions of section 192 of Companies act, 2013 are not applicable to the company
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Ashit N Shah & Co
Chartered Accountants
(Firm Reg No. -100624W)**

**Ashit Shah
(Proprietor)
Mem. No. 036857
UDIN: 20036857AAAABJ9677**

**Place: Ahmedabad
Date: 27.06.2020**

BALANCE SHEET AS AT 31ST MARCH, 2020

Sr No	Particulars	Note No.	(Amount in Rs)		
			As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	ASSETS				
1	Financial Assets				
a.	Cash and Cash Equivalentts	4	1,390,067	246,013	145,755
b.	Loans	5	42,767,195	79,638,853	47,824,421
c.	Investments	6	33,750,000	-	600,565
2	Non-Financial Assets				
a.	Current tax assets (Net)	7	669,590	62,852	1,422,101
b.	Deferred tax Assets (Net)		-	-	
c.	Other non -financial assets	8	5,408	-	
	Total Assets		78,582,260	79,947,718	49,992,842
	LIABILITIES AND EQUITY				
	LIABILITIES				
1	Financial Liabilities				
a.	Borrowings (Other than Debt Securities)	9	27,001,626	29,014,597	
b.	Other financial liabilities		-	-	
2	Non-Financial Liabilities				
a.	Current tax liabilities (Net)	10	340,000	-	
b.	Provisions	11	106,250	199,097	
c.	Other non-financial liabilities	12	1,092,353	1,709,188	89,302
3	EQUITY				
a.	Equity Share capital	13	25,000,000	10,000,000	10,000,000
b.	Other Equity	14	25,042,031	39,024,836	39,903,540
	Total Liabilities And Equity		78,582,260	79,947,718	49,992,842

For Ashit N Shah & Co.
Chartered Accountants
(FRN. 100624W)
Ashit Shah
(A.R. Pandit)
Proprietor
(M. No. 036857)

For and on behalf of the Board
KAPASHI COMMERCIAL LIMITED

Shweta Shah
Managing Director
DIN: 03082967

Munjal. Patel
Director
DIN: 02319308

Viraj Samir Shah
Chief Financial Officer

Pinaj Jain
Company Secretary

Place: Ahmedabad
Dated: 27.06.2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

				(Amount in Rs.)
Sr. No	Particulars	Note No.	For the period ended 31st March, 2020	For the period ended 31st March, 2019
	Revenue From Operations			
i.	Interest Income	15	6,695,883	5,429,043
(I)	Total Revenue from operations		6,695,883	5,429,043
(III)	Total Income (I+II)		6,695,883	5,429,043
	Expenses			
i.	Finance Costs	16	3,779,585	1,016,219
ii.	Employee Benefits Expenses	17	166,000	639,633
iii.	Others expenses	18	1,412,647	2,444,183
(IV)	Total Expenses (IV)		5,358,232	4,100,035
(V)	Profit / (loss) before exceptional items and tax (III - IV)		1,337,651	1,329,008
(VI)	Exceptional items		-	-
(VII)	Profit/(loss) before tax (V -VI)		1,337,651	1,329,008
(VIII)	Tax Expense			
	(i) Current Tax	19	340,000	455,000
	(ii) Deferred Tax	19	-	-
	(iii) (Excess)/Short provision for tax relating to prior years	19	(19,544)	1,752,712
(IX)	Profit / (loss) for the period from continuing operations(VI I -VIII)		1,017,195	(878,704)
(X)	Profit/(loss) for the period (IX+XII)		1,017,195	(878,704)
(XI)	Other Comprehensive Income			
	(A) (i) Items that will not be reclassified to profit or loss			
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	Subtotal (A)			
	(B) (i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	Subtotal (B)			
	Other Comprehensive Income (A + B)			
(XII)	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)		1,017,195	(878,704)
(XIII)	Earnings per equity share			
	Basic & Diluted	20	0.41	(0.88)

**For Ashit N Shah & Co.
Chartered Accountants
(FRN. 100624W)
Ashit Shah
(A.R. Pandit)
Proprietor
(M. No. 036857)**

**For and on behalf of the Board
KAPASHI COMMERCIAL LIMITED**

**Shweta Shah
Managing Director
DIN: 03082967**

**Munjal. Patel
Director
DIN: 02319308**

**Viraj Samir Shah
Chief Financial Officer**

**Pinaj Jain
Company Secretary**

**Place:Ahmedabad
Dated: 27.06.2020**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020
(PURSUANT TO AMMENDMENT TO CLAUSE 32 OF THE LISTING AGREEMENT)**

		(Amount in Rs)	
	Particulars	2019-20	2018-19
A	CASH FLOW FROM OPERATING ACTIVITES		
	Net Profit Before Tax	1,337,651	1,329,008
	Adjustments for :		
	Provision for dimunition in value of investments, credited to the statement of Profit & Loss Account	-	-
	Finance cost	3,779,585	1,016,219
	Profit & Loss on sale of Investment	-	204,748
	Operating profit before working capital changes	5,117,236	2,549,975
	Movments in working Capital		
	Decrease/increase in other financial assets		
	Other Non Financial Assets	(5,408)	-
	Other Non Financial Liabilities	(616,835)	1,619,886
	Other Financial Liabilities		
	Provision of Standard assets	(92,847)	199,097
	Direct Tax Paid (Net of Refunds)	82,396	(848,463)
	Net Cash used in Operating Activities	4,484,542	3,520,495
B	CASH FLOW FROM INVESTING ACTIVITES		
	Proceeds from sale of Investment	-	395,817
	Purchase of Fixed Asset		
	Purchase of Investments	(33,750,000)	-
	Net Cash from Investing Activities	(33,750,000)	395,817
C	CASH FLOW FROM FINANCING ACTIVITES		
	Proceeds/ Payment from unsecured loans	(2,012,971)	29,014,597
	Proceeds/ Payment from unsecured loans	36,871,658	(31,814,432)
	Finance Cost	(3,779,585)	(1,016,219)
	Net Cash from Financing Activities	31,079,102	(3,816,054)
	Net Increase / (Decrease) in Cash And Cash Equivalents (A + B + C)	1,813,644	100,258
	Cash And Cash Equivalents - Opening Balance	246,013	145,755
	Cash And Cash Equivalents - Closing Balance	2,059,657	246,013

Notes :

- (i) Cash and cash equivalents represents cash and bank balances as per Balance Sheet, intercorporate deposits placed for three months or lower tenure.
- (ii) Previous year's figures have been regrouped, wherever necessary.

**For Ashit N Shah & Co.
Chartered Accountants
(FRN. 100624W)
Ashit Shah
(A.R. Pandit)
Proprietor
(M. No. 036857)**

**For and on behalf of the Board
KAPASHI COMMERCIAL LIMITED**

**Shweta Shah
Managing Director
DIN: 03082967**

**Munjal. Patel
Director
DIN: 02319308**

**Viraj Samir Shah
Chief Financial Officer**

**Pinaj Jain
Company Secretary**

**Place: Ahmedabad
Dated: 27.06.2020**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A Equity Share Capital

Particulars	(Amount in Rupees) As at		
	March 31, 2020	March 31, 2019	As at 1st April, 2018
Balance at the beginning of the reporting period	10,000,000	10,000,000	10,000,000
Changes during the year	15,000,000	-	-
Balance at the reporting period	25,000,000	10,000,000	10,000,000

B Other Equity

Particulars	Reserves and Surplus			Other Comprehensive Income	(Amount in Rupees)
	General Reserve	Retained Earnings	Reserve fund u/s 45-IC (1) Of Reserve Bank Of India Act, 1934		Total
Balance as at April 01, 2019	75,589,291	(59,087,244)	22,522,789	-	39,024,836
Profit for the period	-	1,017,195			1,017,195
Transfer from Retained Earnings	-	(203,439)	203,439	-	-
Items of the OCI for the year, net of tax	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	-	-	-
Transfer to Equity Share capital	(15,000,000)	-	-	-	(15,000,000)
Balance as at March 31, 2020	60,589,291	(58,273,488)	22,726,228	-	25,042,031
Balance as at April 01, 2018	75,589,291	(58,208,540)	22,522,789	-	39,903,540
Profit for the period	-	(878,704)	-	-	(878,704)
Transfer from Retained Earnings					
Items of the OCI for the year, net of tax	-	-	-	-	-
Remeasurement benefit of defined	-	-	-	-	-

benefit plans					
Balance as at March 31, 2019	75,589,291	(59,087,244)	22,522,789	-	39,024,836

As required by section 45-IC of the RBI Act 1934, the company maintains a reserve fund and transfers there in a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of Reserve fund maintained under section 45-IC of RBI Act,1984.

For Ashit N Shah & Co.
Chartered Accountants
(FRN. 100624W)
Ashit Shah
(A.R. Pandit)
Proprietor
(M. No. 036857)

For and on behalf of the Board
KAPASHI COMMERCIAL LIMITED

Shweta Shah
Managing Director
DIN: 03082967

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Pinaj Jain
Company Secretary

Place:Ahmedabad
Dated: 27.06.2020

4 Cash and Bank Balance

(Amount in Rs.)			
Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Cash on Hand	5,702	5,702	31,002
Balances with Banks	1,384,365	240,311	114,753
Total	1,390,067	246,013	145,755

5 Loans

(Amount in Rs.)			
Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Amortised cost Total	Amortised cost Total	
Loans			
(A) (i) Loans repayable on demand	42,767,195	79,638,853	47,824,421
Total (A) - Gross	42,767,195	79,638,853	47,824,421
Less: Impairment Loss Allowance	-	-	-
Total (A) - Net	42,767,195	79,638,853	47,824,421

6 Investments

Particulars	Face Value	As at 31st March, 2020				As at 31st March, 2019				As at 31st March, 2018			
		No of Shares	Others (At Cost)	Fair Value through Profit Or Loss	Total	No of Shares	Others (At Cost)	Fair Value through Profit Or Loss	Total	No of Shares	Others (At Cost)	Fair Value through Profit Or Loss	Total
Equity instruments			-									600,565	600,565
Fairchem Chemicals										11	-	600,565	600,565
Asian Granito India Share Warrant	-	750,000	33,750,000	-	33,750,000.00								

ts (Unquoted)*													
Total (A)	-	-			-	-			-	-			600,565
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	-	-			33,750,000.00	-			-	-			600,565
Total (B)	-	-			33,750,000.00	-			-	-			600,565
Less: Allowance for Impairment loss (C)	-	-			-	-			-	-			-
TOTAL NET (A-C)					33,750,000.00				-				600,565

* The company has received 7,50,000 fully convertible warrants of Rs. 10/- at Rs. 170/- per share. The tenure of warrants shall not exceed 18 months from the date of allotment of the warrants. The company is entitled to exercise option to convert warrants in one or more tranches of one equity share of face value of Rs. 10 each at a premium of Rs. 170 per share within 18 months. Balance amount payable on warrants within 18 months from the date of allotment is Rs. 135 (75%). If company do not apply for conversion of outstanding warrants into equity shares within 18 months from the date of allotment then the amount paid on each of said outstanding warrants shall be forfeited and all rights attached to the said warrants shall lapse automatically. As per the management's future plans, company will opt to pay the balance amount in future. As per the management's future plans, company will opt to pay the balance amount in future. Further company has intention to hold and treat these warrants as investments.

7 Current tax assets (Net)

Particulars	(Amount in Rs.)		
	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Advance Income tax (Net of Provision)	669,590	62,852	1,422,101
Total	669,590	62,852	1,422,101

8 Other Non Financial Assets

Particulars	(Amount in Rs.)		
	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018

Prepaid Expenses	5,408	-	-
Balance with Government Authorities	-		
Total	5,408	-	-

9 Borrowings (Other than Debt Securities)

(Amount in Rs.)			
Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	At Amortised Cost	At Amortised Cost	
Loan Repayable on Demand	27,001,626	29,014,597	
Total	27,001,626	29,014,597	
Borrowings in India	27,001,626	29,014,597	
Borrowings outside India	-	-	
Total	27,001,626	29,014,597	

10 Current tax liabilities (Net)

(Amount in Rs.)			
Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Income Tax Provision (Net of Advance Tax)	340,000	-	-
Total	340,000	-	-

11 Provisions

(Amount in Rs.)			
Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Contingent provision against Standard Asset	106,250	199,097	
Total	106,250	199,097	

12 Other Non- Financial Liabilities

(Amount in Rs.)			
Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Statutory liabilities	387,958	121,442	14,221
Salary & Wages	590,595	590,595	-
Creditors for expense	113,800	997,151	75,081
Total	1,092,353	1,709,188	89,302

13 Share Capital

(Amount in Rs.)			
Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
AUTHORIZED SHARE CAPITAL			
25,00,000 Equity Shares of Rs.10/-	-		

each			
(Previous Year 10,00,000 Equity Shares of Rs.10/-each)	25,000,000	10,000,000	10,000,000
Total	25,000,000	10,000,000	10,000,000
<u>ISSUED, SUBSCRIBED & FULLY PAID UP CAPITAL</u>	-		
25,00,000 Equity Shares of Rs.10/- each fully paid up	25,000,000	10,000,000	10,000,000
(Previous Year 10,00,000 Equity Shares of Rs.10/-each fully paid up)			
Total	25,000,000	10,000,000	10,000,000

13.10 The reconciliation of the number of Equity Shares outstanding as at 31st March 2020 is set out below :

Particulars	As at 31st March, 2020	
	No. of shares	Amount in Rs.
Shares outstanding at the beginning of the year	1,000,000	10,000,000
Add: Shares issued during the year	1,500,000	-
Shares outstanding at the end of the year	2,500,000	10,000,000

13.20 Rights, preferences and restrictions attached to Equity Shares :

The company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding .

13.30 The details of shareholders holding more than 5% shares are set out below :

Name of the shareholders	As at 31st March, 2020	
	No. of Shares	% of holding
Munjali Mahendrabhai Patel	742,505	29.70
Shweta Samirbhai Shah	724,875	28.99
Mahendrabhai Gulabdas Patel	371,235	14.85
Indravadan Mehta	162,500	6.50
Mitesh Jagdish Parikh (HUF)	150,000	6.00

14 Other Equity:

Particulars	(Amount in Rs.)	
	As at 31st March, 2020	As at 31st March, 2019
Other Reserves		
<u>Retained Earnings</u>		
Balance as per last Financial	(59,087,244)	(58,208,540)
		(58,457,707)

year						
Add : Profit for the year	1,017,195		(878,704)		1,561,459	
Other Comprehensive Income	-		-		-	
<u>Adjustments as per Ind AS</u>						
Fair Valuation of Investments	-		-		-	
DTA created as per Fair Valuation of Investments						
Restatement of Subsidiary Value as per Ind AS						
Impairment in value of associate						
DTA created on impairment						
Less : Appropriations						
Transfer to Statutory Reserve maintained under section 45-IC of RBI Act, 1934	(203,439)		-		(312,292)	
		(58,273,488)		(59,087,244)		(58,0208,540)
Other comprehensive Income						
(a) Remeasurements of Defined Benefit Plans						
Balance as per last Financial year						
Adjustments during the year						
DTA created as per Defined Benefit Plans						
Transferred to Retained Earnings						
Statutory						

Reserve						
Maintained under section 45-IC of RBI Act, 1934						
Balance as per last Financial year	22,522,789		22,522,789		22,210,497	
Add: Transfer during the year	203,439		-		312,292	
		22,726,228		22,522,789		22,522,789
General Reserve						
Balance as per last Financial year	75,589,291		75,589,291		75,589,291	
Add: Transfer during the year			-		-	
Less : Transfer to Equity Share capital)	(15,000,000	60,589,291	-	75,589,291	-	75,589,291
Total		25,042,031		39,024,836		39,903,540

15 Interest Income

Particulars	(Amount in Rs.)	
	For the period ended 31st March, 2020	For the period ended 31st March, 2019
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Amortised Cost
Interest income	6,695,883	5,429,043
Total	6,695,883	5,429,043

16 Finance Costs

Particulars	As at 31st March, 2020	As at 31st March, 2019
	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at Amortised Cost
Interest expense	3,779,585	1,016,219
Total	3,779,585	1,016,219

17 Employee Benefits Expenses

Particulars	(Amount in Rs.)	
	For the period ended 31st March, 2020	For the period ended 31st March, 2019
Salaries and wages	166,000	632,595
Staff welfare expenses	-	7,038
Total	166,000	639,633

18 Other Expenses

Particulars	(Amount in Rs.)	
	For the period ended 31st March, 2020	For the period ended 31st March, 2019
Legal and Professional charges	1,173,515	704,255
Rent	-	356,000
Rate & Taxes	23,234	81,999
Advertisements expenses	121,218	101,969
Audit fees	100,000	100,000
Loss on sale of Investment	-	204,748
Travelling & Conveyance Expense	-	183,394
Communication expense	678	65,037
Administrative and office expense	12,013	339,741
Contingent provision against standard assets	(92,847)	199,097
General Expense	63,480	102,201
Interest on delay in TDS	5,023	-
Penalty	4,720	-
Bank Charges	1,613	5,742
Total	1,412,647	2,444,183

18.10 Payment to Auditor as:

Particulars	For the period ended 31st March, 2020	For the period ended 31st March, 2019
Statutory Audit Fees	100,000	100,000
Total	100,000	100,000

19 Tax Expenses

Particulars	(Amount in Rs.)	
	As at 31st March, 2020	As at 31st March, 2019
Current Tax	340,000	455,000
(Excess)/Short provision for tax relating to prior years	(19,544)	1,752,712
	320,456	2,207,712

Deffered Tax	-	-
Total	320,456	2,207,712

20 Earnings Per Share

Particulars		Year ended 31st March 2020 Rs.	Year ended 31st March 2019 Rs.
Profit attributable to the Equity Shareholders (Rs.)	A	1,017,195	(878,704)
Basic / Weighted average number of Equity Shares outstanding during the period	B	2,500,000	1,000,000
Basic/Diluted Earnings per Share	A/B	0.41	(0.88)

21 Related Party Disclosures

List of Related party

S.N.	Name	Relationship
	Key Managerial Personnel:-	
1	Mahendrabhai G Patel	Key Managerial Personnel
2	Munjali M Patel	Key Managerial Personnel
3	Shweta S Shah	Key Managerial Personnel
4	Raxesh C Satia Upto 6 th February, 2020	Key Managerial Personnel
5	Jayeshkumar R Shah	Key Managerial Personnel

21.2 All transactions during the year with related parties are at arm's length and unsecured. No amount has been recognised as bad or doubtful in respect of transactions with the related parties.

22 Segment Reporting

The main business of company is financing activity, hence there are no separate reportable segments as per Ind AS 108 on "Operating Segments".

23 Financial Risk Management Objectives and Policies

Risk Exposure

The Company's business activities expose it to only one type of financial risk and that is market risk. Market risk is the risk or uncertainty arising from possible market price movements and their impact on the present/future performance of a business. The market risks include price risk, currency risk and interest rate risk. The primary price risk for the company is equity securities price risk i.e. price risk of various investments that could adversely affect the value of the Company's financial assets or expected future cash flows.

The Company's exposure to equity securities price risk arises from investments held by the Company which are classified in the balance sheet as fair value through profit and loss (FVTPL).

Risk Management Policy

The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence

to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Management of the Company are governed by appropriate policies and procedures and that financial risk is identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to protect the Company's financial results and position from financial risks, maintain market risks within the acceptable parameters while optimizing returns and protect the Company's financial investments while maximizing returns.

Sensitivity

The table below summarises the impact of increases/decreases of the equity security prices on the Company's profit or loss for the period.

Particulars	Impact on Statement of Profit and Loss		
	As at	As at	As at
	31st March, 2020	31st March, 2019	1st April, 2018
Equity Security Price - increase 5%	-	-	30,028
Equity Security Price - decrease 5%	-	-	-30,028

24 Cashflow statement

Cash flows are reported using indirect method whereby profit for the period is adjusted for the effects of the transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts and payments and items of income or expenses associated with investing and financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

25 Event after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

26 Capital management

The company defines capital as total equity including issued equity capital and all other equity reserves. The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities and comprising debt instruments and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio on balance sheet date was as follows

Particulars	As at	As at	As at
	31st March, 2020	31st March, 2019	1st April, 2018
Total liabilities comprising debt instruments and borrowings	27,001,626	29,014,597	-
Less : Cash and bank balances	1,390,067	246,013	145,755
Adjusted net debt			

	25,611,559	28,768,584	-
Total equity	50,042,031	49,024,836	49,903,540
Adjusted net debt to adjusted equity ratio	51%	59%	0%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

27 Financial Instruments :

The Company uses the following hierarchy for determining the fair value of financial instruments by valuation technique :

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Assets :

Particulars	Note	Instruments carried at			Total carrying amount
		At Cost	Fair Value FVTPL	Amortised Cost	
As at 01.04.2018					
Investments	6	-	600,565	-	600,565
Cash and Cash Equivalents				145,755	145,755
Other Financial Assets				-	-
Total		-	600,565	145,755	746,320
As at 31.03.2019					
Investments	6				
Cash and Cash Equivalents				246,013	246,013
Other Financial Assets				-	-
Total		-	-	246,013	246,013
As at 31.03.2020					
Investments	6	-	-	33,750,000	33,750,000
Cash and Cash Equivalents				1,390,067	1,390,067
Other Financial Assets					
Total				35,140,067	35,140,067

Fair value of financial assets and liabilities measured at amortised cost is not materially different from Fair Value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020**

28 First Time Adoption of Ind AS As stated in Significant Accounting Policies these are the first Financial Statements prepared in accordance with Ind AS. For the year ended 31st March, 2019 the Company had prepared its Financial Statements in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Act. The accounting policies set out in Significant Accounting Policies have been applied in preparing these Financial Statements for the year ended 31st March, 2020 including the comparative information for the year ended 31st March, 2019 and the opening Ind AS Balance Sheet on the date of transition i.e 1st April, 2018. In preparing its Ind AS Balance Sheet as at 1st April, 2018 and in presenting the comparative information for the year ended 31st March, 2019, the Company has adjusted amounts reported previously in Financial Statements prepared in accordance with IGAAP. This note explains the principal adjustments made by the Company in restating its Financial Statements prepared in accordance with IGAAP and how the transition from IGAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

29 Transition to Ind AS

These financial statements of the Company for the year ended March 31, 2020 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 First-Time Adoption of Indian Accounting Standards with April 01, 2018 as the transition date and Indian GAAP as the IGAAP.

The transition to Ind AS has resulted in changes in presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 3 have been applied in preparing the standalone financial statements for the year ended March 31, 2020 and the comparative information.

29.1 First time adoption of Ind AS

An explanation of how transition from IGAAP to Ind AS has affected the company's financial position, financial performance and cash flows are set hereunder:

Exception to the retrospective application of other Ind AS

I Estimates

Company's estimates in accordance with Ind AS as at the date of transition to Ind AS (April 01, 2018) are consistent with the estimates made for the same date as per IGAAP.

II Classification of financial assets

Under previous GAAP, investment in long term investments were carried at cost. Under Ind AS, the Company has opted to Fair Value these Investments Through Profit & Loss (FVTPL). Accordingly, resulting fair value change of these Investments have been recognised in retained earnings as at the date of transition and subsequently in the Profit & Loss account for the year ended 31st March, 2019.

29.2 Reconciliation between IGAAP and Ind AS

An explanation of how transition from IGAAP to Ind AS has affected the company's financial position, financial performance and cash flows are set hereunder:

29.2.1 Reconciliation of Equity as previously reported under IGAAP to Ind AS

Particulars	Amount in Rupees)	
	As at March 31, 2019	As at April 01, 2018
Equity as per IGAAP	49,024,836.12	49,903,539.99
Effect of measuring investment at fair value through profit and loss (gross)	-	-
Deferred tax adjustment on fair valuation	-	-

		-
Equity as per Ind AS	49,024,836.12	49,903,539.99

29.2.2 Reconciliation of Total Comprehensive Income for the year ended March 31, 2019

		(Amount in Rupees)
Particulars		For Year ended March 31, 2019
Net Profit after tax as per IGAAP		(878,703.85)
Effect of measuring investment at fair value through profit and loss (gross)		-
Deferred tax adjustment on fair valuation		-
Reclassification of Actuarial (Gain)/Loss on employee defined benefit plan recognized to OCI (Net of Deferred Tax)		-
Net Profit after tax as per Ind AS		(878,703.85)
Less : Other comprehensive income (Net of tax)		-
Total Comprehensive Income		(878,703.85)

29.2.3 Reconciliation of Total Comprehensive Income for the year ended March 31, 2019

There are no material adjustments to the statement of cash flows as reported under IGAAP

29.2.4 Notes to Reconciliations

a) Recognition of fair value gain on investments

Under Ind AS, investments are valued at fair value whereas in case of IGAAP, long term investments were valued at cost and current investments were valued at lower of cost or fair value.

b) Deferred Tax

Under Ind AS, deferred tax is recognised on temporary differences whereas in case of IGAAP, deferred tax was recognised on timing difference. Accordingly, deferred tax on temporary differences on provision on standard assets and fair value gain on investments is recognised.

c) Recognition of Actuarial Gain / Loss

Actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.

Effect of Ind AS adoption on the Balance sheet as at 31.03.2019

Sr No	Particulars	As at 31.03.2019 as per IGAAP	Adjustments	As at 31.03.2019 as per Ind AS
	ASSETS			
1	Non- current Assets			
	Property, Plant and Equipment	-	-	-
	Financial Assets			-
	(i) Investments	-	-	-

	Other non-current assets	62,852	-	62,852
	Deferred Tax Asset (Net)	-	-	-
2	Current assets			-
	Inventories	-		-
	Financial Assets			-
	(iii) Cash and cash equivalents	246,013	-	246,013
	(v) Loans	79,638,853	-	79,638,853
	Other current assets			
	Other non -financial assets			
	Total Assets	79,947,718	-	79,947,718
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share capital	10,000,000	-	10,000,000
	(b) Other Equity	39,024,836	-	39,024,836
	LIABILITIES			-
	Non-current liabilities			-
1	Financial Liabilities			-
	(i) Borrowings	29,014,597	-	29,014,597
	Provisions	199,097	-	199,097
	Other non-current liabilities			-
	Current liabilities			-
2	Financial Liabilities			-
	(i) Trade payables	-	-	-
	(ii) Other financial liabilities	1,709,188	-	1,709,188
	Other current liabilities	-	-	-
	Provisions	-	-	-
	Total Equity and Liabilities	79,947,718	-	79,947,718

For Ashit N Shah & Co.
Chartered Accountants
(FRN. 100624W)
Ashit Shah
(A.R. Pandit)
Proprietor
(M. No. 036857)

For and on behalf of the Board
KAPASHI COMMERCIAL LIMITED

Shweta Shah
Managing Director
DIN: 03082967

Munjal. Patel
Director
DIN: 02319308

Viraj Samir Shah
Chief Financial Officer

Pinaj Jain
Company Secretary

Place: Ahmedabad
Dated: 27.06.2020

Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2019

				(Amount in Rs.)
Sr. No	Particulars	Year Ended 31st March, 2019 as per IGAAP	Adjustments	Year Ended 31st March, 2019 as per IND AS
I	Revenue from Operations	5,429,043	-	5,429,043
II	Other Income	-	-	-
III	Total Income (I +II)	5,429,043	-	5,429,043
IV	<u>Expenses:</u>			
	Employee Benefits Expense	639,633	-	639,633
	Finance Costs	1,016,219	-	1,016,219
	Depreciation and Amortization Expense			
	Impairment on financial instruments			
	Other Expenses	2,444,183	-	2,444,183
	Total Expenses (IV)	4,100,035		4,100,035
V	Profit before tax (III- IV)	1,329,008		1,329,008
VI	<u>Tax expense :</u>			
	(1) Current Tax	455,000		455,000
	(2) Deferred Tax	-		-
	(3) (Excess)/Short provision for tax relating to prior years	1,752,712		1,752,712
VII	Profit for the period (V -VI)	(878,704)		(878,704)
VIII	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	B (i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
IX	Total Comprehensive Income for the period (VII + VIII) (Comprising Profit and Other Comprehensive Income for the period)	(878,704)		(878,704)
X	Earnings per equity share (Face Value of Rs.10 /- each)			
	Basic & Diluted	(0.88)		(0.88)

For Ashit N Shah & Co.
Chartered Accountants
(FRN. 100624W)
Ashit Shah
(A.R. Pandit)
Proprietor

For and on behalf of the Board
KAPASHI COMMERCIAL LIMITED

Shweta Shah
Managing Director

Munjal. Patel
Director

(M. No. 036857)

DIN: 03082967

DIN: 02319308

Viraj Samir Shah
Chief Financial Officer

Pinaj Jain
Company Secretary

Place: Ahmedabad
Dated: 27.06.2020