

22nd Annual Report
2003-2004

KABRA
COMMERCIAL
LIMITED



V. K. K. K.

Director

KABRA COMMERCIAL LIMITED

2003-2004

DIRECTORS

MR. RAMAWTAR KABRA
MR. RAJESH KUMAR KABRA
MR. VINOD KUMAR KOTHARI
MR. OM PRAKASH KAKANI
MRS. RADHIKA KABRA
MR. CHANDRA PRAKASH KABRA
MR. JAGDISH PRASAD KABRA
MR. VIJAY KUMAR PARWAL

BANKERS

CANARA BANK
HDFC BANK
ABN AMRO BANK

AUDITORS

M/S. S. C. SONI & CO.
9, INDIA EXCHANGE PLACE
KOLKATA - 700 001

REGISTERED OFFICE

2, BRABOURNE ROAD
KOLKATA - 700 001

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For KABRA COMMERCIAL LTD,

N. Kabra

Director

KABRA COMMERCIAL LIMITED

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the Shareholders of KABRA COMMERCIAL LIMITED will be held at the Registered Office of the Company at 2, Brabourne Road, Kolkata-700 001 on Thursday the 30th September, 2004 at 11.30 A.M. for the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 and the Profit & Loss Account for the year ended 31st March, 2004 and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri Ramawtar Kabra, who retires by rotation but being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri O. P. Kakani, who retires by rotation but being eligible offer himself for re-appointment.
4. To appoint a Director in place of Sri Rajesh Kumar Kabra, who retires by rotation but being eligible offer himself for re-appointment.
5. To appoint auditors to hold office from the conclusion of Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Registered Office
2, Brabourne Road,
Kolkata-700 001
Date : 30th June, 2004

BY ORDER OF THE BOARD

R. A. KABRA
Director

NOTES :

- I. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his place. The proxy need not be a member of the Company. Proxies to be valid must be deposited at the Registered Office of the Company atleast 48 hours earlier of the time fixed for Annual General Meeting.
- II. The Register of Members and the Share Transfer Book of the Company shall remain closed from 16th September, 2004 to 30th September, 2004 (both days inclusive).

V. K. Grewal
Director

KABRA COMMERCIAL LIMITED

DIRECTORS REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in submitting the Twenty Second Annual Report and the Audited Account of the Company for the year ended 31st March, 2004.

FINANCIAL RESULTS

	2004	2003
	Rupees	Rupees
Profit Before Taxation	7726000	2988532
Less : PROVISION FOR TAXATION		
Current tax	1740000	1140000
Deferred tax	166966	2160
PROFIT AFTER TAXATION	5819034	1846372
Add : I.T. Adjustment for earlier year	—	796
	5819034	1847168
Less : Transfer to Statutory Reserve	1164000	370000
	4655034	1477168
Add : Surplus as per last Account	8973749	7496581
SURPLUS CARRIED TO BALANCE SHEET	13628783	8973749
Basic & Diluted Earnings per share	1.98p.	0.63p.

In view of smallness of profit no dividend is proposed.

DIRECTORS :

Sri Ramawtar Kabra, Sri Om Prakash Kakani and Sri Rajesh Kumar Kabra, the Directors of the Company retires from the Board by rotation and, being eligible, offers himself for re-election.

The necessary particulars as required under clause 49 (vi) (a) of the Listing Agreement of Stock Exchange are given in Annexure attached herewith.

PERSONAL :

None of the employees who fall within the purview of Section 217 (2A) of the Companies Act.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GOING :

Your Company is engaged in trading in Coal & Coke Business and not engaged in any manufacturing activity and as such has not particulars to disclose under the Companies (Discloser of Particulars in the Report of Board of Directors) Rules 1988, as regards conservations of energy or technology absorption. Further, during the year under review, there were no foreign exchange earnings. Foreign Exchange out go is Rs. 132308149 /-.

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For KABRA COMMERCIAL LTD.

V. K. Soni
Director

KABRA COMMERCIAL LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT :

As required under Section 217 (2AA) which was introduced by the Companies (Amendment) Act, 2000 your Directors confirm that :

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The Directors had selected such accounting policies and applied them consistently and made judgements 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 on 31st March, 2004 and of the profit of the Company for the year ended 31st March, 2004.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts on a going concern basis.

AUDITORS :

M/s. S. C. Soni & Co., Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Registered Office
2, Brabourne Road,
Kolkata-700 001
Date : 30th June, 2004

BY ORDER OF THE BOARD

RAJESH KUMAR KABRA
Chairman

ANNEXURE

Shri Ramawtar Kabra : aged about 53 years is a dynamic leader of repute having wide experience in Coal Industry. He is a B.com graduate and is also Director in following Companies :

Kabra Steel Products Ltd.
Coalsale Company Ltd.

Shri Rajesh Kumar Kabra : aged about 34 years is a dynamic leader of repute under whose astute leadership the Company has progressed well. He is a B.com graduate and is also a Director in the following Companies :

Kabra Marble Udyog Ltd.
Coalsale Company Ltd.
Kabra Steel Products Ltd.

Shri Om Prakash Kakanl : aged about 49 years is having wide experience in Coal Industry and is involved with the affairs of the Company since inception as one of the promoters of the Company. He is a B.com graduate and also a Director in Coalsale Company Ltd.

[Signature]
Director

KABRA COMMERCIAL LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of **KABRA COMMERCIAL LTD.** as at 31st March, 2004 and also the annexed Profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Subject to our comments in the annexure referred to in paragraph (1) above :
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - (ii) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of these books ;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts ;
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Act ;
 - (v) Based on representations made by the Directors of the Company and the information and explanations as made available, directors of the Company do not prima facie have any disqualification as referred to in clause(g) of sub-section(1) to Section 274 of the Act.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the annexed accounts subject to and read together with the "Observation" thereon and the "NOTES" as per Schedule 8 annexed thereto give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2004 and
 - (b) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.
 - (c) In the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

For S. C. SONI & CO.
Chartered Accountants

Kolkata
30th June, 2004

VIVEK SONI
Partner.

V. Chawla
Director

KABRA COMMERCIAL LIMITED

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph (1) of our report of even date on the Statement of accounts of Kabra Commercial Ltd. as at and for the year ended on that date)

1. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed Assets. All Fixed Assets have not been physically verified by the management during the year, but 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.

There was no disposal of fixed assets during the year.

2. The management has conducted physical verification of inventory at reasonable intervals. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. As informed to us, the Company has neither granted nor taken any loans, secured or unsecured to/from the firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of good. During the course of our audit, no major weakness has been noticed in the internal controls.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 have been so entered. In respect of transactions with parties with whom transactions exceeding value of Rupees five lakhs have been entered into during the financial year, we are unable to make any comment owing to the unique and specialized nature of the items involved and in absence of any comparable prices, whether the transactions are made at prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountant appointed by the management have been commensurate with the size of the Company and the nature of its business.
8. Maintenance of Cost records has not been prescribed by the Central Government under Clause (d) of Sub-Section(1) of Section 209 of the Companies Act, 1956 for any of the product or service of the Company.
9. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Custom duty, Excise Duty, cess and other statutory dues applicable to it with the appropriate authorities. As per records of the Company there is no undisputed amounts payable in respect of income tax, sales tax, customs duty and excise duty were outstanding at the year end for a period of more than six months from the date they became payable.

V. Talwar
Director

KABRA COMMERCIAL LIMITED

According to the records of the Company, there are no dues outstanding of sales tax, income tax, customs duty, wealth tax, and cess on account of any dispute.

10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution and bank. The Company does not have any borrowings by way of debentures.
12. Based on our examination of documents and records, we are of the opinion that the company has not granted any loan on the basis of security by way of pledge of shares, debentures, and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / society.
14. In respect of dealing in securities and other investments, in our opinion and according to the information and explanation given to us, proper records have been maintained of the transactions and contracts and timely entries have been made in records. Investments are held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by its subsidiaries and associates from banks or financial institutions.
16. The Company did not have any term loans outstanding during the year.
17. We have been informed by the management that the funds raised on short term basis have not been used for long-term investment and vice-versa, though surplus funds which were not required for immediate utilization have been gainfully invested in liquid investments payable on demand.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedure performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S. C. SONI & CO.
Chartered Accountants

Kolkata
30th June, 2004

VIVEK SONI
Partner.

Vivek Soni

Director

KABRA COMMERCIAL LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2004

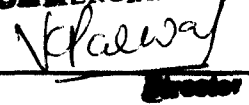
SOURCES OF FUNDS :	Schedule	2004		2003	
		Rupees	Rupees	Rupees	Rupees
SHAREHOLDER'S FUND					
Share Capital	1	29400000		29400000	
Reserve & Surplus	2	<u>16558081</u>	45958081	<u>10739047</u>	40139047
LOAN FUNDS					
Secured Loans	3	30988588		9602563	
Unsecured Loans		<u>—</u>	30988588	<u>18700</u>	9621263
Deferred Tax Liability			<u>28108</u>		<u>—</u>
			<u>76974777</u>		<u>49760310</u>
APPLICATION OF FUNDS :					
FIXED ASSETS	4				
Gross Block		4072273		2866315	
Less : Depreciation		<u>1976524</u>		<u>1886534</u>	
Net Block			2095749		979781
INVESTMENTS	5		13180969		20657271
CURRENT ASSETS LOANS & ADVANCES	6				
Inventories		<u>—</u>		23561877	
Sundry Debtors		40389922		57988560	
Cash & Bank Balances		49874206		68056749	
Other Current Assets		3142508		1294567	
Loans and Advances		<u>6131663</u>		<u>8174700</u>	
		<u>99538299</u>		<u>159076453</u>	
Less : CURRENT LIABILITIES & PROVISIONS	7				
Current Liabilities		34735024		129750297	
Provisions		<u>3113000</u>		<u>1373000</u>	
		<u>37848024</u>		<u>131123297</u>	
Net Current Assets			61690275		27953156
Deferred Tax Assets			<u>—</u>		138858
MISCELLANEOUS EXPENDITURE :					
(To the extent not written off and / or adjusted)					
Preliminary Expenses			<u>7784</u>		<u>31244</u>
			<u>76974777</u>		<u>49760310</u>
NOTES :	8				

As per our report attached

For S. C. SONI & CO.
Chartered Accountants
VIVEK SONI
Partner

R. A. KABRA
R. K. KABRA
C. P. KABRA
Directors

Kolkata
30th June, 2004


KABRA COMMERCIAL LIMITED**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004**

		2004	2003
	Schedule	Rupees	Rupees
INCOME :			
Sales		162142005	140472842
Handling, Supervision and Service Charges (Net)		1448641	2391166
(TDS Rs. 91,064/-), P.Y.Rs. 49041/-)			
Other Income	9	8345122	4002881
Closing Stock		—	23561877
		<u>171935768</u>	<u>170428766</u>
EXPENDITURE :			
Opening Stock		23561877	—
Purchases		130909880	160004528
Expenses	10	9648021	7336946
Depreciation		89990	98760
		<u>164209768</u>	<u>167440234</u>
PROFIT BEFORE TAXATION		7726000	2988532
Less : PROVISION FOR TAXATION			
Current tax		1740000	1140000
Deferred tax		166966	2160
PROFIT AFTER TAXATION		5819034	1846372
Add : I.T. Adjustment for earlier year		—	796
		5819034	1847168
Less : Transfer to Statutory Reserve		1164000	370000
		4655034	1477168
Add : Surplus as per last Account		8973749	7496581
SURPLUS CARRIED TO BALANCE SHEET		13628783	8973749
Basic & Diluted Earnings per share		1.98p.	0.63p.
NOTES :	8		

As per our report attached

For S. C. SONI & CO.
Chartered Accountants
VIVEK SONI
Partner

R. A. KABRA
R. K. KABRA
C. P. KABRA
Directors

Kolkata
30th June, 2004

V. K. Chawla
Director

KABRA COMMERCIAL LIMITED

SCHEDULE '1' TO '10' ANNEXED TO AND FORMING PART OF THE COMPANY'S BALANCE SHEET AS AT 31ST MARCH, 2004 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	2004		2003	
	Rupees	Rupees	Rupees	Rupees
1. SHARE CAPITAL				
AUTHORISED				
72,50,000 Equity Shares of Rs. 10/- each		72500000		72500000
ISSUED, SUBSCRIBED AND PAID UP				
2,940,000 Equity Shares of Rs. 10/- each fully paid up		29400000		29400000
(Out of above, 1980000 Equity Shares of Rs.10/- each have been allotted as fully paid up pursuant to a scheme of Amalgamation for consideration other than cash)		29400000		29400000
2. RESERVE & SURPLUS				
Statutory Reserve				
As per last Account	1541965		1171965	
Add : Created during the year Pursuant to R.B.I. (Amendment) Act 1997	1164000	2705965	370000	1541965
Amalgamation Reserve		223333		223333
surplus as per annexed Profit & Loss Account		13628783		8973749
		16558081		10739047
3. LOAN FUNDS :				
SECURED LOANS				
From CANARA BANK		29934422		9602563
Overdraft facility				
(Secured against the mortgage of land & Building of the Company at Dhanbad and Pledge / Lien of the fixed deposits of the said Bank)				
From HDFC BANK		1054166		—
(Secured against hypothecation of motor car)				
UNSECURED LOAN :				
From a Body Corporate		—		18700
		30988588		9621263

4. FIXED ASSETS

PARTICULARS	COST			DEPRECIATION			W.D.V.	
	As at 1.4.2003	Additions	Total 31.3.2004	Upto 31.3.2003	For the Year	Total 31.3.2004	As at 31.3.2004	As at 31.3.2003
Land	64881	—	64881	—	—	—	64881	64881
Office Building	1335939	—	1335939	676100	32992	709092	626847	659839
Vehicles	275941	1148458	1424399	172303	29269	201572	1222827	103638
Furniture, Fixture & Office Equipments	998366	57500	1055866	851775	25796	877571	178295	146591
Computers	191188	—	191188	186356	1933	188289	2899	4832
TOTAL	2866315	1205958	4072273	1886534	89990	1976524	2095749	979781
Previous Year	2851435	14880	2866315	1787774	98760	1886534	979781	1063661

V. K. Singh

KABRA COMMERCIAL LIMITED

5. INVESTMENTS : (Long term, other than trade) Equity Shares (At Cost)	FACE Value (Rs.)	2004		2003	
		Nos.	Amount (Rs.)	Nos.	amount (Rs.)
A. QUOTED					
Ambuja Cement of Rajasthan Ltd.	10	98440	514063	4000	32520
ABB Ltd.	10	—	—	3000	1053985
Ambalal Sarabhai Enterprises Ltd.	10	—	—	120	960
Arihant Avenue & Credit Ltd.	10	200000	100000	200000	100000
Associated Cement Co. Ltd.	10	16200	1604560	16400	1529091
Ballarpur Industries Ltd.	10	200	15110	1800	105950
Bata India Ltd.	10	1000	72162	1000	72162
Balmer Lawrie Co. Ltd.	10	—	—	523	41207
BOC India Ltd.	10	16047	739870	1000	41900
Birla Corporation Ltd.	10	9000	461860	18912	328083
Bharti Televentures Ltd.	10	—	—	2000	57820
Centurion Bank Ltd.	10	2000	21225	2000	21225
Century Textiles & Industries Ltd.	10	—	—	4500	231678
CESC Ltd.	10	—	—	5000	146523
Chambal Fertilizers Ltd.	10	10000	198200	—	—
Essar Shipping Ltd.	10	—	—	8800	78647
Gujrat Industrial Power Corpn. Ltd.	10	—	—	21052	389795
Grasim Industries Ltd.	10	—	—	2500	741950
Gloria Chemicals Ltd.	10	1000	1750	1000	1750
Gujrat Ambuja Cement Ltd.	10	1000	249425	1600	249425
Gujrat Narmada Valley Fertilizer Co. Ltd.	10	—	—	18060	614405
Gujrat Sidhee Cement Ltd.	10	50000	779945	50000	779945
Hanil Era Industries Ltd. (*)	10	100	762	5000	38100
HCL Technologies Ltd.	10	—	—	200	55776
Himachal Futuristic Co. Ltd.	10	20000	331464	8400	244728
ICICI Bank Ltd.	10	—	—	950	226405
I.T.C. Ltd.	10	—	—	400	327200
India Cement Ltd.	10	—	—	1809	77154
India Glycol Ltd.	10	—	—	1912	68050
India Steamship Co. Ltd.	10	—	—	5000	11500
J. K. Synthetics Ltd.	10	300	5400	300	5400
Jaiprakash Industries Ltd.	10	—	—	7410	185781
Jindal Vijaynagar Steel Ltd.	10	—	—	6000	33700
Kay Vee Aar Ltd.	10	—	—	15200	879962
Kabra Agro Industries Ltd. (*)	10	200	1100	200	1100
Kabra Marble Udyog Ltd.	10	5000	15500	5000	15500
Kabra Steel Products Ltd.	10	15000	47250	15000	47250
KCP Ltd.	10	650	66000	650	66000
Kesoram Textiles Mills Ltd. (*)	2	5700	—	5700	—
Lanco Industries Ltd.	10	16000	241000	20500	241345
M. M. Forging Ltd.	10	—	—	300	28200
Maars Software Ltd.	10	—	—	2500	312728
Mangalam Cement Ltd.	10	100	2955	100	2955
Patriot Trading Ltd.	10	—	—	800	24024
Montari Industries Ltd.	10	500	3625	500	3625
Montari Leather Ltd.	10	2800	9240	2800	9240
Mysore Cements Ltd.	10	—	—	2000	28700
Nageshwar Investments Ltd.	10	—	—	15000	32550

CERTIFIED TO BE TRUE COPY.

For **KABRA COMMERCIAL LTD.**

V. Lalwani
Director

KABRA COMMERCIAL LIMITED

Nagarjuna Fertilizers & Chemicals Ltd.	10	7000	110725	7000	110725
Nihon Nirman Ltd.	10	14700	33235	14700	33235
Orkay Industries Ltd. (*)	10	1200	19200	1200	19200
Padmini Technology Ltd.	10	1000	50025	1000	50025
PNB Gilts	10	3632	113682	—	—
Prime Securities Ltd.	10	—	—	10000	465450
Prism Cement Ltd.	10	25000	220000	—	—
Rama Newsprint Ltd.	10	—	—	129000	478195
Recron Synthetics Ltd.	10	—	—	1100	13095
Reliance Industries Ltd.	10	—	—	3227	904114
Remi Metals Ltd.	10	2000	11500	2000	11500
Sarabhai Electronics Ltd.	10	—	—	80	200
Satyam Computers Ltd.	2	—	—	500	126388
Shree Cements Ltd.	10	12796	1665211	79546	4227328
Southern Iron Steel Co. Ltd.	10	—	—	4000	78900
Southern Petro-Chemicals Corpn. Ltd.	10	5000	82677	6000	107138
Steel Authority of India Ltd.	10	—	—	2000	24990
Suman Motels Ltd.	10	—	—	1000	6357
Sundaram Finance Ltd.	10	—	—	1840	244612
Supreme Petrochemicals Ltd.	10	—	—	1600	43125
Tata Metalics Ltd.	10	—	—	1000	48750
Tata Tele Services Ltd.	10	80000	1575933	—	—
Tata Finance Ltd.	10	8715	274610	—	—
Tata Iron & Steel Co. Ltd.	10	4650	791903	11200	1431160
Tata Tea Limited	10	6800	1710870	6600	1671151
TVS Electronics Ltd.	10	—	—	2500	192676
UCO Bank	10	2373	58352	—	—
Unit Trust of India (Master Share)	10	13000	202466	13000	202466
Uniworth Textiles Ltd.	10	25	455	25	455
Vakrange Softwares Ltd.	10	1500	93895	1500	93895
Vinyle Chemicals Ltd.	10	—	—	5000	120000
WIMCO Ltd.	10	—	—	500	15292
			12497205		20306416
B. UNQUOTED					
Manushri Properties Ltd.	10	2000	20000	2000	20000
Maya Texturisers Pvt. Ltd.	10	30000	225000	30000	225000
Hindustan Engg. & Industries Ltd.	10	1554	23443	1554	23443
Malanpur Steel Ltd.	10	19450	115066	5446	82157
			383509		350600
C. BONDS					
5.15% Non Convertible Redeemable bonds of Rural Electrification Corpn. Ltd.	10000	30	300000	—	—
D. DEBENTURES					
12.5% Non Convertible Debentures of KPL International Ltd.	10	20	255	20	255
Total (A+B+C+D)			13180969		20657271

(Market value of Quoted shares Rs. 14897490/-, P.Y. 18009571/-)

(*) Market value of these shares are not available, hence taken at cost while calculating market value of all quoted investments.

2003	
Rupees	Rupees
	23561877
10689	
157034	
57820837	57988560
23659	
3911000	
20628722	
43493368	68056749
	1294567
5205479	
377542	
1390357	
1201322	8174700
	159076453
124075140	
2494157	
3000000	
181000	129750297
	1373000
	131123297

KABRA COMMERCIAL LIMITED

8 NOTES :

(i) Significant Accounting Policies

(a) Recognition of Income & Expenditure

- (i) Income & Expenditure are recognised and accounted on accrual basis, unless otherwise stated.
- (ii) Interest receivable on overdue payment and / or additional commission from customers are disputed, hence accounted for as and when received.

(b) Fixed Assets

- (i) Fixed assets are shown at cost less accumulated Depreciation.
- (ii) Profit / Loss on sale of fixed assets have been credited / debited to Profit & Loss Account

(c) Inventories

Inventories are valued at lower of cost or net realisable value. Cost of inventories are ascertained on First-in-First-out Basis.

(d) Depreciation

Depreciation on assets is provided on written down value method at the rates prescribed under Schedule XIV of the Companies Act. 1956.

(e) Investments

- (i) Valuation : At cost.
- (ii) Sales of Investment : Surplus / deficit on sale of Investment is credited / debited to Revenue Account.

(f) Foreign Currency Transactions

Transaction in foreign currencies are recognised at the rates existing at transaction time at which the transaction is settled. Year-end balances of receivables / payables are translated at applicable forward contract / year-end rates and resultant translation differences relating to fixed assets are adjusted against fixed assets and the balance is recognised in the Profit and Loss Account.

(g) Provision for Gratuity

The Company is not making any provision in the accounts as the same is intended to be accounted for on payment basis.

(h) Taxations

- (i) Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per applicable provisions of the Income Tax Act, 1961
- (ii) Deferred Tax for timing difference between tax profit and book profit is accounted for using the substantively enacted tax rates and laws that have been applicable as on the date of Balance Sheet.

(ii) NOTES ON ACCOUNT :

- (i) No provision has been made in these accounts in respect of fall in market value of quoted investments amounting to NIL (Rs. 2297100/-), since in the opinion of the management the diminution in the market value is temporary and does not represent permanent decline in the inherent value of those investments.
- (ii) No provision has been made in these accounts in respect of Gratuity Liability of Rs. 109315/- (P.Y. 121435/-) payable to employees who is entitled for such payment as the company intends to account for the same in the year of payment.
- (iii) In the opinion of the Board of Directors the Current Assets, Loans and Advances are approximately of the value stated in accounts, if realised in the ordinary course of business, unless otherwise stated. The provisions for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- (iv) Figures have been rounded off to the nearest rupee.
- (v) Figures of the previous year have been regrouped, rearranged and recasted wherever found necessary.

V. Chawla
Director

KABRA COMMERCIAL LIMITED

(vi) Segment Reporting

	31.3.2004		31.3.2003	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
A. Segment Revenue				
Coal & Coke		168405458		145574197
Finance & Investment		3530310		1292692
		<u>171935768</u>		<u>146866889</u>
B. Segment Results				
Coal & Coke		9027000		4982927
Finance & Investment		3486840		1240872
		<u>12513480</u>		<u>6223799</u>
Less : Unallocated Expenses		4787480		3235267
Profit Before Tax		<u>7726000</u>		<u>2988532</u>
C. Segment Assets				
Coal & Coke	93272823		131849737	
Finance & Investment	16027081		25873439	
Unallocated	<u>5522897</u>	114822801	<u>23160430</u>	180883606
D. Segment Liabilities				
Coal & Coke	64539598		139287307	
Finance & Investment	116225		18700	
Unallocated	<u>420889</u>	<u>68864720</u>	<u>1438552</u>	<u>140744559</u>
E. Segment wise Capital Employed				
Coal & Coke	28733225		(7437570)	
Finance & Investment	15910856		25854739	
Unallocated	<u>1314000</u>	<u>45958081</u>	<u>21721878</u>	<u>40139047</u>
F. Depreciation				
Coal & Coke	11,203		14,621	
Unallocated	<u>78787</u>	<u>89990</u>	<u>84139</u>	<u>98760</u>
G. Preliminary Expenses written off-unallocated		<u>23460</u>		<u>23460</u>
H. Capital Expenditure Incurred-unallocated		<u>—</u>		<u>14880</u>

Notes on Segment Reporting

The Company's primary segment is its Business Segment which consists of Coal & Coke Trading, Handling and supervision and Finance & Investment, Since entire business is conducted within India there are no separate geographical segments.

V. K. Kabra
Director

KABRA COMMERCIAL LIMITED

(vii) Deferred Tax :

(a) The details of Deferred tax assets / liability as at 31.3.04 is as under

Particular	Deferred tax assets / (liability) as at 1.4.03	Deferred tax assets / (liability) for the year	Deferred tax assets / (liability) as at 31.3.04
Timings difference on Account of			
Depreciation	15832	(43940)	(28108)
Unabsorbed long term Capital Loss	123026	(123026)	—
	<u>138858</u>	<u>(166966)</u>	<u>(28108)</u>

(b) The Company expects to generate taxable income in the coming years which will enable it to utilise timing difference on account of depreciation.

(viii) Related Party Information in accordance with AS - 18 :-

Particulars	Nature of Transaction	Volume of Transaction	Balance Outstanding
A. Key Managerial Personnel			
Sri Rajesh Kumar Kabra	Payment of Director's Remuneration	720000	
	Perquisites Assignment of Keyman Policy	<u>579210</u>	
		<u>1299210</u>	
B. Where key managerial Personnel exercise Significant Influence			
Kabra Steel Products Ltd.	Railway Freight reimbursement	1485000	NIL
	Service Charges Received	2972	
Coal Sale Co. Ltd.	Prepaid Railway Freight		
	Re-imburement	235862000	4546759/- (Dr.)
	Services Charges received	471718	
Coal Sale Co.	Services Charges received	199132	4171536/- (Dr.)
	Prepaid Railway Freight		
	Re-imburement	99566000	
Kabra Brothers	Port-Expenses reimbursement	3037773	617219/- (Dr.)
	Sale of Goods	43451392	
	Prepaid Railway Freight		
	Re-imburement	1816000	
	Service Charges Received	36320	
Jagdamba Coal House	Electricity Charges	39168	2746/- (Cr.)
	Services Charges received	9758	
	Prepaid Railway Freight		
	Re-imburement	4879000	
Shyam Sundar Ramawtar	Sale of Goods	43522640	30983462/- (Dr.)
	Port Expenses Re-imburement	2742073	
Kabra Sewa Sansthan	Donation	200000	NIL
Rajesh Manish Associates Pvt. Ltd.	Computer Service Charges	96000	NIL
	Office Fire Insurance		
	Re-imburement	548	
Kabra Marble Udyog Ltd.	Service Charges received	8174	NIL
	Prepaid Railway Freight		
	Re-imburement	4087000	

V. K. Kalyan

Director

KABRA COMMERCIAL LIMITED**(ix) Basic & diluted Earnings per Share**

	<u>2004</u>	<u>2003</u>
Profit after Tax (Rs.)	5819034	1846372
No. of Equity Shares (Nos)	2940000	2940000
Earning per share (Basic & diluted) (Rs)	1.98 p.	0.63 p.

(x) Information pursuant to Part IV of Schedule VI of the Companies Act, 1956 in respect of Balance Sheet abstract and Company's General Business Profile is annexed herewith.

(xi) Detailed quantitative Informations :		<u>2004</u>		<u>2003</u>
Coal & Coke	Qty. (M.T.)	Amount (Rs.)	Qty. (M.T.)	Amount (Rs.)
Opening Stock	8199.000	23561877	—	—
Purchase	40526.800	130909880	44357.304	160004528
Sales	48725.800	162142005	36297.364	140472842
Closing Stock	—	—	8199.000	23561877
Excess (due to moisture content)	—	—	139.060	—
		<u>2004</u>		<u>2003</u>
		Amount (Rs.)		Amount (Rs.)

(xii) Expenditure in foreign Currency

(a) Purchase of Goods	130909880	160004528
(b) Interest	1165736	406526
(c) Foreign Travel	232533	100050

(xiii) Disclosure of loans and advances and Investments in its own shares by the listed companies, their subsidiaries associates etc. (as certified by the management)

Particulars	Outstanding Balance as on 31.3.04	Maximum balance outstanding during the year
i) Loans and advances in the nature of Loans to subsidiaries	NIL	NIL
ii) Loans and advances in the nature of Loans to associates	NIL	NIL
iii) Loans and advances in the nature of Loans where there is		
A) No repayment schedule or repayment Beyond 7 years (The above loans are however repayable on demand)	2800000	5205479
B) No interest or interest below section 372A of the Companies Act, 1956	NIL	NIL
iv) Loans and advances in the nature of loans to firms / Companies in which directors are interested	NIL	NIL
v) Investment by the loanee in the shares of parent company and subsidiary company when the company has made a loan or advance in the nature of loan	NIL	NIL

Kalwar

KABRA COMMERCIAL LIMITED

	2004		2003	
	Amount	Amount	Amount	Amount
9. OTHER INCOME				
Interest				
On Loans	284362		598629	
On Fixed Deposits	3487320		2710189	
On Debentures & Bonds	1980		30	
On IT Refund	—		56917	
On Others (TDS Rs. 779549/-, P.Y. Rs. 698501/-)	—	3773662	119000	3484765
Rent (TDS Rs. 49950/-, P.Y. Rs. NIL)	—	230327	—	50487
Dividend	—	334561	—	406890
Profit on Sale of Investments	—	2679080	—	31981
Difference in Share Transaction	—	—	—	28758
Difference in foreign exchange	—	1327492	—	—
		<u>8345122</u>		<u>4002881</u>
10. EXPENSES :				
Salaries & Bonus		677718		490275
Staff Welfare		42695		31697
Rent, Rates & Taxes		100787		43600
Postage & Telegram		31757		23934
Insurance		70235		61085
Travelling & Conveyance		441248		211089
Office Expenses		56948		40203
Keyman Insurance		2173313		1505417
Telephone, Telex & Fax Expenses		110380		109182
Advertisement & Publicity		607343		567087
Printing & Stationary		42527		37919
Director's Remuneration		720000		60000
Bank Guarantee & LC Charges		982899		122306
Vehicle Expenses		170608		132068
Analysis, Supervision & Handling Expenses		47501		45038
INTEREST				
To Bank	1958143		1745132	
To Others	—	1958143	23671	1768803
Audit Fees		16200		27000
Preliminary Expenses Written off		23460		23460
Electricity Charges		53073		67982
REPAIRS & MAINTENANCE				
To Building	—		79425	
To Others	63077	63077	24344	103769
Brokerage & Commission		582138		1415366
Bank Charges		30212		56055
Miscellaneous Expenses		36977		50766
Computer Service Charges		96000		96000
Share Dematerialization Expenses		15580		17366
Donation		200000		106000
Sales Promotion		41682		75051
Stamp Duty Charges		123170		48428
Difference in share transaction		10832		—
Legal & Professional fees		43063		—
Import Expenses		38010		—
Cash Burglary / theft		40445		—
		<u>9648021</u>		<u>7336946</u>

Signatures to Schedule '1' to '10'

As per our report attached

For **S. C. SONI & CO.**

Chartered Accountants

VIVEK SONI

Partner

R. A. KABRA

R. K. KABRA

C. P. KABRA

Directors

Kolkata

30th June, 2004

V Kalwar

Director

KABRA COMMERCIAL LIMITED**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details**

Registration No.	:	35410	State Code : 21
Balance Sheet Date	:	31.3.2004	

II. Capital Raised during the year (Amount in Rs. Thousand)

Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	:	76975
Total Assets	:	76975
Sources of Funds		
Paid-up Capital	:	29400
Reserves & Surplus	:	16558
Secured Loans	:	30989
Unsecured Loans	:	—
Deferred Tax Liability	:	28
Application of Funds		
Net Fixed Assets	:	2096
Investments	:	13181
Net Current Assets	:	61690
Deferred Tax Assets	:	—
Misc. Expenditure	:	8
Accumulated Losses	:	NIL

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (including Other Income)	:	171936
Total Expenditure	:	164210
Profit before Tax	:	7728
Profit after Tax	:	5819
Earning per Share in Rs.	:	1.98 p.
Dividend Rate %	:	NIL

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No.	:	270119.01
Product Description	:	COKING COAL

Signed for Identification

For S. C. SONI & CO.
Chartered Accountants
VIVEK SONI
Partner

R. A. KABRA
R. K. KABRA
C. P. KABRA
Directors

Kolkata
30th June, 2004

KABRA COMMERCIAL LIMITED

Cash Flow Statement prepared pursuant to the listing agreement with the Stock Exchange for the year ended 31st March, 2004

	For the year ended 31st March, 2004		For the year ended 31st March, 2003	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax & Extra Ordinary Items		7726000		2988531
Adjustments for :				
Depreciation	89990		98760	
Preliminary Expenses Written Off	23460		23460	
Difference in Share Transaction	10832		(28758)	
Interest Received	(286342)		(655576)	
Interest Paid	1958143		1768803	
Dividend Received	(2679080)		(406890)	
Profit on sale of Investments	(334561)	(1217558)	(31981)	767818
Operating Profit before Working Capital Charges		6508442		3756349
Adjustments for :				
Inventories	23561877		(23561877)	
Other Current Assets	(1847941)		1872890	
Debtors	17598633		(56178498)	
Advances & Security Deposits	1299503		1493922	
Current Liabilities	(95015273)	(54403196)	126455478	50081915
Cash Generated from Operations		(47894754)		53838264
Add : Income Tax Refund		—		420248
		(47894754)		54258512
Less : Direct Taxes paid		(1661945)		(788883)
NET CASH FROM OPERATING ACTIVITIES (A)		(49556699)		53469629
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase / Sale of Fixed Assets		(1205958)		(14880)
Purchase / Sale of Investments		7810863		(1860864)
Interest Received		286342		598659
Dividend Received		2679080		406890
Difference in Share Transaction		(10832)		28758
Loans Given		2405479		(1026804)
NET CASH USED IN INVESTING ACTIVITIES (B)		11964974		(1868241)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Loans Taken / Repaid		21367325		(10121330)
Interest Paid		(1958143)		(1768803)
NET CASH USED IN FINANCING ACTIVITIES (C)		19409182		(11890133)
NET INCREASE IN CASH & CASH EQUIVALENT (A+B+C)		(18182543)		39711255
CASH & CASH EQUIVALENTS				
Cash & Bank Balances (Opening)		68056749		28345494
Cash & Bank Balances (Closing)		49874206		68056749
NET INCREASE IN CASH & CASH EQUIVALENTS		(18182543)		39711255

Notes : (1) Although investing activities attract tax on income arising out of these activities, for the purpose of Cash Flow entire tax payment has been considered as part of operating activities only.
(2) Figures of the previous year have been regrouped, rearranged and reclassified wherever found necessary.

Signed for Identification

For S. C. SONI & CO.
Chartered Accountants
VIVEK SONI
Partner

R. A. KABRA
R. K. KABRA
C. P. KABRA
Directors

Kolkata
30th June, 2004

Chalwa
Director

FORM OF PROXY

KABRA COMMERCIAL LIMITED

4, BRABOURNE ROAD, KOLKATA - 700 001

I/We

being a Member/Members of KABRA COMMERCIAL LIMITED hereby appoint

..... of

.....

or falling him of

as my / our Proxy to attend and vote for me / us on my / our behalf at the twenty second Annual General Meeting of the Company to be held on Thursday, the 30th September, 2004 or at any adjournment thereof.

Signed this.....day of....., 2004

Revenue Stamp
Re. One.

FOR OFFICE USE ONLY :

Proxy No .

Ledger Folio No.

No. of Shares

NOTES :

- 1) The Form should be signed across the Stamp as per Specimen Signature registered with Company.