

23rd Annual Report,  
2004-2005



KABRA COMMERCIAL LIMITED

# **KABRA COMMERCIAL LIMITED**

**2004–2005**

## **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 PRAŞAD KABRA  
MR. VIJAY KUMAR PARWAL

## **BANKERS**

CANARA BANK  
HDFC BANK LTD  
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

# KABRA COMMERCIAL LIMITED

## NOTICE

Notice is hereby given that the Twenty third 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 Friday, the 30th day of September, 2005 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, 2005 and the Profit & Loss Account for the year ended 31st March, 2005 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri Jagdish Prasad Kabra, who retires by rotation but being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri Vinod Kumar Kothari, who retires by rotation but being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sri Vijay Kumar Parwal, who retires by rotation but being eligible offers himself for re-appointment.
5. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification, following resolution as a Special Resolution.

"Resolved that Shri Ramawtar Kabra be and is hereby appointed as the Managing Director of the company for a period of three years effective from 1st March, 2005 on a remuneration of Rs. 10,000/- (Rupees Ten thousand) per month plus provision of Insurance benefit by assignment of Policy or otherwise subject to the limit laid down in Schedule XIII to the Companies Act. 1956 as approved by the Remuneration Committee."

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution :

"Resolved that Shri Rajesh Kumar Kabra be and is hereby reappointed as Joint Managing Director of the Company for a further period of three years with effect from 01.10.2005 and that pursuant to the provision of section 198, 309, 310 & 311 read together with Schedule XIII and all other applicable provisions, if any, of the Companies Act. 1956 consent of the Company be and is hereby accorded for monthly remuneration payable to Shri Rajesh Kumar Kabra, the Joint Managing Director of the Company @ Rs. 1,10,000/- per month and the following perquisites with effect from 1st October, 2005 for the period of three years.

### PERQUISITES :

- i) Medical benefit for self and family, re-imbursment of expenses actually incurred, the cost of which to the company shall not exceed one month salary per year.
- ii) Leave travel concession for self and family to and from any place in India in a year as per the rules of the company.
- iii) Fees of club, subject to maximum of two clubs, provided that no life membership or admission fees will be paid.
- iv) Insurance benefit by assignment of Policy or otherwise subject to the limit laid down in Schedule XIII of the Companies Act. 1956 as to be approved by remuneration committee time to time.

8. To pass or without modification the following resolution as a special resolution :

"Resolved that in accordance with the provisions of section 198, 269, 309, 310 & 311 read together with Schedule XIII and all other applicable provisions if any, of the Companies Act. 1956 consent of the Company be and is hereby accorded to the payment of following increased remuneration to Shri Rajesh Kumar Kabra, the Executive Director of the Company during the year ended 31st March, 2005 :

Assignment of Keyman Insurance Policy of Surrender value of Rs. 11,03,520/- as on date of assignment."

Registered Office  
2, Brabourne Road,  
Kolkata-700 001  
Date : 30th June, 2005

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, 2005 to 30th September, 2005 (both days inclusive).

# **KABRA COMMERCIAL LIMITED**

## **ANNEXURE TO THE NOTICE**

Explanatory statement pursuant to the provision of section 173 (2) of the Companies Act. 1956.

### **Item No. 6**

Shri Ramawtar Kabra, a director of Company is looking after day to day affairs since the year July, 1995. Under his leadership the Company has progress well. The Board of Directors in its meeting held on 01.03.2005 has appointed him as the Managing Director of the company for a period of three years with effect from 01.03.2005 at remuneration of Rs.10,000/- per month plus provision of insurance benefit, by assignment or power of otherwise subject to the limit laid down in Schedule XIII in the Companies Act. 1956. Your approval is sought for his appointment as a Managing director of the company and remuneration payable to him.

The above remuneration has been approved in the remuneration committee in their meeting held on 23.02.2005.

None of the Directors except Shri Ramawtar Kabra himself and Shri Rajesh Kumar Kabra nephew of Shri Ramawtar Kabra and Smt. Radhika Kabra wife of Shree Rajesh Kumar Kabra are interested in the resolution.

### **Item No.7**

The present term of Shri Rajesh Kumar Kabra. Executive Director expired on 30th September, 2005. In the meeting held on 30th June, 2005 the Board of Directors have reappointed him as Joint Managing Director of the Company for a further period of three years on the terms and conditions and remuneration payable to him as set out in resolution, subject of the approval of the share in holders General Meeting. The remuneration payable to him has been approved by the Remuneration Committee in their meeting held on 20.06.2005. Under his leadership the Company has progressed well.

### **Item No, 8**

The Board of Directors in their meeting held on 10.03.2005 had decided to assign the said policy of surrender value of Rs, 11,03,520/- as on date of assignment to Shri Rajesh Kumar Kabra, Executive Director of the company. The said proposal has also been approved by the remuneration committee of the Company. As this may be treated as perquisite for Shri Rajesh Kumar Kabra your approval is sought for this assignment. The value of the assignment and the remuneration paid to him is within limits prescribed under Schedule XIII of the Companies Act. 1956

None of the directors except Shri Rajesh Kumar Kabra himself and Smt. Radhika Kabra, wife of Shri Rajesh Kumar Kabra and Shri Ramawtar Kabra, uncle of Shri Rajesh Kumar Kabra are interested in the resolution.

# KABRA COMMERCIAL LIMITED

## DIRECTORS REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in submitting the Twenty third Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2005.

### FINANCIAL RESULTS

	2005	2004
	Rupees	Rupees
Profit Before Depreciation	7813902	7226000
Less : PROVISION FOR TAXATION		
Current tax	2080000	1740000
Deferred tax	(6978)	166966
PROFIT AFTER TAXATION	5740880	5819034
Less / Add : I.T. Adjustment for earlier year	(39535)	—
	5701345	5819034
Less : Transfer to Statutory Reserve	1141000	1164000
	4560345	4655034
Add : Surplus as per last Year	13628783	8973749
SURPLUS CARRIED TO BALANCE SHEET	18189128	13628783
Basic & Diluted Earnings per share	1.94p.	1.98p.

In view of smallness of profit no dividend is proposed.

### DIRECTORS :

Sri Jagadish Prasad Kabra, Sri Vinod Kumar Kothari and Sri Vijay Kumar Parwal, the Directors of the Company retire from the Board by rotation, 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. 1956.

### CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOING :

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. 132444890 /-.

# 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, 2005 and of the profit of the Company for the year ended 31st March, 2005.
- 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, 2005

BY ORDER OF THE BOARD

RAJESH KUMAR KABRA  
Chairman

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## ANNEXURE

**Shri Jagdish Prasad Kabra** : aged about 56 years is a business man having wide experience. He is a B.Com Graduate. He is non-execution independent director of the Company. He is a member of remuneration committee. He is also director of the following Companies :

Coalsale Company Ltd.

**Shri Vinod Kumar Kothari** : aged about 57 years is having wide experience in Coal Industry and is involved in the affairs of the Company. He is a Chartered Accountant and also a director in Coalsale Company Ltd.

**Shri Vijay Kumar Parwal** : aged about 34 years is a young dynamic businessman having good experience. He is a non-execution independent director of the Company. He is a member of remuneration committee. He is also a director of the following company.

M/s Rajesh Manish Associates Pvt. Ltd.

# KABRA COMMERCIAL LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of **KABRA COMMERCIAL LTD.** as at 31st March, 2005 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 of the financial statements presentation. 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, 2005 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, 2005

**VIVEK SONI**  
Partner.  
M. No. 61799

# **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 has maintained 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.

During the year, in our opinion a substantial part of fixed assets has not been disposed off by the Company.

2. The management has conducted physical verification of inventory at reasonable intervals during the year. The Company has no stock of inventories at the year-end. In our opinion, the procedures for physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification as compared to book records which were not material, have been properly dealt with in the books of account.

3. As informed to us, the Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered 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 fixed assets and for the sale of goods. During the course of our audit, major weakness. We have not observed any continuing failure to correct in internal controls.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section.  
(b) In our opinion and according to the information and explanations given to us, having regard to the comments above, where there have been transaction with other parties, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 during the year have been made at prices, which are reasonable having regard to the prevailing market prices for such goods, materials or services at the relevant time.
6. The Company has not accepted any deposits from the public. Hence the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, and any other relevant provisions of the Act, with regard to the deposits accepted from the public are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and 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.



## **KABRA COMMERCIAL LIMITED**

9. The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities wherever applicable. According to the information and explanation given to us there are no arrears of outstanding statutory dues as mentioned above as at 31st March 2005 for a period of more than six months from the date they became payable.

According to the records information and explanation given to us, there are no such statutory dues, which have not been deposited on account of any dispute.

10. The Company does not have accumulated losses at the 31st March, 2005 and has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
11. In our opinion and according to information and explanations given to us we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or 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. The provision of any special statute as specified under clause (xiii) of the order are not applicable to the Company.
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 others from banks or financial institutions.
16. The Company has not raised any term loans during the year.
17. Based the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.
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 by 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, 2005

**VIVEK SONI**  
Partner.  
M. No. 61799

# KABRA COMMERCIAL LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2005

SOURCES OF FUNDS :	Schedule	2005		2004	
		Rupees	Rupees	Rupees	Rupees
<b>SHAREHOLDER'S FUND</b>					
Share Capital	1	29400000		29400000	
Reserve & Surplus	2	<u>22259426</u>	51659426	<u>16558081</u>	45958081
<b>LOAN FUNDS</b>					
Secured Loans	3	45054132		30988588	
Unsecured Loans		<u>12269522</u>	57323654	—	30988588
Deferred Tax Liability			21130		28108
			<u>109004210</u>		<u>76974777</u>
<b>APPLICATION OF FUNDS :</b>					
<b>FIXED ASSETS</b>	4				
Gross Block		4491504		4072273	
Less : Depreciation		<u>2200962</u>		<u>1976524</u>	
<b>Net Block</b>			2290542		2095749
<b>INVESTMENTS</b>	5		9120049		13180969
<b>CURRENT ASSETS LOANS &amp; ADVANCES</b>	6				
Sundry Debtors		123270235		40389922	
Cash & Bank Balances		55411003		49874206	
Other Current Assets		4218047		3142508	
Loans and Advances		<u>16882528</u>		<u>6131663</u>	
		<u>199781813</u>		<u>99538299</u>	
Less : <b>CURRENT LIABILITIES &amp; PROVISIONS</b>	7				
Current Liabilities		100108194		34735024	
Provisions		<u>2080000</u>		<u>3113000</u>	
		<u>102188194</u>		<u>37848024</u>	
<b>Net Current Assets</b>			97593619		61690275
<b>MISCELLANEOUS EXPENDITURE :</b>					
(To the extent not written off and / or adjusted)					
Preliminary Expenses			—		7784
			<u>109004210</u>		<u>76974777</u>
<b>NOTES :</b>	8				

As per our report attached

For S. C. SONI & CO.

Chartered Accountants

VIVEK SONI

Partner

M. No. 61799

R. A. KABRA

R. K. KABRA

C. P. KABRA

Directors

Kolkata

30th June, 2005

# KABRA COMMERCIAL LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2005

INCOME :	Schedule	2005 <u>Rupees</u>	2004 <u>Rupees</u>
Sales		153058125	162142005
Commission and Service Charges (TDS Rs. 200960/-, P.Y.Rs. 91064/-)		4035832	1448641
Other Income	9	10366629	8345122
		<u>167460586</u>	<u>171935768</u>
<b>EXPENDITURE :</b>			
Opening Stock		---	23561877
Purchases		149325000	130909880
Expenses	10	9946219	9648021
Depreciation		375465	89990
		<u>159646684</u>	<u>164209768</u>
<b>PROFIT BEFORE TAXATION</b>		7813902	7726000
Less : PROVISION FOR TAXATION			
Current tax		2080000	1740000
Deferred tax		(6978)	(166966)
<b>PROFIT AFTER TAXATION</b>		5740880	5819034
Less / Add : I.T. Adjustment for earlier year		39535	---
		5701345	5819034
Less : Transfer to Statutory Reserve		1141000	1164000
		4560345	4655034
Add : Surplus as per last Account		13628783	8973749
<b>SURPLUS CARRIED TO BALANCE SHEET</b>		18189128	13628783
Basic & Diluted Earnings per share		1.94p.	1.98p.
NOTES :	8		

As per our report attached

For **S. C. SONI & CO.**  
Chartered Accountants  
**VIVEK SONI**  
Partner  
M. No. 61799

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

Kolkata  
30th June, 2005

# KABRA COMMERCIAL LIMITED

SCHEDULE '1' TO '10' ANNEXED TO AND FORMING PART OF THE COMPANY'S BALANCE SHEET AS AT 31ST MARCH, 2005 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	2005		2004	
	Rupees	Rupees	Rupees	Rupees
<b>1. SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
72,50,000 Equity Shares of Rs. 10/- each		72500000		72500000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>				
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
<b>2. RESERVE &amp; SURPLUS</b>				
<b>Statutory Reserve</b>				
As per last Account	2705965		1541965	
Add : Created during the year Pursuant to R.B.I. (Amendment) Act 1997	1141000	3846965	1164000	2705965
<b>Amalgamation Reserve</b>		223333		223333
<b>surplus as per annexed Profit &amp; Loss Account</b>		18189128		13628783
		22259426		16558081
<b>3. LOAN FUNDS :</b>				
<b>SECURED LOANS</b>				
<b>From CANARA BANK</b>		44130796		29934422
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)				
<b>From HDFC BANK and ICICI BANK</b>		923336		1054166
(Secured against hypothecation of motor car)				
<b>UNSECURED LOAN :</b>				
From Body Corporate		12269522		—
		57323654		30988588

# KABRA COMMERCIAL LIMITED

## 4. FIXED ASSETS

PARTICULARS	COST				DEPRECIATION				W.D.V.	
	As at 1.4.2004	Additions	Sales Adjustment	Total 31.3.2005	Upto 31.3.2004	For the Year	Adjustment	Total	As at 31.3.2005	As at 31.3.2004
Land	64881	—	—	64881	—	—	—	—	64881	64881
Office Building	1335939	—	—	1335939	709092	31344	—	740436	595503	626847
Vehicles	1424399	531734	(234970)	1721163	201572	311057	(151027)	361602	1359561	1222827
Furniture, Fixture & Office Equipments	1055866	122467	—	1178333	877571	31904	—	909475	268858	178295
Computers	191188	—	—	191188	188289	1160	—	189449	1739	2899
<b>TOTAL</b>	<b>4072273</b>	<b>654201</b>	<b>(234970)</b>	<b>4491504</b>	<b>1976524</b>	<b>375465</b>	<b>(151027)</b>	<b>2200962</b>	<b>2290542</b>	<b>2095749</b>
Previous Year	2866315	1205958	—	4072273	1886534	89990	—	1976524	2095749	979781

## 5. INVESTMENTS :

(Long term, other than trade)  
Equity Shares (At Cost)

FACE  
Value  
(Rs.)

### A. QUOTED

Ambuja Cement of Rajasthan Ltd.

10

—

—

98440

514063

Arihant Avenue & Credit Ltd.

10

200000

100000

200000

100000

Associated Cement Co. Ltd.

10

16200

1604560

16200

1604560

Ballarpur Industries Ltd.

10

—

—

200

15110

Bata India Ltd.

10

—

—

1000

72162

BOC India Ltd.

10

—

—

16047

739870

Birla Corporation Ltd.

10

—

—

9000

461860

Bank of Baroda

10

1500

353532

—

—

Centurion Bank Ltd.

10

2000

21225

2000

21225

Chambal Fertilizers Ltd.

10

—

—

10000

198200

Gloria Chemicals Ltd. (\*)

10

1000

1750

1000

1750

Gujrat Ambuja Cement Ltd.

10

—

—

1600

249425

Gujrat Sidhee Cement Ltd.

10

—

—

50000

779945

Hanil Era Industries Ltd.

10

100

762

100

762

Himachal Futuristic Co. Ltd.

10

—

—

20000

331464

J. K. Cements Ltd.

10

300

5400

300

5400

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

Mangalam Cement Ltd.

10

2100

168970

100

2955

Malanpur Steel Ltd.

10

19450

115066

19450

115066

Montari Industries Ltd.

10

500

3625

500

3625

Montari Leather Ltd.

10

2800

9240

2800

9240

Manglore Refinery & Petro Chemical Ltd.

10

11294

615222

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## KABRA COMMERCIAL LIMITED

Nagarjuna Fertilizers & Chemicals Ltd.	10	7000	110725	7000	110725
Nihon Nirman Ltd.	10	—	—	14700	33235
Orkay Industries Ltd. (*)	10	—	—	1200	19200
Oriental Bank of Commerce	10	1700	600804	—	—
Padmini Technology Ltd.	10	1000	50025	1000	50025
PNB Gilts	10	—	—	3632	113682
Prism Cement Ltd.	10	40000	1056414	25000	220000
Remi Metals Ltd.	10	2000	11500	2000	11500
Shree Cements Ltd.	10	—	—	12796	1665211
Southern Petro-Chemicals Corpn. Ltd.	10	—	—	5000	82677
Tata Tele Services Ltd.	10	10000	304600	80000	1575933
Tata Finance Ltd.	10	11458	488492	8715	274610
Tata Iron & Steel Co. Ltd.	10	6975	791903	4650	791903
(2325 Bonus Share recd. during the year)					
Tata Tea Limited	10	6800	1710870	6800	1710870
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
			<u>8551351</u>		<u>12612271</u>
<b>B. UNQUOTED</b>					
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
			<u>268443</u>		<u>268443</u>
<b>C. BONDS</b>					
5.15% Non Convertible Redeemable bonds of Rural Electrification Corpn. Ltd.	10000	30	300000	30	300000
<b>D. DEBENTURES</b>					
12.5% Non Convertible Debentures of KPL International Ltd.	10	20	255	20	255
<b>Total (A+B+C+D)</b>			<u>9120049</u>		<u>13180969</u>

(Market value of Quoted shares Rs. 16440774/-, P.Y. 14897490/-)

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

# KABRA COMMERCIAL LIMITED

## 6. CURRENT ASSETS, LOANS

### AND ADVANCES :

#### SUNDRY DEBTORS

##### Unsecured

(Considered good)

Debt outstanding for a period exceeding six months

Other Debts

2005	
Rupees	Rupees
23411946	
99858289	123270235

2004	
Rupees	Rupees
70946	
40318976	40389922

#### CASH & BANK BALANCES

Cash in hand

Cheque in hand

##### Balance with Scheduled Banks

On Current Account

On Fixed Deposit Account

105441	
910000	
502933	
53892629	55411003

45020	
4992947	
285883	
44550356	49874206

#### OTHER CURRENT ASSETS

Accrued interest on Fixed Deposit

	4218047
--	---------

	3142508
--	---------

#### LOANS & ADVANCES

(Unsecured, considered good by the management)

Loans

Advances recoverable in cash or in kind or for value to be received pending adjustments

Tax Payments

Deposits

—	
14882336	
1842870	
157322	16882528
	199781813

2800000	
40839	
3052302	
238522	6131663
	99538299

## 7. CURRENT LIABILITIES

### & PROVISIONS :

#### CURRENT LIABILITIES

##### Sundry Creditors

For Goods

for Expenses & Others

Trade Advances

Security Deposits

#### PROVISIONS

For Income Tax

78235100	
856985	
20953109	
63000	100108194
	2080000
	102188194

33187949	
1484075	
—	
63000	34735024
	3113000
	37848024

# 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 Gratuity Liability of Rs. 108670/- (P.Y. 109315/-) payable to employees who is entitled for such payment as the company intends to account for the same in the year of payment.
- (ii) 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.
- (iii) The confirmation of outstanding balances of Sundry Debtors & creditors were not available and therefore for the purpose of these accounts the same has been taken as per books.
- (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.



# KABRA COMMERCIAL LIMITED

(vi) **Segment Reporting**

	31.3.2005		31.3.2004	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>A. Segment Revenue</b>				
Coal & Coke Trading and service/commission		161153177		168405458
Finance & Investment		6307409		3530310
		<u>167460586</u>		<u>171935768</u>
<b>B. Segment Results</b>				
Coal & Coke Trading and service/commission		6603885		9027000
Finance & Investment		6198927		3486480
		<u>12802812</u>		<u>12513480</u>
Less : Unallocated Expenses		4988910		4787480
Profit Before Tax		<u>7813902</u>		<u>7726000</u>
<b>C. Segment Assets</b>				
Coal & Coke Trading and service/commission	182350038		93272823	
Finance & Investment	9159145		16027081	
Unallocated	<u>19683221</u>	211192404	<u>5522897</u>	114822801
<b>D. Segment Liabilities</b>				
Coal & Coke Trading and service/commission	155588527		64539598	
Finance & Investment	63000		116225	
Unallocated	<u>3881451</u>	<u>159532978</u>	<u>4208897</u>	<u>68864720</u>
<b>E. Segment wise Capital Employed</b>				
Coal & Coke Trading and service/commission	26761511		28733225	
Finance & Investment	9096145		15910856	
Unallocated	<u>15801770</u>	<u>51659426</u>	<u>1314000</u>	<u>45958081</u>
<b>F. Depreciation</b>				
Coal & Coke Trading and service/commission	—		11,203	
Unallocated	<u>375465</u>	<u>375465</u>	<u>78787</u>	<u>89990</u>
<b>G. Preliminary Expenses written off-unallocated</b>		<u>7784</u>		<u>23460</u>

## Notes on Segment Reporting

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

# KABRA COMMERCIAL LIMITED

**(vii) Deferred Tax :**

(a) The details of Deferred tax assets / liability as at 31.3.05 is as under

Particular	Deferred tax assets / (liability) as at 1.4.04	Deferred tax assets / (liability) for the year	Deferred tax assets / (liability) as at 31.3.05
Timings difference on Account of Depreciation	(28108)	6978	(21130)

(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
<b>A. Key Managerial Personnel</b>			
Sri Rajesh Kumar Kabra	Payment of Director's Remuneration	786480	
	Perquisites Assignment of Keyman Policy	1103520	
		1890000	
Sri Ramawatar Kabra	Payment of Director's Remuneration	10000	
<b>B. Where key managerial Personnel exercise Significant Influence</b>			
Kabra Steel Products Ltd.	Advance given/taken	200000	NIL
Coal Sale Co. Ltd.	Prepaid Railway Freight		
	Re-imbursement	246053144	4484000 (Dr.)
	Advance given/taken	4500000	—
	Services Charges received	536034	7695 (Dr.)
Coal Sale Co.	Services Charges received	164904	2882 (Dr.)
	Advance given/taken	16300000	—
	Prepaid Railway Freight		
	Re-imbursement	79026000	6746000 (Dr.)
Kabra Brothers	Sale of Goods	9793875	1293875 (Dr.)
Jagdamba Coal House	Electricity Charges	34647	2623 (Cr.)
	Drainage & Sewerage charges	464	—
Shyam Sundar Ramawtar	Interest on late payment	372404	NIL
Sri Ramawatar Kabra	Advance given/Taken	2500	NIL
Kabra Sewa Sansthan	Donation	100000	NIL
Rajesh Manish Associates	Computer Service Charges	100896	NIL
Pvt. Ltd.			

**(ix) Basic & diluted Earnings per Share**

	<u>2005</u>	<u>2004</u>
Profit after Tax (Rs.)	5701345	5819034
No. of Equity Shares (Nos)	2940000	2940000
Earning per share (Basic & diluted) (Rs)	1.94 p.	1.98 p.

# KABRA COMMERCIAL LIMITED

- (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 :	2005		2004	
Coal & Coke	Qty. (M.T.)	Amount (Rs.)	Qty. (M.T.)	Amount (Rs.)
Opening Stock	—	—	8199.000	23561877
Purchase	7500	143325000	40526.800	130909880
Sales	7500	146908125	48725.800	162142005
Sulphur				
Purchase	1500	6000000	—	—
Sales	1500	6150000	—	—

	2005	2004
	Amount (Rs.)	Amount (Rs.)
(xii) Expenditure in foreign Currency		
(a) Purchase of Goods	NIL	130909880
(b) Interest	136741	1165736
(c) Foreign Travel	NIL	232533

- (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 31.3.05	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)	NIL	11920000
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

# KABRA COMMERCIAL LIMITED

	2005		2004	
	Amount	Amount	Amount	Amount
<b>9. OTHER INCOME</b>				
Interest				
On Loans	190649		284362	
On Fixed Deposits	3636093		3487320	
On Debentures & Bonds	15450		1980	
On Others (TDS Rs. 875021/-, P.Y. Rs. 779549/-)	410100	4252292	—	3773662
Rent (TDS Rs. 48592/-, P.Y. Rs. 49950)		245892	—	230327
Dividend		298444	—	334561
Profit on Sale of Investments		5498458	—	2679080
Difference in Share Transaction		58516	—	—
Difference in foreign exchange		—	—	1327492
Profit on sale of Assets		13027		
		<b>10366629</b>		<b>8345122</b>
<b>10. EXPENSES :</b>				
Salaries & Bonus		580900		677718
Staff Welfare		42442		42695
Rent, Rates & Taxes		81730		100787
Postage & Telegram		37902		31757
Insurance		8593		70235
Travelling & Conveyance		100866		441248
Office Expenses		59928		56948
Keyman Insurance		2157208		2173313
Telephone, Telex & Fax Expenses		114418		110380
Advertisement & Publicity		43059		607343
Printing & Stationary		54469		42527
Director's Remuneration		796480		720000
LC Charges		2027562		982899
Vehicle Expenses		136926		170608
Analysis, Supervision & Handling Expenses		—		47501
<b>INTEREST</b>				
To Bank	2437093		1958143	
To Others	516812	2953905	—	1958143
Audit Fees		16530		16200
Preliminary Expenses Written off		7784		23460
Electricity Charges		47696		53073
Repairs & Maintenance		47404		63077
Brokerage & Commission		—		582138
Bank Charges		168200		30212
Miscellaneous Expenses		61714		36977
Computer Service Charges		96000		96000
Share Dematerialization Expenses		12317		15580
Donation		100000		200000
Sales Promotion		9759		41682
Stamp Duty Charges		74625		123170
Difference in share transaction		—		10832
Legal & Professional fees		40257		43063
Import Expenses		—		38010
Cash Burglary / Theft		—		40445
Investments Written off		67545		—
		<b>9946219</b>		<b>9648021</b>

**Signatures to Schedule '1' to '10'**

As per our report attached

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

Chartered Accountants

**VIVEK SONI**

Partner

M. No. 61799

**R. A. KABRA**

**R. K. KABRA**

**C. P. KABRA**

Directors

Kolkata

30th June, 2005

# KABRA COMMERCIAL LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details

Registration No.	:	35410	State Code : 21
Balance Sheet Date	:	31.3.2005	

### 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	:	109004
Total Assets	:	109004
<b>Sources of Funds</b>		
Paid-up Capital	:	29400
Reserves & Surplus	:	22259
Secured Loans	:	45054
Unsecured Loans	:	12270
Deferred Tax Liability	:	21
<b>Application of Funds</b>		
Net Fixed Assets	:	2290
Investments	:	9120
Net Current Assets	:	97594
Deferred Tax Assets	:	—
Misc. Expenditure	:	—
Accumulated Losses	:	—

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

Turnover (including Other Income)	:	167461
Total Expenditure	:	159647
Profit before Tax	:	7814
Profit after Tax	:	5701
Earning per Share in Rs.	:	1.94 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
Items Code No.	:	281123.00
Product Description	:	SULPHUR

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#### Signed for Identification

For S. C. SONI & CO.  
Chartered Accountants  
VIVEK SONI  
Partner  
M. No. 61799

Kolkata  
30th June, 2005

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

# KABRA COMMERCIAL LIMITED

**Cash Flow Statement prepared pursuant to the listing agreement with the Stock Exchange for the year ended 31st March, 2005**

	For the year ended 31st March, 2005		For the year ended 31st March, 2004	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax & Extra Ordinary Items		7813902		7726000
Adjustments for :				
Profit on Sale of Assets	(13027)		—	
Depreciation	375465		89990	
Preliminary Expenses Written Off	7784		23460	
Difference in Share Transaction	(58516)		10832	
Interest Received	(206099)		(286342)	
Interest Paid	2953905		1958143	
Dividend Received	(298444)		(334561)	
Profit on sale of Investments	(5498458)	(2737390)	(2679080)	(1217558)
		<u>5076512</u>		<u>6508442</u>
<b>Operating Profit before Working Capital Charges</b>				
Adjustments for :				
Inventories	—		23561877	
Other Current Assets	(1075539)		(1847941)	
Debtors	(82880313)		17598638	
Advances & Security Deposits	(14760297)		1299503	
Current Liabilities	65373170	(33342979)	(95015273)	(54403196)
<b>Cash Generated from Operations</b>		<u>(28266467)</u>		<u>(47894754)</u>
Less : Direct Taxes paid		(1943103)		(1661945)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<u>(30209570)</u>		<u>(49556699)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase / Sale of Fixed Assets		(557231)		(1205958)
Purchase / Sale of Investments		9559378		10155382
Interest Received		206099		286342
Dividend Received		298444		334561
Difference in Share Transaction		58516		(10832)
Loans Given		2800000		2405479
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<u>12365206</u>		<u>11964974</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Loans Taken / Repaid		26335066		21367325
Interest Paid		(2953905)		(1958143)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>		<u>23381161</u>		<u>19409182</u>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENT (A+B+C)</b>		<u>(5536797)</u>		<u>(18182543)</u>
<b>CASH &amp; CASH EQUIVALENTS</b>				
Cash & Bank Balances (Opening)		49874206		68056749
Cash & Bank Balances (Closing)		<u>55411003</u>		<u>49874206</u>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>		<u>5536797</u>		<u>(18182543)</u>

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  
M. No. 61799

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

Kolkata  
30th June, 2005

**FORM OF PROXY**

**KABRA COMMERCIAL LIMITED**

**2, BRABOURNE ROAD, KOLKATA - 700 001**

I/We .....

being a Member/Members of KABRA COMMERCIAL LIMITED hereby appoint .....

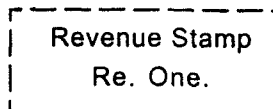
..... of .....

.....

or falling him ..... of .....

as my / our Proxy to attend and vote for me / us on my / our behalf at the twenty third Annual General Meeting of the Company to be held on Friday, the 30th September, 2005 or at any adjournment thereof.

Signed this.....day of....., 2005



FOR OFFICE USE ONLY :
Proxy No .
Ledger Folio No.
No. of Shares

**NOTES :**

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