

24th Annual Report
2005 - 2006



Kabra Commercial Limited

KABRA COMMERCIAL LIMITED

2005-2006

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
ABN AMRO BANK
INDUS IND BANK LTD
THE FEDERAL BANK LTD

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 fourth 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 28th day of September, 2006 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, 2006 and the Profit & Loss Account for the year ended 31st March, 2006 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri Chandra Prakash Kabra, who retires by rotation but being eligible offers himself for re-appointment.
3. To appoint a Director in place of Smt. Radhika Kabra, who retires by rotation but being eligible offers herself for re-appointment.
4. To appoint a Director in place of Sri Ramawtar Kabra, who retires by rotation but being eligible offer himself for re-appointment.
5. To appoint auditors to hold office from the conclusion of the 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, Managing Director be and is hereby redesignated as Joint Managing Director of the company with effect from 1st October, 2006 for the remaining term of his appointment i.e. upto 28th February, 2008, other terms and conditions remaining same."

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, Joint Managing Director be and is hereby redesignated as Managing Director of the company with effect from 1st October, 2006 for the remaining term of his appointment i.e. upto 30th September, 2008, other terms and conditions remaining same."

Registered Office
2, Brabourne Road,
Kolkata-700 001
Date : 30th June, 2006

BY ORDER OF THE BOARD

SHILPA L. M. KABRA
Company Secretary

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, 2006 to 28th September, 2006 (both days inclusive).

KABRA COMMERCIAL LIMITED

ANNEXURE TO THE NOTICE

Explanatory Statement

Item No. 6

Shri Ramawtar Kabra was appointed as Managing Director of the Company for a period of 3 years with effect from 1st March, 2005. His appointment and remuneration was approved by the Shareholders in the Annual General Meeting of the Company held on 30.09.2005. The Board of Directors in their meeting held on 30.06.2006 decided to redesignate him as Joint Managing Director with effect from 01.10.2006 for the remaining term of his appointment. All other terms and conditions will remain same. Shareholders approval is sought for the change in his designation.

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

Item No. 7

Shri Rajesh Kumar Kabra was appointed as Joint Managing Director of the Company for a period of 3 years with effect from 1st October, 2005. His appointment and remuneration was approved by the Shareholders in the Annual General Meeting of the Company held on 30.09.2005. The Board of Directors in their meeting held on 30.06.2006 decided to redesignate him as Managing Director with effect from 01.10.2006 for the remaining term of his appointment. All other terms and conditions will remain same. Shareholders approval is sought for the change in his designation.

None of the directors except Shri Rajesh Kumar Kabra himself, 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 fourth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2006.

FINANCIAL RESULTS

	<u>2006</u>	<u>2005</u>
	<u>Rupees</u>	<u>Rupees</u>
Profit after Depreciation	11287340	7813902
Less : PROVISION FOR TAXATION		
Current tax	2640000	2080000
Deferred tax	(53565)	(6978)
Fringe Benefit tax	80000	—
PROFIT AFTER TAXATION	8620905	5740880
Less/Add : I.T. Adjustment for earlier year	4614	39535
	8616291	5701345
Less : Transfer to Statutory Reserve	1724000	1141000
	6892291	4560345
Add : Surplus as per last year	18189128	13628783
SURPLUS CARRIED TO BALANCE SHEET	25081419	18189128
Basic & Diluted Earnings per share	<u>2.93p.</u>	<u>1.94p.</u>

In view of smallness of profit no dividend is proposed.

DIRECTORS :

Sri Chandra Prakash Kabra, Smt. Radhika Kabra and Sri Ramawtar Kabra, 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 (Disclosur 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. 58102693/- (P.Y. Rs. 132444890/-)

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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, 2006 and of the profit of the Company for the year ended 31st March, 2006.
- 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, 2006

BY ORDER OF THE BOARD

RAJESH KUMAR KABRA
Chairman

ANNEXURE

NOTES ON DIRECTORS SEEKING RE-APPOINTMENT UNDER CLAUSE 49(VI) (A) OF THE LISTING AGREEMENT ENTERED WITH THE STOCK EXCHANGE

MR. CHANDRA PRAKASH KABRA

Age : 29 Years

Experience : Mr. Chandra Prakash Kabra holds a degree of Bachelor of Commerce and Diploma in Science. He is a young dynamic and talented man of repute and is having a good knowledge in the field of coal business and computer administration.

Directorship in other Companies : Coalsale Company Ltd.
Rajesh Manish Associates (P) Ltd.

MRS. RADHIKA KABRA

Age : 32 Years

Experience : Mrs. Radhika Kabra has passed Higher Secondary. She is a young dynamic lady of repute and is having a good knowledge in the fields of Coal and Shares Business.

Directorship in other Companies : Coalsale Company Ltd.

MR. RAMAWTAR KABRA

Age : 55 Years

Experience : Mr. Ramawtar Kabra holds a Degree of Bachelor of Commerce. He is a dynamic leader of repute having wide experience in coal industry.

Directorship in other Companies : Coalsale Company Ltd.
Kabra Steel Products Ltd.

KABRA COMMERCIAL LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of **KABRA COMMERCIAL LTD.** as at 31st March, 2006 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, 2006 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, 2006

S. C. SONI
Proprietor
M. No. 50515

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.

There was no disposal of fixed assets during the year.

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 2006 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, 2006 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, 2006

S. C. SONI
Proprietor
M. No. 50515

KABRA COMMERCIAL LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2006

	Schedule	2006		2005	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS :					
SHAREHOLDER'S FUND					
Share Capital	1	29400000		29400000	
Reserve & Surplus	2	30875717	60275717	22259426	51659426
LOAN FUNDS	3				
Secured Loans		42615046		45054132	
Unsecured Loans		34860490	77475536	12269522	57323654
Deferred Tax Liability					21130
			137751253		109004210
APPLICATION OF FUNDS :					
FIXED ASSETS	4				
Gross Block		4582297		4491504	
Less : Depreciation		2635086		2200962	
Net Block			1947211		2290542
INVESTMENTS	5		18556493		9120049
Deferred Tax assets			32435		
CURRENT ASSETS LOANS & ADVANCES	6				
Sundry Debtors		111838424		123270235	
Cash & Bank Balances		73047920		55411003	
Other Current Assets		1312974		4218047	
Loans and Advances		5291395		16882528	
		191490713		199781813	
Less : CURRENT LIABILITIES & PROVISIONS	7				
Current Liabilities		69475599		100108194	
Provisions		4800000		2080000	
		74275599		102188194	
Net Current Assets			117215114		97593619
			137751253		109004210

NOTES & ACCOUNTING POLICIES 8

As per our report attached

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

S. C. SONI
Proprietor
M. No. 50515
Kolkata, 30th June, 2006

R. A. KABRA Mg. Director
R. K. KABRA Jt. Mg. Director
C. P. KABRA Directors
SHILPA L. M. KABRA Secretary

KABRA COMMERCIAL LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

	Schedule	2006		2005	
		Rupees	Rupees	Rupees	Rupees
INCOME :					
Sales			119549125		153058125
Commission and Service Charges (TDS Rs. 4,17,685/-, P.Y.Rs. 200966/-)			10825163		4035832
Other Income	9		11054335		10366629
			<u>141428623</u>		<u>167460586</u>
EXPENDITURE :					
Purchases			114416695		149325000
Expenses	10		15290464		9946219
Depreciation			434124		375465
			<u>130141283</u>		<u>159646684</u>
PROFIT BEFORE TAXATION			11287340		7813902
Less : PROVISION FOR TAXATION					
Current tax		2640000		2080000	
Deferred tax		(53565)		(6978)	
Fringe Benefit tax		80000	2666435	—	2073022
PROFIT AFTER TAXATION			8620905		5740880
Less : I.T. Adjustment for earlier year			4614		39535
			8616291		5701345
Less : Transfer to Statutory Reserve			1724000		1141000
			6892291		4560345
Add : Surplus as per last Account			18189128		13628783
SURPLUS CARRIED TO BALANCE SHEET			25081419		18189128
Basic & Diluted Earnings per share			<u>2.93p.</u>		<u>1.94p.</u>

NOTES & ACCOUNTING POLICIES 8

As per our report attached

For **S. C. SONI & CO.**
Chartered Accountants
S. C. SONI
Proprietor
M. No. 50515
Kolkata, 30th June, 2006

R. A. KABRA Mg. Director
R. K. KABRA Jt. Mg. Director
C. P. KABRA Directors
SHILPA L. M. KABRA Secretary

KABRA COMMERCIAL LIMITED

SCHEDULE '1' TO '10' ANNEXED TO AND FORMING PART OF THE COMPANY'S BALANCE SHEET AS AT 31ST MARCH, 2006 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	2006		2005	
	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		29400000		29400000
fully paid up				
(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	3846965		2705965	
Add : Created during the year Pursuant				
to R.B.I. (Amendment) Act 1997	1724000	5570965	1141000	3846965
Amalgamation Reserve		223333		223333
surplus as per annexed Profit & Loss Account		25081419		18189128
		30875717		22259426
3. LOAN FUNDS :				
SECURED LOANS				
From CANARA BANK				
Overdraft facility		42535045		44130796
(Secured against the mortgage of				
land & Building of the Company at				
Dhanbad and Pledge / Lien of the				
fixed deposits of the said Bank)				
TERM LOAN				
HDFC BANK				550003
ICICI BANK CORPN. LTD.		80001		373333
(Secured against hypothecation of motor car)				
		42615046		45054132
UNSECURED LOAN :				
From Bodies Corporates				
		34860490		12269522
		77475536		57323654

4. FIXED ASSETS

PARTICULARS	COST				DEPRECIATION				W.D.V.	
	As at 1.4.2005	Additions	Sales Adjustment	Total 31.3.2006	Upto 31.3.2005	For the Year	Adjustment	Total	As at 31.3.2006	As at 31.3.2005
Land	64881	—	—	64881	—	—	—	—	64881	64881
Office Building	1335939	—	—	1335939	740436	29776	—	770212	565727	595503
Vehicles	1721163	—	—	1721163	361602	351992	—	713594	1007569	1359561
Furniture, Fixture &										
Office Equipments	1178333	25230	—	1203563	909475	42919	—	952394	251169	268858
Computers	191188	65563	—	256751	189449	9437	—	198886	57865	1739
TOTAL	4491504	90793	—	4582297	2200962	434124	—	2635086	1947211	2290542
Previous Year	4072273	654201	(234,970)	4491504	1976524	375465	(151,027)	2200962	2290542	2095749

KABRA COMMERCIAL LIMITED

5. INVESTMENTS : (Long term, other than trade) Equity Shares (At Cost)	FACE Value (Rs.)	2006		2005	
		Nos.	Amount (Rs.)	Nos.	amount (Rs.)
A. QUOTED					
Arihant Avenue & Credit Ltd.	10	200000	100000	200000	100000
Associated Cement Co. Ltd.	10	10200	1512288	16200	1604560
Bank of Baroda	10	—	—	1500	353532
Centurion Bank Ltd.	10	2000	21225	2000	21225
Essar Steel Ltd.	10	10000	449098	—	—
Gloria Chemicals Ltd. (*)	10	1000	1750	1000	1750
Hanil Era Industries Ltd.	10	100	762	100	762
I.T.I. Ltd.	10	17000	1514370	—	—
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	—
Mangalam Cement Ltd.	10	78258	9160269	2100	168970
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
Nagarjuna Fertilizers & Chemicals Ltd.	10	7000	110725	7000	110725
Oriental Bank of Commerce	10	—	—	1700	600804
Padmini Technology Ltd.	10	1000	50025	1000	50025
Prime cement Ltd.	10	—	—	40000	1056414
Remi Metals Ltd.	10	2000	11500	2000	11500
Tata Tele Services Ltd.	10	—	—	10000	304600
Tata Finance Ltd.	10	—	—	11458	488492
Tata Steel Ltd.	10	6975	791903	6975	791903
Tata Tea Limited	10	6800	1710870	6800	1710870
Tata Motors Ltd.	10	1000	655026	—	—
TVS Electronics Ltd.	10	5000	293990	—	—
Unit Trust of India (Master Share) (*)	10	13000	202466	13000	202466
Uniworth Textiles Ltd. (*)	10	25	455	25	455
Varun Shipping Ltd.	10	15000	1043997	—	—
Vakrange Softwares Ltd.	10	1500	93895	1500	93895
			17987795		8551351
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
			268443		268443
C. BONDS					
5.15% Non Convertible Redeemable bonds of Rural Electrification Corpn. Ltd.	10000	30	300000	30	300000
D. DEBENTURES					
12.5% Non Convertible Debentures of KPL International Ltd.	10	20	255	20	255
Total (A+B+C+D)			18556493		9120049

(Market value of Quoted shares Rs. 33657717/-, P.Y. 16440774/-)

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

KABRA COMMERCIAL LIMITED

	2006		2005	
	Rupees	Rupees	Rupees	Rupees
6. CURRENT ASSETS, LOANS AND ADVANCES :				
SUNDRY DEBTORS				
Unsecured				
(Considered good)				
Debt outstanding for a period exceeding six months	68303972		23411946	
Other Debts	43534452	111838424	99858289	123270235
CASH & BANK BALANCES				
Cash in hand	31424		105441	
Cheque in hand	11550208		910000	
Balance with Scheduled Banks				
On Current Account	904832		502933	
On Fixed Deposit Account	60561456	73047920	53892629	55411003
OTHER CURRENT ASSETS				
Accrued interest on Fixed Deposit		1312974		4218047
LOANS & ADVANCES				
(Unsecured, considered good by the management)				
Loans	60051		—	
Advances recoverable in cash or in kind or for value to be received pending adjustments	614097		14882336	
Tax Payments	4512125		1842870	
Deposits	105122	5291395	157322	16882528
		191490713		199781813
7. CURRENT LIABILITIES & PROVISIONS :				
CURRENT LIABILITIES				
Sundry Creditors				
For Goods	63411092		78235100	
for Expenses & Others	1421651		856985	
Trade Advances	4579856		20953109	
Security Deposits	63000	69475599	63000	100108194
PROVISIONS				
For Income Tax	4720000		2080000	
For Fringe Benefit Tax	80000	4800000	—	2080000
		74275599		102188194

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. 1,06,283/- (P. Y. Rs. 1,08,670/-) 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) Figures have been rounded off to the nearest rupee.
- (iv) Figures of the previous year have been regrouped, rearranged and recasted wherever found necessary.

KABRA COMMERCIAL LIMITED

(v) Segment Reporting

	31.3.2006		31.3.2005	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
A. Segment Revenue				
Coal & Coke Trading and service/ commission		136892483		161153177
Finance & Investment		4465496		6307409
Unallocated		70644		—
		<u>141428623</u>		<u>167460586</u>
B. Segment Results				
Coal & Coke Trading and service/ commission		12613377		6603885
Finance & Investment		4022337		6198927
		<u>16635714</u>		<u>12802812</u>
Less : Unallocated Expenses (Net)		5348374		4988910
Profit Before Tax		<u>11287340</u>		<u>7813902</u>
C. Segment Assets				
Coal & Coke Trading and service commission	184012854		182350038	
Finance & Investment	19945577		9159145	
Unallocated	<u>8068421</u>	212026852	<u>19683221</u>	211192404
D. Segment Liabilities				
Coal & Coke Trading and service/ commission	146218757		155588527	
Finance & Investment	63030		63000	
Unallocated	<u>5469348</u>	<u>151751135</u>	<u>3881451</u>	<u>159532978</u>
E. Segment wise Capital Employed				
Coal & Coke Trading and service/ commission	37794097		26761511	
Finance & Investment	19882547		9096145	
Unallocated	<u>2599073</u>	<u>60275717</u>	<u>15801770</u>	<u>51659426</u>
F. Depreciation				
Unallocated		<u>434124</u>		<u>375465</u>
G. Preliminary Expenses written off-unallocated		<u>—</u>		<u>7784</u>

Notes on Segment Reporting

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

KABRA COMMERCIAL LIMITED

(vi) Deferred Tax :

(a) The details of Deferred tax assets / liability as at 31.3.06 is as under

Particular	Deferred tax assets / (liability) as at 1.4.05	Deferred tax assets / (liability) for the year	Deferred tax assets / (liability) as at 31.3.06
Timings difference on Account of Depreciation	(21130)	53565	32435

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

(vii) 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	1320000	
Sri Ramawatar Kabra	Payment of Director's Remuneration	120000	
	Perquisites Assignment of Keyman Policy	828816	
		948816	
B. Where key managerial Personnel exercise Significant Influence			
Coal Sale Co. Ltd.	Prepaid Railway Freight		
	Re-imburement	130249000	1733000/- (Dr.)
	Advance given/ taken	1994390	NIL
	Services Charges received	287069	NIL
Coal Sale Co.	Services Charges received	189788	2393/- (Dr.)
	Advance given/Taken	37625000	—
	Prepaid Railway Freight		
	Re-imburement	86110000	1115000/- (Dr.)
Jagdamba Coal House	Electricity Charges	34660	3990/- (Cr.)
	Drainage & Sewerage charges	250	—
Kabra Sewa Sansthan	Donation	200000	NIL
	Rent paid	12000	NIL
Rajesh Manish Associates Pvt. Ltd.	Computer Service Charges	96000	NIL
Kabra Brothers	Sale of Goods	28864000	4579856 (Cr.)
	Prepaid Railway Freight		
	Re-imburement	3450000	NIL
	Service Charges Received	7604	NIL
	Re-imburement of LC Charges	798967	NIL
Kabra Marble Udyog Ltd.	Advance given / taken	200000	NIL

KABRA COMMERCIAL LIMITED

(viii) Basic & diluted Earnings per Share

	<u>2006</u>	<u>2005</u>
Profit after Tax (Rs.)	8616291	5701345
No. of Equity Shares (Nos)	2940000	2940000
Earning per share (Basic & diluted) (Rs)	2.93 p.	1.94 p.

(ix) 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.

(x)	Detailed quantitative informations :		2006		2005	
	Coal & Coke	Qty. (M.T.)	Amount (Rs.)		Qty. (M.T.)	Amount (Rs.)
	Purchase	9250	59769078		7500	143325000
	Sales	9250	62340625		7500	146908125
	Sulphur					
	Purchase	12500	54647617		1500	6000000
	Sales	12500	57208500		1500	6150000

	<u>2006</u>	<u>2005</u>
(xi) Expenditure in foreign Currency	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
(a) Purchase of Goods	57306695	NIL
(b) Interest	648385	136741
(c) Foreign Travel	82050	NIL
(d) Computer purchased	65563	NIL

(xii) 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	<u>Outstanding Balance</u>	<u>Maximum balance</u>
	<u>as on 31.3.06</u>	<u>outstanding during the year</u>
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)	60051	3000000
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

	2006		2005	
	Amount	Amount	Amount	Amount
9. OTHER INCOME				
Interest				
On Loans	77425		190649	
On Fixed Deposits	3758219		3636093	
On Debentures & Bonds	15450		15450	
On Others (TDS Rs. 1398691/-, P.Y. Rs. 875021/-)	2825124	6676218	410100	4252292
Rent (TDS Rs. 51892/-, P.Y. Rs. 48592)		255894		245892
Dividend	—	323049	—	298444
Profit on Sale of Investments	—	3793678	—	5498458
Difference in Share Transaction	—	—	—	58516
Profit on sale of Assets				13027
Miscellaneous Income		4984		—
Sundry Balance written off		512		—
		<u>11054335</u>		<u>10366629</u>
10. EXPENSES :				
Salaries & Bonus		767285		580900
Staff Welfare		42768		42442
Rent, Rates & Taxes		56756		81730
Postage & Telegram		30241		37902
Insurance		56560		8593
Travelling & Conveyance		255505		100866
Office Expenses		87502		59928
Keyman Insurance		1893867		2157208
Tele communication Expenses		125745		114418
Advertisement & Publicity		50026		43059
Printing & Stationary		32728		54469
Director's Remuneration		1440000		796480
LC Charges		1957386		2027562
Vehicle Expenses		227545		136926
Analysis, Supervision & Handling Expenses		28636		—
Bill Discounting charges		1441267		—
INTEREST				
To Bank	3429272		2437093	
To Others	2029479	5458751	516812	2953905
Audit Fees		15000		16530
Preliminary Expenses Written off		—		7784
Electricity Charges		50744		47696
REPAIRS & MAINTENANCE		59518		47404
Bank Charges		48463		168200
Miscellaneous Expenses		45804		61714
Computer Service Charges		96000		96000
Share Dematerialization Expenses		10111		12317
Donation		200000		100000
Sales Promotion		173035		9759
Stamp Duty Charges & commodity		110951		74625
Difference in share & commodity transaction		402241		—
Legal & Professional fees		27894		40257
Investments Written off		—		67545
Sales Tax		98135		—
		<u>15290464</u>		<u>9946219</u>

Signatures to Schedule '1' to '10'

For S. C. SONI & CO.

Chartered Accountants

S. C. SONI

Proprietor

M. No. 50515

Kolkata, 30th June, 2006

R. A. KABRA

Mg. Director

R. K. KABRA

Jt. Mg. Director

C. P. KABRA

Directors

SHILPA L. M. KABRA

Secretary

KABRA COMMERCIAL LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	:	35410	State Code : 21
Balance Sheet Date	:	31.3.2006	

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	:	137751
Total Assets	:	137751

Sources of Funds

Paid-up Capital	:	29400
Reserves & Surplus	:	30876
Secured Loans	:	42615
Unsecured Loans	:	34860
Deferred Tax Liability	:	—

Application of Funds

Net Fixed Assets	:	1947
Investments	:	18556
Net Current Assets	:	117215
Deferred Tax Assets	:	33
Misc. Expenditure	:	—
Accumulated Losses	:	—

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

Turnover (including Other Income)	:	141428
Total Expenditure	:	130141
Profit before Tax	:	11287
Profit after Tax	:	8616
Earning per Share in Rs.	:	2.93 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

Signed for Identification

For S. C. SONI & CO.

Chartered Accountants

S. C. SONI

Proprietor

M. No. 50515

Kolkata, 30th June, 2006

R. A. KABRA

R. K. KABRA

C. P. KABRA

SHILPA L. M. KABRA

Mg. Director

Jt. Mg. Director

Directors

Secretary

KABRA COMMERCIAL LIMITED

Cash Flow Statement prepared pursuant to the listing agreement with the Stock Exchange for the year ended 31st March, 2006

	For the year ended 31st March, 2006		For the year ended 31st March, 2005	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax & Extra Ordinary Items		11287340		7813902
Adjustments for :				
Profit on sale of Assets	—		(13027)	
Depreciation	434124		375465	
Preliminary Expenses Written Off	—		7784	
Difference in Share Transaction	402241		(58516)	
Interest Received	(92875)		(206099)	
Interest Paid	4810365		2953905	
Dividend Received	(323049)		(298444)	
Profit on sale of Investments	(3793678)	1437128	(5498458)	(2737390)
		<u>12724468</u>		<u>5076512</u>
Operating Profit before Working Capital Charges				
Adjustments for :				
Other Current Assets	2905073		(1075539)	
Debtors	11431811		(82880313)	
Advances & Security Deposits	14320439		(14760297)	
Current Liabilities	(30632595)	(1975272)	65373170	(33342979)
Cash Generated from Operations		10749196		(28266467)
Less : Direct Taxes paid		(2673869)		(1943103)
NET CASH FROM OPERATING ACTIVITIES (A)		<u>8075327</u>		<u>(30209570)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase / Sale of Fixed Assets		(90793)		(557231)
Purchase / Sale of Investments		(5642766)		9559378
Interest Received		92875		206099
Dividend Received		323049		298444
Difference in Share Transaction		(402241)		58516
Loans Given		(60051)		2800000
NET CASH USED IN INVESTING ACTIVITIES (B)		<u>(5779927)</u>		<u>12365206</u>
C. CASH FLOW FROM FINANCING ACTIVITIES				
Loans Taken / Repaid		20151882		26335066
Interest Paid		(4810365)		(2953905)
NET CASH USED IN FINANCING ACTIVITIES (C)		<u>15341517</u>		<u>23381161</u>
NET INCREASE IN CASH & CASH EQUIVALENT (A+B+C)		<u>17636917</u>		<u>5536797</u>
CASH & CASH EQUIVALENTS				
Cash & Bank Balances (Opening)		55411003		49874206
Cash & Bank Balances (Closing)		73047920		55411003
NET INCREASE IN CASH & CASH EQUIVALENTS		<u>17636917</u>		<u>5536797</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

S. C. SONI
Proprietor

M. No. 50515
Kolkata, 30th June, 2006

R. A. KABRA Mg. Director
R. K. KABRA Jt. Mg. Director
C. P. KABRA Directors
SHILPA L. M. KABRA Secretary

FORM OF PROXY

KABRA COMMERCIAL LIMITED

4, BRABOURNE ROAD, KOLKATA - 700 001

I/We

being a Member/Members of KABRA COMMERCIAL LIMITED hereby appoint

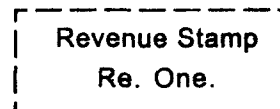
..... of

.....

or falling him of

as my / our Proxy to attend and vote for me / us on my / our behalf at the twenty third Annual General Meeting of the Company to be held on Thursday, the 28th September, 2006 or at any adjournment thereof.

Signed this.....day of....., 2006



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.