

HIND COMMERCE LIMITED

**21st ANNUAL REPORT
2005-2006**

HIND COMMERCE LIMITED

DIRECTORS : Shri Ujwal R. Lahoti
Shri Umesh R. Lahoti
Shri Prakash R. Bang
Shri Purshottam Sarda

AUDITORS : K. K. Khadaria & Co.
Chartered Accountants
Mumbai

BANKERS : Punjab National Bank
ABN-AMRO

REGISTERED OFFICE : 307, Arun Chambers,
Tardeo Road,
Mumbai - 400 034.

**REGISTRAR &
TRANSFERAGENTS** : **Sharepro Services (India) Pvt. Ltd.**
Satam Estate, 3rd Floor,
Above Bank of Baroda, Cardinal Gracious
Road, Chakala, Andheri (East),
Mumbai - 400 099.

HIND COMMERCE LIMITED

NOTICE

Notice Is Hereby Given That The **21st Annual General Meeting** Of The Members Of **Hind Commerce Limited** Will Be Held On 26th July, 2006 At 11.30 A.m. At The Registered Office Of The Company At 307, Arun Chambers, Tardeo Road, Mumbai - 400 034 To Transact The Following Business:

ORDINARY BUSINESS :-

1. To Receive, Consider And Adopt The Balance Sheet As At 31st March 2006 And The Profit & Loss Account For The Year Ended On That Date Together With The Reports Of Auditors And Directors' Thereon.
2. To Appoint Auditors And Fix Their Remuneration.
3. To Appoint A Director In Place Of Mr. Umesh Lahoti Who Retires By Rotation And Being Eligible Offers Himself For Reappointment.
4. To Appoint A Director In Place Of Mr. Prakash Bang Who Retires By Rotation And Being Eligible Offers Himself For Reappointment.

For & on Behalf of Board of Directors
FOR HIND COMMERCE LTD

Place : Mumbai
Date : 28th April, 2006

UMESH LAHOTI
Director

NOTE:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

HIND COMMERCE LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors Have Pleasure In Placing Before You The 21st Annual Report Of The Company, Alongwith The Audited Statement Of Accounts For The Year Ended 31st March, 2006.

FINANCIAL RESULTS: (RS. IN LACS)

Particulars	2005-2006	2004-2005
Profit/(Loss) Before Tax	109.68	40.65
Less: Provision For Taxation (Including Deferred And Fringe Benefit Tax	3.92	1.22
Net Profit After Tax	<u>105.76</u>	<u>39.43</u>
Add/(Less): Previous Years Profit/ (Loss) Brought Forward	125.60	85.08
Balance Carried To Balance Sheet	<u><u>231.36</u></u>	<u><u>120.60</u></u>

DIVIDEND:

Your Directors Recommend Nil Dividend For The Year Under Review.

DIRECTOR:

Mr. Umesh Lahoti And Mr. Prakash Bang Retire By Rotation And Being Eligible Offers Themselves For Re-appointment.

Your Directors Recommend The Appointment Of Mr. Umesh Lahoti And Mr. Prakash Bang As Directors Of The Company.

AUDITORS:

M/S. K.K. Khadaria & Co., Chartered Accountants Retire At The Ensuing Annual General Meeting And According To A Certificate Received From Them U/S. 224 (1B) Of The Companies Act, 1956 Are Eligible For Re-appointment. The Members Are Recommended To Re-appoint Them As The Auditors Of The Company.

PARTICULARS REGARDING EMPLOYEES:

No Employee Draws Remuneration In Excess Of Limit Prescribed U/S 217 (2A) Of The Companies Act, 1956 Read With The Companies (Particulars Of Employees) Rule, 1975.

ENERGY CONSERVATION MEASURES, TECHNOLOGY ABSORPTION AND R & D EFFORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your Company Is A Trading Company And Hence The Particulars Required To Be Furnished U/S 217(1)(e) Of The Companies Act, 1956 Regarding Energy Conservation Measures, Technology Absorption And R & D Efforts Does Not Apply To The Company. During The Period Under Review The Company Has Earned Foreign Exchange Of Rs.Nil And Incurred The Foreign Exchange Outgo Of Nil.

DIRECTORS' RESPONSIBILITY STATEMENT U/S. 217(2AA):

The Board Of Directors Report:

- I) That In The Preparation Of Annual Accounts, The Applicable Accounting Standards Had Been Followed.
- II) That 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 At The End Of The Financial Year And Of The Profit Of The Company For That Period;
- III) That The Directors Had Taken Proper And Sufficient Care For The Maintenance Of Adequate Accounting Records In Accordance With The Provisions Of The Companies Act For Safeguarding The Assets Of The Company And For Preventing And Detecting Fraud And Other Irregularities;
- IV) That The Directors Had Prepared The Annual Accounts On A Going Concern Basis.

FOR & ON BEHALF OF BOARD OF DIRECTORS

Place : Mumbai
Date : 28th April, 2006

UMESH LAHOTI
Director

HIND COMMERCE LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF HIND COMMERCE LIMITED

We have audited the attached Balance Sheet of **HIND COMMERCE LIMITED** as at 31st March, 2006 the related Profit and Loss Account of the Company for the Year ended on that date annexed thereto, and the Cash Flow Statement for the Year ended on that date, which we have signed under reference to this report. 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 auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors Report) amendment order 2004 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. Further to our comments on the Annexure referred to in paragraph 1 above, we report that
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required

by Law have been kept by the Company so far as appears from our examination of the books;

- c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account;
- d) In our opinion, the profit & Loss Account and the Balance Sheet comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
- e) As informed & explained to us, none of the directors is disqualified from being appointed as director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with Accounting Policies and notes given in Schedule 'O' give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India;
 - i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2006, and
 - ii) in the case of Profit & Loss Account, of the profit for the year ended on that date.and
 - iii) in the case of the Case Flow Statement, of the cash flows for the year ended on that date.

For **K K KHADARIA & CO**
Chartered Accountants

AJAY DAGA
Partner

Place : Mumbai
Dated : 28th April, 2006

HIND COMMERCE LIMITED

ANNEXURE TO THE AUDITORS REPORT

(Referred to in Paragraph '1' of our report of even date)

- 1)
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) Fixed assets have been physically verified by the Management during the year. In our opinion, the frequency of verification of fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies have been noticed in respect of the assets physically verified during the year.
 - c) No substantial part of fixed assets has been disposed off during the year, which has bearing on the going concern assumption.
- 2)
 - a) Shares & debentures in custody of the Company have been physically verified by the management at reasonable intervals. For shares with the custodian and depository participant & for units of mutual funds, statement from them/mutual funds have been obtained on a regular basis.
 - b) In our opinion, the procedures of verification of inventory by the management are reasonable and adequate in relation to the size of the Company & nature of its business.
 - c) The Company is maintaining proper records of inventory. No discrepancies have been noticed on reconciliation of physical inventories & with the custodian and depository participant as compared to the book records.
- 3)
 - a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act., 1956. Accordingly, clauses (iii) (a) to (iii) (d) are not applicable.
 - b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act., 1956. Accordingly, clauses (iii) (e) to (iii) (g) are not applicable.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase & sale of inventory (shares & securities). The Company does not provide any services. During the course of our audit, we have not observed any major weaknesses in internal control system.
5. In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4 (v) (b) of the Order is not applicable.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits to which the provision of section 58A., 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
7. The Company does not have a formal system of internal audit. but there are adequate checks & controls at all level.
- 8)
 - a) In our opinion and according to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues applicable to it.
 - b) In our opinion and according to the information & explanations given to us, there are no disputed statutory dues.
9. The Company does not have any accumulated losses as at the end of the financial year. The Company has not

HIND COMMERCE LIMITED

incurred any cash losses during the financial year covered by our audit and also not in the immediately preceding financial year.

10. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. The Company is not a chit fund or a nidhi / mutual benefit fund/society.
12. The Company has maintained proper records of transactions and contracts in respect of dealing in shares, securities, debentures and other investments and timely entries have been made therein. All the shares, securities, debentures and other investments have been held by the Company in its own name or pending transfer thereof.
13. In our opinion, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
14. The Company has not raised any term loan during the year and hence clause 4(xvi) of the Order is not applicable.
15. According to the information and explanation given to us and on an overall examination of the balance sheet & cash flow statement of the Company, we report that during the year, short term funds have not been used to finance long term investments.
16. According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
17. According to the information and explanations given to us, the Company has not issued any debenture during the period covered by our audit report.
18. The Company has not raised any money by way of public issue during the year.
19. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.
20. Other provisions of the said Order are either NIL or NOT APPLICABLE.

For K K KHADARIA & CO
Chartered Accountants

AJAY DAGA
Partner

Place : Mumbai
Dated : 28th April, 2006

HIND COMMERCE LIMITED

BALANCE SHEET AS AT 31ST March, 2006

	Schedules	AS AT 31.03.2006 AMT (RS.)	AS AT 31.03.2005 AMT (RS.)
I SOURCES OF FUNDS			
1. Shareholders' Funds			
a. Share Capital	A	30000000	29122500
b. Reserves & Surplus	B	23137224	12561402
2. Deferred Tax Liability		3598	2563
	Total	<u>53140822</u>	<u>41686465</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets	C		
Gross Block		31000	31000
Less : Depreciation		<u>16522</u>	<u>15049</u>
Net Block		14478	15951
2. Investments	D	4678625	13301125
3. Current Assets, Loans and Advances			
a. Inventories	E	28129886	23024361
b. Debtors	F	14337202 ✓	NIL
c. Cash & Bank Balances	G	449977 ✓	823529
d. Other Current Assets	H	4099771	446178
e. Loans & Advances	I	<u>1863694</u>	<u>4115371</u>
		48880530	28409439
Less: Current Liabilities & Provisions			
a. Current Liabilities	J	32702	31289
b. Provision for Tax		<u>400109</u>	<u>8761</u>
Net Current Assets		48447719	28369389
	Total	<u>53140822</u>	<u>41686465</u>
Notes To Account	O		

The Schedules referred to above &
Notes to Account form an integral
part of the Balance Sheet.

As per our Report of even date attached

For K K KHADARIA & CO
Chartered Accountants

AJAY DAGA
PARTNER

Place : Mumbai

Date : 28th April, 06

For & On Behalf of the Board

UJWAL LAHOTI - Director

UMESH LAHOTI - Director

HIND COMMERCE LIMITED

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

	Schedules	FOR THE YR. ENDED	FOR THE YR. ENDED
		31.03.2006	31.03.2005
		AMT (RS.)	AMT (RS.)
INCOME			
Sales		56522551	15063329
Other Income	K	2509809	3817302
Profit on Sale of Investments		5737294	NIL
Increase / (Decrease) in Stock	L	5105525	5812286
		<u>69875179</u>	<u>24692917</u>
EXPENDITURE			
Purchases		58665105	20509692
Employees' Remuneration & Other Benefits	M	52812	49318
Administrative & Other Exp.	N	187584	67522
Depreciation		1473	1473
		<u>58906974</u>	<u>20628005</u>
Profit before Tax		10968205	4064912
Less : Provision for Tax			
- Current Tax		390754	8761
- Deferred Tax		1035	3402
-- Fringe Benefit Tax		594	NIL
Profit after Tax		10575822	4052749
Balance brought forward from previous year		12560402	8507653
Balance carried to Balance Sheet		<u>23136224</u>	<u>12560402</u>
Basic & Diluted Earning Per Share (Rs.)		3.56	1.61
Nominal Value Per Share (Rs.)		10.00	10.00

NOTES TO ACCOUNT

As per our Report of even date attached

For K K KHADARIA & CO
Chartered Accountants

AJAY DAGA
PARTNER

Place : Mumbai
Date : 28th April, 06

O

The Schedules referred to above & Notes to Account form an integral part of the Profit & Loss Account

For & On Behalf of the Board

UJWAL LAHOTI - Director

UMESH LAHOTI - Director

HIND COMMERCE LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNT

	AS AT 31.03.2006 AMT (RS.)	AS AT 31.03.2005 AMT (RS.)
SCHEDULE A		
SHARE CAPITAL		
AUTHORISED CAPITAL		
11000000(11000000) Equity Shares of Rs 10/- each	<u>11000000</u>	<u>11000000</u>
ISSUED & SUBSCRIBED CAPITAL		
3000000(3000000) Equity Shares of Rs 10/- each	<u>3000000</u>	<u>3000000</u>
PAID UP CAPITAL		
3000000 (2822000) Equity Shares of Rs. 10/- each fully paid up.	3000000	2822000
NIL (178000) Equity Shares of Rs. 10/- each fully called up.	NIL	178000
Less : Calls in arrears	<u>NIL</u>	<u>877500</u>
	<u>NIL</u>	<u>902500</u>
	<u>30000000</u>	<u>29122500</u>

SCHEDULE B RESERVES & SURPLUS

Share Premium A/c	1000	1000
Profit & Loss Account	<u>23136224</u>	<u>12560402</u>
	<u>23137224</u>	<u>12561402</u>

SCHEDULE C : FIXED ASSETS

ASSETS	Gross Block			Depreciation			Net Block	
	As at 1.4.05	Additions/ (Deletions) During the year	As at 31.03.06	As at 1.4.05	Provided During the year	As at 31.3.06	As at 31.3.06	As at 31.3.2005
Electronic Type Writer	31000	Nil	31000	15049	1473	16522	14478	15951
TOTAL	31000	Nil	31000	15049	1473	16522	14478	15951
Previous Year	31000	Nil	31000	13576	1473	15049	15951	

SCHEDULE D INVESTMENTS (LONG TERM)(NON TRADE)

Quoted

12500(62500) Eq. Sh. Of Rs. 10/- each of Comfort Intech Ltd.	65625	328125
707500(521500 Eq. Sh of Rs. 10/- each) Eq. Sh of Rs. 2/- each of Lahoti Overseas Ltd.	<u>3113000</u>	<u>11473000</u>
	<u>3178625</u>	<u>11801125</u>

Unquoted

37500(37500) Eq. Sh of Rs. 10/- each of Rugbystar Properties (P) Ltd.	<u>1500000</u>	<u>1500000</u>
	<u>4678625</u>	<u>13301125</u>

(Market Value of quoted investments - Rs. 5896825/- P.Y. Rs. 24574825/-)

HIND COMMERCE LIMITED

	AS AT 31.03.2006 AMT (RS.)	AS AT 31.03.2005 AMT (RS.)
SCHEDULE E		
INVENTORIES		
(As taken, valued & certified by a Director of the Company)		
Shares, Securities & Mutual Fund Units (As per annexure 1 attached)	28129886	23024361
	<u>28129886</u>	<u>23024361</u>
SCHEDULE F		
DEBTORS		
(Unsecured, Considered Good)		
Due for more than six months	NIL	NIL
Other Debts	14337202	NIL
	<u>14337202</u>	<u>NIL</u>
SCHEDULE G		
CASH & BANK BALANCES		
Cash on hand	17372	511
Balance with Scheduled Banks in Current A/c	432605	823018
	<u>449977</u>	<u>823529</u>
SCHEDULE H		
OTHER CURRENT ASSETS		
Share Application Money	3088000	NIL
Dividend Receivable	1011771	446178
	<u>4099771</u>	<u>446178</u>
SCHEDULE I		
LOANS & ADVANCES		
(Unsecured, Considered Good)		
Loans	969812	3722083
Deposits	351210	351210
Advance Tax, etc.	542672	42078
	<u>1863694</u>	<u>4115371</u>
SCHEDULE J		
CURRENT LIABILITIES		
Sundry Creditors	32642	31229
Other Liabilities	60	60
	<u>32702</u>	<u>31289</u>

HIND COMMERCE LIMITED

FOR THE YEAR ENDED
31.03.2006 AMT (RS.)

FOR THE YEAR ENDED
31.03.2005 AMT (RS.)

SCHEDULE K OTHER INCOME

Dividend	2509809	3817302
	<u>2509809</u>	<u>3817302</u>

SCHEDULE L INCREASE / (DECREASE) IN STOCK

Closing Stock	28129886	23024361
Less: Opening Stock	23024361	17212075
	<u>5105525</u>	<u>5812286</u>

SCHEDULE M EMPLOYEES' REMUNERATION & OTHER BENEFITS

Salary	38049	36103
Bonus	7921	6783
H.R.Allowance	3804	3612
Leave Salary	3038	2820
	<u>52812</u>	<u>49318</u>

SCHEDULE N ADMINISTRATIVE & OTHER EXPENSES

Share Transaction Charges	8653	525
Securities Transaction Tax	35919	10517
Conveyance	8828	4380
Listing Fees	11200	11200
Telephone Expenses	NIL	1988
Auditors' Remuneration :		
- For Audit	14591	14326
- For Tax Audit	3929	3857
Legal & Professional Charges	750	3577
Professional Tax	2500	2500
Bank Charges	1271	1002
Sundry Balances W/off	86271	NIL
Advertisement Expenses	12672	12650
Filing Fees	1000	1000
	<u>187584</u>	<u>67522</u>

HIND COMMERCE LIMITED

SCHEDULE 'O' NOTES TO ACCOUNT

1) Summary of Significant Accounting Policies :-

- a. Accounts have been prepared on historical cost and accrual basis.
- b. Fixed Assets are stated at Cost less Depreciation. The Company capitalises all cost relating to acquisition and installation of Fixed Assets.
- c. Depreciation has been provided on pro-rata basis on straightline method at the rates & on the basis as specified in Schedule XIV to the Companies Act, 1956.
- d. Long term investments are stated at cost. Provisioning for loss in the value of investments is made on the basis of permanent impairment in each security.
- e. Loans & Advances are stated after making adequate provisions for doubtful advances.
- f. Stock-in-trade in the case of Quoted Scrips is valued at cost or market value whichever is lower & in the case of Un-quoted Scrips the same is valued at lower of cost & break up value/NAV.
- g. Leave encashment benefit accrued as per Company's Rules are charged to Profit & Loss Account.
- h. Income-tax expense comprises current tax and deferred tax charge or credit. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax asset arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax asset on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax asset is reviewed to reassess realisation.

2) Contingent Liability:

Uncalled liability on partly paid Debentures Rs. 18900/- (P.Y. Rs. 18900/-).

- 3) The party to whom the Company has advanced loans has delayed the repayment of principal and interest. The Company is taking appropriate steps for recovery of the same. In the opinion of the Board of Directors, the amount is recoverable and good. However, during the year no interest has been charged on the said loan as it is considered doubtful.
- 4) Deposit include Rs. 3.5 Lacs (Previous Year Rs. 3.5 Lacs) being interest free security deposit, for Office Premises, to a company in which some of the Directors are interested.
- 5) Sundry Debit/Credit balances are taken at book figures & are subject to confirmation.
- 6) The Company is engaged solely in investment activity segment

and all activities of the Company revolve around this business. As such there are no other reportable segment as defined by Accounting Standard 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.

7) Related Party Disclosures :

Enterprises over which Key Management Personnel are able to exercise significant influence :

- i. Lahoti Overseas Ltd.
- ii. P. S. Ware Information (P) Ltd.
- iii. Kirti Stock Brokers (P) Ltd.

Transactions with related parties during the year :

Enterprises over which Key Management Personnel are able to exercise significant influence

Nature of Transaction	Amt (Rs.)
Advance given	200000/-
	(NIL)
Advance given received back	200000/-
	(NIL)
Balance as on 31.03.2006 is as under :	
Deposit Given	350000/-
	(350000/-)
Equity Contribution	5513000/-
	(13873000/-)

8) Break up of Net Deferred Tax Asset/(Liability) into major components of the respective balances are as follows :

	As At 31.3.2006 Amt(Rs.)	As At 31.3.2005 Amt(Rs.)
Deferred Tax Asset on account of :		
- Others	NIL	1174
	<u>NIL</u>	<u>1174</u>
Deferred Tax Liability on account of :		
- Depreciation	3598	3737
	<u>3598</u>	<u>3737</u>
Net Deferred Tax Asset/(Liability)	<u>(3,598)</u>	<u>(2563)</u>

	2005-2006	2004-2005
9) Earnings Per Share (EPS)		
a) Weighted Average Number of Equity Shares outstanding during the year	2968432	2514894
b) Net Profit after tax available for Equity Shareholders (Rs.)	10575822	4052749
c) Basic and Diluted Earnings Per Share (Rs.)	3.56	1.61
d) Nominal Value Per Shares (Rs.)	10.00	10.00

The Company does not have any outstanding dilutive potential equity shares.

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10) Quantitative Information in respect of items traded:-

Particulars	No. of Shares	Amount (Rs.)	No. Deb	Amount (Rs.)	No. of Units of Mutual Funds	Amount (Rs.)
Opening Stock	53358	3484982	70	2100	1215199.300	19537279
	(52420)	(3233294)	(70)	(2100)	(1159018.95)	(13976681)
Purchases	8885	390561	NIL	NIL	4146469.598	58274544
	(1438)	(252080)	(NIL)	(NIL)	(1043087.79)	(20257612)
Sales	9263	560516	NIL	NIL	3859055.749	55962036
	(500)	(62120)	(NIL)	(NIL)	(986907.43)	(15001209)
Closing Stock	52980	3504575	70	2100	1502613.149	24623211
	(53358)	(3484982)	(70)	(2100)	(1215199.30)	(19537279)

Note : Figure in brackets pertain to Previous Year.

11) Previous Year's figure have been regrouped, rearranged, wherever necessary, so as to make them comparable with current year's figure.

12) Other information required under Part I & Part II of Schedule VI to the Companies Act, 1956 is either NIL or NOT APPLICABLE.

Signatures to Schedules "A" to "O"

For **K K KHADARIA & CO**
CHARTERED ACCOUNTANTS

AJAY DAGA
PARTNER

For & On Behalf of the Board

UJWAL LAHOTI - Director

UMESH LAHOTI - Director

PLACE : MUMBAI
DATED : 28th April, 06

HIND COMMERCE LIMITED

ANNEXURE '1' STOCK-IN-TRADE

Scrip	Face Value	As At 31.03.2006		As At 31.03.2005	
		Qty.(Nos.)	Amount(Rs.)	Qty.(Nos.)	Amount(Rs.)
A> Equity Shares :-					
Vintage Cards & Creat. Ltd.	10	Nil	Nil	600	9534
Nirma Ltd.	10	200	22000	200	22000
Sb&T Int. Ltd. (Bonus)	10	300	Nil	300	Nil
Century Enka	10	120	20724	120	15768
SBI Ltd.	10	100	10000	100	10000
Sanghi Spinners India Ltd.	10	25000	750000	25000	750000
Kirti Stock Brokers (P) Ltd.	100	24000	2400000	24000	2400000
UBI	10	1600	25600	1600	25600
Emami Ltd.	2	1200	84000	1200	84000
Jet Airways (India) Ltd.	10	106	104161	106	116600
Sasken Communication Tech Ltd	10	121	31460	Nil	Nil
Provogue (I) Ltd	10	1	150	Nil	Nil
Fcs Software Ltd	10	100	5000	Nil	Nil
Punjab National Bank	10	132	51480	132	51480
	(A)	<u>52980</u>	<u>3504575</u>	<u>53358</u>	<u>3484982</u>
B> Debentures :-					
Rajashree Poly.	300	70	2100	70	2100
	(B)	<u>70</u>	<u>2100</u>	<u>70</u>	<u>2100</u>
C> Units Of Mutual Funds					
Birla Advantage Fund - Dividend		Nil	Nil	31922.074	1503849
Birla Divi. Yield Plus - Dividend		Nil	Nil	Nil	NIL
Birla Cash Plus - Retail Plan - Growth		Nil	Nil	188748.042	3353996
Franklin Templeton India Mip - Dividend		Nil	Nil	698891.377	7770339
Hsbc Equity Fund - Dividend		78716.290	1858358	60348.928	1328467
Prudential Icici Power-dividend		Nil	Nil	Nil	Nil
Reliance Growth Fund - Dividend		Nil	Nil	51533.110	1680495
Reliance Liquid Fund-treasury Plan Growth		Nil	Nil	110360.837	1770265
Sundaram Select Midcap - G		Nil	Nil	25934.484	981102
Tata Infrastructure Fund - Dividend		47052.624	500000	47052.624	498767
Templeton India Tma - Growth		Nil	Nil	407.824	650000
Birla Advantage Fund - Dividend Fund Equity		16197.333	925275	Nil	Nil
Sbi Magnum Global Fund Growth		83450.555	1912152	Nil	Nil
Sbi Magnum Multicap Fund Dividend		300000.000	3000000	Nil	Nil
Sbi Magnum Sector Fund-ebf		38322.594	750000	Nil	Nil
Sbi Blue Chip Fund Dividend		80000.000	800000	Nil	Nil
Prudential Icici Discovery Fund Dividend		123237.715	1802562	Nil	Nil
Hdfc Equity Fund Dividend		48087.712	1500000	Nil	Nil
Hdfc Capital Builder Fund		26623.893	1211653	Nil	Nil
Hdfc Top 200 Fund Dividend		28810.434	763579	Nil	Nil
Dsp Merrill Lynch India Tiger Fund		54062.890	793133	Nil	Nil
Templeton India Prima Fund-dividend		15691.028	676124	Nil	Nil
Reliance Growth Fund - Dividend		62360.081	3130373	Nil	Nil
Reliance Equity Fund - Dividend		500000.000	5000000	Nil	Nil
	(C)	<u>1502613.149</u>	<u>24623209</u>	<u>1215199.300</u>	<u>19537279</u>
Total (A)+(B)+(C)		<u>1555663.149</u>	<u>28129884</u>	<u>1268627.3</u>	<u>23024361</u>

HIND COMMERCE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE FOR THE YEAR ENDED 31ST MARCH , 2006

1. Registration Details	
Registration No.	85440
State Code	11
Balance Sheet Date	31st March, 2006
2. Capital Raised During the Year	(Amt. Rs. in '000)
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Pvt. Placement (Promoters)	NIL
3. Position of mobilisation and deployment of Funds	(Amt. Rs. in '000)
Total Liabilities	53141
Total Assets	53141
Sources Of Funds	(Amt. Rs. in '000)
Paid Up Capital	30000
Reserves & Surplus	23137
Deferred Tax Liability	4
Secured Loans	NIL
Unsecured Loans	NIL
Application Of Funds	(Amt. Rs. in '000)
Net Fixed Assets	14
Investments	4679
Net Deferred Tax Asset	NIL
Net Current Assets	48448
Miscellaneous Expenditure	NIL
Accumulated Losses	NIL
4. Performance Of Company	(Amt. Rs. in '000)
Turnover (Gross Receipts)	64770
Total Expenditure	53801
Profit/(Loss) before tax	10968
Profit/(Loss) after tax	10576
Earnings Per Share (in Rs.)	3.56
Dividend, if any	
-on Preference Shares	NIL
-on Equity Shares	NIL
5. Generic Names of Principal Products, Services of the Company:	
Item Code No.	
(ITC Code)	Not Applicable
Product Description	

HIND COMMERCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2006

	FOR THE YEAR ENDED 31.3.2006 AMT. (Rs.)	FOR THE YEAR ENDED 31.3.2005 AMT. (Rs.)
A. Cash Flow From Operating Activities :		
a) Net Profit / (Loss) Before Tax And Extraordinary Items	10,968,205	4,064,912
Adjustments For:		
Depreciation	1,473	1,473
Income Tax	Nil	Nil
Profit On Long Term Investments	(5737294)	Nil
b) Operating Profit Before Working Capital Changes	5,232,384	4,066,385
Adjustments For:		
Inventories	(5,105,525)	(5,812,286)
Debtors	(14,337,202)	Nil
Other Current Assets	(3,653,593)	(95,433)
Loans & Advances	2,251,677	(2,708,078)
Trade Payables	1,413	(129)
Cash Generated From Operations	(15,610,846)	(4,549,541)
Income Tax Paid	Nil	Nil
Net Cash From Operating Activities	(15,610,846)	(4,549,541)
B. Cash Flow From Investing Activities:		
Purchase Of Fixed Assets	Nil	Nil
Sale Of Fixed Assets	Nil	Nil
Purchase Of Investments	Nil	Nil
Sale Of Investments	14359794	Nil
Net Cash Used In Investing Activities	14,359,794	Nil
C. Cash Flow From Financing Activities :		
Proceeds From Issue Of Share Capital	877,500	4,950,000
Proceeds From Unsecured Loan	Nil	Nil
Proceeds From Secured Loan	Nil	Nil
Net Cash Used In Financing Activities	877,500	4,950,000
Net Increase In Cash And Cash Equivalents	(373,552)	400,459
Cash And Cash Equivalents (At The Beginning Of The Year)	823,529	423,070
Cash And Cash Equivalents (At The End Of The Year)	449,977	823,529

As per our Report of even date attached

For K K KHADARIA & CO
Chartered Accountants

AJAY DAGA
PARTNER

Place : Mumbai
Date : 28th April, 06

For & On Behalf of the Board

UJWAL LAHOTI - Director

UMESH LAHOTI - Director

HIND COMMERCE LIMITED

PROXY

HIND COMMERCE LIMITED

Registered Office : 307 Arun Chambers, Tardeo Road, Mumbai - 400 034.

Please Fill In Here

Member's Folio No.
(as stated on address slip)

I/We.....

..... of

being a MEMBER/MEMBER'S HIND COMMERCE LIMITED hereby appoint

..... of

OR

..... of

as my/our proxy to vote for me/us on my/our behalf at the 21st Annual General Meeting of the Members of the Company to be held at the 307, ARUN CHAMBERS, TARDEO ROAD, MUMBAI - 400 034. on Wednesday 26th July, 2006 at 3.00 P.M.

As witness my/our hand this day of 2006

Signature of the said Members

Affix a
1 Rupee
Revenue
Stamp

N.B.: The PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

ATTENDANCE SLIP

HIND COMMERCE LIMITED

Registered Office : 307 Arun Chambers, Tardeo Road, Mumbai - 400 034.

RECORD OF ATTENDANCE AT THE TWENTY FIRST ANNUAL GENERAL MEETING HELD ON WEDNESDAY 26TH JULY, 2006
AT 3.00 P.M.AT

307 Arun Chambers, Tardeo Road, Mumbai - 400 034.

PLEASE COMPLETE THIS ATTENDANCE SLIP
AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

NAME OF THE SHAREHOLDER OR PROXY OR REPRESENTATIVE
ATTENDING THE MEETING

Mr./Mrs./

Miss.....

(in Capitals)

Member's Folio No..... Signature.....

(Incase the shares are held in Demat mode);

DP ID

Client ID

TO BE USED ONLY WHEN THE FIRST - NAMED SHARE HOLDER ATTENDS.

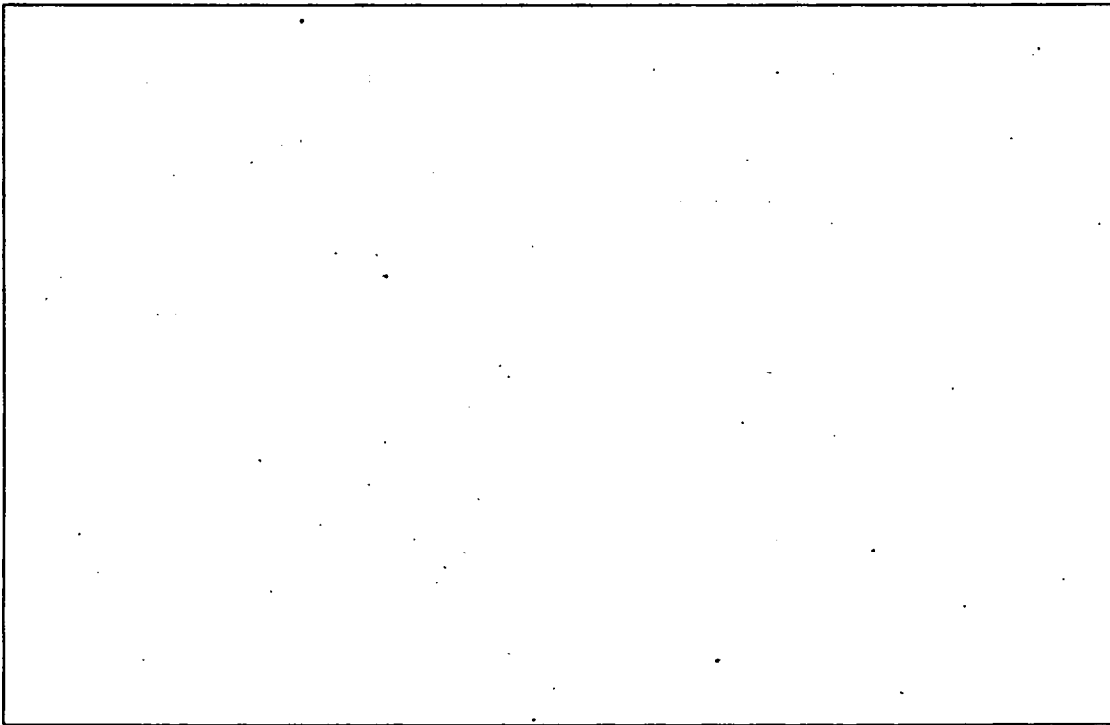
PLEASE GIVE NAME OF THE FIRST - NAMED SHARE HOLDER

Mr./Mrs./ Miss.....

Member's Folio No..... No. of Shares held

DATED 26TH JULY, 2006

BOOK - POST



If undelivered please return to :

HIND COMMERCE LIMITED

307, Arun Chambers, Tardeo Road,
Mumbai - 400 034.