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23rd
ANNUAL REPORT
2004 - 2005

PH TRADING LTD.

PH TRADING LTD.

BOARD OF DIRECTORS

MR. P. HIMATSINGKA

MR. A. K. BHUWALKA

MR. A. JHANWAR

MR. R. JHANWAR

MR. AVISHEK HIMATSINGKA

AUDITORS

M/S. SALARPURIA & PARTNERS

7, CHITTARANJAN AVENUE

KOLKATA-700 072

BANKERS

ORIENTAL BANK OF COMMERCE, KOLKATA

ORIENTAL BANK OF COMMERCE, MUMBAI

TAMILNADU MERCANTILE BANK, MUMBAI

REGISTERED OFFICE :

PODDAR POINT

'B' BLOCK, 10TH FLOOR

113, PARK STREET

KOLKATA-700 016

PH TRADING LTD.

NOTICE

Notice is hereby given that the Twenty 3rd Annual General Meeting of PH TRADING LTD. will be held at its Regd. Office at 113, Park Street, 10th floor, B-Block, Kolkata-700 016, on Tuesday, the 30th August, 2005 at 3.30 p.m. to transact the following Business :-

ORDINARY BUSINESS

- 1) To consider and adopt the Auditors & Directors report as well as audited Balance Sheet and Profit & Loss Account of Company for the year ended 31st March, 2005.
- 2) To declare dividend.
- 3) To appoint director in place of Mr. A. K. Bhuwarka who retires by rotation & being eligible offer himself for re-appointment.
- 4) To appoint auditors to hold office from the conclusion of this meeting until the conclusion of next annual general meeting and fix their remuneration.

SPECIAL BUSINESS

As a special resolution

5. a) To consider and if thought fit to pass with or without modification the following resolutions :

Resolved that Sri Avishek Himatsingka who was appointed as additional director of the company be and is hereby appointed as director of the Company

- b) Resolved Further that the salary of the Managing Director Mr. Prakash Himatsingka increase from Rs. 30,000 to Rs. 45000 and the salary of Director Mr. Ashok Jhanwar increase from Rs. 15000 to Rs. 20000 (The remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the appointed period) in accordance with schedule XIII of the Companies Act 1956

Regd. Office :

Poddar Point, 10th Floor, 'B' Block
113, Park Street, Kolkata-700 016
Date : The 20th of June 2005

By order of the Board
Prakash Himatsingka
Managing Director

NOTES :-

1. A member entitled to attend & vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not to be a member of the Company. Proxies, in order to be effective, must reach the Registered office of the Company at least 48 hours before the meeting.
2. The Registers of members & transfer book of the Company will remain closed from 25/08/05 to 30/08/05 (both days inclusive).
3. Members are requested to notify any change in address immediately to the Companies registered office.
4. As per the provisions of the Company Act, 1956 (as amended), the facility for making nomination is now available to individuals holding shares in the Company. Those who desires to avail this facility may send their request for nomination in the prescribed form 2B duly filled in and signed to the Company's registered office.
5. (a) As per provisions of Section 205A of the Companies Act, 1956, the Company has already transferred to the General Revenue Account of the Central Government the amount of all unclaimed dividends declared upto and including the financial year ended 31st March, 1997. Hence to claim dividend upto the said period, the members are advised to approach the Registrar of Companies, West Bengal 234/4, Acharya Jagadish Chandra Bose Road, Kolkata-700 020

PH TRADING LTD.

- (b) Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999 dividend, for the financial year ended 31st March, 1998, and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the investor Education and Protection Fund established by the Central Government.

Members who have not encashed the dividend warrant (s) for the financial year ended 31st March, 1998 or any subsequent financial years are requested to make claim to the share department of the Company. It may also be noted that once the unclaimed dividend is transferred to the Fund, as above, no claims shall lie in respect of such dividend.

6. The Dividend on Equity Shares as recommended for the year ended 31st March, 2005, if approved at this meeting will be payable on or after 30th August, 2005 to those members whose names appear on the Register of members of the Company as on 30th August, 2005.
7. Explanatory statement under section 173(2) of the Companies Act 1956 for item no 5 is annexed here to.

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act 1956)

(Item 5) Under the provision of the section 260 of the companies act 1956 the appointment of Sri A. Himatsingka comes to an end in the ensuing general meeting. Since the company has receive notice in writing form a member of the Company u/s 257 of the Act proposing the candidature of Sri Himatsingka for the office of the Director the matter has been proposed for consideration (None but Sri Himatsingka is interested in the proposed resolution.)

The Board of Directors feels that in view of the day to day increased work load of the Managing Director and Director of the Company accompanying the economic Market conditions and depletion of money value the remuneration of Sri Prakash Himatsingka Managing Director of the Company and Sri Ashok Jhanwar Director of the Company requires to be revised amended and increased to the extent and within the prescribed stipulation of schedule XIII such necessary changes approved by the Board of Directors at a meeting held on 20th June 2005 with effect from 01-07-2005 subject to approval of Shareholders.

Your Directors recommended the resolution for your approval No Director of the Company except Mr. Prakash Himatsingka and Mr. Ashok Jhanwar is concerned or interested in the resolution.

By order of the Board

PRAKASH HIMATSINGKA
Managing Director

Place : Kolkata

Dated : The 20th day of June, 2005

PH TRADING LTD.

DIRECTOR'S REPORT

To

The Members,

Your Directors have pleasure in placing before you the 23rd Annual Report of the Company together with the audited statement of account of the year ended March 31, 2005.

FINANCIAL RESULTS :

Profit during the year		Rs. 34,50,324
Add : Previous year balance		Rs. 48,27,401
Deffered Tax Liability (Assets)		Rs. 9,956
		Rs. 82,87,681
Less : Provision for taxation	Rs. 13,25,000	
Proposed dividend	Rs. 4,80,000	
Dividend Tax	Rs. 67,320	
		Rs. 18,72,320
Balance transferred to Balance Sheet		Rs. 64,15,361

DIVIDEND :

Your Directors are pleased to recommend a dividend @ Re. 1 per fully paid up equity share of Rs. 10/- each for the year ended 31st March, 2005.

DIRECTORS :

Sri A. K. Bhuwarka, Director of the Company retire by rotation but being eligible offers himself for re-appointment.

Sri Avishek Himatsingka was appointed as additional Director w.e.f. 05-04-2005 and his appointment comes to an end in the ensuing general meeting. The company has received notice u/s 257 of the companies act from a member of the company proposing the appointment of Sri Avishek Himatsingka at the forth coming annual general meeting. Sri Avishek Himatsingka has also filed with the company his consent to act as a Director.

Directors Responsibility statement pursuant to section 217 (2AA) of the Companies Act, 1956.

The Directors hereby confirm.

- i) That in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departure.
- 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 or loss 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 this 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.

AUDITORS :

M/s. Salarpuria & Partners, Chartered Accountants of 7, Chittaranjan Avenue, Kolkata-72, the auditors of the Company being eligible offer themselves for re-appointment.

DEPOSITS :

The Company has never accepted any deposit and as such absolves itself of any compliance in this behalf.

PERSONNEL :

There was no employee receiving remuneration according to section 217(2A) of the Companies Act and hence no statement has been given.

Information under section 217(1)E of the Companies Act., 1956.

Your Company has no activity relating to conservation of energy and Technology absorption. The Company does not have any foreign exchange earnings.

By order of the Board

113, Park Street
10th Floor, Kolkata-700 016
Dated : Friday, the 20th June, 2005

P. HIMATSINGKA
AVISHEK HIMATSINGKA | Directors

PH TRADING LTD.

AUDITOR'S REPORT :

TO THE MEMBERS :

We have Audited the attached Balance Sheet of PH TRADING LTD. as at 31st March, 2005 and also the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the period 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 have 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 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.

As required by the Companies (Auditor's Report) (Amendment) order, 2004 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.

Further to our comments in the Annexure referred to above, we report that :

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (ii) In our opinion, proper books of account as required by the law have been kept by the company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us. The Branch Auditor's Report's have been forwarded to us and have been appropriately dealt with.
- (iii) The Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of account and with the audited returns from the branches.
- (iv) In our opinion the Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (v) On the basis of written representations received from the directors, as on 31st March, 2005, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2005 from being appointed as a director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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.

Subject to : Non provision of Bad and doubtful debts amounting to Rs. 553,740/-

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2005.
- (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date and;
- (c) in the case of cash flow statement, of the cash flows for the year ended on that date.

FOR SALARPURIA & PARTNERS

Chartered Accountants

N. R. NAYAK

Partner

7, Chittaranjan Avenue
Kolkata-700 072
The 20th day of June, 2005

PH TRADING LTD.

ANNEXURE TO THE AUDITOR'S REPORT

- i) a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) These fixed assets are physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- c) Substantial part of fixed assets have not been disposed off during the year to the question of affecting the going concern does not arise.
- ii) a) Physical verification of inventory has been conducted at reasonable intervals by the Management.
- b) The procedures for verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification of the same.
- iii) 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 Act and such clause iii(a) to iii(d) of the order are not applicable.
- iii) e) The company has taken unsecured loans from companies, Firms or other Parties covered under the register maintained under Section 301 of the Act viz.

Name of the Party	Opening Balance	Amt. taken together with Interest	Amount paid	Closing Balance
Abhishek Chemicals Pvt. Ltd.	4,120,087	51,690,632	41,215,247	14,595,472
Avismi Properties Pvt. Ltd.	2,082,292	163,000	2,245,292	Nil
Himatsingka Chemicals Pvt. Ltd.	3,102,226	39,014,897	19,718,819	22,398,304
Intel Sales Pvt. Ltd.	2,954,970	222,000	3,176,970	Nil
Prakash Himatsingka	5,670,854	4,915,859	7,249,812	3,336,901
Pramadh Properties Pvt. Ltd.	2,074,098	155,000	2,229,098	Nil
Swan Silverwares Pvt. Ltd.	3,870,536	34,940,582	25,222,048	13,589,070
Variable Plaza Pvt. Ltd.	3,089,097	1,054,826	739,521	3,404,402
Vikranu Properties Pvt. Ltd.	2,070,613	152,000	2,222,621	Nil
Davesh Devlopers Pvt. Ltd.	Nil	663,400	39,302	624,098
AH Chemicals Pvt. Ltd. (Bombay Branch) (Formerly Larsen Chemical Pvt. Ltd.)	1,277,316	52,299,166	53,430,991	145,491

- f) In our opinion, the rates of interest and Terms & Conditions on which loan have been taken are not prima facie, prejudicial to the interest of the Company.
- g) They are regular in the payment of Principal & Interest as stipulated and there is no overdue amounts of loans taken from parties listed in the registers maintained under section 301 of the Companies Act.
- iv) There is an adequate internal control system commensurate with the size and the nature of

PH TRADING LTD.

its business or the purchase of inventory and fixed assets and for the sale of goods and service.

- v) a) The contract or arrangement that need to be entered into a register in persuance of sec. 301 have been so entered.
- b) Transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relavant time.
- vi) The company has not accepted deposits from the public.
- vii) The company has an internal audit system commensurate with its size and nature of business.
- viii) The maintenance of cost records has not been prescribed by the Central Government U/s. 209 (1) (d) of the Companies Act, 1956 (1 of 1956). Therefore the item (viii) of the aforesaid order is not applicable.
- ix) a) The Company is regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other Statutory dues with the appropriate authorities. As per management the Provident Fund Act and Employees State Insurance Act are not applicable to the company.
- b) As per management there are no disputed dues of sales tax/income tax/custom tax/wealth tax/excise duty / Service Tax /cess etc.
- x) Item (x) of the order is not applicable to the company.
- xi) The company has not defaulted in repayment of dues to a financial institution or bank.
- xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence the question of maintenance of adequate documents and records does not arise.
- xiii) The Company is not chitfund, Nidhi/Mutual benefit fund or societies.
- xiv) The company is dealing in shares, securities, debentures and other investments and proper records have been maintained of the transactions and timely entries have been made therein and such shares, securities debentures and other securities have been held by the company in its own name.
- xv) As per management, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) The company has not taken any loan, so the question about its applicability for the required purpose does not arise.
- xvii) There is no fund raised on short term basis and hence question of used it for long term investment does not arise.
- xviii) No share issues have been made during the year so there could not have been any preferential allotment of shares to parties covered in the Register maintained U/s. 301 of the Act.
- xix) No debentures issue have been made by the company and so the question of its securitisation & chargetion does not arise.
- xx) No public issues were made in this period, so end use money utilisation relating to the same does not arise.
- xxi) No fraud on by the company has been noticed or reported during the year.

7, Chittaranjan Avenue
Kolkata-700 072
The 20th day of June, 2005

FOR SALARPURIA & PARTNERS
Chartered Accountants
N. R. NAYAK
Partner

PH TRADING LTD.

BALANCE SHEET AS AT 31ST MARCH, 2005

	SCHEDULE	AS AT		AS AT	
		31.03.2005	31.03.2004	31.03.2005	31.03.2004
		Rs.	Rs.	Rs.	Rs.
Sources of Funds :					
Share Capital	A	4,800,000		4,800,000	
Reserves & Surplus	B	6,415,361		4,827,401	
Secured Loans	C	12,215,733		10,337,770	
Unsecured Loans	D	84,629,226		62,101,689	
		<u>108,060,320</u>		<u>82,066,860</u>	
Application of Funds :					
Fixed Assets	E				
Gross Block		4,156,867	4,104,810		
Less : Depreciation		<u>2,559,805</u>	<u>2,200,176</u>		
			1,597,062		1,904,634
Investments :	F		725,128		791,128
Current Assets, Loans & Advances	G				
Current Assets :					
Accrued Interest		—	97,125		
Inventories		47,855	47,855		
Sundry Debtors		133,979,769	102,170,649		
Cash & Bank Balances		5,467,667	1,679,801		
Loans & Advances		<u>5,435,161</u>	<u>4,644,934</u>		
			144,930,452		108,640,364
Less : Current Liabilities And Provisions :					
Current Liabilities	H	34,457,002	26,000,141		
Provisions	I	<u>4,735,320</u>	<u>3,269,125</u>		
			39,192,322		29,269,266
Net Current Assets			<u>105,738,130</u>		<u>79,371,098</u>
			<u>108,060,320</u>		<u>82,066,860</u>
Notes on Accounts	J				

As per our separate report of even date attached hereto

FOR SALARPURIA & PARTNERS

Chartered Accountants

N. R. NAYAK

Partner

7, Chittaranjan Avenue

Kolkata-700 072

The 20th day of June, 2005

P. HIMATSINGKA
AVISHEK HIMATSINGKA

Directors

PH TRADING LTD.

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

SCHEDULE	YEAR ENDED 31.03.2005 Rs.	YEAR ENDED 31.03.2004 Rs.
INCOME :		
Sales (Net)	887,276,875	500,957,880
Sale of Shares	—	306
Other Income	1,325,758	956,397
Insurance Claim	—	509,704
Closing Stock of Shares	47,855	47,855
TOTAL - A	888,650,488	502,472,142
EXPENDITURE :		
Opening Stock of Shares	47,855	47,855
Opening Stock (In Transit)	—	—
Purchases (Net)	853,722,782	468,999,762
Freight & Octroi Charges	8,357,198	7,201,371
Administrative Selling & Others	6,471,777	10,650,738
Interest	14,738,972	12,349,477
Depreciation	392,993	417,732
Bad Debts	992,287	187,772
Directors Remuneration	476,300	426,300
Sales Tax A/c	—	199,742
TOTAL - B	885,200,164	500,480,749
Profit Before Taxation ('A' - 'B')	3,450,324	1,991,393
Less : Provision for Income Tax	1,325,000	730,000
Less : Deferred Tax Liability	(9,956)	9,956
Profit After Taxation	2,135,280	1,251,437
Add : Balance Brought forward from Prev. Year	4,827,401	3,982,089
Amount Available for Appropriation	6,962,681	5,233,526
APPROPRIATIONS :		
Proposed Dividend	480,000	360,000
Dividend Tax	67,320	46,125
Balance Carried to Balance Sheet	6,415,361	4,827,401
	6,962,681	5,233,526
Basic / Diluted Earning Per Share	4.45	2.61

Notes on Accounts

J

As per our separate report of even date attached hereto

FOR SALARPURIA & PARTNERS

Chartered Accountants

N. R. NAYAK

Partner

7, Chittaranjan Avenue

Kolkata-700 072

The 20th day of June, 2005

P. HIMATSINGKA

AVISHEK HIMATSINGKA

Directors

PH TRADING LTD.

SCHEDULES

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
SCHEDULE : A		
SHARE CAPITAL :		
Authorised		
5,00,000 Equity Shares of Rs. 10/- Each.	<u>5,000,000</u>	<u>5,000,000</u>
ISSUED, SUBSCRIBED & PAID UP :		
4,80,000 Equity Shares of Rs. 10/- each fully paid in cash	<u>4,800,000</u>	<u>4,800,000</u>
	<u>4,800,000</u>	<u>4,800,000</u>
 SCHEDULE : B		
RESERVES & SURPLUS :		
Profit & Loss Account		
(Balance (Cr.) as per Account Annexed)	<u>6,415,361</u>	<u>4,827,401</u>
	<u>6,415,361</u>	<u>4,827,401</u>
 SCHEDULE : C		
SECURED LOANS :		
ICCI Car Loan against Hypothecation of Motor Car	285,124	529,516
Oriental Bank of Commerce C.C. A/c. (Kolkata)		
(against Book Debts)	11,217,709	9,095,354
L.I.C. (against Keyman Insurance Policy)	712,900	712,900
	<u>12,215,733</u>	<u>10,337,770</u>
 SCHEDULE : D		
UNSECURED LOANS : (Including Interest)		
From Companies	81,292,325	56,430,835
From Directors	3,336,901	5,670,854
	<u>84,629,226</u>	<u>62,101,689</u>

PH TRADING LTD.

FIXED ASSETS

SCHEDULE - E :

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost	Additions	Sold	Cost	Upto	During	Adjustment	Total	As At	As At
	as on	during	during	as on	01.04.2004	the	A/c.	Upto	31.03.2005	31.03.2004
	01.04.2004	the year	the year	31.03.2005		year	of Sales	31.03.2005		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Office Premises	839,496	—	—	839,496	539,100	15,020	—	554,120	285,376	300,396
Residential Building	253,373	—	—	253,373	92,190	8,059	—	100,249	153,124	161,183
Furniture & Fixtures	398,592	—	—	398,592	322,501	13,459	—	335,960	62,632	76,091
Air Conditioner	209,800	—	—	209,800	41,660	25,003	—	66,663	143,137	168,140
Motor Car	1,359,422	—	—	1,359,422	461,306	232,522	—	693,828	665,594	898,116
Office Equipment	160,832	—	—	160,832	98,189	11,006	—	109,195	51,637	62,643
Generators	16,587	—	—	16,587	14,746	256	—	15,002	1,585	1,841
Computers	642,548	—	—	642,548	505,407	58,050	—	563,457	79,091	137,141
Telex	19,780	—	—	19,780	16,301	484	—	16,785	2,995	3,479
Fax Machine	64,352	33,000	—	97,352	40,186	12,340	—	52,526	44,826	24,166
Mobile Phone	24,895	—	—	24,895	8,047	2,344	—	10,391	14,504	16,848
Television	27,690	—	—	27,690	12,265	2,146	—	14,411	13,279	15,425
Motor Cycle	87,443	61,800	42,743	106,500	48,278	12,304	33,364	27,218	79,282	39,165
Total :	4,104,810	94,800	42,743	4,156,867	2,200,176	392,993	33,364	2,559,805	1,597,062	1,904,634
Previous year Figures	3,692,402	1,100,604	688,196	4,104,810	2,243,153	417,732	460,719	2,200,176	1,904,634	

PH TRADING LTD.

SCHEDULE

SCHEDULE : F

INVESTMENTS (AT COST)

Name of the holdings	Kind of Stock	Face Value	No. of Shares/Debentures		Cost as on 31.03.2005	Cost as on 31.03.2004
(A) Quoted :						
United Diamonds Ltd. *	Equity	10/-	356	(356)	5,938	5,938
Unique Mfg. & Mkt. Ltd. *	-do-	10/-	50	(50)	160	160
Hindusthan Dev. Corp. Ltd. *	Debentures	50/-	3	(3)	120	120
A.C.C. Ltd. *	-do-	10/-	10	(10)	1,750	1,750
Kanoi Paper & Inds. Ltd.	-do-	10/-	1,500	(1,500)	27,200	27,200
TOTAL : A					<u>35,168</u>	<u>35,168</u>
(B) Unquoted :						
P. C. Properties Ltd.	Equity	10/-	1,500	(1,500)	15,000	15,000
Produce & Textile Pvt. Ltd.	-do-	10/-	—	(1,000)	—	66,000
Buxa Doars Tea Co. Ltd.	-do-	10/-	52,000	(52,000)	674,960	674,960
TOTAL : B					<u>689,960</u>	<u>755,960</u>
TOTAL INVESTMENTS (A+B)					<u>725,128</u>	<u>791,128</u>
Aggregate Market Value of Quoted Investments :					(13,368)	(10,481)

* In absence of Market Quotation Cost Price have been considered for Calculation of aggregate Market Value.

PH TRADING LTD.

	AS AT 31.03.2005		AS AT 31.03.2004	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE : G				
CURRENT ASSETS, LOANS AND ADVANCES :				
Current Assets :				
Accrued Interest		—		97,125
INVENTORIES :				
Shares (At cost)	47,855		47,855	
Stock-in-Transit	—		—	
		47,855		47,855
SUNDRY DEBTORS :				
<i>Debts Outstanding for a Period</i>				
<i>Exceeding Six Months</i>				
Considered Good	22,848,558		20,882,220	
Considered Doubtful	553,740		1,255,698	
Others Debts				
(Unsecured considered good)	110,577,471		80,032,731	
		133,979,769		102,170,649
CASH & BANK BALANCES :				
Cash-in-Hand (As per Books & Certified)	111,571		142,335	
With Scheduled Banks :				
In Current A/c.	2,879,750		23,535	
In Fixed Deposit A/c.	2,473,033		1,510,000	
(Pledged with Bank against Bank Guarantee)				
In Unpaid Dividend A/c. (O.B.C. Ltd.)	2,513		3,931	
		5,467,667		1,679,801
LOANS & ADVANCES :				
<i>(Unsecured considered Good)</i>				
Security Deposits	80,865		87,865	
Advance Income Tax	3,251,466		2,136,247	
Income Tax Refundable	30,371		30,371	
Tax Deducted at Source	1,149,991		766,986	
Advance to Suppliers	316,902		728,609	
Advance to Staff	1,000		30,000	
Advance to Others	321,000		221,885	
Insurance claim	—		228,820	
prepaid Expenses	265,120		273,005	
Hire Purchase Charge payable	18,446		42,088	
Discount receivable	—		99,058	
		5,435,161		4,644,934
		<u>144,930,452</u>		<u>108,640,364</u>

PH TRADING LTD.

SCHEDULE

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
SCHEDULE : H		
CURRENT LIABILITIES :		
Sundry Creditors		
For Goods (Due to S. S. I. Units Rs. NIL)	26,025,849	15,125,537
For Expenses	4,491,479	7,962,162
Advance From Customer	1,330,705	736,496
Tax deducted at source	2,606,456	2,162,060
Unclaimed Dividend*	2,513	3,930
Deferred Tax Liability	—	9,956
	<u>34,457,002</u>	<u>26,000,141</u>

* There are no amounts due and outstanding to be credited to the investors Education and protection fund. The previous year figures have not been disclosed as the disclosure requirement came into effect from 13.11.2002.

SCHEDULE : I

PROVISIONS :

For Taxation	4,188,000	2,863,000
Proposed Dividend	480,000	360,000
Dividend Tax	67,320	46,125
	<u>4,735,320</u>	<u>3,269,125</u>

PH TRADING LTD.

SCHEDULE : J

NOTES ON ACCOUNTS :

1. Contingent Liabilities not provided for in respect of :

(a) Letter of Credit discounted with Bank.	Rs. 142.88 Lakhs	(Rs. 60.84 Lakhs)
(b) Bill Discounted with Bank.	Rs. 100 Lakhs	(Rs. 76.69 Lakhs)
(c) Sales Tax Demand under Appeal.	Rs. NIL	(Rs. Nil)
- (d) Claims against the company pending in court, not acknowledged as debts, amount unascertainable.
2. Other Advances includes Rs. 101,000/- against which the Company has filed a suit for recovery.
3. Fixed Deposit Rs. 24.64 Lakhs (15.00 Lakhs) pledged with Oriental Bank of Commerce, Park Street Branch against Bank guarantee of Rs.150 Laks (Rs. 9,000,000/-) and Rs. 10,000/- (Rs. 10,000/-) with the commissioner of Sales Tax as security for the issue of blank 'C' forms and Form '14'.
4. Motor Car includes Rs. 764,979/- (Rs. 764,879/-) under Hire Purchase Scheme. Future Interest Payable in car Purchased under said scheme amounting to Rs. 18,446/- (Rs. 42,088/-)
5. Managerial Remuneration (Included under Salary & Allowances) :

Salary	Rs. 470,000/-	(Rs. 420,000/-)
Other Benefits	Rs. 6,300/-	(Rs. 6,300/-)
6. Additional Information pursuant to the provisions of Paragraph 3 & 4 of part-II of Schedule VI of the Companies Act, 1956.

i) Quantitative Information : Trading Goods

Class of Goods	Unit	Opening Stock Qty.	Value Rs.	Purchases @ Qty.	Value Rs.	Sales @ Qty.	Value Rs.	Closing Stock Qty.	Value Rs.
Phenol	MT	—	—	11,267.262	849,434,782	11,267.262	884,126,875	—	—
		(—)	(—)	(9,474.181)	(468,999,762)	(9,474.181)	(500,957,880)	(—)	(—)
Caustic Soda	MT	—	—	175,000	4,288,000	175,000	3,150,000	—	—
		(—)	(—)	—	—	—	—	—	—
* Shares	Nos.	—	47,855	—	—	—	—	—	47,855
		—	(47,855)	(1,800)	(90,000)	(1,800)	(90,306)	—	(47,855)
Total			47,855		853,722,782		887,276,875		47,855
			(47,855)		(469,089,762)		(501,048,186)		(47,855)

* Net of Discount

PH TRADING LTD.

SCHEDULE : J

NOTES ON ACCOUNTS :

Details of Shares Stock-In-Trade As on 31st March, 2005

Name of the Company	Opening Stock		Purchases		Sales		Closing Stock		Value
	Face Value	Nos.	Value	Nos.	Value	Nos.	Value	Nos.	
	Rs.		Rs.		Rs.		Rs.		Rs.
M.P.U. Poly Proplines Ltd.	10/-	18	180	—	—	—	—	18	180
	(10/-)	(18)	(180)	(—)	(—)	(—)	(—)	(18)	(180)
Brownia Business Ltd.	10/-	50	255	—	—	—	—	50	255
	(10/-)	(50)	(255)	(—)	(—)	(—)	(—)	(50)	(255)
Unit Trust of India	10/-	100	920	—	—	—	—	100	920
(Master Share)	(10/-)	(100)	(920)	(—)	(—)	(—)	(—)	(100)	(920)
Kanoi Paper & Inds. Ltd.	10/-	1,860	46,500	—	—	—	—	1,860	46,500
	(10/-)	(1,860)	(46,500)	(—)	(—)	(—)	(—)	(1,860)	(46,500)
TOTAL :			47,855		NIL		NIL		47,855
			(47,855)		(NIL)		(NIL)		(47,855)

(ii) Expenditure / Earnings in Foreign Currency

(NIL) (NIL)

7. Related Party Disclosure

Information relating to Related Party Transaction as per Accounting Standard-18 issued by the Institute of Chartered Accountants of India is given below :

A)	Name of the related party	Relationship
(a)	Abhishek Chemicals Pvt. Ltd.	Associate Company
	Himatsingka Chemicals Pvt. Ltd.	Associate Company
	Swan Silvers Wares Pvt. Ltd.	Associate Company
	Variable Plaza Pvt. Ltd.	Associate Company
	Intel Sales Pvt. Ltd.	Associate Company
	AH Chemicals Pvt. Ltd.	Associate Company
	Himatsingka Properties Pvt. Ltd.	Associate Company
	P. C. Properties Pvt. Ltd.	Associate Company
	Avismi Properties Pvt. Ltd.	Associate Company
	Pramadh Properties Pvt. Ltd.	Associate Company
	Vikranu Properties Pvt. Ltd.	Associate Company
	Davesh Developors Pvt. Ltd.	Associate Company
(b)	Prakash Himatsingka	Key Managerial Personnel
	Abhishek Himatsingka	Relative of Key Managerial Personnel
	Ashok Kr. Jhavar	Key Managerial Personnel
	Prakash Chandra Vikram Kumar	Relative of Key Managerial Personnel
	Binayak Prasad Prakash Chandra	Relative of Key Managerial Personnel
	K. Kumar & Co.	Relative of Key Managerial Personnel
	Nirmal Himatsingka Rice & Sugar Mills	Relative of Key Managerial Personnel
	Amjey Chemicals Pvt. Ltd.	Common Key Management Personnel
	MRJ Chemicals Pvt. Ltd.	Common Key Management Personnel
	Sumit Kumar Jhanwar	Relative of Director

Note : Related Party Relationship is as identified by the Company and relied by Auditors.

PH TRADING LTD.

B) Transactions during the year	With (a)	With (b)
i) Sales	16,905,122	—
ii) service Charges	25,000	336,400
iii) Director's Remuneration	—	476,300
iv) Salaries and HRA	—	48,000
v) Rent Paid	32,570	—
vi) Rent Received	18,000	9,600
vii) Intercompany Deposits Received	164,702,341	4,915,859
viii) Intercompany Deposits Paid	1,403,659,281	7,249,812
ix) Interest Paid	8,620,851	685,859
x) Outstanding balances as at 31.03.2005		
a) Intercompany Deposit accepted	54,756,837	3,336,901
xi) Repair & maintenance	84,188	—

8. Since company is having single activity i.e. Trading so segment reporting in accordance with Accounting Standard 17 issued by ICAI is not applicable.
9. During the year deferred tax assets. In accordance with accounting standard 22 has been created which is set off against the balance of deferred Tax liability.
10.

Earning per Share	<u>31.03.2005</u>	<u>31.03.2004</u>
a) Net Profit available to the Equity Shareholders	2,135,250	1,251,436
b) No. of Equity Shares	480,000	480,000
c) Basic/Diluted earning per share	4.45	2.61
11. No provision have been considered necessary for diminution in value of permanent Investment being temporary in nature.
12. Provision has not been made for doubtful debts amounting to Rs. 553,740/- (Previous Year Rs. 1,255,698/-)
13. Figures of the last year have recasted & regrouped wherever found ncessary.

ACCOUNTING POLICIES :

INCOME / EXPENDITURES

1. **All income & expenditures are accounted for on Accrual basis except :**
Dividend, debenture interest, which are accounted for on cash basis.
2. **Investments :**
All investments are valued at cost.
3. **Depreciation :**
Depreciation has been provided on all assets on W.D.V. basis as per rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on Fixed Asset at Branch has been provided under W.D.V. Method at the rates prescribed under the Income Tax Act, 1961, and the rules made there under.
4. *Inventories are valued at cost.*
5. **Gratuity :**
Gratuity has been deposited partly into LIC fund & partly into the bank account jointly held in the name of companies and the nominees of the company. Such Liability being calculated by the Management.
6. **Leave Salary :**
No provision for leave encashment has been made in the accounts (amount unascertained) Leave Salary accrued and payable to the employees are being encashed by the employees during the accounting year
7. *Seles on purchases are stated in accounts at net of discount thereon.*

PH TRADING LTD.

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
SCHEDULE : K		
OTHER INCOME :		
Rent Received	27,600	27,600
Profit on Sale of Fixed Assets	621	4,515
Interest Received [TDS. Rs. 333,062 (Rs. 167,408)]	1,269,373	816,625
Dividend Received [TDS. Rs. NIL (Rs. NIL)]	520	520
Miscellaneous Income [TDS. Rs. NIL (Rs. NIL)]	27,644	107,137
B.S.T. Set Off	—	—
	<u>1,325,758</u>	<u>956,397</u>

PH TRADING LTD.

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
SCHEDULE : L		
ADMINISTRATIVE, SELLING & OTHER EXPENSES :		
Salary and Allowances	955,464	614,694
Staff Welfare Expenses	35,244	51,502
Rates & Taxes	62,883	62,232
Insurance Premium	440,345	191,642
Legal & Professional Charges	154,074	258,211
Repair & Maintenance (Others)	186,313	187,888
Electric Charges	234,823	156,081
Telephone Expenses	451,411	400,414
Director's Meeting Fees	3,250	2,750
Printing & Stationery	70,930	58,382
Computer Expenses	57,525	56,896
Service Charges	361,600	1,592,000
Certification Fees	2,204	—
Auditors' Remuneration :		
Internal Audit Fees	2,204	2,000
As Audit Fees (Including Branch Auditor)	36,109	36,187
As Tax Audit Fees	5,510	4,500
Out of Pocket Expenses	<u>841</u>	<u>880</u>
	44,664	43,567
Travelling & Conveyance	535,518	449,484
Vehicle Expenses	184,067	99,250
Advertisement	82,551	20,005
Bank Charges	1,079,811	626,947
Donation	301,200	135,000
Commission & Brokerage	652,740	4,811,275
Sales Promotion Expenses	176,019	116,593
Miscellaneous Expenses	266,076	459,213
Rent	68,570	155,883
Postage and Telegram	51,806	45,178
Sundry Balance Written off	10,467	55,651
Subscription	2,222	—
	<u>6,471,777</u>	<u>10,650,738</u>
SCHEDULE : M		
INTEREST : (Net)		
To Bank	2,132,599	1,754,766
To Others	11,920,514	9,729,707
To Director	685,859	865,004
	<u>14,738,972</u>	<u>12,349,477</u>

PH TRADING LTD.

BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE

(In terms of amendment of Schedule VI Part IV)

I. Registration Details

Registration No.	35011/82	State Code	21
Balance Sheet Date	31.03.2005		

II. Capital raised during the Year (Amount in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	108,060	Total Assets	108,060
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Sources of Funds

Paid up Capital	4,800	Reserve & Surplus	6,415
Secured Loans	12,216	Unsecured Loans	84,629

Application of Funds :

Net Fixed Assets	1,597	Investments	125
Net Current Assets	105,738	Misc. Expenditure	NIL
Accumulated Loss	NIL		

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

Total Income	888,650	Total Expenditure	885,200
Profit before tax	3450	Profit after tax	2135
Earning Per Share	Rs. 4.45	Dividend Rate %	10.00

V. Generic names of Three Principal Products/Services of Company (As per Monetary term)

Item Code No. (I.T. C. Code) —	<u>N. A.</u>
Product Description —	<u>N. A.</u>

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PH TRADING LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2005

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
A. Cash Flow from Operating Activities :		
Net Profit before tax and extraordinary items		
Adjustments For	3,450,324	1,991,392
Depreciation	392,993	417,732
Profit on Sale of Fixed Assets	(621)	(4,515)
Profit/(Loss) on Sale of Investment	—	(306)
Interest / Dividend (Income)	(1,269,893)	(817,145)
Interest Paid	14,738,972	12,349,477
Operating Profit before Working Capital Changes	<u>17,311,775</u>	<u>13,936,635</u>
Adjustments For		
Trade and Other receivables.	(31,101,123)	(12,974,021)
Inventories	—	—
Trade Payable	8,466,817	9,328,549
Change in short term borrowing	22,527,537	5,294,053
Cash generated from operations	17,205,006	15,585,216
Interest Paid	(14,738,972)	(12,349,477)
Interest Received on Trade Deposits	—	—
Direct taxes paid	(1,498,224)	(737,515)
Cash Flow before Extra Ordinary Items	967,810	2,498,224
Compensation for Cancelation of Contract	—	—
Loss of Cash by Decoiti	—	—
Loss on accident	—	—
Net Cash from operating activities	<u>967,810</u>	<u>2,498,224</u>
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(94,800)	(1,100,604)
Sale of Fixed Assets	10,000	232,000
Purchase of Investments	—	(90,000)
Sale of Investments	66,000	90,306
Interest Received	1,269,373	816,625
Dividend Received	520	520
Net Cash used In investing activities	<u>1,251,093</u>	<u>(51,153)</u>

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PH TRADING LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2005

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital :	—	—
Proceeds from Long Term Borrowings :	1,877,963	(2,649,788)
Repayment for Finance Lease Liabilities :	—	—
Dividend Tax Paid :	(46,125)	(46,125)
Dividends Paid :	(360,000)	(360,000)
Net Cash used in Financing Activities :	<u>1,471,838</u>	<u>(3,055,913)</u>
<i>Net increase in Cash and</i>		
Cash Equivalents (A+B+C) :	3,690,741	(608,842)
Cash and Cash Equivalents as at		
(Opening Balance) :	1,776,926	2,385,768
Cash and Cash Equivalents as at		
(Closing Balance) :	5,467,667	1,776,926

P. HIMATSINGKA | Directors
AVISHEK HIMATSINGKA

Notes :

	Current Year	Prev. Year
1. Cash & Cash Equivalent		
Cash in hand :	111,571	142,335
with schedule bank		
In Current A/c :	2,879,750	23,535
In Fixed Deposit :	2,473,833	1,510,000
In unpaid Divident A/c :	2,513	3,931
Accrued Interest :	—	97,125
	<u>5,467,667</u>	<u>1,776,926</u>

2. The cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting standard 3 on cash flow statements issued by the Institute of Chartered Accountants of India.

7, Chittaranjan Avenue
Kolkata-700 072
The 20th day of June, 2005

FOR SALARPURIA & PARTNERS
Chartered Accountants
N. R. NAYAK
Partner

PH TRADING LTD.

Registered Office : Poddar Point, 'B' Block, 10th Floor
113, Park Street, Kolkata-700 016

PROXY FORM

Reg. Folio No. : _____

I / We, _____

of _____

being a member / members of PH TRADING LTD. here by appoint of _____

or failing him / her _____

_____ of _____

as my / our proxy to vote for me / us and on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Tuesday, the 30th of August, 2005 and any adjournment thereof.

Signed this _____ day of _____ 2005

Signed by the Said _____

NOTE :

This form, in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting .

Under Certificate of Posting

Printed Matter

If undelivered, Please return to :

PH TRADING LTD.

Poddar Point, 'B' Block, 10th Floor

113, Park Street, Kolkata-700 016