

25th
ANNUAL REPORT
2006 -2007

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

M. B. AGARWAL & CO.

204, MHATRE PEN BLDG. SENAPATI BAPAT MARG

DADAR (WEST), MUMBAI-400028

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-fifth Annual General Meeting of PH Trading Limited will be held at its Regd. Office at 113, Park Street, 10th floor, B-Block, Kolkata-700 016, on Wednesday, the 29th August, 2007 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, 2007.
- 2) To declare dividend.
- 3) To appoint director in place of Mr. Avishek Himatsingka 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.

Regd. Office :
Poddar Point, 10th Floor, 'B' Block
113, Park Street, Kolkata-700 016
Date : The 28th of June 2007

By order of the Board
Prakash Himatsingka
Managing Director

PH TRADING LTD.

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 24/08/07 to 29/08/07 (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, 2000. 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

(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, 2001, 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, 2001 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, 2007, if approved at this meeting will be payable on or after 29th August, 2007 to those members whose names appear on the Register of members of the Company as on 29th August, 2007.

Place : Kolkata

Dated : The 28th day of June, 2007

By order of the Board

PRAKASH HIMATSINGKA
Managing Director

PH TRADING LTD.

DIRECTOR'S REPORT

To

The Members,

Your Directors have pleasure in placing before you the 25th Annual Report of the Company together with the audited statement of account of the year ended March 31, 2007

FINANCIAL RESULTS :

Profit during the year		Rs. 34,12,332
Add : Previous year balance		Rs. 72,05,444
		Rs. 1,06,17,776
Less : Provision for taxation	Rs. 12,08,000	
Provision for FBT	Rs. 80,330	
Proposed dividend	Rs. 4,80,000	
Dividend Tax	Rs. 81,576	
Deffered Tax Liability (Assets)	Rs. 511	
		Rs. 18,50,417
Balance transferred to Balance Sheet		Rs. 87,67,359

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, 2007.

DIRECTORS :

Sri Avishek Himatsingka, Director of the Company retire by rotation but being eligible offers himself for re-appointment. 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 and M/s M. B. Agarwal & Co. chartered Accountants of 204, Mhatre Pen Building Senapati Bapat Marg, Mumbai-28 branch auditors retire and are eligible and agreeable for reappointment.

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.

113, Park Street
10th Floor, Kolkata-700 016
Dated : Thursday, the 28th June, 2007

By order of the Board

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, 2007 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 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 branch 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, 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 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. 374,630/-

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;

(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.

7, Chittaranjan Avenue
Kolkata-700 072
The 28th day of June, 2007

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

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 U/s. 301 of the Act and as such clause iii(a) to iii(d) of the order are not applicable.
- 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 as at 1.4.06	Amt. taken together with Interest	Amount paid	Closing Balance as at 31.3.07	Maximum Balance the year
Abhishek Chemicals Pvt. Ltd.	6,774,724	72,773,822	70,236,667	9,311,879	16,443,000
Himatsingka Chemical Pvt. Ltd.	7,238,585	55,510,643	51,546,608	11,202,620	16,443,000
Davesh Developers Pvt. Ltd.	666,684	24,724	633,232	58,176	666,684
Variable Plaza Pvt. Ltd.	1,142,117	20,662,145	6,669,040	15,135,222	18,204,145
Swan Silverwares Pvt. Ltd.	11,453,457	56,754,460	62,037,466	6,170,451	19,607,500
Himatsingka Properties Pvt. Ltd.	60,853	44,565	102,853	2,565	60,853
Prakash Himatsingka	2,779,076	4,886,606	4,962,246	2,703,436	3,184,000
AH Chemicals Pvt. Ltd.	283,153	134,418,800	134,590,439	111,514	1,283,153

- 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 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 pursuance of sec. 301 have been so entered.

PH TRADING LTD.

- b) Transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant 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 no disputed dues of sales tax/income tax/custom tax/wealth tax/excise duty / Service Tax /cess etc. were in arrears as at 31.03.07 for a period of more than Six months from the date they became payable except Rs. 1,136/- service tax for the month of August, 2006 paid in the month of March, 2007.
- x) Clause (x) of the order is not applicable to the company.
- xi) The company has not defaulted in repayment of dues to any financial institution or bank during the year.
- 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 chit fund, 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 investments 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 and chargeation 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 28th day of June, 2007

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

PH TRADING LTD.

BALANCE SHEET AS AT 31ST MARCH, 2007

	SCHEDULE	AS AT		AS AT	
		31.03.2007		31.03.2006	
		Rs.	Rs.	Rs.	Rs.
Sources of Funds :					
Share Capital	A	4,800,000		4,800,000	
Reserves & Surplus	B	8,767,359		7,205,444	
Secured Loans	C	51,131,107		25,291,862	
Unsecured Loans	D	68,627,064		62,494,595	
		<u>133,325,530</u>		<u>99,791,901</u>	
Application of Funds :					
Fixed Assets	E				
Gross Block		4,105,063	4,186,357		
Less : Depreciation		<u>2,440,210</u>	<u>2,845,689</u>		
		1,664,853		1,340,668	
Investments :	F	723,378		723,378	
Deferred Tax Assets		34,455		34,966	
Current Assets, Loans & Advances					
Current Assets :					
Inventories		47,855	47,855		
Sundry Debtors		142,277,949	102,391,824		
Cash & Bank Balances		2,372,119	4,792,099		
Loans & Advances		<u>9,995,435</u>	<u>6,815,620</u>		
		154,693,358		114,047,398	
Less : Current Liabilities And Provisions :					
Current Liabilities	H	16,935,733	10,802,314		
Provisions	I	<u>6,854,781</u>	<u>5,552,195</u>		
		23,790,514		16,354,509	
Net Current Assets		<u>130,902,844</u>		<u>97,692,889</u>	
		<u>133,325,530</u>		<u>99,791,901</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 28th day of June, 2007

P. HIMATSINGKA
AVISHEK HIMATSINGKA

Directors

PH TRADING LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	SCHEDULE	YEAR ENDED 31.03.2007 Rs.	YEAR ENDED 31.03.2006 Rs.
INCOME :			
Sales (Net)		922,269,452	491,124,102
Other Income	K	515,400	1,270,687
Insurance Claim		1,029,979	—
Closing Stock of Shares		47,855	47,855
TOTAL - A		923,862,686	492,442,644
EXPENDITURE :			
Opening Stock of Shares		47,855	47,855
Purchases (Net)		879,703,594	460,419,801
Freight & Octroi Charges		14,172,008	6,330,023
Administrative Selling & Others	L	10,814,882	7,212,395
Interest	M	14,543,812	10,887,412
Depreciation		274,759	302,669
Bad Debts		—	4,425,497
Directors Remuneration		893,444	682,450
Sales Tax A/c		—	15,410
TOTAL - B		920,450,354	490,323,512
Profit Before Taxation ('A' - 'B')		3,412,332	2,119,132
Less : Provision for Income Tax		1,208,000	738,158
Less : Deferred Tax Liability (Asset)		511	(34,966)
Less : Provision for Fringe Benefit Tax		80,330	78,717
Profit After Taxation		2,123,491	1,337,223
Add : Balance Brought forward from Prev. Year		7,205,444	6,415,361
Amount Available for Appropriation		9,328,935	7,752,584
APPROPRIATIONS :			
Proposed Dividend		480,000	480,000
Dividend Tax		81,576	67,320
Balance Carried to Balance Sheet		8,767,359	7,205,444
		9,328,935	7,752,764
Basic / Diluted Earning Per Share		4.42	2.78

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 28th day of June, 2007

P. HIMATSINGKA

AVISHEK HIMATSINGKA

Directors

PH TRADING LTD.

SCHEDULES

	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 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>8,767,359</u>	<u>7,205,444</u>
	<u>8,767,359</u>	<u>7,205,444</u>
 SCHEDULE : C		
SECURED LOANS :		
ICCI Car Loan against Hypothecation of Motor Car	653,728	51,228
Oriental Bank of Commerce C.C. A/c. (Kolkata)	32,813,256	14,389,631
Bills discounted with Bank	16,951,223	10,138,103
L.I.C. (against Keyman Insurance Policy)	712,900	712,900
	<u>51,131,107</u>	<u>25,291,862</u>
 SCHEDULE : D		
UNSECURED LOANS : (Including Interest)		
From Companies	65,923,628	59,715,519
From Directors	2,703,436	2,779,076
	<u>68,627,064</u>	<u>62,494,595</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	01.04.2006	the	A/c.	Upto	31.03.2007	31.03.2006
	01.04.2006	the year	the year	31.03.2007		year	of Sales	31.03.2007		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Office Premises	839,496	—	—	839,496	568,389	13,555	—	581,944	257,552	271,107
Residential Building	253,373	—	—	253,373	107,905	7,273	—	115,178	138,195	145,468
Furniture & Fixtures	398,592	—	—	398,592	346,601	8,784	—	355,385	43,207	51,991
Air Conditioner	209,800	—	—	209,800	86,692	17,226	—	103,918	105,882	123,108
Motor Car	1,359,422	762,953	982,402	1,139,973	866,151	139,510	680,238	325,423	814,550	493,271
Office Equipment	160,832	34,950	—	195,782	116,546	9,244	—	125,790	69,992	44,286
Generators	16,587	—	—	16,587	15,222	190	—	15,412	1,175	1,365
Computers	642,548	103,205	—	745,753	596,371	48,478	—	644,849	100,904	46,177
Fax Machine	146,622	—	—	146,622	65,401	11,960	—	77,361	69,261	81,221
Mobile Phone	24,895	—	—	24,895	12,409	1,737	—	14,146	10,749	12,486
Television	27,690	—	—	27,690	16,258	1,590	—	17,848	9,842	11,432
Motor Cycle	106,500	—	—	106,500	47,744	15,212	—	62,956	43,544	58,756
Total :	4,186,357	901,108	982,402	4,105,063	2,845,689	274,759	680,238	2,440,210	1,664,853	1,340,668
Previous year Figures	4,156,867	49,270	19,780	4,186,357	2,559,805	302,669	16,785	2,845,689	1,340,668	

PH TRADING LTD.

SCHEDULE : F

LONG TERM INVESTMENTS (AT COST)

Name of the holdings	Kind of Stock	Face Value	No. of Shares/Debentures		Cost as on 31.03.2007	Cost as on 31.03.2006
(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)	—	—
Kanoi Paper & Inds. Ltd.	-do-	10/-	1,500	(1,500)	27,200	27,200
TOTAL : A					<u>33,418</u>	<u>33,418</u>
(B) Unquoted :						
P. C. Properties Ltd.	Equity	10/-	1,500	(1,500)	15,000	15,000
Buxa Doars Tea Co. Ltd.	-do-	10/-	52,000	(52,000)	674,960	674,960
TOTAL : B					<u>689,960</u>	<u>689,960</u>
TOTAL INVESTMENTS (A+B)					<u>723,378</u>	<u>723,378</u>

Aggregate Market Value of Quoted Investments :

* In absense of Market Quotation no Market Value mentioned.

Cost of Investment purchased & sold during the year of 100 Reliance Petroleum Ltd. Shares of Rs. 10/- each amounting Rs. 6,000/-

PH TRADING LTD.

	AS AT 31.03.2007		AS AT 31.03.2006	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE : G				
CURRENT ASSETS, LOANS AND ADVANCES :				
Current Assets :				
INVENTORIES :				
Shares (At cost)	47,855		47,855	
		47,855		47,855
SUNDRY DEBTORS :				
Debts Outstanding for a Period Exceeding Six Months				
Considered Good	30,236,084		15,567,816	
Considered Doubtful	374,630		364,629	
Others Debts				
(Unsecured considered good)	111,667,235		86,459,379	
		142,277,949		102,391,824
CASH & BANK BALANCES :				
Cash-in-Hand (As per Books & Certified)	97,711		45,003	
With Scheduled Banks :				
In Current A/c.	370,510		3,862,445	
In Fixed Deposit A/c.	1,901,833		883,488	
(Pledged with Bank against Bank Guarantee)				
In Unpaid Dividend A/c. (O.B.C. Ltd.)	2,065		1,163	
		2,372,119		4,792,099
LOANS & ADVANCES :				
(Unsecured considered Good)				
Security Deposits	72,865		72,865	
Advance Income Tax	5,229,543		3,972,322	
Income Tax Refundable	30,371		30,371	
Tax Deducted at Source	1,230,023		1,165,034	
Advance to Suppliers	1,304,317		834,887	
Advance to Staff	18,500		17,692	
Advance to Others	1,525,200		321,000	
Prepaid Expenses	480,030		363,146	
Hire Purchase Charge payable	66,586		303	
Discount receivable	38,000		38,000	
		9,995,435		6,815,620
		<u>154,693,358</u>		<u>114,047,398</u>

PH TRADING LTD.

	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 Rs.
SCHEDULE : H		
CURRENT LIABILITIES :		
Sundry Creditors		
For Goods	8,514,502	2,878,505
For Expenses	5,745,544	4,711,677
Advance From Customer	327,316	942,642
Tax deducted at source	2,346,306	2,268,327
Unclaimed Dividend*	<u>2,065</u>	<u>1,163</u>
	<u>16,935,733</u>	<u>10,802,314</u>

* There are no amounts due and outstanding to be credited to the investors Education and protection fund.

SCHEDULE : I		
PROVISIONS :		
For Taxation	6,134,158	4,926,158
Proposed Dividend	480,000	480,000
Dividend Tax	81,576	67,320
Fringe Benefit Tax	159,047	78,717
	<u>6,854,781</u>	<u>5,552,195</u>

PH TRADING LTD.

SCHEDULE : J

NOTES ON ACCOUNTS :

1. Contingent Liabilities not provided for in respect of :
Claims against the company pending in court, not acknowledged as debts, amount unascertainable.
2. Estimated amount of contracts remaining to be executed on capital accounts & not provided for Rs. 150,000/-
3. Other Advances includes Rs. 101,000/- against which the Company has filed a suit for recovery.
4. Advance to others includes Rs. 12,04,200/- in respect of installment payment towards Flat Booking.
5. Fixed Deposit Rs. 1,901,833/- (8.83 Lakhs) pledged with Oriental Bank of Commerce Park Street Branch against Bank Guarantee of Rs. 175 Lacs (Rs. 150 Lakhs) and Rs. 5,000/- (Rs. 5,000) with the Commissioner of Sales Tax as security for the issue for blank "C" Forms and Form "14".
6. Motor Car includes Rs. 762,953/- (Rs. 764,979/-) under Hire Purchase Scheme. Future Interest Payable in car Purchased under said scheme amounting to Rs. 66,586/- (Rs. 303/-)
7. Managerial Remuneration (Included under Salary & Allowances) :

Salary	Rs. 882,600/-	(Rs. 675,000/-)
Other Benefits	Rs. 10,844/-	(Rs. 7,450/-)
8. 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	—	—	10,758,624	873,884,794	10,758,624	918,332,220	—	—
		—	—	(7,394,158)	(460,419,800)	(7,394,150)	(491,124,102)	—	—
G.M.A. (Star)	MT	—	—	15,000	826,800	15,000	514,800	—	—
		—	—	—	—	—	—	—	—
E.D.T.A.	MT	—	—	60,000	4,992,000	60,000	3,422,432	—	—
		—	—	—	—	—	—	—	—
* Shares	Nos.	—	47,855	—	—	—	—	—	47,855
		—	(47,855)	(—)	(—)	(—)	(—)	(—)	(47,855)
Total			47,855		879,703,594		922,269,452		47,855
			(47,855)		(460,419,800)		(491,124,102)		(47,855)

* Net of Discount

PH TRADING LTD.

SCHEDULE : J

NOTES ON ACCOUNTS :

Details of Shares Stock-In-Trade As on 31st March, 2007

Name of the Company	Opening Stock		Purchases		Sales		Closing Stock		
	Face Value Rs.	Nos.	Value Rs.	Nos.	Value Rs.	Nos.	Value Rs.	Nos.	
M.P.U. Poly Propylines 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 (Master Share)	10/-	100	920	—	—	—	—	100	920
	(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 :			<u>47,855</u>		<u>NIL</u>		<u>NIL</u>		<u>47,855</u>
			<u>(47,855)</u>		<u>(NIL)</u>		<u>(NIL)</u>		<u>(47,855)</u>

(ii) Expenditure / Earnings in Foreign Currency

(NIL) (NIL)

Related Party Disclosure

Information relating to Related Party Transaction as per Accounting Standard-18 issued by ICAI is given below :

A)	Name of the related party	Relationship
(a)	Abhishek Chemicals Pvt. Ltd.	Associate Company
	Davesh Developors Pvt. Ltd.	Associate Company
	Himatsingka Chemicals Pvt. Ltd.	Associate Company
	Himatsingka Properties Pvt. Ltd.	Associate Company
	P. C. Properties Pvt. Ltd.	Associate Company
	Swan Silver Wares Pvt. Ltd.	Associate Company
	Variable Plaza Pvt. Ltd.	Associate Company
	AH Chemicals Pvt. Ltd.	Associate Company
(b)	Prakash Himatsingka	Key Managerial Personnel
	Ashok Kr. Jhanwar	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
	Sumit Kumar Jhanwar	Relative of Director

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

PH TRADING LTD.

		With (a)	With (b)
B)	Transactions during the year		
	i) Sales	124,002,860	—
	ii) Director's Remuneration	—	882,600
	iii) Salaries	—	72,000
	iv) Rent Received	18,000	9,600
	v) Repair & maintaince	56,555	—
	vi) Intercompany Deposits Received	334,356,000	4,532,000
	vii) Intercompany Deposits Paid	32,581,630	4,962,246
	viii) Interest Paid (Provision)	5,833,159	354,606
	ix) Outstanding balances as at 31.03.07		
	a) Intercompany Deposit accepted	41,992,427	2,703,436
	x) Electric Charges	133,748	—
	xi) Outstanding Debtors against Sales	5,884,979	—
C)	There is no outstanding amount written off on the above during the year.		
9.	Since company is having single activity i.e. Trading so segment reporting in accordance with Accounting Standard 17 issued by ICAI is not applicable.		
10.	During the year deferred tax assets in accordance with Accounting Standard 22 has been created. Deferred Tax Assets due to timing difference		
		31.03.2007	31.03.2006
	a) Depreciation	34,455	34,966
11.	<u>Earning per Share</u>	<u>31.03.2007</u>	<u>31.03.2006</u>
	a) Net Profit available to the Equity Shareholders	2,123,491	1,337,403
	b) No. of Equity Shares	480,000	480,000
	c) Basic/Diluted earning per share	4.42	2.78
12.	No provision have been considered necessary for diminution in value of permanent Investment being temporary in nature.		
13.	Provision has not been made for doubtful debts amounting to Rs. 374,630/- (Previous Year Rs. 364,629/-)		
14.	Figures of the last year have recasted & regrouped wherever found necessary.		

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. Sales and purchases are stated in accounts at net of discount thereon.

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.	<u>35011/82</u>	State Code	<u>21</u>
Balance Sheet Date	<u>31.03.2007</u>		

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

Public Issue	<u>NIL</u>	Right Issue	<u>NIL</u>
Bonus Issue	<u>NIL</u>	Private Placement	<u>NIL</u>

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

Total Liabilities	<u>133,326</u>	Total Assets	<u>133,326</u>
-------------------	----------------	--------------	----------------

Sources of Funds

Paid up Capital	<u>4,800</u>	Reserve & Surplus	<u>8,767</u>
Secured Loans	<u>51,131</u>	Unsecured Loans	<u>68,627</u>

Application of Funds :

Net Fixed Assets	<u>1,665</u>	Investments	<u>723</u>
Net Current Assets	<u>130,903</u>	Misc. Expenditure	<u>NIL</u>
Deferred Tax Assets	<u>34</u>		
Accumulated Loss	<u>NIL</u>		

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

Total Income	<u>923,863</u>	Total Expenditure	<u>920,450</u>
Profit before tax	<u>3,412</u>	Profit after tax	<u>2,123</u>
Earning Per Share	Rs. <u>4.42</u>	Dividend Rate %	<u>10.00</u>

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>

PH TRADING LTD.

	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 Rs.
SCHEDULE : K		
OTHER INCOME :		
Rent Received	27,600	27,600
Profit on Sale of Fixed Assets	948	—
Profit on Sale of Investment	1,262	—
Interest Received [TDS. Rs. 63,060/- (Rs. 131,604/-)]	209,608	957,525
Dividend Received [TDS. Rs. NIL (Rs. NIL)]	540	540
Sundry Balance Written Back (Net)	62,163	54,023
Miscellaneous Income	<u>213,279</u>	<u>230,999</u>
	<u>515,400</u>	<u>1,270,687</u>

PH TRADING LTD.

	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 Rs.
SCHEDULE : L		
ADMINISTRATIVE, SELLING & OTHER EXPENSES :		
Salary and Allowances	964,994	643,191
Staff Welfare Expenses	38,060	56,883
Rates & Taxes	56,312	78,105
Insurance Premium	535,284	430,027
Legal & Professional Charges	92,320	153,817
Repair & Maintenance (Others)	167,909	228,978
Electric Charges	307,271	305,091
Telephone Expenses	510,963	406,151
Director's Meeting Fees	3,750	2,750
Printing & Stationery	76,783	81,305
Computer Expenses	57,952	64,859
Certification Fees	2,807	2,285
Auditors' Remuneration :		
Internal Audit Fees	2,245	2,204
As Audit Fees (Including Branch Auditor)	37,057	32,070
As Tax Audit Fees	6,734	5,510
Out of Pocket Expenses	<u>917</u>	<u>632</u>
	46,953	40,416
Travelling & Conveyance	354,347	252,735
Vehicle Expenses	151,501	105,589
Advertisement	67,617	40,156
Bank Charges	398,368	61,341
Donation	347,200	241,800
Commission & Brokerage	5,404,502	3,318,294
Miscellaneous Expenses	810,534	589,465
Rent	337,500	36,000
Postage and Telegram	73,906	63,022
Subscription	8,049	10,135
	<u>10814882</u>	<u>7,212,395</u>
SCHEDULE : M		
INTEREST : (Net)		
To Bank	3,637,254	1,100,546
To Others	10,551,952	9,510,612
To Director	354,606	276,254
	<u>14,543,812</u>	<u>10,887,412</u>

PH TRADING LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2007

	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 Rs.
A. Cash Flow from Operating Activities :		
Net Profit before tax and extraordinary items		
Adjustments For	3,412,332	2,119,312
Depreciation	274,259	302,669
Loss of Fixed Assets	(948)	2,995
Profit/(Loss) on Sale of Investment	(1,262)	(1,950)
Interest / Dividend (Income)	(210,148)	(958,065)
Interest Paid	1,454,3812	10,887,412
Operating Profit before Working Capital Changes	18,018,545	12,352,373
Adjustments For		
Trade and Other receivables.	(34,942,498)	41,081,487
Inventories	—	—
Trade Payable	6,133,419	(23,654,688)
Change in short term borrowing	6,132,469	(22,134,631)
Cash generated from operations	(4,658,065)	7,644,541
Interest Received on Trade Deposits	—	—
Direct taxes paid (Includes Fringe Benefit Tax)	(1,322,210)	(735,899)
Cash Flow before Extra Ordinary Items	(5,980,275)	6,908,642
Net Cash from operating activities	(5,980,275)	6,908,642
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(901,108)	(49,270)
Sale of Fixed Assets	315,000	—
Purchase of Investments	(6,000)	—
Sale of Investments	7,262	3,700
Interest Received	209,608	957,525
Dividend Received	540	540
Net Cash from in investing activities	374,698	912,495

Contd. Next page

PH TRADING LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2007

	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 Rs.
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	—	—
Proceeds from Long Term Borrowings	19,026,125	2,938,026
Repayment for Finance Lease Liabilities	—	—
Interest Paid	(14,543,812)	(10,887,412)
Dividend Tax Paid	(67,320)	(67,320)
Dividends Paid	(480,000)	(480,000)
Net Cash used in Financing Activities	<u>3,934,993</u>	<u>(8,496,706)</u>
Net increase in Cash and Cash Equivalents (A+B+C)	(2,419,980)	(675,569)
Cash and Cash Equivalents as at (Opening Balance)	4,792,099	5,467,667
Cash and Cash Equivalents as at (Closing Balance)	2,372,119	4,792,098

P. HIMATSINGKA | Directors
AVISHEK HIMATSINGKA

Notes :

1.	<u>Cash & Cash Equivalent</u>	<u>Current Year</u>	<u>Prev. Year</u>
	Cash in hand	97,711	45,003
	with schedule bank		
	In Current A/c	370,510	3,862,445
	In Fixed Deposit	1,901,833	883,488
	In unpaid Divident A/c	2,065	1,162
		<u>2,372,119</u>	<u>4,792,098</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 28th day of June, 2007

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 25th Annual General Meeting of the Company to be held on Wednesday, the 29th August, 2007 and any adjournment thereof.

Signed this _____ day of _____ 2007

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