

**26th**  
**ANNUAL REPORT**  
**2007 -2008**

**PH TRADING LTD.**

**CERTIFIED TO BE TRUE COPY**  
For PH TRADING LTD

*Deeatsy*  
Managing Director

# **PH TRADING LTD.**

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## **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.

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## NOTICE

Notice is hereby given that the Twenty-Sixth 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 Friday, the 29th August, 2008 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 31 st March, 2008.
- 2) To declare dividend.
- 3) To appoint director in place of Mr. Ashok Jhanwar 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.
- 5) Resolved that the salary of the Managing Director Mr. **Prakash Himatsingka** increase from Rs. 60,000 to Rs. **80,000** (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 27th of June 2008

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 22/08/08 to 29/08/08 (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 31 st March, 2008, if approved at this meeting will be payable on or after 29th August, 2008 to those members whose names appear on the Register of members of the Company as on 29th August, 2008.
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 1956.]

The Board of directors feels that in view of the day to day increased work load of the MD of the company accompanying the economic market conditions and depletions of money value the remuneration of Sri Prakash Himatsingka MD 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 27th June 2008 with effect from 01.04.08 subject to approval of shareholders.

Your Directors recommended the resolution for your approval no director of the company except Mr. Prakash Himatsingka is concerned or interested in the resolution.

Place : Kolkata

Dated : The 27th day of June, 2008

*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 26th Annual Report of the Company together with the audited statement of account of the year ended March 31, 2008

### FINANCIAL RESULTS :

Profit during the year		Rs. 39,45,834
Add : Previous year balance		Rs. 87,67,359
Deferred Tax		Rs. 1,431
Excess Provision of Tax for Earlier year		Rs. 2,520
		Rs. 1,27,17,144
Less : Provision for taxation	Rs. 14,20,000	
Provision for FBT	Rs. 96,500	
Proposed dividend	Rs. 4,80,000	
Dividend Tax	Rs. 81,576	
Transitional Provision of As 15 (Net of Tax)	Rs. 33,872	
		Rs. 21,11,948
Balance transferred to Balance Sheet		Rs. 1,06,05,196

### 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, 2008.

### DIRECTORS :

Sri Ashok Jhanwar, 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 : Friday, the 27th June, 2008

*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, 2008 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) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 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.
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
  - (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 27th day of June, 2008

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 has not been disposed off during the year and the going concern status of the company is not affected.
- ii) a) Physical verification of inventory has been conducted at reasonable intervals by the Management. In our opinion, the frequency of verification is reasonable.
- 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 has maintained 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 1.4.07	Amt. taken together with Interest	Amount paid	Closing Balance as at 31.03.08	Maximum Balance during the year 31.03.08
Abhishek Chemicals Pvt. Ltd.	9,311,879	70,206,525	55,853,951	23,664,453	23,664,453
Abhishek Himatsingka	—	4,964,666	3,535,781	1,428,885	2,120,000
Davesh Developers Pvt. Ltd.	58,176	<b>629,461</b>	342,423	345,214	602,000
Himatsingka Chemical Pvt. Ltd.	11,202,620	53,626,339	48,474,871	16,354,088	25,311,000
Prakash Himatsingka	2,703,436	10,934,574	9,300,472	4,337,538	4,925,000
Swan Silverwares Pvt. Ltd.	6,170,451	41,070,839	31,416,848	15,824,442	<b>18,071,500</b>
Variable Plaza Pvt. Ltd.	15,135,222	<b>44,997,887</b>	41,157,573	18,975,536	23,120,000
AH Chemicals Pvt. Ltd.	<b>111,514</b>	117,605,850	<b>114,711,682</b>	3,005,682	3,005,682
Himatsingka Properties Pvt. Ltd.	2,565	3,000	5,565	—	3,000
	<b>44,695,863</b>	<b>344,039,141</b>	<b>304,799,166</b>	<b>83,935,838</b>	<b>100,822,635</b>

- f) In our opinion, the rates of interest and Terms & Conditions on which loan have been taken are not prim afacie prejudicial to the interest of the Company.
- g) The Company is regular in the payment of Principal and 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.

## PH TRADING LTD.

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- v) a) The contract or arrangement that need to be entered into a register in pursuance 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 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 Clause (viii) of paragraphs 4 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.
- b) No undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31.03.2008 for a period of more than six months.
- c) As per management no disputed dues of sales tax / income tax / custom tax / welth tax / excise duty / service tax / cess etc. Which have not been deposited on account of any dispute.
- x) The company does not have accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- 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. Therefore, the provisions of Clause (xiii) of Paragraph 4 of the order are not applicable to the company.
- 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 the company in its own name has held such shares, securities debentures and other investments.
- 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 term loan, so the question about its applicability for the required purpose does not arise.
- xvii) There are no funds raised on Short Term basis that have been used for Long Term investment.
- 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  
Koikata-700 072  
The 27th day of June, 2008

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



# PH TRADING LTD.

## BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULE	ASAT 31.03.2008		ASAT 31.03.2007	
		Rs.	Rs.	Rs.	Rs.
<b>I. SOURCES OF FUNDS :</b>					
<b>1. Shareholders' Funds</b>					
a) Share Capital	1	4,800,000		4,800,000	
b) Reserves & Surplus	2	10,605,196	15,405,196	8,767,359	13,567,359
<b>2. Loan Fund</b>					
a) Secured Loans	3	55,552,694		51,131,107	
b) Unsecured Loans	4	103,584,835	159,137,529	68,627,064	119,758,171
			<b>174,542,725</b>		<b>133,325,530</b>
<b>II. APPLICATION OF FUNDS :</b>					
<b>1. Fixed Assets</b>					
a) Gross Block	5	5,295,137		4,105,063	
b) Less : Depreciation		2,522,474		2,440,210	
c) Net Block			2,772,663		1,664,853
<b>2. Investments :</b>	<b>6</b>		723,378		723,378
<b>3. Deferred Tax Assets</b>	<b>7</b>		53,326		34,455
<b>4. Current Assets, Loans &amp; Advances</b>					
a) Inventories	8	47,855		47,855	
b) Sundry Debtors	9	190,918,523		142,277,949	
c) Cash & Bank Balances	10	2,956,716		2,372,119	
d) Loans & Advances	11	7,936,851		9,995,435	
		<b>201,859,945</b>		<b>154,693,358</b>	
<b>Less :</b>					
<b>5. Current Liabilities And Provisions :</b>					
a) Current Liabilities	12	23,820,306		16,935,733	
b) Provisions	13	7,046,281		6,854,781	
		<b>30,866,587</b>		<b>23,790,514</b>	
<b>Net Current Assets</b>			170,993,358		130,902,844
<b>Total</b>			<b>174,542,725</b>		<b>133,325,530</b>
Significant Accounting Policies	17				
Notes on Accounts	18				

The Schedule referred to above form an integral part of the Balance Sheet  
As per our separate report of even date attached hereto

**FORSALARPURIA & PARTNERS**

*Chartered Accountants*

**N. R. NAYAK**

*Partner*

7, Chittaranjan Avenue, Kolkata-700 072

The 27th day of June, 2008

**P. HIMATSINGKA**  
**AVISHEK HIMATSINGKA**

Directors

# PH TRADING LTD.

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH, 2008

	SCHEDULE	YEAR ENDED 31.03.2008 Rs.	YEAR ENDED 31.03.2007 Rs.
<b>I. INCOME :</b>			
Sales (Net)		1,008,073,022	922,269,452
Other Income	14	542,558	1,545,379
Closing Stock of Shares		47,855	47,855
<b>TOTAL - A</b>		<b><u>1,008,663,435</u></b>	<b><u>923,862,686</u></b>
<b>II. EXPENDITURE :</b>			
Opening Stock of Shares		47,855	47,855
Purchases (Net)		956,975,829	879,703,594
Freight & Octroi Charges		14,364,870	14,172,008
Administrative Selling & Others	15	11,223,823	10,814,882
Interest	16	18,950,445	14,543,812
Depreciation		378,684	274,759
Bad Debts		1,833,960	—
Directors Remuneration		942,135	893,444
<b>TOTAL - B</b>		<b><u>1,004,717,601</u></b>	<b><u>920,450,354</u></b>
<b>III. PROFIT</b>			
Profit Before Taxation ('A' - 'B')		3,945,834	3,412,332
Provision for Taxation Current Tax		(1,420,000)	(1,208,000)
Deferred Tax		1,431	(511)
Fringe Benefit Tax		(96,500)	(80,330)
Profit After Taxation		2,430,765	2,123,491
Profit brought forward		8,767,359	7,205,444
Transactional provision of AS-15 on employees benefit (Net of Tax)		(33,872)	—
Excess Provision of Tax for Earlier Year		2,520	—
Available for Appropriation		<b><u>11,166,772</u></b>	<b><u>9,328,935</u></b>
<b>IV. APPROPRIATIONS :</b>			
Proposed Dividend		480,000	480,000
Income Tax on proposed Dividend Tax		81,576	81,576
Balance Carried to Balance Sheet		10,605,196	8,767,359
		<b><u>11,166,772</u></b>	<b><u>9,328,935</u></b>
Basic / Diluted Earning Per Share of Rs. 10/- Each (Refer Note No. 07 of Schedule 18)		5.07	4.42
Significant Accounting Policies	17		
Notes on the Accounts	18		

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 27th day of June, 2008

**P. HIMATSINGKA**  
**AVISHEK HIMATSINGKA**

Directors

## PH TRADING LTD.

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31 st MARCH, 2008

	ASAT 31.03.2008 Rs.	ASAT 31.03.2007 Rs.
<b>A. Cash Flow from Operating Activities :</b>		
Net Profit before tax and extraordinary items		
Adjustments For :	3,945,834	3,412,332
Depreciation :	378,684	274,259
Profit on Sale of Fixed Assets :	(58,700)	(948)
Profit/(Loss) on Sale of Investment :	—	(1,262)
Interest received :	(367,063)	(209,608)
Dividend received :	(540)	(540)
Interest Paid :	18,950,445	14,543,812
Operating Profit before Working Capital Changes :	<b><u>22,848,660</u></b>	<b><u>18,018,545</u></b>
Adjustments For :		
Trade and Other receivables. :	(46,500,717)	(34,942,498)
Trade Payable :	6,833,261	6,133,419
Change in Short term borrowing :	—	6,132,469
Cash generated from operations :	<u>(16,818,796)</u>	<u>(4,658,065)</u>
Interest Received on Trade Deposits :	—	—
Income Tax Refund :	94,608	—
Direct taxes paid (Includes Fringe Benefit Tax) :	(1,498,361)	(1,322,210)
Cash Flow before Extra Ordinary Items :	(18,222,549)	(5,980,275)
Net Cash from operating activities	<b><u>(18,222,549)</u></b>	<b><u>(5,980,275)</u></b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets :	(1,611,794)	(901,108)
Sale of Fixed Assets :	184,000	315,000
Purchase of Investments :	—	(6,000)
Sale of Investments :	—	7,262
Interest Received :	367,063	209608
Dividend Received :	540	540
Net Cash from in investing activities	<b><u>(1,060,191)</u></b>	<b><u>(374,698)</u></b>

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# PH TRADING LTD.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2008

	ASAT 31.03.2008 Rs.	ASAT 31.03.2007 Rs.
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of Share Capital	—	—
Proceeds from Long Term Borrowings	39,379,358	19,026,125
Interest Paid	(18,950,445)	(14,543,812)
Dividend Tax Paid	(81,576)	(67,320)
Dividends Paid	(480,000)	(480,000)
<b>Net Cash used in Financing Activities</b>	<u>19,867,337</u>	<u>3,934,993</u>
Net increase in Cash and Cash Equivalents (A+B+C)	584,597	(2,419,980)
Cash and Cash Equivalents as at (Opening Balance)	2,372,119	4,792,099
Cash and Cash Equivalents as at (Closing Balance)	2,956,716	2,372,119

**Notes :**

	Current Year	Prev. Year
1. Cash & Cash Equivalent		
Cash in hand	81,974	97,711
with schedule bank		
In Current A/c	903,392	370,510
In Fixed Deposit	1,968,370	1,901,833
In unpaid Divident A/c	2,980	2,065
	<u>2,956,716</u>	<u>2,372,119</u>

**FORSALARPURIA & PARTNERS**

Chartered Accountants

**N. R. NAYAK**

Partner

7, Chittaranjan Avenue, Kolkata-700 072

The 27th day of June, 2008

**P. HIMATSINGKA**

AVISHEK HIMATSINGKA

Directors

# PH TRADING LTD.

## Schedules to the Accounts

	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
<b>1. SHARE CAPITAL :</b>		
<b>Authorised</b>		
5,00,000 Equity Shares of Rs. 10/- Each.	<u>5,000,000</u>	<u>5,000,000</u>
<b>Issued, Subscribed &amp; Paid Up :</b>		
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>
<b>2. RESERVES &amp; SURPLUS :</b>		
Profit & Loss Account As per AccountAnnexed	<u>10,605,196</u>	<u>8,767,359</u>
	<b><u>10,605,196</u></b>	<b><u>8,767,359</u></b>
<b>3. SECURED LOANS :</b>		
ICCI Car Loan against Hypothecation of Motor Car	408,580	653,728
Oriental Bank of Commerce C.C. A/c. (Kolkata) (Secured against hypothecation of book debt)	31,556,065	32,813,256
Bills discounted with Bank	23,588,049	16,951,223
L.I.C. (against Keyman Insurance Policy)	—	712,900
	<u>55,552,694</u>	<u>51,131,107</u>
<b>4. UNSECURED LOANS : (Including Interest)</b>		
From Companies	97,818,412	65,923,628
From Directors	5,766,423	2,703,436
	<u>103,584,835</u>	<u>68,627,064</u>

# PH TRADING LTD.

## Schedules to the Accounts

### 5. FIXED ASSETS

Particulars	GROSSBLOCK				DEPRECIATION				NETBLOCK	
	Cost	Additions	Sold	Cost	Upto	During	Adjustment	Total	As At	As At
	as on	during	during	as on	01.04.07	the year	on A/c of	upto	31.03.08	31.03.07
	01.04.07	the year	the year	31.03.08			Sales	31.03.08		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Office Premises	839,496	—	—	839,496	581,944	12,878	-	594,822	244,674	257,552
Residential Building	253,373	1,496,107	-	1,749,480	115,178	47,694	-	162,872	1,586,608	138,195
Furniture & Fixtures	398,592	—	—	398,592	355,385	7,256	-	362,641	35,951	43,207
Air Conditioner	209,800	—	—	209,800	103,918	14,814	-	118,732	91,068	105,882
Motor Car	1,139,973	-	377,020	762,953	325,423	185,371	262,273	248,521	514,432	814,550
Office Equipment	195,782	—	—	195,782	125,790	10,140	-	135,930	59,852	69,992
Generator	16,587	—	—	16,587	15,412	<b>163</b>	-	15,575	1,012	1,175
Computers	745,753	47,950	-	793,703	644,849	65,383	-	710,232	83,471	100,904
Fax Machine	146,622	16,250	-	162,872	77,361	11,415	-	88,776	74,096	69,261
Mobile Phone	24,895	—	—	24,895	14,146	1,495	-	15,641	9,254	10,749
Television	27,690	—	—	27,690	17,848	1,369	-	19,217	8,473	9,842
Motor Cycle	106,500	51,487	44,700	113,287	62,956	20,706	34,147	49,515	63,772	43,544
<b>Total :</b>	<b>4,105,063</b>	<b>1,611,794</b>	<b>421,720</b>	<b>5,295,137</b>	<b>2,440,210</b>	<b>378,684</b>	<b>296,420</b>	<b>2,522,474</b>	<b>2,772,663</b>	<b>1,664,853</b>
Previous year Figures	4,186,357	901,108	982,402	4,105,063	2,845,689	274,759	680,238	2,440,210	1,664,853	

# PH TRADING LTD.

## Schedules to the Accounts

### 6. INVESTMENTS

#### LONG TERM INVESTMENTS - NON TRADE

Name of the holdings	Kind of Stock	Face Value	No. of Shares/Debentures		Cost as on 31.03.2008	Cost as on 31.03.2007
<b>(A) Quoted :</b>						
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
<b>TOTAL : A</b>					<b><u>33,418</u></b>	<b><u>33,418</u></b>
<b>(B) Unquoted :</b>						
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
<b>TOTAL : B</b>					<b><u>689,960</u></b>	<b><u>689,960</u></b>
<b>TOTAL INVESTMENTS (A+B)</b>					<b><u>723,378</u></b>	<b><u>723,378</u></b>

Aggregate Market Value of Quoted Investments :

N.A

N.A

\* In absense of Market Quotation no Market Value mentioned.

# PH TRADING LTD.

## Schedules to the Accounts

	ASAT 31.03.2008 Rs.	ASAT 31.03.2007 Rs.
<b>7. DEFERRED TAX ASSETS</b>		
a) Deferred Tax Liability Related to Fixed Assets	29,699	34,455
b) Deferred Tax Assets Disallowance under the Income Tax Act, 1961	<u>23,627</u>	<u>—</u>
	<u>53,326</u>	<u>34,455</u>
<b>8. INVENTORIES:</b>		
Shares	47,855	47,855
	<u>47,855</u>	<u>47,855</u>
<b>9. SUNDRY DEBTORS (Unsecured):</b>		
Debts Outstanding for a Period Exceeding Six Months		
Considered Good	9,823,393	30,236,084
Considered Doubtful	—	374,630
Others Debts (Considered good)	<u>181,095,130</u>	<u>111,667,235</u>
	<u>190,918,523</u>	<u>142,277,949</u>
<b>10. CASH &amp; BANK BALANCES :</b>		
Cash-in-Hand (As per Books & Certified)	81,974	97,711
<b>With Scheduled Banks :</b>		
In Current A/c.	903,392	370,510
In Fixed Deposit A/c. (Pledged with Bank against Bank Guarantee)	1,968,370	1,901,833
In Unpaid Dividend A/c. (O.B.C. Ltd.)	2,980	2,065
	<u>2,956,716</u>	<u>2,372,119</u>
<b>11. LOANS &amp; ADVANCES :</b>		
(Unsecured considered Good)		
Security Deposits	104,385	72,865
Advance Income Tax	6,571,210	6,489,937
Advance to Suppliers	—	1,304,317
Advance to Staff	—	18,500
Advance to Others	339,696	1,525,200
Prepaid Expenses	404,966	480,030
Hire Purchase Charge payable	27,173	66,586
Discount receivable	489,421	38,000
	<u>7,936,851</u>	<u>9,995,435</u>



# PH TRADING LTD.

## Schedules to the Accounts

	ASAT 31.03.2008 Rs.	ASAT 31.03.2007 Rs.
<b>12. CURRENT LIABILITIES :</b>		
<b>Sundry Creditors</b>		
Due to Micro and Small Eneterprises	—	—
Due to Others	19,474,737	14,260,046
Advance From Customer	471,108	327,316
Tax deducted at source	3,450,966	2,346,306
Unclaimed Dividend	2,980	2,065
Advance against Sale of Flat	351,000	—
Gratuity Payable	69,515	—
	<u>23,820,306</u>	<u>16,935,733</u>
<b>13. PROVISIONS :</b>		
For Taxation	6,229,158	6,134,158
Proposed Dividend	480,000	480,000
Tax on Proposed Dividend	81,576	81,576
Fringe Benefit Tax	255,547	159,047
	<u>7,046,281</u>	<u>6,854,781</u>
<b>14. OTHER INCOME</b>		
Rent Received	26,400	27,600
Profit on Sale of Fixed Assets (Net)	58,700	948
Profit on Sale of Investment	—	1,262
Interest Received [TDS Rs. 29,106/- (Rs. 63,060/-)]	367,063	209,608
Dividend received	540	540
Sundry Balance Written Back (Net)	89,855	62,163
Miscellaneous Income	—	213,279
Insurence Claim	—	1,029,979
	<u>542,558</u>	<u>1,545,379</u>

## PH TRADING LTD.

### Schedules to the Accounts

	ASAT 31.03.2008 Rs.	ASAT 31.03.2007 Rs.
<b>15. ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Salary and Allowances	934,290	964,994
Staff Welfare Expenses	45,538	38,060
Rates & Taxes	56,312	56,312
Insurance Premium	533,230	535,284
Legal & Professional Charges	94,177	92,320
Repair & Maintenance (Other)	230,129	167,909
Electric Charges	363,224	307,271
Telephone Expenses	559,952	510,963
Director Meeting Fees	7,000	3,750
Printing & Stationery	71,098	76,783
Computer Expenses	59,859	57,952
Certification Fees	2,247	2,807
Internal Audit Fees	2,998	2,245
<b>Auditors' Remuneration :</b>		
As Audit Fees (Incl. Branch Auditor)	41,573	37,057
As Tax Audit Fees	6,742	6,734
Out of Pocket Expenses	2,082	917
Traveling & Conveyance	454,781	354,347
Vehicle Expenses	91,559	151,501
Advertisement	45,977	67,617
Bank Charges	584,794	398,368
Donation	410,000	347,200
Commission & Brokerage	4,906,450	5,404,502
Miscellaneous Expenses	579,400	137,949
Rent	336,000	337,500
Postage & Telegram	84,982	73,906
Sales Promotion	254,642	235,369
Service Tax on Freight	464,787	445,265
	11,223,823	10,814,882
<b>16. INTEREST</b>		
To Bank	4,686,900	3,637,254
To Others	13,799,305	10,551,952
To Director	464,240	354,606
	18,950,445	14,543,812

# PH TRADING LTD.

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## Schedules to the Accounts

### Schedule - 17

#### **SIGNIFICANT ACCOUNTING POLICIES**

1. All income & expenditures are accounted for an Accrual basis except Dividend, debenture interest, which are accounted for on cash basis.
2. **Investments :**  
Long term investments are valued at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary. Current investments are valued at cost or Market value whichever is lower.
3. **Fixed Assets**  
Fixed Assets are stated at cost less accumulated depreciation.
4. **Depreciation :**  
Depreciation has been provided on all assets on written down value basis as per rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on Fixed Asset at Branch has been provided under written down value Method at the rates prescribed under the Income Tax Act, 1961, and the rules made there under.
5. **Inventories:**  
Inventories are valued at cost or Net realizable value whichever is lower. The cost is determined on the FIFO basis.
6. **Employees Benefits :**
  - i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account for the year in which the related service is rendered.
  - ii) Post employment and other long term employee benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial Gain or Losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.
7. Sales and Purchases are stated in accounts at net of discount thereon.
8. **Impairment of Assets :**  
An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.
9. **Taxation :**  
Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.
10. **Provision, Contingent Liabilities and Contingent Assets :**  
Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed on the financial statements.

# PH TRADING LTD.

## Schedule to the Accounts

### 18. NOTES TO THE ACCOUNTS :

1. Motor Car includes Rs. 762,9537- (Rs. 762,953/-) under Hire Purchase Scheme. Future Interest Payable in car purchased under said scheme amounting to Rs. 27,173/- (Rs. 66,586/-)
2. Fixed Deposit Rs. 1,968,370/- (Rs. 1,901,833/-) pledged with Oriental Bank of Commerce Park Street Branch against Bank Guarantee of Rs. 200 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 From '14'.
3. Other Advances includes Rs. 101,000/- against which the Company has filed a suit for recovery.
4. Estimated amount of contracts remaining to be executed on capital accounts & not provided for Rs. 150,000/-
5. Contingent Liabilities not provided for in respect of :  
Claims against the company pending in court not acknowledged as debts, amount unascertainable.

	31.3.2008	31.3.2007
	Rs..	Rs.
6. Managerial Remuneration (Included under Salary & Allowances)		
Salary	934,935.00	7,200.00
Other benefits	7,200.00	10,844.00
7. Earnings per Share		
Profit / (Loss) after taxation as per Profit & Loss Account	2,430,765.00	2,123,491
Weighted average number of equity shares outstanding (Face value - Rs. 10 per Share)	480,000.00	480,000.00
Basic / Diluted Earnings per share	5.06	4.42

8. The Company has adopted Accounting Standard (AS) 15 on "Employee Benefits" effective 1st April 2007, pursuant to which, under transitional provisions, an amount of Rs. 33,872 (net of Tax adjustment of Rs. 17440) has been adjusted against General Reserve as at 01.04.2007.

#### Defined Benefit Plan

The present value of obligation is determined based on actual valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

- I. Expenses recognised during the year under the head "Salary and Allowance"

	Gratuity
a) Current Service Cost	13,000.00
b) Interest Cost	11,000.00
c) Actuarial (Gain) / Loss	3,000.00
d) Net Cost	27,000.00

# PH TRADING LTD.

## Schedule to the Accounts

### II. Net Assets / Liabilities recognised in the Balance Sheet as on 31st March, 2008

a) Present value of the defined benefit obligation	145,000.00
b) Fair value of plan assets (Fund)*	75,485.00
c) Net Assets / Liabilities recognised in the Balance Sheet	<b>69,515.00</b>

\*Having Rs. 28,202 in Joint Saving Account and Rs. 47283 given till 31.03.2008 as LIC premium for individual policy.

### III. Reconciliation of opening and closing balance of Defined Benefit Obligation.

a) Opening defined benefit obligation	118,000
b) Current service cost	13,000
c) Interest Cost	11,000
d) Actuarial (Gain) / Loss	3,000.00
f) Closing defined benefit obligation	145,000

### IV. Principal Actuarial assumptions used :

Discount rates	7.5%
Expected salary increase rates	5%
Mortality rates	LIC (1994-96) mortality tables
Retirement Age	58 years

Remarks : This being first year of implementation, previous year's figures have not been given.

9. As the Company is engaged in the Trading Business only, disclosures as required by Accounting Standard - 17 (Segment Reporting) are not applicable.
10. There is no amount outstanding & payable to Investor Education & Protection Fund as on 31.03.2008.
11. Previous Year figures have been regrouped / rearranged wherever necessary.
12. No Provision has been made for doubtful debts amounting to Rs. NIL (Rs. 374,630)
13. No Provision have been considered necessary for diminution in value of Long Term Investment being temporary in nature.
14. As per Accounting standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below :

A) Name of the related party	Relationship
(a) Abhishek Chemicals Pvt. Ltd.	Associate Company
Davesh Developors 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

# PH TRADING LTD.

## Schedule to the Accounts

(b) Prakash Himatsingka Ashok Kr. Jhanwar Prakash Chandra Vikram Kumar Binayak Prasad Prakash Chandra K. Kumar & Co. Nirmal Himatsingka Rice & Sugar Mills Sumit Kumar Jhanwar Abhishek Himatsingka	Key Managerial Personnel Key Managerial Personnel Relative of Key Managerial Personnel Relative of Key Managerial Personnel Relative of Key Managerial Personnel Relative of Key Managerial Personnel Relative of Director Key Managerial Personnel
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*Note : Related Party Relationship is as identified by the Company and relied by Auditors.*

B) Transactions during the year	With (a)	With (b)
i) Sales	78,338,078	—
ii) Director's Remuneration	—	942135
iii) Salaries	—	192000
iv) Rent Received	18,000	8400
v) Repair & maintaince	60,000	—
vi) Intercompany Deposits Received	317,041,850	15435000
vii) Intercompany Deposits Paid	291,960,348	12836253
viii) Interest Paid (Provision)	11,098,051	464240
ix) Outstanding balances as at 31.03.08		
a) Intercompany Deposit accepted	78,169,415	5766423
x) Electric Charges	125,342	—
xi) Rent Paid	300,000	—

C) There is no outstanding amount written off on the above during the year.

15. Calculation U/s 350 of Companies Act, for the purpose of Net Profit :	
Net Profit Before Tax	3,945,834
Add : Depreciation charged as per Income Tax Act	49,918
Less : Depreciation as per the Companies Act	(38,652)
Net Profit Before Tax	3,957,100

# PH TRADING LTD.

## Schedules to the Accounts

16. 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	Value	Purchases	Value	Sales	Value	Closing Stock	Value
		Qty.	Rs.	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.
Phenol	MT	—	—	11,505,524	955,801,201	11,505,524	1,006,678,522	—	—
		—	—	(10,758,624)	(873,884,794)	(10,758,624)	(918,332,220)	—	—
G.M.A. (Star)	MT	—	—	—	—	—	—	—	—
		—	—	(15,000)	(826800)	(15,000)	(514,800)	—	—
E.D.T.A.	MT	—	—	—	—	—	—	—	—
		—	—	(60,000)	(4,992,000)	(60,000)	(3,422,432)	—	—
MDF	MT	—	—	9,013,750	1,174,628	9,013,750	1,394,500	—	—
* Shares	Nos.	—	47,855	—	—	—	—	—	47,855
		—	(47,855)	(—)	(—)	(—)	(—)	(—)	(47,855)
Total			47,855		956,975,829		1,008,073,022		47,855
			(47,855)		(879,703,594)		(922,269,452)		(47,855)

\* Net of Discount .

**17.DETAILS OF SHARES STOCK-IN-TRADE AS ON 31ST MARCH, 2007**

Name of the Company	Face Value	Opening Stock	Purchases		Value	Sales	Closing Stock		Value
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
		Rs.	Rs.	Rs.	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 (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)
<b>TOTAL:</b>			17,855		NIL		NIL		47,855
			(47,855)		(NIL)		(NIL)		(47,855)

18. Expenditure / Earnings in Foreign Currency (NIL) (NIL)

# PH TRADING LTD.

## BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE

(As per Schedule VI of the Companies Act, 1956)

<b>I.</b>	<b>Registration Details</b>		
	Registration No.	<u>35011/82</u>	State Code <span style="float: right;"><u>21</u></span>
	Balance Sheet Date	<u>31.03.2008</u>	
<b>II.</b>	<b>Capital raised during the Year (Amount in Rs. Thousands)</b>		
	Public Issue	<u>NIL</u>	Right Issue <span style="float: right;"><u>NIL</u></span>
	Bonus Issue	<u>NIL</u>	Private Placement <span style="float: right;"><u>NIL</u></span>
<b>III.</b>	<b>Position of Mobilisation and Deployment of Funds (Amounts in Rs. Thousands)</b>		
	Total Liabilities	<u>205,409</u>	Total Assets <span style="float: right;"><u>205,409</u></span>
	<i>Sources of Funds</i>		
	Paid up Capital	<u>4,800</u>	Reserve & Surplus <span style="float: right;"><u>10,605</u></span>
	Secured Loans	<u>55,552</u>	Unsecured Loans <span style="float: right;"><u>103,585</u></span>
	<b>Application of Funds :</b>		
	Net Fixed Assets	<u>2,773</u>	Investments <span style="float: right;"><u>723</u></span>
	Net Current Assets	<u>170,993</u>	Misc. Expenditure <span style="float: right;"><u>NIL</u></span>
	Deferred Tax Assets	<u>53</u>	
	Accumulated Loss	<u>NIL</u>	
<b>IV.</b>	<b>Performance of the Company (Amount in Rs. Thousands)</b>		
	Total Income	<u>1,008,663</u>	Total Expenditure <span style="float: right;"><u>1,004,718</u></span>
	Profit before tax	<u>3,945</u>	Profit after tax <span style="float: right;"><u>2,431</u></span>
	Earning Per Share	Rs. <u>5.07</u>	Dividend Rate % <span style="float: right;"><u>10.00</u></span>
<b>V.</b>	<b>Generic names of Three Principal Products/Services of Company (As per Monetary term)</b>		
	Item Code No. (I.T. C. Code) —	<u>2907.111</u>	
	Product Description —	PHENOL	



# PH TRADING LTD.

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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 26th Annual General Meeting of the Company to be held on Firday, the 29th August, 2008 and any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008

Signed by the Said \_\_\_\_\_

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### 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

**CERTIFIED TO BE TRUE COPY**  
**For PH TRADING LTD**  
*Chaitanya*  
Managing Director