

*36th Annual General Report*  
*2008-2009*



**P. H. CAPITAL LIMITED**



**P. H. CAPITAL LIMITED**

**P. H. CAPITAL LIMITED**

**BOARD OF DIRECTORS**

Shri Rikeen P. Dalal	Director
Smt. Tej P. Dalal	Director
Dr. C. A. Varghese	Director
Vithal M. Dahake	Director

**AUDITORS**

S. P. Jain & Associates

**BANKERS**

HDFC BANK LIMITED

**REGISTERED OFFICE**

5D, Kakad House, 5<sup>th</sup> Floor,  
'A' Wing, Sir Vithaldas  
Thackersey Marg, New Marine Lines,  
Mumbai - 400 020.  
Tel. No. : 022-22019473  
Fax No. : 022-22012105

**REGISTRARS & SHARE  
TRANSFER AGENTS**

M/s. Bigshare Services Pvt. Ltd.  
E-2&3, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (East), Mumbai - 400 072.  
Tel. No. : 022-40430200

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*Share holders are requested to kindly bring their copies of the Annual Report to the meeting as the same will not be distributed again at the Annual General Meeting.*

**NOTICE**

NOTICE is hereby given that the 36<sup>th</sup> Annual General Meeting of the members of **PH.CAPITAL LIMITED** will be held on Wednesday, 30<sup>th</sup> day of September, 2009 at 11.00 a.m. at the Ahmed A. Fazelbhoy Private Limited, Sunville, 9 Dr. Annie Besant Road, Worli, Mumbai 400 018, to transact with or without modification the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2009 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors' and Auditors.
2. To appoint a director in place of Dr. C.A.Varghese, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

Registered office :  
5D, Kakad House, 5<sup>th</sup> Floor,  
'A' Wing, Sir Vithaldas Thackersey Marg,  
New Marine Lines,  
Mumbai - 400 020.

**For and on behalf of the Board of Directors**

**Rikeen P. Dalal**  
**Director**

Date : 28<sup>th</sup> August 2009



**NOTES FOR SHAREHOLDERS' ATTENTION :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE 36<sup>TH</sup> ANNUAL GENERAL MEETING AT ITS REGISTERED OFFICE.
2. Members are requested to intimate to the Registered Office of the Company, the changes, if any, in their registered addresses, quoting their Folio Numbers.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24/09/2009 to 30/09/2009 (both days inclusive).
4. Shareholders seeking any information with regard to Accounts are requested to write to the Company at least a week prior to Annual General Meeting so as to enable the management to keep the information ready.

## DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting 36<sup>th</sup> Annual Report and the Audited Statement of Accounts of your Company for the year ended 31<sup>st</sup> March, 2009.

### FINANCIAL RESULTS:

The salient features of the Company's working for the year under review are as under:

	(Rs. In lacs)	
	Year Ended 31.03.09	Year Ended 31.03.08
Sales and other Income	644.26	543.46
Gross Profit/(Loss) for the year before		
Depreciation & Taxation	(295.23)	(131.91)
Depreciation	5.97	2.79
Profit/ (Loss) Before Taxation	(301.20)	(134.70)
Provision for Taxation (Including Fringe Benefit Tax)	22.06	0.68
Deferred Tax	13.19	0.33
Net Profit/(Loss)	(336.45)	(135.71)

### FIXED DEPOSIT:

Your Company has not accepted any deposit from the public within the meaning of Section 58-A and 58-AA of the Companies Act, 1956 and the rules framed there under.

### DIRECTORS:

In accordance with Article of 70 of the Article of Association of the Company Dr. C.A.Varghese, a Director retires by rotation and being eligible offers himself for re-appointment.



**CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AND ENVIRONMENT SAFETY:**

The Company has no manufacturing activities. Hence, the information pursuant to the provisions of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 have not been given. The Company has neither earned nor spent any foreign exchange during the accounting year ended 2008 - 09.

**PARTICULARS OF EMPLOYEES:**

The Company does not have any employee covered under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and therefore, this information has not been furnished as part of this Report.

**AUDITORS:**

Shareholders are requested to appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting. The retiring Auditors M/s. S. P. Jain & Associates, Chartered Accountants., being eligible, offer themselves for re-appointment.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that

- I. In the preparation of the annual accounts, the applicable accounting standards have been followed;
- II. Appropriate accounting policies have been selected and applied consistently, and judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the Profit & Loss of the Company for the period April 1, 2008 to March 31, 2009.
- III. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- IV. The annual accounts have been prepared on a going concern basis.

**CORPORATE GOVERNANCE:**

A report on the Corporate Governance Code along with a certificate from the Auditors of the Company regarding the compliance of the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is annexed to this Report .

**COMPLIANCE CERTIFICATE :**

The Compliance Certificate dated 28th August, 2009 in terms of Section 383 A of the Companies Act, 1956 issued by Mrs. Grishma Khandwala, Company Secretary in Whole time practice is attached.

**ACKNOWLEDGEMENT:**

The Directors wish to take this opportunity to express their sincere thanks to the Company's Bankers for their valuable support and the Shareholders for their unflinching confidence in the Company.

For and on behalf of the Board of Directors

**Rikeen P. Dalal**  
Director

**Tej P. Dalal**  
Director

Place : Mumbai

Date : 28<sup>th</sup> August 2009



**REPORT ON CORPORATE GOVERNANCE**

**1) Company's Philosophy on Code of Corporate Governance:**

The Company believes that to be an effective business entity the organisation has to recognise its responsibilities to the stakeholders and should be guided by the principles of just and efficient governance for mutual benefit. The Company's corporate philosophy imbibes the ideal of this principle and accordingly has endeavored to carry out all its operations in a transparent and fair manner.

The Company has adopted a Code of Conduct as required under clause 49 of the listing Agreement with the stock Exchanges. The Directors have confirmed compliance with the code of conduct for the year ended 31st March, 2009.

The relevant standards of Corporate Governance have been fully complied with by the Company.

**2) Board of Directors**

**Composition and size of the Board**

The present strength of the Board is 4. All the Directors are Non – Executive Directors.

The size and composition of the Board confirms with the requirements of Corporate Governance under the Listing Agreement with the Stock Exchanges and applicable laws.

*The Independent Non Executive Directors of the Company do not have any other material or pecuniary relationship or transaction with the Company, its promoters, its management or its subsidiaries, which in the judgment of the Board may affect independence of judgment of the Directors. Non-Executive Directors are not paid any remuneration.*

In the financial year 2008 – 2009, the Board met five times. The Board meetings were held on

(1) 30 th April, 2008, (2) 31st July, 2008, (3) 27th August, 2008, (4) 23rd October, 2008, and (5) 23rd January, 2009.

The composition of Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorship, committee memberships and chairmanships held by them, are given below:

Name of the Director	Status, i.e. Executive, Non-Executive Independent	Shares held	Members of Boards of Other public Companies excluding Directorship in Pvt. Companies	Total No. of Committee Membership held		No of Board Meeting held during the year	Whether attended last AGM	
				As Chairman	As Member			
Smt. Tej.P.Dalal	Promoter NED	108200	1	1	1	5	5	Yes
Shri Rikeen P. Dalal	Promoter NED	Nil	1	1	1	5	5	Yes
Dr.C.A. Warghese	Independent NED	Nil	2	1	1	5	5	No
Mr. Vithal Dahake	Independent NED	Nil	Nil	Nil	1	5	2	No



None of the Directors is a Member of more than 10 Board – level Committees or Chairman of more than 5 such Committees, as required under clause 49 of the Listing Agreement, across all Companies in which they are Directors.

**The Brief Profile of Director being appointed / re- appointed (Pursuant to clause 49 of the Listing Agreement ):**

- |                                    |   |
|------------------------------------|---|
| 1. Name of Director                | Dr. C.A.Varghese  |
| 2. Date of Birth                   | 22.03.1934  |
| 3. Date of Appointment             | 06.09.1994  |
| 4. Experience in specific areas    | Over 2 decades experience as Management specialist with wide experience.                    |
| 5. Academic Qualifications         | M.Sc.Ph.D.  |
| 6. Directorship in Other Companies | 2   |
| 7. Professional Qualifications     | Consultant in Production, Quality, Management Information systems and Education Management. |

**3) Audit Committee**

Terms of reference, Composition:

The terms of reference of this committee covers the matters specified for Audit committee under Clause 49 of the Listing Agreement. The Chairman of the Audit committee is Dr. C.A. Varghese, an Independent Director.

Audit Committee meetings were held on

(1) 30th April, 2008, (2) 31st July, 2008, (3) 23rd October, 2008, and (4) 23rd January, 2009.

During the year under review the following Directors were the Members of the Audit Committee and the details of the meeting are as under :

Member	Position	No. of Meetings held	No. of Meetings attended
Mr. Vithal Dahake	Member	4	2
Dr. C.A. Varghese	Chairman	4	4
Shri. Rikeen P. Dalal	Member	4	3

The terms of reference in powers of the Audit Committee are as per Clause 49 of the Listing Agreement and also as per new section 292A of the Companies Act, 1956. The functions of the Audit Committee are as per Company Law and Listing Agreement with the Stock Exchanges. These include review of accounting and financial policies and procedure, review of financial reporting system, internal control procedures and risk management policies.



The minutes of the Audit committee Meeting were circulated to the Board, discussed and taken note of.

**4) Remuneration Committee**

The Company does not have a Remuneration Committee.

**5) Investors'/ Share Holders' Grievances Committee**

During the year under review the following Directors were the Members of the Shareholders'/ Investors' Grievance Committee.

Member	Position	No. of Meetings attended
Smt. Tej.P.Dalal	Member	4
Dr. C.A. Varghese	Member	2
Shri. Rikeen P. Dalal	Chairman	4

The Particulars of Investors, grievances received and redressed during the year are furnished below :

Sr. No.	Nature of Complaints	No. of Complaints		
		Received	Resolved	Pending as on 31/3/2009
1)	Non receipt of Annual Report	3	3	Nil
2)	Complaints relating to Dematerialisation of Shares	Nil	Nil	Nil
3)	Non – receipt of Shares certificates After transfer / duplicate / Name correction	2	2	Nil
4)	Others	2	2	Nil
<b>TOTAL</b>		<b>7</b>	<b>7</b>	<b>Nil</b>

**6) General Body Meeting**

Date of AGM	Financial Year	Venue/Location	Time of Meeting
30-9-2006	2005 – 2006	Sachivalaya Gymkhana, Jagannathrao Bhosle Marg Mumbai	10.00 a.m.
28-9-2007	2006 – 2007	Sachivalaya Gymkhana, Jagannathrao Bhosle Marg Mumbai	10.00 a.m.
25-9-2008	2007 – 2008	Sachivalaya Gymkhana, Jagannathrao Bhosle Marg Mumbai	11.00 a.m.

**SPECIAL RESOLUTION PASSED :**

- 1 In 2005 – 2006 AGM:
  - ❖ No Special Resolution was passed in this AGM.
2. In 2006 – 2007 AGM:
  - ❖ No Special Resolution was passed in this AGM.
3. In 2007 – 2008 AGM:
  - ❖ No Special Resolution was passed in this AGM.

**7) Disclosures**

1. There are related party transactions i.e. transactions of the Company with its Promoters, Directors or Management, their associates companies or relatives, not conflicting with Company's interest, the details of which have been shown in Schedule 14 Notes forming part of the Accounts for the year ended 31st March, 2009.
2. Code of Conduct  
The Board of Directors of the Company has laid down two separate Codes of Conduct – one for Directors and other for Senior Management and Employees. All Board Members and Senior Management personnel have affirmed compliance with the Code of conduct for the year review. A Declaration signed by CFO to this effect is annexed to this report.
3. CEO/CFO Certification  
As required under Clause 49 V of the Listing Agreement with the Stock Exchanges, the CFO of the Company has certified to the Board regarding his review on the Financial Statements, Cash flow Statements and matters related to internal controls etc. in the prescribed format for the year ended 31st March, 2009.

**8) Means of Communication**

The Company publishes its Unaudited quarterly, half yearly and yearly financial results in leading national newspapers; namely "The Asian Age – English Edition" and "Mumbai Lakshadeep – Marathi Edition". The Company also sends the financial results to the Stock Exchanges immediately after its approval by the Board. The Company is not displaying the financial results on website. The company has not sent the half yearly report to the Shareholders. No presentations were made to the institutional investors or analysts during the year under review.



**9) General Shareholder Information**

- a. AGM Day, Date, Time                      Wednesday, 30th September, 2009 at 11.00 a.m.  
    Venue    A, Fazelbhoj Private Limited, Sunville, 9  
  Dr. Annie Besant Road, Worli, Mumbai - 400018
- b. Financial Calendar                              01.04.2009 to 31.03.2010
- c. Un- Audited Financial Results                1st Quarter Last Week of July  
  2nd Quarter Last Week of October  
  3rd Quarter Last Week of January  
  4th Quarter Last Week of April
- d. Book Closure Period                            24.09.09 to 30.09.09 (both days inclusive)
- e. Dividend Payment Date                        Not Applicable

**Listing on Stock Exchanges**

Sr. No.	Name of the Stock Exchange	Code No.
1.	The Stock Exchange, Mumbai	500143
2.	The Stock Exchange, Ahmedabad	17009

The Annual listing fees of these exchanges have been paid by the Company for the year 2008 – 2009.

**Market Price Data**

High/Low of the Company's Shares traded in the Stock Exchange, Mumbai, during the financial year 2008- 2009 is furnished below:

Month & Year	Company's-	
	High	Low
April 2008	5.51	4.98
May 2008	5.77	5.49
June 2008	5.80	5.52
July 2008	9.24	5.71
August 2008	8.77	6.16
September 2008	5.86	4.53
October 2008	4.31	3.90
November 2008	4.00	4.00
December 2008	—	—
January 2009	4.00	3.81
February 2009	3.62	3.62
March 2009	—	—

**Dematerialisation of Shares**

The Equity Shares of the Company are traded compulsorily in Demat. The Demat facility is available to all Shareholder of the Company, who request for, such facility.

**ISIN No. of the Company's Equity Shares in Demat Form : INE 160F01013**

**Depository Connectivity : NSDL and CDSL**

**Registrar and Transfer Agent (RTA) :**

Bigshare Services Pvt. Ltd., E-23, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072. Tel No. 022 – 4043 0200.

**Share Transfer System:**

The Company has continued the appointment of Registrar and Transfer Agents for accepting transferring and delivering the transferred Share Certificates. All the transfers received in order, are processed within a period of 30 days from the date of receipt.

**Shareholding Pattern of the Company as on 31st March, 2009.**

Sr. No.	Holders	No. of Shares Held	% of paid up Capital
A	Promoters Holding	22,49,800	74.99
B.	Mutual Funds and UTI, Banks and Financial Institutions	100	0.00
C.	Bodies Corporate	78,136	2.60
D.	Indian Public	6,72,050	22.41
E.	NRI's / OCB's	14	0.00
<b>Total</b>		<b>30,00,100</b>	<b>100.00</b>

**Broad Shareholding Distribution**

Range of Shares	Number of Shares Holders	Percentage of Shares Holders	Number of Share	Percentage to total
1 to 5000	1840	87.41	2,60,384	8.68
5001 to 10000	119	5.65	94,806	3.16
10001 to 20000	65	3.09	97,383	3.25
20001 to 30000	41	1.95	1,10,224	3.67
30001 to 40000	10	0.48	36,797	1.23
40001 to 50000	8	0.38	36,113	1.20
50001 to 100000	4	0.19	29,069	0.97
100001 to 9999999	18	0.85	23,35,324	77.84
	<b>2105</b>	<b>100%</b>	<b>30,00,100</b>	<b>100%</b>



**Dematerialization of Shares and Liquidity :**

80.69% of Company's Equity Shares have been dematerialized as on 31st March, 2009.

**Investor's Correspondence:**

All inquiries, clarifications and correspondence should be addressed to the Compliance Officer at the following address :

Compliance Officer : Mr. Samir I. Desai  
5D, Kakad House, 5th Floor,  
'A' Wing, Sir Vithaldas Thackersey Marg,  
New Marine Lines, Mumbai - 400 020.  
Tel No. : 022-22019473  
Fax No. : 022-22012105  
Email: phcapitaltd@gmail.com

**10. COMPLIANCE OF NON-MANDATORY REQUIREMENTS**

**1) Chairman of the Board**

The Company does not have a Chairman. At every Board Meeting, a Director is elected as Chairman to preside over the meeting. Hence, there is no separate office in the Company for the post of Chairman.

**2) Board Procedure**

Members of the Board are provided with the requisite information mentioned in the Listing Agreement well before the Board Meetings and the same were dealt with appropriately.

All the Directors who are on various committees are within the permissible limits of the Listing Agreement. The Directors have intimated from time to time about their membership in the various committees in other companies.

**3) Shareholders Rights**

Half yearly results including summary of the significant events are not being sent to Shareholders of the Company.

**4) Postal Ballot**

No resolution(s) are being proposed to be passed by postal ballot.

**5) Audit Qualification.**

There is no Audit Qualification by the Statutory Auditors.

**6) Training of Board Members**

All the Non – executive ( including independent ) Directors are having rich experience and expertise in functional areas of finance. All of them take part in the deliberations

at the Board Meetings and contribute effectively to the business. In the opinion of the Board neither training of Board members nor any evaluation is required.

**7) Whistle Blower Policy**

The Company has a mechanism for employees to report to the management concerns about unethical behaviors, actual or suspected fraud or violation of the Company's code of business conduct and ethics. However, a policy framework will be established at the appropriate time.

For and on behalf of the Board of Directors

**Rikeen P. Dalal**  
Director

**Tej P. Dalal**  
Director

Place : Mumbai

Date : 28<sup>th</sup> August 2009

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**Declaration on Code of Conduct**

As required by Clause 49 of the Listing Agreement the Declaration for Code of Conduct is given below.

To,  
The Member of  
P.H.Capital Limited

I Mr. Rikeen P. Dalal, Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct.

For P.H. Capital Limited

**Rikeen P. Dalal**  
Director

Place : Mumbai

Date : 28<sup>th</sup> August 2009



**COMPLIANCE CERTIFICATE**

To  
The Members  
**P.H. Capital Limited**

I have examined the registers, records, books and papers of **P.H. Capital Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial year ended 31<sup>st</sup> March, 2009. In my opinion and to the best of my information and according to the examination carried out by me and explanation furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per the provisions of the act and the rules made thereunder and all the entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company is a Public Limited Company and has a paid up share capital of Rs. 30,001,000/-.
4. The Board of Directors duly met Five times respectively on 30<sup>th</sup> April, 2008, 31<sup>st</sup> July, 2008, 27<sup>th</sup> August, 2008, 23<sup>rd</sup> October, 2008, and 23<sup>rd</sup> January, 2009, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No circular resolutions were passed during the year.
5. The Company has closed its Register of Members from 21<sup>st</sup> September, 2008 to 25<sup>th</sup> September, 2008 and has duly complied with the provisions of Section 154 of the Act in respect of the same.
6. The Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2008 was held on 25<sup>th</sup> September, 2008 after giving due notice to members of the Company and resolutions passed thereat were duly recorded in the minutes book maintained for the purpose.
7. No Extra ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred in Section 295 of the Act.



9. The Company has duly complied with the provisions of section 297 of the Act, in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act,
11. As there were no instances falling within the purview of Section 314 of the Act, the Company was not required to obtain any approvals from the Board of Directors, members or the Central Govt., as the case may be.
12. A Committee of Directors has approved the issue of duplicate share certificate.
13. The Company has:
  - (i) Delivered all the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act,
  - (ii) Not made any allotment of securities during the financial year.
  - (iii) Not declared any dividend or interim dividend during the financial year.
  - (iv) Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and during the year the appointment of Mr. Vithal Dahake, Additional Director has been duly made.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
16. The Company has not appointed any Sole Selling Agent during the financial year.
17. The Company was not required to obtain any approval of the Central Govt., Company Law Board, Regional Director, Registrar of Companies and / or such authorities prescribed under the various provisions of the Act, during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors Pursuant to the provisions of the Act and rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights dividends, rights shares and bonus shares pending registration of transfer of shares.



**P. H. CAPITAL LIMITED**

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23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the financial year.
24. The Company has not made any borrowings during the financial year ending 31<sup>st</sup> March, 2009.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum of Association with respect to the situation of the Company's Registered Office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to the Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There was no prosecution initiated against or Show Cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not deducted any contribution towards Provident Fund during the year under scrutiny.

**Grishma Khandwala**

Company Secretary

CP No : 1500

Place: Mumbai

Dated: 28<sup>th</sup> August, 2009

**ANNEXURE 'A'**

Registers as maintained by the Company:

1. Register of members under Section 150 of the Companies Act, 1956.
2. Register of Directors' Shareholding under Section 307 of the Companies Act, 1956.
3. Register of Directors' Managing Director, Manager & Secretary under Section 303 of the Companies Act, 1956.
4. Register of contracts, Companies and Firms in which Directors of the Company are interested.
5. Minute Book of meetings of the Board of Directors under Section 193 (l) of the Companies Act, 1956.
6. Minute Book of the proceedings of General Meetings under Section 193 (l) and 196 (l) of the Companies Act, 1956.
7. Register of Loans and investments under Section 372A of the Companies Act, 1956.

**Grishma Khandwala**

Company Secretary

CP No : 1500

Place: Mumbai

Dated: 28<sup>th</sup> August, 2009

**ANNEXURE 'B'**

Forms and Returns as filed by the Company with the Registrar of Companies Regional Director, Central Government or other authorities during the financial year ending 31<sup>st</sup> March, 2009

\*With Registrar of Companies

Sr. No.	Form	Section	Particulars	Date of Filing	Whether filed within prescribed Time Yes/No	If delay in filing whether requisite additional fees paid Yes/No
1.	Annual Report	Section 220	For the year ending 31-3-2008 adopted in Annual General Meeting held on 25-09-2008	20/10/08	Yes	No
2.	Annual Return	Section 159	Upto the date of Annual General Meeting Held on 25-09-2008	22/12/08	No	Yes
3.	Form 32	Section 254(2)	Appointment of Director	25/09/08	Yes	No

\*With Regional Director : Not applicable

\*With Central Government or other Authorities : Not applicable

**Grishma Khandwala**

Company Secretary

CP No : 1500

Place: Mumbai

Dated: 28<sup>th</sup> August, 2009



**P. H. CAPITAL LIMITED**

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**To the Members of P.H.CAPITAL LIMITED**

We have examined the compliance of conditions of Corporate Governance by P.H.CAPITAL LIMITED, for the year ended 31<sup>st</sup> March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As per the records maintained by shareholders committee and according to the information and explanation provided to us, we state that no Investor grievance is pending as at 31<sup>st</sup> March 2009.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For S. P. JAIN & ASSOICATES**  
Chartered Accountants

Place : Mumbai.  
Dated : 28th August,2009

**KAPIL K.JAIN**  
Partner  
(M.NO. 108521)

## AUDITOR'S REPORT

To,  
The Members,

### **P.H.CAPITAL LIMITED**

We have audited the attached Balance Sheet of **P.H.CAPITAL LIMITED**, Mumbai as at 31<sup>st</sup> March, 2009 and the Profit and Loss Account and also the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. 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 Annexure hereto a Statement on the matters specified in paragraph 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that
  - (a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;



**P. H. CAPITAL LIMITED**

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- (d) In our opinion, Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standard referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- (e) In our opinion, and to the best of our information and explanations given to us none of the directors are disqualified as on 31<sup>st</sup> March, 2009 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India :
- (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009;
- (ii) In so far as it relates to the Profit and Loss Account, of the Loss of Company for the year ended on that date and;
- (iii) In the case of Cash Flow Statement, of cash flow for the year ended on that date.

**For S. P. JAIN & ASSOCIATES**  
Chartered Accountants

Place : Mumbai.  
Dated : 28th August, 2009

**KAPIL K.JAIN**  
Partner  
(M.NO. 108521)

## ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph 2 of our report of even date)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.  
b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.  
c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and asset sold do not effect its going concern.
2. The Inventories of the company comprises of shares and securities and accordingly the clause for physical verification is not applicable.
3. In respect of loans, secured or unsecured taken or granted by the Company from/to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 :
  - a. The Company has taken loans from 4 (four) parties covered in the register maintained U/s. 301 of the Companies Act, 1956 aggregating to Rs. 850.73 lacs during the year and year end balance is Rs. 444.78 lacs ( Previous Year 71.41 lacs).  
The company has not granted any loans to parties covered in the register maintained U/s. 301 of the Companies Act, 1956.
  - b. In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other Terms and Conditions are not prima facie prejudicial to the interest of the Company.
  - c. There is no overdue amount in respect of loans given/ taken by the Company and as same is repayable on demand.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.



- b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding Rs. 5,00,000/- (Rupees Five Lakhs only) in respect of any party during the year have been made at price, which are reasonable having regard to prevailing market price at the relevant time.
6. As explain to us the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The company is not required to maintain cost record U/s. 209(1)(d) of the Companies Act, 1956.
9. a) According to the information and explanation given to us, and records being made available to us, the undisputed statutory dues including, Income-tax, Sales Tax, Wealth Tax, and other statutory dues wherever applicable have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2009 for a period of more than six months from the date of becoming payable.
- b) In our opinion and according to the information and explanations given to us, following are the disputed statutory dues pending before any Authority.

Sr. No.	Name of Statute	Nature of Dues	Forum where Dispute is pending	Amount (In Rs.)
1	I.T.Act 1961	Income Tax	ITAT- MUMBAI	8,43,938
2	IT ACT 1961	Income Tax (Penalty)	ITAT – MUMBAI	17,17,108

10. The Company has accumulated losses of Rs.457.28 lacs at the end of the financial year which is more than the entire 100% Net worth. It has incurred cash loss of Rs. 291.61 lacs during the year and cash loss of Rs. 131.02 lacs in the immediately preceding previous year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not borrowed any money from Banks and financial Institutions.



12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. The Company has maintained proper records of transaction and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the company in its own name.
15. According to information and explanation given to us and to the best of knowledge, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion and according to information and explanation given to us, a company has not received any Term Loan during the year.
17. According to the information and explanation given to us, and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not raised funds from Short Term sources and utilized the same towards Long Term investments.
18. During the year, the Company had not made any preferential allotment of shares to parties and companies covered in the register maintained U/s. 301 of the Companies Act, 1956.
19. According to information and explanation given to us, the Company has not issued any secured debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

**For S. P. JAIN & ASSOCIATES**  
Chartered Accountants

Place : Mumbai.  
Dated : 28th August, 2009

**KAPIL K.JAIN**  
Partner  
(M.NO. 108521)

**BALANCESHEET AS AT 31ST MARCH, 2009**

	SCHEDULE NO.	AS AT 31-03-2009 Rs.	AS AT 31-03-2008 Rs.
<b>SOURCES OF FUNDS :</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	1	30,001,000	30,001,000
Reserves and Surplus	2	-	-
<b>LOAN FUNDS</b>			
Secured Loans		-	-
Unsecured Loans	3	44,478,490	6,446,423
<b>DEFERRED TAX LIABILITY</b>		1,220,322	-
<b>TOTAL</b>		<u>75,699,812</u>	<u>36,447,423</u>
<b>APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	6,574,603	6,828,079
Less : Depreciation		1,732,195	1,953,450
Net Block		4,842,408	4,874,629
Capital Work in Progress		-	115,276
<b>INVESTMENTS</b>	5	7,500,200	20,200
<b>DEFERRED TAX ASSETS</b>		-	98,930
<b>CURRENT ASSETS LOANS &amp; ADVANCES</b>			
Stock In Trade	6	13,460,261	23,231,250
Sundry Debtors	7	2,182,820	17,560,554
Cash & Bank Balances	8	1,107,487	3,401,892
Loans & Advances	9	1,873,310	5,044,708
		18,623,878	49,238,404
Less : Current Liabilities and Provisions :	10		
Liabilities		744,945	29,670,106
Provisions		249,335	312,131
<b>NET CURRENT ASSETS</b>		17,629,598	19,256,167
Balance as per Profit and Loss Account		45,727,606	-12,082,222
<b>TOTAL</b>		<u>75,699,812</u>	<u>36,447,423</u>
<b>NOTES TO ACCOUNTS</b>	<b>14</b>		

As per our report of even date

For and on behalf of the Board of Directors

FOR S.P.JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTSKAPIL K. JAIN  
PARTNER  
(M. No. 108521)(Rikeen P. Dalal)  
Director(Tej P. Dalal)  
DirectorPlace : Mumbai  
Date : 28th August 2009

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

		SCHEDULE NO.	2008-2009 Rs.	2007-2008 Rs.
<b>INCOME</b>				
Sales			63,115,561	52,888,284
Other Income	11		1,311,132	1,457,906
<b>TOTAL</b>			<b><u>64,426,693</u></b>	<b><u>54,346,190</u></b>
<b>EXPENDITURE</b>				
Cost of Sales	12		88,776,331	64,014,043
Administrative and Other Expenses	13		5,173,690	3,522,695
Depreciation	4		596,689	278,621
<b>TOTAL</b>			<b><u>94,546,710</u></b>	<b><u>67,815,359</u></b>
<b>PROFIT/(LOSS) BEFORE TAX</b>			<b>(30,120,017)</b>	<b>(13,469,169)</b>
<b>PROVISION FOR TAX</b>				
Income Tax			-	-
Deferred Tax			1,319,252	33,085
Fringe Benefit Tax			40,000	67,981
Less : Short provision for taxation net			2,169,921	-
Add : Excess provision for taxation			3,806	-
<b>PROFIT/(LOSS) AFTER TAX</b>			<b>(33,645,384)</b>	<b>(13,570,235)</b>
Balance as per Last Accounts			(12,082,222)	1,488,013
<b>BALANCE CARRIED TO BALANCE SHEET</b>			<b><u>(45,727,606)</u></b>	<b><u>(12,082,222)</u></b>
Basic / Diluted Earning per Share (Face value Rs. 10/- each) (Refer Note No.12 of Schedule 14)			<b>(11.21)</b>	<b>(4.52)</b>
<b>NOTES TO ACCOUNTS</b>	14			

As per our report of even date

For and on behalf of the Board of Directors

FOR S.P.JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS

KAPIL K. JAIN  
PARTNER  
(M. No. 108521)

(Rikeen P. Dalal)  
Director

(Tej P. Dalal)  
Director

Place : Mumbai  
Date : 28th August 2009



	AS AT 31-03-2009 Rs.	AS AT 31-03-2008 Rs.
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b><u>AUTHORISED :</u></b>		
40,00,000 Equity Shares of Rs.10/- each	40,000,000	40,000,000
<b><u>ISSUED, SUBSCRIBED AND PAID UP :</u></b>		
30,00,100 Equity Shares of Rs.10/- each fully paid up	30,001,000	30,001,000
	<u>30,001,000</u>	<u>30,001,000</u>

Note : Of the above equity shares 1180000 shares  
were allotted as fully paid up bonus shares by  
capitalisation of revaluation reserve and free reserves.

**SCHEDULE - 2**  
**RESERVES AND SURPLUS**

-	-
-	-
<u>-</u>	<u>-</u>

**SCHEDULE - 3**  
**UNSECURED LOANS**

Inter Corporate Loan ( Due to Company under same Management )	44,478,490	6,446,423
	<u>44,478,490</u>	<u>6,446,423</u>

**SCHEDULE - 4  
FIXED ASSETS SCHEDULE**

DESCRIPTION	GROSS BLOCK AT COST				DESCRIPTION				NET BLOCK	
	AS AT 01.04.2008	ADDITION	DEDUCTION	AS AT 31.03.2009	UP TO 01.04.2008	FOR THE YEAR	DEDUC- TIONS	UP TO 31.03.2009	AS AT 31.03.2008	AS AT 31.03.2009
Office Premises	4,214,422	-	-	4,214,422	991,531	68,695	-	1,060,226	3,154,196	3,222,891
Leasehold Improvements	-	1,526,425	-	1,526,425	-	305,285	-	305,285	1,221,140	-
Furniture & Fixture	14,721	-	14,721*	-	14,721	-	14,721	-	-	-
Office Equipments	208,300	120,000	-	328,300	147,403	14,892	-	162,295	166,005	60,897
Vehicles	1,942,230	-	1,942,230	-	675,783	127,440	803,223	-	-	1,268,447
Computers	448,406	57,050	-	505,456	124,012	80,377	-	204,389	301,067	324,394
<b>TOTAL</b>	<b>6,828,079</b>	<b>1,703,475</b>	<b>1,956,951</b>	<b>6,574,603</b>	<b>1,953,450</b>	<b>595,689</b>	<b>817,944</b>	<b>1,732,195</b>	<b>4,842,408</b>	<b>4,874,629</b>
PREVIOUS YEAR	10,717,887	197,192	4,087,000	6,828,079	5,428,437	278,621	3,753,608	1,953,450	4,874,629	

\*\* Discarded since not in use.

AS AT  
31-03-2009  
Rs.

AS AT  
31-03-2008  
Rs.

**SCHEDULE - 5  
INVESTMENTS (LONG TERM)  
NON - TRADE**

**A) EQUITY (UNQUOTED)- FULLY PAID :**

(1)	1000 Equity Shares of Rs.10/- each in H.L.F.C. (South India) Pvt.Ltd.	10,000		
	Less : Written Off	(10,000)	0	10,000
(2)	2 Equity Shares of Rs.100/- each in Indian Silk Manufacturing Company Pvt.Ltd.		200	200
(3)	1000 Equity Shares of Rs.10/- each in Panchmahal Hotels Limited	10,000		
	Less : Written Off	(10,000)	0	10,000
			200	20,200

**B) INVESTMENT IN MUTUAL FUND ( QUOTED ) :**

(1)	4,23,298.341 Units of Prudential ICICI Short Term Plan - Cumulative	7,500,000		
	<b>TOTAL</b>	<b>7,500,200</b>		<b>20,200</b>

AGGREGATE MARKET VALUE OF  
QUOTED INVESTMENTS  
( Previous Year Rs. NIL. )

7,574,797

0



	AS AT 31-03-2009 Rs.	AS AT 31-03-2008 Rs.
<b>SCHEDULE - 6</b>		
<b>INVENTORIES</b>		
Stock in Trade - Shares	13,460,261	23,231,250
(At Cost or Market Value Whichever is lower)		
	<u>13,460,261</u>	<u>23,231,250</u>
<b>SCHEDULE - 7</b>		
<b>DEBTORS</b>		
Sundry Debtors ( Unsecured but Considered Good)		
Due for Less than Six Months	2,182,820	17,560,554
	<u>2,182,820</u>	<u>17,560,554</u>
<b>SCHEDULE - 8</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash on Hand	180,511	154,415
Balances in Current Accounts :		
With Scheduled Banks	926,976	3,247,383
With Non-scheduled Banks (*)	-	94
(Nutan Nagrik Sahakari Bank)	926,976	3,247,477
(*) Maximum balance during the year was Rs.94/- (Previous year Rs.94/-)	<u>1,107,487</u>	<u>3,401,892</u>

	AS AT 31-03-2009 Rs.	AS AT 31-03-2008 Rs.
--	----------------------------	----------------------------

**SCHEDULE - 9**

**LOANS & ADVANCES (Unsecured but considered Good)**

Advances recoverable in cash or in kind or for value

to be received	386,200	445,261
Sundry Deposits	34,000	1,045,000
Tax (Net of provision for tax)	1,453,110	3,554,447
	<u>1,873,310</u>	<u>5,044,708</u>

**SCHEDULE - 10**

**CURRENT LIABILITIES & PROVISIONS :**

**CURRENT LIABILITIES**

Overdrawn Bank Balance as per Books	-	118,889
Sundry Creditors and other liabilities	744,945	29,551,217
	<u>744,945</u>	<u>29,670,106</u>

**PROVISIONS**

Provisions for Expenses	209,335	244,150
Provisions for FBT	40,000	67,981
	<u>249,335</u>	<u>312,131</u>
	<u>994,280</u>	<u>29,982,237</u>



	2008 - 2009	2007 - 2008
	Rs.	Rs.
<b>SCHEDULE -11</b>		
<b>OTHER INCOME</b>		
Dividend Earned :		
On Equity Shares	380,708	-
On Mutual Funds	888,995	1,269,703
Interest on I.T. Refund	30,592	-
Sundry Credit Balance Written Back	10,837	12,301
Miscellaneous Income	-	3,080
Interest from others (TDS is Rs. Nil, P.Y. is Rs.2,97,161/-)	-	1,442,525
	<u>1311132</u>	<u>1457906</u>

**SCHEDULE -12**

**COST OF SALE**

Opening Stock	23,231,250	-	-
Add: Purchase of Shares	79,005,342	102,236,592	87,245,293
Less: Closing Stock		13,460,261	23,231,250
Cost of Sales		<u>88,776,331</u>	<u>64,014,043</u>



	2008 - 2009	2007 - 2008
	Rs.	Rs.
<b>SCHEDULE - 13</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
<b>Staff Cost :</b>		
Salary & Bonus	1,471,295	1,225,313
Staff Welfare	31,750	15,364
Lease Rent	108,000	60,000
Advertisement Expenses	16,360	11,835
Professional fees	783,572	195,686
Printing & Stationery	48,180	44,692
<b>Auditor's Remuneration :</b>		
Audit Fees	35,394	28,090
Expenses	-	2,311
Loss on Sale of Assets	342,341	88,392
Registrar & Transfer Agent Fees	45,001	22,215
Office Expenses	10,188	90,502
Electricity Expenses	92,857	77,728
Listing Fees	20,413	17,800
Filling Fees	11,500	-
Vehicle Charges	314,353	442,200
Travelling Expenses	95,159	341,508
Repairs and Maintenance	134,667	154,998
STT on shares	175,201	-
Investment Written Off	20,000	-
Irrecoverable Advances /		
Deposits Written off	21,150	-
Interest	1,000,787	-
Professional Tax Including Interest	22,545	-
Miscellaneous expenses	372,977	704,061
	<u>5,173,690</u>	<u>3,522,695</u>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

	AS AT 31-03-2009 Rs.	AS AT 31-03-2008 Rs.
<b>A</b>		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	(30,120,017)	(13,469,167)
ADJUSTMENTS FOR :		
Depreciation	596,689	278,621
Loss on sale of Fixed Assets	342,341	88,392
Investment W.off	20,000	-
Interest received	(30,592)	(1,442,525)
Dividend received	(1,269,703)	-
Interest paid	1,000,787	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(29,460,496)</b>	<b>(14,544,679)</b>
ADJUSTMENTS FOR :		
Debtors	15,377,734	(17,560,554)
Stock-in-Trade	9,770,989	(23,231,250)
Loans and Advances	3,171,398	20,761,828
Trade and Payables	(31,234,072)	29,257,647
CASH GENERATED FROM OPERATION	(32,374,446)	(5,317,008)
DIRECT TAXES (PAID)/REFUND	(40,000)	(67,981)
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>(32,334,446)</b>	<b>(5,384,989)</b>
<b>B</b>		
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF ASSETS (including CWIP)	(1,588,199)	(312,468)
SALE OF ASSETS	796,666	245,000
PURCHASE OF INVESTMENTS	(7,500,000)	-
INTEREST RECEIVED	30,592	1,442,525
DIVIDEND RECEIVED	1,269,703	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(6,991,238)</b>	<b>1,375,057</b>
<b>C</b>		
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
UNSECURED LOANS TAKEN (REPAYMENT)	38,032,067	6,446,423
INTEREST-PAID	(1,000,787)	-
	<b>37,031,280</b>	<b>6,446,423</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,294,404)</b>	<b>2,436,491</b>
<b>CASH AND CASH EQUIVALENTS AS AT 1.4.2008</b>	<b>3,401,892</b>	<b>965,402</b>
<b>CASH AND CASH EQUIVALENTS AS AT 31.3.2009</b>	<b>1,107,487</b>	<b>3,401,892</b>

Previous year figures have been regrouped/rearranged wherever necessary.

As per our report of even date

For and on behalf of the Board of Directors

FOR S.P.JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS

KAPIL K. JAIN  
PARTNER  
(M. No. 108521)

Rikeen P. Dalal  
Director

Tej P. Dalal  
Director

Place : Mumbai  
Date : 28th August 2009

**SCHEDULE – 14**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**I. SIGNIFICANT ACCOUNTING POLICIES**

- (A) Basis of preparation of Financial Statements.
- (a) The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, as adopted consistently.
  - (b) Accounting policies not specially referred to otherwise are consistent with generally accepted accounting principles followed by the Company.
  - (c) The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- (B) Fixed Assets and Depreciation:
- (a) Fixed assets are stated at cost less depreciation adjusted by revaluation in case of Office Premises.
  - (b) Depreciation
    - (i) Depreciation on fixed assets is provided on the straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
    - (ii) Leasehold Improvements is written off / depreciated over the period of 5 years.
- (C) Investments:  
Long Term Investments are stated at cost.
- (D) Sales:  
Sales are accounted net of brokerage and taxes.
- (E) Employees Benefits:  
The Provident Fund contribution and Gratuity is not required to be provided as the Company does not fulfill the criterion of minimum number of Employees employed during the year.
- (F) Stock In Trade:
- a) In respect of securities held as stock-in-trade, brokerage and stamp duty are included in cost.
  - b) The securities held as stock-in-trade are valued at cost or market value whichever is lower.
- (G) Taxation:  
Current Taxes, if any, are provided as per the provision of Income Tax Act 1961.  
Deferred Tax is recognized on the timing difference being the difference between taxable



income and accounting income that originate in one period and are capable of reversal in future. Deferred Tax Assets is recognized only upon actual certainty of sufficient taxable profit, in the future against which such deferred tax asset can be rectified.

(H) Impairment of Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

II. NOTES ON ACCOUNTS:

1. Previous Years figures have been regrouped / rearranged wherever necessary.
2. Contingent Liability:  
Claims against the company not acknowledged as debts in respect of relief towards Matter pending with Income Tax Tribunal for Rs. 25 Lacs . (Previous Year Rs. 25Lacs.)
3. Estimated Amount of Contract to be executed on capital Account (Net of Advance) : Rs. NIL ( Previous Year : Rs. 13,81,349 )
4. The company does not have any dealings with any enterprise under the Micro, Small and Medium Enterprises Development Act, 2006.
5. Auditor's Remuneration

	2008-2009	2007-2008
i) Audit Fees	35,394	28,090
ii) Other Matters	46,504	NIL
iii) Expense	-	2,311
<b>TOTAL</b>	<b>81,898</b>	<b>30,401</b>

6. Quantitative details of Securities held as stock-in-trade (Equity Shares)

	2008 - 2009		2007 - 2008	
	Qty.	Value	Qty.	Value
Opening Stock	135000	23,231,250	-	-
Purchases	383842	79,005,342	454701	87,245,293
Sales	383503	63,115,561	319701	52,888,284
Closing Stock	135339	13,460,261	135000	23,231,250

7. Stock in trade as on 31<sup>st</sup> March 2009:

S.No.	Script	2008-2009		2007-2008	
		Qty.	Value	Qty.	Value
1.	Dhanlakshmi Bank Ltd.	100000	5015000		
2.	E I D Parry Ltd.	11575	1676639		
3.	Madras Cement Ltd.	9614	686440		
4.	Ranbaxy Laboratories Ltd.	10000	1656000		
5.	State Bank of India Ltd.	4150	4426182		
6.	GMR Infrastructure Ltd.			70000	10423000
7.	Rain Commodities Ltd.			65000	12808250
TOTAL					1,34,602612,32,31,250

## 8. Prior Period Items.

	2008-2009	2007-2008
i) Interest Paid	9,88,679	NIL
ii) Professional Fees	7,304	NIL
iii) Professional Tax	12,500	NIL
iv) Interest on Professional Tax	7,545	NIL

9. Other Information pursuant to the provisions of Para 3 and 4 of Part-II of Schedule VI of Companies Act, 1956 (vide notification dated 30<sup>th</sup> October, 1973 of the Department of Company Affairs, Government of India) are either Nil or Not Applicable.

10. In the opinion of the management the company is mainly engaged in the business of Capital Market Activities and all other activities of the Company revolve around the main business, and as such, there are no separate reportable segments.

## 11. Related party disclosures:

Related party disclosures as required by Accounting Standard 18, "Related party disclosures" are given below

## i) Relationships :

## (A) Enterprise on which major Shareholders Exercises Significant Influence

- i) Finco Securities Pvt.Ltd.
- ii) Prestige Reality Pvt.Ltd.
- iii) Beftek Investments Pvt.Ltd.
- iv) Ruby Multimedia Pvt. Ltd.
- v) Prahar Financial Consultant Management Services Pvt. Ltd.

## (B) key Management Personnel :

- i) Rikeen P. Dalal

## (C) Relatives of key Management Personnel :

- i) Sejal R. Dalal
- ii) Rikeen P. Dalal ( HUF )



( Amt. in Rs. )

Nature of Transactions		Enterprises over which major Shareholders Exercises Significant Influence	Key Management Personnel	Relatives of Key Management Personnel
<b>A) <u>Loan Transaction</u></b>				
Opening Balances	CR	71,41,423	—	—
	PY.DR	(2,16,02,213)	—	(PY. NIL)
Taken / (Given)	CR	8,50,17,717	—	55,000
During the year	PY.DR	(11,70,364)	—	(PY. NIL)
Repayment made/	DR	4,76,80,650	—	55,000
(Received) during the year	PY.CR	(2,99,14,000)	—	(PY. NIL)
Closing Balances	CR	4,44,78,490	—	—
	PY.CR	(71,41,423)	—	(PY. NIL)
<b>B) <u>Deposit paid for premises</u></b>		NIL	—	—
	PY.	(10,00,000)	—	—
<b>C) <u>Lease Rent</u></b>		1,08,000	—	—
	PY.	(60,000)	—	—
<b>D) <u>Interest Income</u></b>		NIL	—	—
	PY.	(14,42,525)	—	—
<b>E) <u>Advance Received</u></b>		NIL	—	—
		(6,35,000)	—	—
<b>F) <u>Reimbursement of Expenses</u></b>		1,04,245	—	—
	PY.	(NIL)	—	—
<b>G) <u>Reimbursement of Electricity Expenses</u></b>		1,52,458	—	—
	PY.	(NIL)	—	—
<b>H) <u>Advance paid</u></b>		—	2,56,734	12,389
	PY.	—	(2,51,834)	(PY. NIL)
(Outstanding as on 31 <sup>st</sup> March, 2009)		—	NIL	NIL
<b>I) <u>Sale</u></b>		—	NIL	—
	PY.	—	(1,00,12,700)	—
<b>J) <u>Sale of Motor Vehicles</u></b>		—	7,96,665	—
	PY.	—	(NIL)	—

12. Earning per share as per Accounting Standard 20:

	2008-09	2007-08
Profit/(Loss) attributable to the Shareholders.	(3,36,45,384)	(1,35,70,235)
Equity share of Rs. 10/- each (Nos.)	3000100	3000100
Basic / Diluted Earning Per share (Rs.)	(1121)	(452)

13. Major components of deferred tax assets and liabilities arising on account of timing differences are:

The Deferred Tax Assets & Liabilities as at 31/03/2009 comprise the following

	Assets/ (Liabilities) 2008-2009	Assets/ (Liabilities) 2007-2008
Depreciation	88,019	(33,085)
Reversal of Deferred Tax Assets Carried Forwards Losses/Dep. Created earlier.	(14,07,271)	NIL
Total Deferred Tax Assets / (Liability) (Net)	(13,19,252)	(33,085)

**Note :** Deferred Tax Assets on loss carried forward of the current year is not recognised in absence of certainty about future taxable profits.



**P. H. CAPITAL LIMITED**

14. Additional information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956.

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No.	16436	State Code	11
Balance Sheet Dt.	31-3-09		

**II. Capital Raised during year (Amount in Rs. Thousands)**

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placements	NIL

**III. Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities	75700	Total Assets	75700
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**Source of Funds**

Paid-up Capital	30001	Reserves & Surplus	NIL
Secured Loans	NIL	Unsecured Loans	44479
Deferred Tax Liability	1220		

**Application of Funds**

Net Fixed Assets	4842	Investments	7500
Net Current Assets	17630		
Accumulated Losses	45728	Misc. Expenditure	NIL

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

Turnover & Other Income	64427	Total Expenditure	94547
Profit/Loss Before Tax	(30120)	Profit/Loss After Tax	(33645)
Earning Per Share in Rs.	(1121)	Dividend Rate	—

**V. Generic Names of Three Principal Products/Services of Company**

**(As per monetary terms)**

Item Code No.	Not Applicable
Product Description	Not Applicable

As per our report of even date  
FOR S.P.JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
KAPIL K. JAIN  
PARTNER  
(M. No. 108521)  
Place : Mumbai  
Date : 28th August 2009

For and on behalf of the Board of Directors

(Rikeen P. Dalal)  
Director

(Tej P. Dalal)  
Director





# P. H. CAPITAL LIMITED

Regd. Office : 5D, Kakad House, 5<sup>th</sup> Floor, 'A' Wing, Sir Vithaldas Thackersey Marg,  
New Marine Lines, Mumbai - 400 020.

## PROXY FORM

I/We \_\_\_\_\_

Regd. Folio No. \_\_\_\_\_ of \_\_\_\_\_

being a member of **P. H. CAPITAL LIMITED, MUMBAI** hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to attend and vote for me/us on my/our behalf at the 36<sup>th</sup> Annual General Meeting of the Members of the Company to be held on 30th September, 2009 at 11.00 a.m. at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Signed by the said \_\_\_\_\_

Affix  
Re. 1/-  
Revenue  
Stamp

**Note :** The proxy from must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding aforesaid meeting.

.....Tear Here.....



# P. H. CAPITAL LIMITED

Regd. Office : 5D, Kakad House, 5<sup>th</sup> Floor, 'A' Wing, Sir Vithaldas Thackersey Marg,  
New Marine Lines, Mumbai - 400 020.

## ATTENDANCE SLIP

(Please present this slip at the entrance of the meeting hall)

I hereby record my presence at the 36<sup>th</sup> Annual General Meeting of the Company held at the Ahmed A. Fazalbhoy Private Limited, Sunville, 9 Dr. Annie Besant Road, Worli, Mumbai-400018. on 30th day of September, 2009 at 11.00 a.m.

Ledger Folio No.: \_\_\_\_\_ No. of Share \_\_\_\_\_

Name of the Shareholder \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

(Signature of Member / Proxy)

(To be signed at the time of handing over at the Meeting)

**BOOK - POST**



*If undelivered, please return to :*

**P. H. CAPITAL LIMITED**

5D, Kakad House, 5<sup>th</sup> Floor,  
'A' Wing, Sir Vithaldas Thackersey Marg,  
New Marine Lines,  
Mumbai - 400 020.