

24th ANNUAL REPORT 2005 -2006



PH TRADING LTD.

PH TRADING LTD.

BOARD OF DIRECTORS

MR. P. HIMATSINGKA

MR. A. K. BHUWALKA

MR. A. JHANWAR

MR. R. JHANWAR

MR. AVISHEK HIMATSINGKA

AUDITORS

M/S. SALARPURIA & PARTNERS

7, CHITTARANJAN AVENUE

KOLKATA-700 072

M. B. AGARWAL & CO.

204, MHATRE PEN BLDG. SENAPATI BAPAT MARG

DADAR (WEST), MUMBAI-400028

BANKERS

ORIENTAL BANK OF COMMERCE, KOLKATA

ORIENTAL BANK OF COMMERCE, MUMBAI

TAMILNADU MERCANTILE BANK, MUMBAI

REGISTERED OFFICE :

PODDAR POINT

'B' BLOCK, 10TH FLOOR

113, PARK STREET

KOLKATA-700 016

PH TRADING LTD.

NOTICE

Notice is hereby given that the Twenty-fourth Annual General Meeting of PH Trading Limited will be held at its Regd. Office at 113, Park Street, 10th floor, B-Block, Kolkata-700 016, on Wednesday, the 6th September, 2006 at 3.30 p.m. to transact the following Business :-

ORDINARY BUSINESS

- 1) To consider and adopt the Auditors & Directors report as well as audited Balance Sheet and Profit & Loss Account of Company for the year ended 31st March, 2006.
- 2) To declare dividend.
- 3) To appoint director in place of Mr. Rajendra 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.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification the following resolutions :

5) As a special Resolution

Resolved that in supersession to our earlier Resolution dated 15/06/2001 and pursuant to the provisions of section 198,269,309 and other applicable provisions of the Companies Act, 1956 the Company hereby accords its consent and approval to the re-appointment of Mr. Prakash Himatsingka as Managing Director of the Company for a period of Five years with effect from 1/07/2006 to 30/06/2011 on the following terms of remuneration (including the remuneration to be paid in the event of loss or inadequacy of Profits in any financial year during the aforesaid period) in accordance with Schedule XIII of the Companies Act, 1956.

i) SALARY :

Salary of Rs. 60,000/- per month including dearness and other allowances with such revisions as may be approved by the Board of Directors to increase from time to time subject to a maximum of Rs. 70,000/-.

ii) PERQUISITES :

In addition to the Salary and commission, Mr. Prakash Himatsingka will be allowed perquisites as below :

a) HOUSING :

Free unfurnished residential accommodation in absence there of allowance @ 20% of the salary with free use of all the facilities and amenities, such as air conditioners, refrigerator, stoves, geysers, gas, lift, electricity, water etc.

b) MEDICAL BENEFITS :

Full reimbursement of all medical expenses incurred for self and family including hospitalisation, membership of any hospital and/or doctor's scheme.

c) LEAVE TRAVEL CONCESSIONS :

Leave travel concession for Mr. Prakash Himatsingka and his family once a year.

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d) **CLUB FEES :**

Subscription of clubs subject to a maximum of two clubs (excluding admission fees and expenses). Provided that no life membership fees will be paid.

e) **INSURANCE :**

Personal accident and group insurance coverage for which premium not exceeding Rs. 10,000/- per annum.

The perquisite value of items (a) to (e) above to be evaluated as per Income Tax Rules wherever applicable, shall be subject to an overall annual ceiling of an amount equal to the salary for the relevant period.

iii) **OTHER PAYMENTS AND PROVISIONS :**

(a) Mr. Prakash Himatsingka will be entitled to retirement benefits as per the rules of Company, Contribution to Provident Fund, Super-annuation Fund or for other retirement benefits will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity will be paid as per the Company's Rules.

b) **CAR :**

Provision for Car with driver for use on Company's business purposes. Use of Car for private purpose shall be billed by the Company. The use of Company's Car for business purposes will not be considered as a perquisite

c) **TELEPHONE :**

Provision of telephone at residence will not be considered as perquisite, but personal long distance calls shall be billed by the Company.

d) **ENTERTAINMENT EXPENSES :**

Reimbursement of entertainment expenses actually and properly incurred for the business of the Company, subject to a reasonable amount approved by the Board of Directors from time to time.

iv) **MINIMUM REMUNERATION :**

In the event of absence or inadequacy of profits of the Company in any relevant financial year during the currency of tenure of Mr. Prakash Himatsingka as Managing Director, he shall be paid the above mentioned salary, perquisites and other allowances as the minimum remuneration subject to the limits specified in schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof) from time to time.

Regd. Office :

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

Date : The 29th of June 2006

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 01/09/06 to 06/09/06 (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, 1998. 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, 1999, 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, 1999 or any subsequent financial years are requested to make claim to the share department of the Company. It may also be noted that once the unclaimed dividend is transferred to the Fund, as above, no claims shall lie in respect of such dividend.
6. The Dividend on Equity Shares as recommended for the year ended 31st March, 2006, if approved at this meeting will be payable on or after 6th September, 2006 to those members whose names appear on the Register of members of the Company as on 6th September, 2006.
7. Explanatory statement under section 173(2) of the Companies Act 1956 for item no 5 is annexed here to.

Explanatory Statement

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

(Item 5) The present terms of appointment of Mr. Prakash Himatsingka as whole time director will expire on 30/06/2006. The board of directors feels that for the sake of continuity of the present Management and for efficient running of the company, the services of Mr. Prakash Himatsingka should be available to the company for a further period of five years with effect from 01/07/2006 in terms of the provisions of the Articles of Association of the Company. The Board of directors at a meeting held on 29th June 2006 appointed him as a Managing Director for a further period of five years with effect from 01/07/2006 with necessary changes in his remuneration as elaborated in the resolution, subject to approval of shareholders and in accordance with the limit laid down in schedule XIII of the companies act 1956.

The board of Directors of the Company considers that the re-appointment of Sri Prakash Himatsingka as Managing Director will be beneficial to the Company.

Your Directors recommended the resolution for your approval. Only one Director Mr. Avishek Himatsingka is concerned or interested in the resolution and comply the provision of section 299, 300, 301 of the companies Act 1956.

Place : Kolkata

Dated : The 29th day of June, 2006

By order of the Board

PRAKASH HIMATSIKKA
Managing Director

PH TRADING LTD.

DIRECTOR'S REPORT

To

The Members,

Your Directors have pleasure in placing before you the 24th Annual Report of the Company together with the audited statement of account of the year ended March 31, 2006.

FINANCIAL RESULTS :

Profit during the year		Rs. 21,19,312
Add : Previous year balance		Rs. 64,15,361
Deferred Tax Liability (Assets)		Rs. 34,966
		Rs. 85,69,639
Less : Provision for taxation	Rs. 7,38,158	
Provision for FBT	Rs. 78,717	
Proposed dividend	Rs. 4,80,000	
Dividend Tax	Rs. 67,320	
		Rs. 13,64,195
Balance transferred to Balance Sheet		Rs. 72,05,444

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, 2006.

DIRECTORS :

Sri Rajendra Jhanwar, Director of the Company retire by rotation but being eligible offers himself for re-appointment. The terms of appointment of Mr. Prakash Himatsingka as Managing Director of the Company, expired on 30/06/2006 and the Board of Directors in their meeting held on 29/06/06 reappointed him w.e.f. 1/7/2006 for approval of shareholders in ensuing Annual General Meeting. The necessary resolution seeking approval of Mr. Prakash Himatsingka's re-appointment as Managing Director and the terms of his remuneration w.e.f. 1/7/2006 is being placed before the members for their approval.

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 29th June, 2006

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, 2006 and also the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) (Amendment) order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (ii) In our opinion, proper books of account as required by the law have been kept by the company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us. The Branch Auditor's Report's have been forwarded to us and have been appropriately dealt with.
- (iii) The Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of account and with the audited returns from the branches.
- (iv) In our opinion the Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (v) On the basis of written representations received from the Directors, as on 31st March, 2006, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2006 from being appointed as a director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

Subject to Non provision of Bad and doubtful debts amounting to Rs. 364,629/-

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2006;

(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 22th day of June, 2006

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