



NOTICE

NOTICE is hereby given that the 39th Annual General Meeting of the members of **P.H.CAPITAL LIMITED** will be held on Monday, 3rd day of September, 2012 at 10.30 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 31st March,2012 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors' and Auditors there on.
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 appoints 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, 5th Floor,
'A' Wing, Sir Vithaldas Thackersey Marg,
New Marine Lines,
Mumbai - 400 020.
Date : 26th July, 2012

For and on behalf of the Board of Directors

Rikeen P. Dalal
Director



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/ HER SELF 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 39TH 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 27/08/2012 to 03/09/2012 (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.

Registered office :
5D, Kakad House, 5th Floor,
'A' Wing, Sir Vithaldas Thackersey Marg,
New Marine Lines,

For and on behalf of the Board of Directors

Rikeen P. Dalal
Director

Mumbai - 400 020.
Date : 26th July, 2012



DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting 39th Annual Report and the Audited Statement of Accounts of your Company for the year ended 31st March, 2012.

FINANCIAL RESULTS:

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

| | (₹ In lacs) | |
|---|----------------------------------|----------------------------------|
| | Year Ended 31.03.2012 | Year Ended 31.03.2011 |
| Sales and other Income | 216.35 | 943.62 |
| Gross Profit / (Loss) for the year before Depreciation & Taxation | (25.83) | 60.71 |
| Depreciation | 9.18 | 6.22 |
| Profit / (Loss) Before Taxation | (35.01) | 54.48 |
| Provision for Taxation (net) | (0.27) | 9.38 |
| Deferred Tax | (0.37) | (0.29) |
| Net Profit / (Loss) | (34.91) | 45.40 |

FIXED DEPOSIT:

Your Company has not accepted any deposit from the public during the year 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:

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 furnished. The Company has neither earned nor spent any foreign exchange during the accounting year ended 2011 - 12.

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.

DIRECTORS' 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, 2012 and of the Profit & Loss of the Company for the period April 1st 2011 to March 31st 2012.
- 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:

Pursuant to Clause 49 to the Listing Agreement with the Stock Exchange a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance form part of this Report.

COMPLIANCE CERTIFICATE:

The Compliance Certificate dated 26th July'2012 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 : 26th July, 2012



MANAGEMENT DISCUSSION AND ANALYSIS

A) Industry Structure and Development :

These have been challenging times for India.

For the last eight quarters, the economy has witnessed a steady decline in GDP growth – from 9.4 % in January – March 2010 to 6.10 % in October – December 2011. Compared to a growth of 8.4 % in FY 2010 -11. The country is expected to grow somewhere between 6.9% and 7.1 % in FY2011 -12 . That is a stark slowdown in growth, and a far cry from the 9% that we enjoyed for three consecutive years from FY 2005 -06 to2007 -08.

B) Opportunities and Threats :

In such a bearish and uncertain environment, financial markets continued to witness high volatility – driven by the direction of foreign capital flows and movement of industrial production index and inflation. Owing to high inflationary pressures, the Reserve Bank of India (RBI) continued to tighten monetary policy by increasing repo and reverse repo rate five times in FY 2011 -12. This was in addition to eight rate hikes that occurred since March 2010.

It was only in the fourth quarter of FY 2011 -12 that the RBI relented. In an effort to ease liquidity, it reduced the cash reverse ratio (CRR) in two stages by 125 basis points(bps). And followed it with a 50 bps reduction in repo and reverse repo rate in April 2012, but with a warning that more could be expected only if inflation reduced substantially, and was seen to remain stable at the 5% to 6% level.

C) Segment-wise Performance

The Company has only one business segment viz Trading in shares/securities and financing, investment and hence product-wise performance is not provided.

D) Outlook

The financial year 2011 -12 witnessed challenging macro – economic conditions both in India and the world over. After having grown at the rate of 8.4% in each of the two preceding years. India's GDP is estimated to have grown by 6.9% in the financial year 2011 -12.

E) Internal Control Systems and their Adequacy

The Company has satisfactory internal control system, the adequacy of which has been mentioned in the Auditors' Report.

F) Human Resources

There has been no material development on the Human Resource / Industrial relations front during the year.



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, 2012.

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, or its management, 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 2011 – 2012, the Board met six times. The Board meetings were held on (1) 26th April, 2011, (2) 28th July, 2011, (3) 16th August, 2011, (4) 31st October, 2011, (5) 25th January, 2012 (6) 26th March, 2012

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 Directors | Status i.e. Executives, Non-Executives and Independent | Shares held | Members of Boards of Other Public Companies excluding Directorship in Pvt. Companies | Total Number of Committee Membership held | | Number of Board Meeting held during the year | | Whether attended last Annual General Meeting |
|-----------------------|--|-------------|--|---|-----------|--|----------|--|
| | | | | As Chairman | As Member | Held | Attended | |
| Smt. Tej.P.Dalal | Promoter NED | 108200 | Nil | 1 | Nil | 6 | 6 | Yes |
| Shri Rikeen P. Dalal | Promoter NED | Nil | Nil | Nil | 2 | 6 | 6 | Yes |
| Dr.C.A. Varghese | Independent NED | Nil | Nil | Nil | 2 | 6 | 1 | No |
| Mr. Roshan Jain | Independent NED | 28000 | Nil | 1 | Nil | 6 | 6 | Yes |



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.

Audit Committee meetings were held on (1) 26th April, 2011, (2) 28th July, 2011, (3) 16th August, 2011 4) 31st October, 2011, and (5) 25th January, 2012

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. Roshan Jain | Chairman | 5 | 5 |
| Dr. C.A. Varghese | Member | 5 | 1 |
| Shri. Rikeen P. Dalal | Member | 5 | 5 |

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 held | No. of Meetings attended |
|-----------------------|-----------------|-----------------------------|---------------------------------|
| Shri. Rikeen P. Dalal | Chairman | 4 | 4 |
| Smt. Tej.P.Dalal | Member | 4 | 4 |
| Dr. C.A. Varghese | Member | 4 | 1 |

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 31/03/2012 |
| 1) | Non receipt of Annual Report | 4 | 4 | Nil |
| 2) | Complaints relating to Dematerialisation of Shares | 1 | 1 | Nil |
| 3) | Non – receipt of Shares certificates After transfer / duplicate / Name correction | 10 | 10 | Nil |
| 4) | Others | 2 | 2 | Nil |
| TOTAL | | 17 | 17 | Nil |

6) General Body Meeting

| Date of AGM | Financial Year | Venue/Location | Time of Meeting |
|--------------------|-----------------------|--|------------------------|
| 30-9-2009 | 2008– 2009 | Ahmedd A.Fazelbhoy Pvt. Ltd. Sunville, 9 Dr. Annie Besant Road, Worli, Mumbai. | 11.00 a.m. |
| 30-9-2010 | 2009– 2010 | Ahmedd A.Fazelbhoy Pvt. Ltd. Sunville, 9 Dr. Annie Besant Road, Worli, Mumbai. | 11.00 a.m. |
| 30-9-2011 | 2010– 2011 | Ahmedd A.Fazelbhoy Pvt. Ltd. Sunville, 9 Dr. Annie Besant Road, Worli, Mumbai. | 11.00 a.m. |



SPECIAL RESOLUTION PASSED :

- 1 In 2008 – 2009 AGM:
* No Special Resolution was passed in this AGM .
- 2 In 2009– 2010 AGM:
* No Special Resolution was passed in this AGM .
- 3 In 2010 – 2011 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 Note 27 of Financial Statements, Notes forming part of the Accounts for the year ended 31st March, 2012.

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 / Director 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, 2012.

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 Tarun Bharat – 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 | : | Monday, 3rd September, 2012 at 10.30 a.m. |
| | Venue | : | A, Fazelbhoy Private Limited, Sunville, 9 Dr. Annie Besant Road, Worli, Mumbai – 400018 |
| b. | Financial Calendar (Tentative) | : | 01.04.2012 to 31.03.2013 |
| | 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 |



- c. Book Closure Period : 27.08.12 to 03.09.12 (both days inclusive)
- d. Dividend Payment Date : Not Applicable

Listing on Stock Exchanges

| <u>Sr. No.</u> | <u>Name of the Stock Exchange</u> | <u>Code No.</u> |
|----------------|-----------------------------------|-----------------|
| 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 2011 – 2012.

Market Price Data

High/Low of the Company's Shares traded in the Stock Exchange, Mumbai, during the financial year 2011- 2012 is furnished below:

| Month & year | Company's Share Price | |
|-------------------------|------------------------------|------------|
| | High | Low |
| April 2011 | 13.05 | 8.60 |
| May 2011 | 17.35 | 10.78 |
| June 2011 | 15.45 | 11.75 |
| July 2011 | 15.35 | 10.40 |
| August 2011 | 13.30 | 10.03 |
| September 2011 | 15.00 | 9.84 |
| October 2011 | 15.50 | 12.84 |
| November 2011 | 15.74 | 9.97 |
| December 2011 | 12.80 | 9.65 |
| January 2012 | 15.25 | 12.20 |
| February 2012 | 14.59 | 13.31 |
| March 2012 | 19.70 | 13.06 |

Dematerialisation of Shares

The Equity Shares of the Company are traded compulsorily in Demat. The Demat facility is available to all Shareholders 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, 2012.**

| Sr. No. | Holders | No. of Shares Held | % of paid up Capital |
|---------|--|--------------------|----------------------|
| A | Promoters Holding | 22,49,700 | 74.99 |
| B. | Mutual Funds and UTI, Banks and Financial Institutions | 100 | 0.00 |
| C. | Bodies Corporate | 77,840 | 2.59 |
| D | Indian Public | 6,72,419 | 22.41 |
| E | NRI's / OCB's | 41 | 0.01 |
| | Total | 30,00,100 | 100.00 |

Board Shareholding Distribution

| Range of Shares | Number of Share Holders | Percentage of Shares Holders | No. of Share | Percentage |
|--------------------|-------------------------|------------------------------|------------------|-------------|
| 1 to 5000 | 1835 | 87.88 | 257929 | 8.60 |
| 5001 to 10000 | 118 | 5.65 | 94711 | 3.16 |
| 10001 to 20000 | 64 | 3.07 | 98084 | 3.27 |
| 20001 to 30000 | 36 | 1.72 | 98486 | 3.28 |
| 30001 to 40000 | 9 | 0.43 | 31756 | 1.06 |
| 40001 to 50000 | 7 | 0.34 | 32242 | 1.07 |
| 50001 to 100000 | 4 | 0.19 | 30666 | 1.02 |
| 100001 to 99999999 | 15 | 0.72 | 23,56,226 | 78.54 |
| | 2088 | 100 % | 30,00,100 | 100% |

Dematerialization of Shares and Liquidity :

88.77% of Company's Equity Shares have been dematerialized as on 31st March, 2012.

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 : 26th July, 2012

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.

Place : Mumbai.
Dated: 26th July, 2012

For P.H. Capital Limited
Rikeen P. Dalal
Director



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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial year ended 31st March, 2012. 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 there under 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 there under.
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 Six times respectively on 26th April, 2011, 28th July, 2011, 16th August, 2011, 31st October, 2011, 25th January, 2012, 26th March, 2012 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 24th September, 2011 to 30th September, 2011 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 31st March, 2011 was held on 30th September, 2011 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 the appointment of 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 there under.
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.



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 amount borrowed by the Company from the Banks during the financial year ending 31/03/2012 is within the borrowing limits of the Company.
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 Provident Fund is not applicable to the Company.

Place: Mumbai

Grishma Khandwala

Company Secretary

Dated : 26th July, 2012

CP No : 1500



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.

Place: Mumbai
Dated: 26th July, 2012

Grishma Khandwala
Company Secretary
CP No : 1500



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 31st March, 2012.

*With Registrar of Companies

| Sr. No. | Form | Section | Particulars | Date of Filing | Whether filed within prescribed Time Yes/No | If delay in fining whether requisite additional fees paid Yes/No |
|----------------|----------------|-----------------|--|-----------------------|--|---|
| 1. | Form 23AC &ACA | Section 220 | For the year ending 31-3-2011 adopted in Annual General Meeting held on 30-09-2011 | 07/12/11 | Yes | No |
| 2. | Form 66 | Section 383A | For the year ending 31-3-2011 adopted in Annual General Meeting held on 30-09-2011 | 24/11/11 | No | Yes |
| 3. | Form 20B | Section 159 | Upto the date of Annual General Meeting Held on 30-09-2011 | 24/11/11 | Yes | No |
| 4. | Form 32 | Section 260/302 | Change of Designation | 30/11/2011 | No | Yes |

*With Regional Director

: Not applicable

*With Central Government or other Authorities

: Not applicable

Place : Mumbai

Grishma Khandwala

Company Secretary

CP No :1500

Dated : 26th July, 2012



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 31st March, 2012, 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 31st March 2012.

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 & ASSOCIATES,**
Firm Reg. No. 103969W
CHARTERED ACCOUNTANTS

KAPIL K. JAIN
(PARTNER)
Membership No. 108521

Place : Mumbai.

Date: 26th July, 2012



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 31st March, 2012 and the Statement of Profit and Loss 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, statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (d) In our opinion, Balance Sheet, statement of Profit and Loss 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 31st March, 2012 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 31st March, 2012;
- (ii) In so far as it relates to the statement of Profit and Loss, 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,**
Firm Reg. No. 103969W
CHARTERED ACCOUNTANTS

KAPIL K. JAIN
(PARTNER)

Membership No. 108521

Place : Mumbai.

Date: 26th July, 2012



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 1 (one) (P.Y. 2 Two) parties covered in the register maintained U/s. 301 of the Companies Act, 1956 aggregating to Rs. 4,77,92,492/- (P.Y. Rs. 7,53,15,060/-) during the year and year End balance is Rs. 2,37,69,051/- (Previous Year 68,54,923/-).

The company has not granted loan 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. According to information and explanation provided to us, 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 31st March, 2012 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 Dispute is pending | Nature of Dues | Forum where | Asst. Year | Amount (Rs.in Lacs) |
|----------------|---|-----------------------|--------------------|-------------------|----------------------------|
| 1 | Income Tax Act | Income Tax | Assessing officer | 2001-02 | 8,43,938 |
| 2 | Income Tax Act | IT (penalty) | Assessing officer | 2001-02 | 17,17,108 |

10. *The Company has accumulated losses of Rs. 2,85,43,592/- at the end of the financial year which is more than the 50% of its Net worth. It has incurred cash loss during the year, but not 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 defaulted in repayment of dues to banks.
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,
Firm Reg. No. 103969W
CHARTERED ACCOUNTANTS

KAPIL K. JAIN
(PARTNER)
Membership No. 108521

Place : Mumbai.
Date: 26th July, 2012

**BALANCE SHEET AS AT 31ST MARCH' 2012****(Amount in ₹)**

| | Note No. | As At March' 2012 | As At March' 2011 |
|------------------------------------|---------------------|------------------------------|------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' funds | | | |
| (a) Share capital | 2 | 30,001,000 | 30,001,000 |
| (b) Reserves and surplus | 3 | <u>(28,543,592)</u> | <u>(25,052,602)</u> |
| | | 1,457,408 | 4,948,398 |
| (2) Non-current liabilities | | | |
| (a) Long-term borrowings | 4 | 1,983,253 | 2,686,447 |
| (b) Deferred tax liabilities (Net) | 5 | <u>1,075,220</u> | <u>1,112,329</u> |
| | | 3,058,473 | 3,798,776 |
| (3) Current liabilities | | | |
| (a) Short-term borrowings | 6 | 23,769,051 | 6,854,923 |
| (b) Trade payables | 7 | 65,915 | 188,897 |
| (c) Other current liabilities | 8 | 748,721 | 811,895 |
| (d) Provisions | 9 | - | 825,000 |
| | | <u>24,583,687</u> | <u>8,680,715</u> |
| TOTAL | | <u>29,099,567</u> | <u>17,427,888</u> |
| II. ASSETS | | | |
| Non-current assets | | | |
| (1) (a) Fixed assets | | | |
| (i) Tangible assets | 10 | 7,559,581 | 8,441,553 |
| (ii) Intangible assets | 10 | 8,072 | 12,877 |
| (b) Non-current investments | 11 | 200 | 200 |
| (c) Long-Term Loans and Advances | 12 | - | - |
| | | <u>7,567,853</u> | <u>8,454,630</u> |
| (2) Current assets | | | |
| (a) Inventories | 13 | 19,584,475 | 5,505,396 |
| (b) Cash and cash equivalents | 14 | 96,049 | 822,706 |
| (c) Other current assets | 15 | <u>1,851,190</u> | <u>2,645,156</u> |
| | | <u>21,531,714</u> | <u>8,973,258</u> |
| TOTAL | | <u>29,099,567</u> | <u>17,427,888</u> |
| SIGNIFICANT ACCOUNTING POLICIES | 1 | | |

As per our report of even date
FOR S.P.JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 103969W

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

PLACE : MUMBAI
DATE : 26TH JULY, 2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(RIKEEN P. DALAL)
DIRECTOR

(TEJ P. DALAL)
DIRECTOR

PLACE : MUMBAI
DATE : 26TH JULY, 2012

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012****(Amount in ₹)**

| | Note No. | 2011-12 | 2010-11 |
|--|---------------------|-------------------|-------------------|
| I. Revenue from operations | 16 | 21,390,818 | 94,196,421 |
| II. Other income | 17 | 244,175 | 165,246 |
| III. Total Revenue | | 21,634,993 | 94,361,666 |
| IV. EXPENDITURE | | | |
| Cost of Securities Sold | 18 | 18,873,922 | 83,666,727 |
| Employee benefits expense | 19 | 1,640,221 | 1,519,053 |
| Finance costs | 20 | 2,048,482 | 1,066,245 |
| Depreciation | 21 | 917,877 | 622,208 |
| Other expenses | 22 | 1,655,800 | 2,039,111 |
| Total expenses | | 25,136,302 | 88,913,344 |
| V. Profit before tax | | -3,501,310 | 5,448,322 |
| Tax expense: | | | |
| Less : | | | |
| (1) Current years income tax | | - | 825,000 |
| (2) Short provisions of taxation in earlier year | | 26,790 | 157,525 |
| Add : | | | |
| (2) Defferred Tax Assets | 5 | 37,109 | 28,981 |
| (4) Excess provisions of taxation | | - | 44,922 |
| VI. Profit for the year | | -3,490,991 | 4,539,700 |
| VII Earnings per equity share of face Value of ₹ 10/- each | | | |
| (1) Basic | | -1.16 | 1.51 |
| (2) Diluted | | -1.16 | 1.51 |
| SIGNIFICANT ACCOUNTING POLICIES | 1 | | |

As per our report of even date
FOR S.P.JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 103969W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

(RIKEEN P. DALAL)
DIRECTOR

(TEJ P. DALAL)
DIRECTOR

PLACE : MUMBAI
DATE : 26TH JULY, 2012

PLACE : MUMBAI
DATE : 26TH JULY, 2012



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012.

(Amount in ₹)

| | For the year ended 31 March, 2012 | For the year ended 31 March, 2012 |
|---|---|---|
| A. Cash flow from operating activities | | |
| Net Profit / (Loss) before extraordinary items and tax | (3,501,310) | 5,448,322 |
| <u>Adjustments for:</u> | | |
| Depreciation and amortisation | 917,877 | 622,207 |
| Finance costs | 2,048,482 | 1,066,245 |
| Dividend income | (243,062) | (158,454) |
| Operating Profit before Working capital changes | (778,012) | 6,978,320 |
| Adjusted for: | | |
| Other receivable | 793,966 | 2,427,110 |
| Inventories | (14,079,079) | 10,757,640 |
| Trade and other payable | (1,037,945) | (3,243,730) |
| | (15,101,071) | 16,919,341 |
| Cash Generated from Operations | | |
| Taxes paid | 0 | (800,000) |
| Net Cash Generated from Operations | (15,101,071) | 16,119,341 |
| B. Cash flow from investing activities | | |
| Purchase of Fixed assets | (31,100) | (4,695,620) |
| Dividend received | 243,062 | 158,454 |
| Net cash used in investing activities: | 211,962 | (4,537,166) |
| C. Cash flow from financing activities | | |
| Repayment of long-term borrowings | (703,194) | 3,287,148 |
| Proceeds from other short-term borrowings | 16,914,128 | (13,279,268) |
| Finance cost | (2,048,482) | (1,066,245) |
| Net cash used in financing activities | 14,162,452 | (11,058,365) |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | (726,658) | 523,811 |
| Cash and cash equivalents at the beginning of the year | 822,706 | 298,896 |
| Cash and cash equivalents at the end of the year | 96,049 | 822,706 |

As per our report of even date
FOR S.P.JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 103969W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

(RIKEEN P. DALAL)
DIRECTOR

(TEJ P. DALAL)
DIRECTOR

PLACE : MUMBAI
DATE : 26TH JULY, 2012

PLACE : MUMBAI
DATE : 26TH JULY, 2012



Notes on Financial Statements for the Year ended 31st March, 2012

NOTE – 1 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.
- (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.
 - (iii) Depreciation on software is taken at the rate 16.21% on straight line method.

(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 incomes 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.

(I) Lease Rent: The Lease rent expenditure from operating lease of office premises is accounted on accrual basis.

**Notes on Financial Statements for the Year ended 31st March, 2012****Note-2 : SHARE CAPITAL**

| <u>Particulars</u> | <u>As at March'</u> | | <u>As at March'</u> | |
|--|---------------------|--------------------|---------------------|--------------------|
| | <u>Number</u> | <u>Amount in ₹</u> | <u>Number</u> | <u>Amount in ₹</u> |
| Authorised | | | | |
| Equity Shares of ₹ 10/- each | 4,000,000 | 40,000,000 | 4,000,000 | 40,000,000 |
| Issued,Subscribed & fully Paid up | | | | |
| Equity Shares of ₹ 10/- each fully paid | 3,000,100 | 30,001,000 | 3,000,100 | 30,001,000 |
| Total | 3,000,100 | 30,001,000 | 3,000,100 | 30,001,000 |

2.1 Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:

| <u>Particulars</u> | <u>As at March'</u> | | <u>As at March'</u> | |
|---|---------------------|--------------------|---------------------|--------------------|
| | <u>Number</u> | <u>Amount in ₹</u> | <u>Number</u> | <u>Amount in ₹</u> |
| Shares outstanding at the beginning of the year | 3,000,100 | 30,001,000 | 3,000,100 | 30,001,000 |
| Shares outstanding at the end of the year | 3,000,100 | 30,001,000 | 3,000,100 | 30,001,000 |

2.2 Terms/rights attached to shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. the distribution will be in proportion to the number of equity shares held by the shareholders.

2.3 Details of Shares held by each shareholders holding morethan 5 % shares of the equity capital of the Company.

| <u>Particulars</u> | <u>As at March'</u> | | <u>As at March'</u> | |
|---|---------------------------|---------------------|---------------------------|---------------------|
| | <u>No. of Shares held</u> | <u>% of Capital</u> | <u>No. of Shares held</u> | <u>% of Capital</u> |
| KRISHNA TRUST | 475,000 | 15.83 | 475,000 | 15.83 |
| TIRUPATI TRUST | 444,000 | 14.80 | 444,000 | 14.80 |
| SEJAL RIKEEN DALAL | 350,100 | 11.67 | 350,100 | 11.67 |
| FINCO CAPITAL MANAGEMENT PVT. LTD. | 290,000 | 9.67 | 290,000 | 9.67 |
| RIKEEN PRADIP DALAL - HUF | 261,000 | 8.70 | 261,000 | 8.70 |
| PRAHAR FINANCIAL CONSULTANT & MNGMT. SERVC. PVT. LTD. | 250,000 | 8.33 | 250,000 | 8.33 |

**Notes on Financial Statements for the Year ended 31st March, 2012**

| <u>Particular</u> | <u>As at March' 2012</u> | <u>As at March' 2011</u> |
|---|--------------------------|--------------------------|
| | ₹ | ₹ |
| Note 3 Reserves and Surplus | | |
| Surplus(Deficit) in Profit & Loss A/C | | |
| Opening balance | (25,052,602) | (29,592,302) |
| (+) Net Profit/(Net Loss) For the current year | (3,490,991) | 4,539,700 |
| Total | (28,543,592) | (25,052,602) |
| Note 4 Long Term Borrowing | | |
| Secured | | |
| Car Loan (ICICI Bank Ltd.) | 1,983,253 | 2,686,447 |
| | 1,983,253 | 2,686,447 |
| 4.1 Secured by Hypothecation of a Car to ICICI Bank Ltd. | | |
| 4.2 Car Loan from Bank amounting to Rs.26,38,711/- (P.Y. Rs.32,39,415/-) repayable in 60 monthly installments (including interest) of Rs. 71,715/- per month, commencing from 15/12/2010, last installment due in 15/10/2015 i.e. 44 installments from the close of this financial year. The rate of interest is 8.75% per annum fixed. | | |
| Note 5 Deferred Tax Liability - Net | | |
| Opening Deferred Tax Liability | 1,112,329 | 1,141,310 |
| On account of Depreciation | 37,109 | 28,981 |
| Closing Deferred Tax Liability | 1,075,220 | 1,112,329 |
| Note 6 Short Term Borrowing | | |
| Unsecured | | |
| Loans and advances from related parties- | 23,769,051 | 6,854,923 |
| Total | 23,769,051 | 6,854,923 |
| Note 7 Trade Payables | | |
| Trade payable | 65,915 | 188,897 |
| Total | 65,915 | 188,897 |
| Note: The company does not have any dealings with any enterprise under the Micro, Small and Medium Enterprises Development Act, 2006. | | |
| Note 8 Other Current Liabilities | | |
| (a) Current Maturity of Long Term debt | 655,455 | 600,701 |
| (b) Interest Accrued and due | - | 180,084 |
| (c) Statutory Liabilities | 800 | 29,675 |
| (d) Other Payable | 92,466 | 1,435 |
| Total | 748,721 | 811,895 |
| Note 9 Provisions | | |
| Provision for Income tax | - | 825,000 |
| Total | - | 825,000 |



Notes on Financial Statements for the Year ended 31st March, 2012

Note 10 FIXED ASSET

| FIXED ASSETS | (Amt. in ₹) | | | | | | | | | | | |
|--------------------------------------|--------------------------|------------------------|--|-----------------------------|--------------------------|--------------------------|----------------------------------|--|--------------|--------------------------|--------------------------|--|
| | GROSS BLOCK AT COST | | | | | Accumulated Depreciation | | | | | NET BLOCK | |
| | Balance as at 01.04.2011 | Additions/ (Disposals) | Acquired through business combinations | Revaluations/ (Impairments) | Balance as at 31.03.2012 | Balance as at 01.04.2011 | Depreciation charge for the year | Adjustment due to revaluations/ impairment losses/ reversals | On disposals | Balance as at 31.03.2012 | Balance as at 31.03.2011 | |
| (I) Tangible Assets | | | | | | | | | | | | |
| (a) Buildings (i.e. Office Premises) | 4,214,422 | - | - | - | 4,214,422 | 1,197,616 | 68,695 | - | - | 1,266,311 | 3,016,806 | |
| (b) Vehicles | 4,610,630 | - | - | - | 4,610,630 | 146,403 | 438,010 | - | - | 584,413 | 4,464,227 | |
| (c) Office Equipments | 408,630 | 25,200 | - | - | 434,030 | 195,904 | 20,561 | - | - | 216,465 | 212,926 | |
| (d) Computers | 491,224 | 5,900 | - | - | 497,124 | 354,200 | 80,521 | - | - | 434,721 | 137,024 | |
| (e) Lease Hold Improvements | 1,526,425 | - | - | - | 1,526,425 | 915,855 | 305,285 | - | - | 1,221,140 | 610,570 | |
| Total | 11,251,531 | 31,100 | - | - | 11,282,631 | 2,809,978 | 913,072 | - | - | 3,723,050 | 8,441,553 | |
| (II) Intangible Assets | | | | | | | | | | | | |
| (a) Computer software | 29,642 | - | - | - | 29,642 | 16,765 | 4,805 | - | - | 21,570 | 12,877 | |
| Total | 29,642 | - | - | - | 29,642 | 16,765 | 4,805 | - | - | 21,570 | 12,877 | |
| Grand Total | 11,281,173 | 31,100 | - | - | 11,312,273 | 2,826,743 | 917,877 | - | - | 3,744,620 | 8,454,430 | |
| Previous year | 6,585,553 | 4,695,620 | | | 11,281,173 | 2,204,535 | 622,208 | | | 2,826,743 | 8,454,430 | |

Notes: Fixed assets include office premises in Mumbai held in 50% co-ownership which is in possession with the Court Receiver, Mumbai in view of ongoing litigation matters.

**Notes on Financial Statements for the Year ended 31st March, 2012**

| <u>Particular</u> | <u>As at March' 2012</u> ₹ | <u>As at March' 2011</u> ₹ |
|---|-------------------------------|-------------------------------|
| Note 11 Non-Current Investments | | |
| (a) Investment in Equity instruments(Unquoted) | | |
| Indian Silk Manufacturing Company Pvt.Ltd. (2 Equity shares of face value ₹ 100 each) | 200 | 200 |
| Total | 200 | 200 |
| Aggregate amount of unquoted investments | 200 | 200 |
| Mutual Funds Purchase & Sold/Redeemed during the year | | |
| Particulars | Units | Cost (₹) |
| B47 Birla Sunlife Cash Manager IP daily | 1,600,865.89 | 16,013,462 |
| Dividend Reinvestment (Face value ₹ 10.0030) | | |
| Note 12 Long Term Loans and Advances | | |
| Other loans and advances | | |
| Unsecured considered Doubtful | 355,000 | 355,000 |
| Less: Provision for Bad & Doubtful Advances | (355,000) | (355,000) |
| Total | - | - |
| Note 13 Inventories | | |
| a. Stock-in-trade (as valued & certified by Management) | 19,584,475 | 5,505,396 |
| Total | 19,584,475 | 5,505,396 |
| *Note : Inventory Valued at Cost or Market Price Whichever is lower | | |
| Note 14 Cash and cash equivalents | | |
| a. Balances with banks in Current A/c | 68,145 | 782,343 |
| b. Cash on hand | 27,904 | 40,364 |
| Total | 96,049 | 822,706 |
| Note 15 Other Current Assets | | |
| a. Income Tax Advances (Refund claims from tax authorities/Advance payment of taxes) | 1,711,678 | 2,511,678 |
| b. Deposits | 24,000 | 34,000 |
| c. Others (Includes prepaid expenses & Staff Imprests) | 115,512 | 99,478 |
| Total | 1,851,190 | 2,645,156 |



Notes on Financial Statements for the Year ended 31st March, 2012

| <u>Particular</u> | <u>For the year ended 31 March 2012</u> | <u>For the year ended 31 March 2011</u> |
|--|---|---|
| | ₹ | ₹ |
| Note 16 Revenue from operation | | |
| Sale of Shares | 21,458,801 | 94,405,594 |
| Less: STT Paid | 67,983 | 209,173 |
| Total | <u>21,390,818</u> | <u>94,196,421</u> |
| Note 17 Other Income | | |
| (a) Dividend Income | 243,062 | 158,454 |
| (b) Net gain/loss on sale of investments | - | 5,109 |
| (c) Miscellaneous Income | 1,113 | 1,682 |
| Total | <u>244,175</u> | <u>165,246</u> |
| Note 18 Cost of Securities Sold | | |
| Opening stock of securities | 5,505,396 | 16,263,036 |
| Add: purchases | 32,953,001 | 72,909,087 |
| Less: Closing stock of Securities | 19,584,475 | 5,505,396 |
| Total | <u>18,873,922</u> | <u>83,666,727</u> |
| Note 19 Employee Benefits Expense | | |
| (a) Salaries, Bonus, Leave encashment and incentives | 1,617,058 | 1,492,829 |
| (b) Staff welfare expenses | 23,163 | 26,224 |
| Total | <u>1,640,221</u> | <u>1,519,053</u> |
| Note 20 Financial Cost | | |
| (a) Interest expense | 2,048,127 | 1,065,757 |
| (b) Bank Charges | 355 | 488 |
| Total | <u>2,048,482</u> | <u>1,066,245</u> |



Notes on Financial Statements for the Year ended 31st March, 2012

| <u>Particular</u> | <u>For the year ended 31 March 2012</u> ₹ | <u>For the year ended 31 March 2011</u> ₹ |
|--------------------------------------|--|--|
| Note 21 Depreciation | | |
| a. Depreciation on tangible assets | 913,072 | 617,403 |
| b. Amortisation of Intangible assets | 4,805 | 4,805 |
| Total | <u>917,877</u> | <u>622,208</u> |
| Note 22 Other Expenses | | |
| Auditor's Remuneration | 59,383 | 70,020 |
| Electricity Expenses | 96,654 | 101,561 |
| Rates and Taxes | 54,567 | 51,371 |
| Lease Rent | 108,000 | 108,000 |
| Repairs & Maintenance | 79,730 | 299,576 |
| Travelling Expenses | 262,407 | 408,233 |
| Vehicle Charges including Insurance | 230,481 | 77,986 |
| Other Miscellaneous Expenses | 764,578 | 922,364 |
| Total | <u>1,655,800</u> | <u>2,039,111</u> |

**23. Contingent Liability:**

Claims against the company not acknowledged as debts in respect of relief towards Matter pending with Income tax authorities for ₹ 25,61,046/- (Previous Year ₹ 25,61,046/-)

24. Auditor's Remuneration

| | 2011-2012 | 2010 -2011 |
|---------------------------|-----------|------------|
| i) Audit Fees | 53,090 | 52,117 |
| ii) Audit Expenses | 2,984 | 1,358 |
| iii) Tax Matters / Others | 3,309 | 16,545 |
| TOTAL | 59,383 | 70,020 |

25 (a) Quantitative details of Securities held as stock-in-trade (Equity Shares)

| | 2011 - 2012 | | 2010 - 2011 | |
|---------------|-------------|-------------|-------------|-------------|
| | Qty. | ₹ | Qty. | ₹ |
| Opening Stock | 18150 | 55,05,396 | 80175 | 1,62,63,036 |
| Purchases | 214163 | 3,29,53,001 | 524575 | 7,29,09,087 |
| Sales | 138163 | 2,14,58,801 | 586600 | 9,44,05,594 |
| Closing Stock | 94150 | 1,95,84,475 | 18150 | 55,05,396 |

25 (b) Stock in trade as on 31st March 2012:

| S.No. | Script | 2011 - 2012 | | 2010 - 2011 | |
|-------|----------------------------|-------------|-------------|-------------|-----------|
| | | Qty | ₹ | Qty. | ₹ |
| 1. | E I D Parry Ltd. | 1150 | 2,18,155 | 8150 | 5,90,264 |
| 2. | Godrej Industries Ltd. | 93000 | 1,93,66,320 | — | — |
| 3. | Bajaj Finance Ltd. (BAFL) | — | — | 5000 | 25,29,382 |
| 4. | BGR Energy System Ltd. | — | — | 5000 | 23,85,750 |
| | TOTAL | 94150 | 1,95,84,475 | 18150 | 55,05,396 |

26. Information pursuant to Accounting standard 17:

The Company is mainly engaged in the business of Trading of shares and securities in India. All the activity of the Company revolved around the main object and as such, in the opinion of the management, there is no separate reportable segment.

27. Related party Transaction as per Accounting Standard 18:

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 Capital Management Pvt. Ltd. (Finco Securities Pvt. Ltd.)
- ii) Prahar Financial Consultant Management Services Pvt. Ltd.
- iii) Ruby Multimedia Pvt. Ltd.



(B) Key Management Personnel :

- i) Rikeen P. Dalal
- ii) Tej P. Dalal

(Amt. in ₹)

| Nature of Transactions | | Enterprises over which major Shareholders Exercises Significant Influence | Key Management Personnel |
|---|------|--|-----------------------------|
| A) (I) Loan Transaction | | | |
| Taken | C.Y. | 4,77,92,492 | — |
| During the year | CR | | |
| | P.Y. | (7,53,15,060) | |
| | CR | | |
| Closing Balances | C.Y. | 2,37,69,051 | — |
| | CR | | |
| | P.Y. | (68,54,923) | |
| | CR | | |
| (II) Advances | C.Y. | — | — |
| | DR | | |
| | P.Y. | (1,99,750) | |
| | DR | | |
| Closing Balances | C.Y. | — | — |
| | DR | | |
| | P.Y. | — | |
| | DR | | |
| B) Interest Paid | C.Y. | 17,86,102 | — |
| | P.Y. | (9,67,768) | — |
| C) Lease Rent | C.Y. | 1,08,000 | — |
| | P.Y. | (1,08,000) | — |
| D) Reimbursement of Expenses | C.Y. | — | — |
| | P.Y. | (52,048) | — |
| E) Reimbursement of Electricity Expenses | C.Y. | 96,654 | — |
| | P.Y. | (1,01,561) | — |
| F) Advances for Expenses & Received Back during the year | C.Y. | — | 1,97,603 |
| | P.Y. | — | (1,89,043) |



28. Information (to the extent applicable) pursuant to Accounting Standard 19 :

The Company's significant leasing arrangements are in respect of operating leases for Office premises. These leasing arrangements which are cancelable range between 4-5 years, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent under schedule E.

The particulars of these leases are as follows:

| PARTICULARS | 2011-12 | 2010-11 |
|---|----------------|----------------|
| Future Minimum lease payments obligation on non-cancelable operating leases : | | |
| Not later than one year | 1,08,000 | 1,08,000 |
| Later than one year and not later than five years. | 2,70,000 | 3,78,000 |
| Later than five years | — | — |
| Lease payments recognized in Profit & Loss Account | 1,08,000 | 1,08,000 |

29. Earning per share as per Accounting Standard 20:

| | 2011-12 | 2010-11 |
|---|----------------|----------------|
| Profit/(Loss) attributable to the Shareholders. | (34,90,991) | 45,39,700 |
| Equity share of ₹ 10/- each (Nos.) | 3000100 | 3000100 |
| Basic / Diluted Earnings Per share (₹) | (1.16) | 1.51 |

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

31. The Financial statements for the year ended March 31,2011 had been prepared as per the then applicable, pre-revised schedule VI to the Companies Act 1956, the financial statements for the year ended March 31,2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figure has also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for the previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our report of even date
FOR S.P.JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 103969W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

(RIKEEN P. DALAL)
DIRECTOR

(TEJ P. DALAL)
DIRECTOR

Place : Mumbai
Date : 26th July, 2012

Place : Mumbai
Date : 26th July, 2012



P. H. CAPITAL LIMITED

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

PROXY FORM

I/We _____
Regd. Folio No. _____ D.P. ID No. * _____ of _____ & Client ID No.*
_____ of _____

* Applicable for members holding shares in electronic form.
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 39th Annual General Meeting of the
Members of the Company to be held on 3rd September, 2012 at 10.30 a.m. at any adjournment thereof.
As witness my/our hand(s) this _____ day of _____ 2012.

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, 5th Floor, 'A' Wing, Sir Vitthalidas 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 39th Annual General Meeting of the Company held at the Ahmed A.
Fazelbhoy Private Limited, Sunville, 9 Dr. Annie Besant Road, Worli, Mumbai 400 018 on 3rd day of September,
2012 at 10.30 a.m.

Ledger Folio No.: _____ / DP No. * _____ & Client ID
No. * _____ No. of Share _____

* Applicable for members holding shares in electronic form.

Name of the Shareholder _____

Address _____

(Signature of Member / Proxy)

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

39th Annual Report
2011-2012



P. H. CAPITAL LIMITED

BOOK - POST



If undelivered, please return to :

P. H. CAPITAL LIMITED

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



BOARD OF DIRECTORS

| | |
|----------------------|----------|
| Shri Rikeen P. Dalal | Director |
| Smt. Tej P. Dalal | Director |
| Dr. C. A. Varghese | Director |
| Shri Roshan Jain | Director |

AUDITORS

S. P. Jain & Associates
Chartered Accountants

BANKERS

HDFC Bank Limited.
Corporation Bank

REGISTERED OFFICE

5D, Kakad House, 5th Floor, 'A' Wing,
Sir Vithaldas Thackersey Marg,
New Marine Lines,
Mumbai - 400 020.
Tel No. 022 - 2201 9473.
Fax NO. 022 – 2201 2105.

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 – 4043 0200 .

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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.