



23rd
ANNUAL REPORT
2009 – 2010

PHOENIX INTERNATIONAL LIMITED

Regd. Office: 3RD FLOOR, GOPALA TOWER, 25, RAJENDRA PLACE, NEW DELHI - 110008



BOARD OF DIRECTORS

Mr. Arun Kumar Sinha, Director
 Mr. Narendra Aggarwal, Director
 Mr. Narender Makkar, Whole Time Director
 Mr. P.M. Alexander, Director

COMPANY SECRETARY

Mr. Narender Makkar

AUDITORS

M/s RKM & Associates
 D-44, Kalkaji,
 New Delhi - 110019

REGISTRAR & TRANSFER AGENT

Mas Services Ltd.,
 T-34, 2nd Floor,
 Okhla Industrial Area, Phase - II,
 New Delhi - 110020

REGISTERED OFFICE

3rd Floor, Gopala Tower
 25, Rajendra Place,
 New Delhi-110 008

Works

Heseem Palace
 No: 80, M. E. S. Road,
 Ganpathy Puram East,
 Tambaram Chennai, Pin- 600059,
 Tamil Nadu, India

CONTENTS

PAGE NO.

A. PHOENIX INTERNATIONAL LIMITED

Notice	1
Director Report	3-4
Report on Corporate Governance	6-10
Management Discussion & Analysis	10
Auditor Report	16-18
Balance Sheet	19
Profit & Loss Account	20
Schedules & Notes to Accounts	21-31
Cash Flow Statement	32
Auditors Certificate	32
Balance Sheet Abstract	33

B. PHOENIX INDUSTRIES LIMITED

Auditors Report	34-36
Balance Sheet	37
Profit & Loss Account	38
Schedules & Notes to the Accounts	39-45
Cash Flow Statement	46
Balance Sheet Abstract	47

C. PHOENIX CEMENT LIMITED

Auditors' Report	48-49
Balance Sheet	50
Profit & Loss Account	51
Schedules & Notes to the Accounts	52-55
Cash Flow Statement	56
Balance Sheet Abstract	57



PHOENIX INTERNATIONAL LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 23rd ANNUAL GENERAL MEETING OF THE MEMBERS OF PHOENIX INTERNATIONAL LIMITED WILL BE HELD ON THURSDAY THE 30TH DAY OF SEPTEMBER, 2010 AT 09.30 A.M. AT LOK KALA MANCH , 20 INSTITUTIONAL AREA, LODHI ROAD, NEW DELHI-110003, TO TRANSACT THE FOLLOWING BUSINESS

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31.03.2010 and Profit & Loss Account for the period ended on that date and Auditors and Directors' report thereon.
2. To appoint a Director in place of Mr. P.M. Alexander, who retires by rotation and being eligible offers himself for re- appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

For and on behalf of the Board of Directors
For Phoenix International Limited

Place: New Delhi
Date: 31.08.2010

Narender Makkar
Chairman

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing a proxy must be lodged at the Registered Office of the Company at least 48 hours prior to the time of the meeting.
2. The register of members and shares transfer books of the Company will remain closed on 30/09/2010.
3. Members holding shares in physical form are requested to notify any changes in their address (es) immediately to the company at its registered office at 3rd Floor, Gopala Tower, 25, Rajendra Place, New Delhi-110008 and those who are holding in the electronic mode are requested to send the intimation for change of address (es) to their Depository Participant(s).
4. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days before the date of Annual General Meeting, so as to enable the management to keep the information ready.
5. Pursuant to the provision of Section 205A of the Companies Act, 1956, as amended, the dividend(s) which remain un-paid or un-claimed for a period of Seven years has been transferred to "Investor Education and Protection Fund" established under sub-section (1) of section 205C.



PHOENIX INTERNATIONAL LIMITED

INFORMATION AS PER CLAUSE 49(IV) (G) (i) OF THE LISTING AGREEMENT FOR ITEM NO. 2 OF THE NOTICE FOR RE-APPOINTMENT OF DIRECTOR OF THE COMPANY:

Item No. 2

Name of the Director	:	Mr. P. M. Alexander
Date of Birth	:	14.11.1954
Date of appointment	:	30.08.2008
Expertise in Specific Functional area	:	Laisioning & PR
Qualification:		Graduate

Mr. P.M. Alexander is Director in the following Companies:

1. Phoenix Industries Limited
2. Phoenix Cement Limited
3. Phoenix Capital Services Limited
4. Phoenix Power Development Limited
5. Focus Energy Limited
5. Multidot Entertainment Limited
7. Phoenix Footwear Private Limited
8. Phoenix Hydro Carbon Limited
9. Phoenix Real Time Services Limited
10. Sasoon Agencies Private Limited
11. Phoenix Land Development Limited
12. Yellow Leasing and Finance Limited
13. Savare Trade Enterprises Limited
14. Phoenix International Finance Limited

Mr. P. M. Alexander is a member of Committee in the following Companies:

1. Phoenix International Limited (Audit Committee).
2. Phoenix Real Time Services Limited (Audit Committee).
3. Savare Trade Enterprises Limited (Audit Committee).
4. Yellow Valley Leasing and Finance Limited (Audit Committee).
5. Focus Energy Limited (Remuneration Committee).

He does not hold any Share in the Company.



PHOENIX INTERNATIONAL LIMITED

DIRECTOR'S REPORT

Dear Shareholder

The Directors of your company present the 23rd Annual Report along with the Audited Statement of Accounts of the company for the year ended 31st March 2010.

FINANCIAL RESULTS

	Year Ended 31.03.2010	Year Ended 31.03.2009
Sales & Other Income	2335.82	1875.83
Profit/(Loss) before depreciation	309.37	229.29
Less: Depreciation	220.26	148.85
Profit / (loss) after Depreciation but before Extra Ordinary Items	89.11	80.44
Add: Extra Ordinary Items	-	-
Profit / (loss) after Extra Ordinary Items - but before Tax	89.11	80.44
Less: Provision for Income Tax/Fringe benefit Tax	15.10	10.82
Profit / (Loss) After Tax	74.01	69.62

OPERATIONAL PERFORMANCE / FUTURE PLANS

The Company has carried out shoes related activities at its unit at Chennai during the financial year under review. The Company achieved turnover of Rs. 2335.82 Lacs during the current year as compared to Rs. 1875.83 Lacs during previous year. The Company is in process of widening the base of manufacturing and export.

FIXED DEPOSITS

The Company has not accepted or invited deposits from public covered under the provision of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules 1975.

DIVIDEND

To implement the plans and to expand the business activities, your Directors do not recommend any dividend for the year ended 31.03.2010.

PARTICULARS OF EMPLOYEES

During the year under review, the Company had no employees in respect of whom information's as per Section 217(2A) of the Companies Act, 1956 is required to be given in the directors' report.

DIRECTORS

Mr. P.M. Alexander, Director of the Company retires by rotation and being eligible offer himself for re-appointment.

DIRECTOR'S RESPONSIBILITY

To the best of their knowledge and belief and according to information and explanation obtained by them, your Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956.

- That in preparation of Annual Accounts for the year ended 31st March, 2010 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- That selected accounting policies were applied consistently and the Directors have made judgment and estimate 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 31st March, 2010 and of the Profit of the Company for the year ended on that date.
- That 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.
- That the Annual Accounts for the year ended 31st March, 2010 has been prepared on a going concern basis.

AUDITORS

The Auditors, M/s R.K.M. & Associates, Chartered Accountants, Delhi, retires at the conclusion of ensuing Annual General Meeting and being eligible, offer himself for re-appointment. A certificate as required under section 224(IB) of the Companies Act, 1956 to the effect that their appointment if made, shall be within the limits as specified in the said section, has been obtained from them.

SUBSIDIARY COMPANIES

Statement regarding subsidiary companies pursuant to provision of Section 212 of the Companies Act, 1956 forming part of the Balance Sheet is attached.



PHOENIX INTERNATIONAL LIMITED

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Annexure "A" to this report gives information in respect of Conservation of Energy, Technology Absorption and Foreign Exchange earning and outgo, required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 and forms a part of the Directors Report.

CORPORATE GOVERNANCE

Your company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. Over and above the statutory requirements, your Company has implemented several best corporate governance practices.

Report on Corporate Governance stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges forms part of the Annual Report.

Certification from Chairman and Whole Time Director and Certificate from the Auditors of the Company, M/s RKM & Associates, Chartered Accountants confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49, are annexed to that Report.

ACKNOWLEDGMENT

Your Directors place on record their appreciation for the assistance and support extended by all Government Authorities, Financial Institution, Banks, Solicitors and Shareholders of the Company. Your Directors express their appreciation for the dedicated and sincere service rendered by employees of the Company.

For and on behalf of the Board
PHOENIX INTERNATIONAL LIMITED

Place: New Delhi
Date: 31.08.2010

Narender Makkar
Director & Company Secretary

Arun Kumar Sinha
Director

Narendra Agarwal
Director



PHOENIX INTERNATIONAL LIMITED

ANNEXURE "A" FORMING PART OF THE DIRECTOR'S REPORT

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Director's) Rules 1988 in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo.

		Current Year	Previous Period
A.	CONSERVATION OF ENERGY		
	1. (a) Energy conservation measures undertaken	Nil	Nil
	(b) Proposed energy conservation measures	Nil	Nil
	2. Impact of measures on reduction of energy consumption and consequent impact on the cost of production of goods	Nil	Nil
	3. The details of energy consumption:		
	a. Power and Fuel consumption	Nil	Nil
	b. Consumption per unit of production	Nil	Nil
B.	TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION		
	1. Specific area in which R & D was carried out by the Company	Nil	Nil
	2. Benefits derived as a result of the above R&D	Nil	Nil
	3. Future plan of Action	Nil	Nil
	4. Expenditure on R & D	Nil	Nil
C.			
	a) Activities relating to exports: Initiatives taken to increase exports: Development of new export methods for products and services and export plans The Foreign exchange earning through exports were Rs. 858.07 Lacs during the year to UK. The efforts to broaden the export base to other countries are continuing.		
	b) The foreign Exchange Earning & Outgo during the period are as under:		
	Foreign Exchange Earning	81.77	82.58
	Foreign Exchange Outgo	1014.01	864.32

CHAIRMAN AND WHOLE TIME DIRECTOR CERTIFICATION

We, Narender Makkar, Chairman, and Narendra Agarwal, Director certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended on 31st March, 2010, and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:-
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: New Delhi
Date : 31.08.2010

Narender Makkar
Director

Narendra Agarwal
Director

REPORT ON CORPORATE GOVERNANCE

(1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Phoenix international Limited believes that efficient Corporate Governance required a clear understanding of the respective roles of the Board and of Senior Management and their relationships with others in the corporate structure. The relationships of the Board and Management shall be the characterized by sincerity; their relationships with employees shall be characterized by fairness; their relationship with the communities in which they operate shall be characterized by good citizenship; and their relationships with Government shall be characterized by commitment to compliance.

We believe that the essence of Corporate Governance lies in the phrase "Your Company". It is "Your Company" because it belongs to you – the shareholders. The Chairman and Directors are "Your" fiduciaries and trustees. Their objective is to take the business forward to maximize "Your" long-term values.

The Phoenix international Limited is committed to meet the highest standards of Corporate Governance and disclosures. The Phoenix International Limited belongs to a group, which has a reputation for integrity, fair play and sound business practices. The Phoenix International Limited believes that Corporate Governance is not just about complying with a set of norms and regulations but is an articles of faith and an integral part of value.

A brief report on Corporate Governance for the year ended on 31st March 2009 is given below:

(2) BOARD OF DIRECTORS

(A) Composition and Category of Directors

The Board of Directors comprises of 4 Directors at the year end, which includes one executive director, and three non-executive directors.

The composition of Board of Directors, their attendance at Board Meetings during the year ended 31st March 2010, the last Annual General Meeting and their Directorships/Committee Memberships in other Companies as on 31st March 2010 is as follows:

(B) Details of Meeting of Board of Directors held during the year ended on 31st March, 2010

Name of the Directors	Category	No. of Board Meeting Attended	Attendance at last AGM	No. of other Directorships in other Companies	As Member in Committees of other Companies	As Chairman in Committees of Other Companies
Mr. Arun K. Sinha	Non Executive and Independent Director	4	Yes	5	4	3
Mr. Narendra Agarwal	Non Executive and Independent Director	4	No	18**	1	Nil
Mr. Narender Makkar	Executive Director	3	Yes	24***	4	2
Mr. P.M. Alexander	Non Executive and Independent Director	4	YES	14****	4	Nil

** Out of them 9 Directorships are in Private Limited Companies

*** Out of them 11 Directorships are in Private Limited Companies

**** Out of them 2 Directorships are in Private Limited Companies

None of the Directors on the Board is a member on more than 10 Committee and Chairman of more than 5 Committees (as specified in clause 49 of the Listing Agreement with the Stock Exchanges) across the Companies in which he is a Director.

(C) Details of Meetings of Board of Directors held during the year

Date of Board Meetings	No. of Directors Present
30-04-2009	3
30-07-2009	4
30-10-2009	4
30-01-2010	4

The maximum time gap between any two meetings did not exceed four calendar months.



PHOENIX INTERNATIONAL LIMITED

Information to the Board

The Company holds at least four board meetings in a year with at least one meeting in each quarter to review the quarterly financial results. The maximum gap between two board meetings is not more than four months. Agenda papers are circulated to the Board members well in advance. In addition to the specific matters which are taken at the Board meetings, the following information is also placed before the Board for its review:

- ❖ Annual Operating Plans and Capital budget and any updates in connection therewith.
- ❖ Minutes of the meetings of the Audit Committee and all other committees of the Board.
- ❖ Terms of reference of the Committees of the Board.
- ❖ Statutory Compliance Certificate.
- ❖ Information on appointment and resignation of senior officers of the Company.
- ❖ Show cause, demand, persecution notices and penalty notices of material importance.
- ❖ Any material default in financial obligations to and by the Company, or substantial non recovery for sale of goods by the Company.
- ❖ Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- ❖ Sale of a material nature, of investments and/or assets, which are not in the normal course of business.
- ❖ Any issue involving possible public or product liability claims of a substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company.

(D) Details of Directors seeking re-appointment at the ensuing Annual General Meeting

In respect of Directors seeking appointment or re-appointment, the relevant information, like brief resume of the Directors, nature of their expertise in specific, functional areas and names of the Companies in which they hold Directorship and Membership of any Committee of the Board is given as annexure to this report.

(3) Audit Committee

(A) Constitution

The Audit Committee of the Board was constituted in the year 2000-01. The following were the members of the Committee during the year 2009-2010.

(A)	Mr. Narendra Aggarwal	Independent Director
(B)	Mr. Arun K. Sinha	Independent Director
(C)	Mr. P. M. Alexander	Independent Director

Mr. Narender Makkar, Company Secretary, is the Secretary of the committee.

(B) Terms of Reference

Keeping in view the provisions of Section 292A of the Companies Act, 1956 and matters specified under clause 49 of the Listing Agreement with stock exchanges, terms of reference are as under;

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:-
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.



6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing, the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing, the finding of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as required.

(C) Meeting and Attendance during the year

Five meetings of the Committee were held during the year on 30-04-2009, 30-07-2009, 30.8.2009, 30-10-2009 and 30-01-2010. The attendance particulars are as follows:

Name of the Chairman /Member	Meeting	
	Held	Attended
Mr. Narendra Agarwal	4	4
Mr. Arun K. Sinha	4	4
Mr. P. M. Alexander	4	4

(4) Remuneration Committee

The Company has a Remuneration Committee which comprises of three members. Mr. P.M. Alexander, Mr. Arun K. Sinha and Mr. Narendra Agarwal, Mr. Narender Makkar, the Company Secretary, acts as Secretary of the Committee.

The functioning and terms of reference of the Committee are as prescribed under the Listing Agreement with the Stock Exchanges. It determines the Company's policy on all elements of remuneration packages of directors and employees of the Company.

Terms of reference:

Two meeting of the Remuneration Committee were held during the year. Attendance at meeting during the year is as under;

Sl. No.	DIRECTOR	NO. OF MEETINGS ATTENDED
1.	Mr. P.M. Alexander	1
2.	Mr. Arun K. Sinha	2
3.	Mr. Narendra Aggarwal	2

Remuneration to Directors

Remuneration to Directors for the year 2009–2010:

a)	Name	Designation	All elements of Remuneration package i.e. Salary benefits bonus, pension etc
1	Mr. Narender Makkar	Director & Company Secretary	15,33,174

b)	Name	Particulars	Sitting Fees
	Mr. Arun K. Sinha	Non Executive Directors	16,000
	Total		16,000

- (a) The Whole Time Director is appointed for a period of 5 years with effect from 01/10/2005.
- (b) Presently the company does not have a scheme for grant of stock options to its employees.



PHOENIX INTERNATIONAL LIMITED

(5) Share Transfer and Shareholders' /Investors' Grievance Committee

The Company has structured a system of reviewing the Shareholders'/Investors' Grievance at every Board Meeting. However, a Committee was constituted in the financial year 2001 with a specific authority to look into the Investors'/ Shareholders' Grievance. The following were the members of the Committee during the year.

(A)	Mr. Narendra Aggarwal	Independent Director
(B)	Mr. Arun K. Sinha	Independent Director
(C)	Mr. P. M. Alexander	Independent Director

Mr. Narender Makkar, Company Secretary, is the Secretary of the committee and is also the Compliance Officer.

During the financial year, twenty four meetings of the committee were held on the following dates;

14/04/2009, 30/04/2009, 15/05/2009, 30/05/2009, 16/06/2009, 30/06/2009, 15/07/2009, 30/07/2009, 14/08/2009, 31/08/2009, 15/09/2009, 30/09/2009, 15/10/2009, 30/10/2008, 14/11/2009, 30/11/2009, 15/12/2009, 31/12/2009, 15/01/2010, 30/01/2010, 16/02/2010, 27/02/2010, 16/03/2010, 31/03/2010.

The Investors' Grievance Committee, for the purpose of Investor grievances, designated particularly the email Id as per clause 47(f) of the Listing Agreement, which is "noida@phoenixindia.com".

The number of complaints received during the year were 05 (Five) and there were one pending as at the end of the financial year.

(6) General Body Meeting

(A) The venue date and time of the last 3 Annual General Meetings were as follows;

Date & Time	Location
29 th September, 2007 at 9:30 a.m.	MPCU, Shah Auditorium, 2 Raj Niwas Marg, Delhi – 110054
30 th September, 2008 at 9:30 a.m.	MPCU, Shah Auditorium, 2 Raj Niwas Marg, Delhi – 110054
30 th September, 2009 at 9:30 a.m.	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, Delhi – 110003

(B) No Special Resolution has been passed during the last three Annual General Meetings

(C) No Resolution has been passed / moved through postal ballot during the year.

(7) Disclosure

- I. The details of materially significant related party transactions are discussed in Notes to the Financial Statement.
- II. Whistle Blower Mechanism: The Company promotes ethical behavior in all its business activities and has put in place mechanism of the reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified person. The reports received from any employee will be reviewed by the Ethics Office and the Corporate Governance and Shareholders'/Investors' Grievance Committee. The Directors and Senior Management are obliged to maintain confidentiality of such report and ensure that the whistle blowers are not subjected to any discriminatory practices.
- III. There are no pecuniary relationships or transactions with the Non-Executive Directors other than sitting fees paid to them.

(8) Means of Communication

i. Quarterly Result	Un-audited quarterly and yearly results have been published.
ii. Whether the website also displays official news releases and presentation to institutional investors / analysts.	Steps are being taken to display it on website at the earliest; notice of Annual General Meeting along the Annual Report is being sent to each shareholder, within time frame.
iii. Newspapers where Audited Financial Results, Un-audited quarterly and yearly results are published	Business Standard Delhi English & Hindi Edition
iv. Whether Management Discussion and Analysis is a part of Annual Report or not.	YES
v. Annual Report	Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Director's Report, Auditors' Report and other important information is circulated to members and others entitled thereto.
vi. SEBI EDIFAR	Annual Report, Quarterly Results, Shareholding Patterns etc of the company are also posted on the SEBI EDIFAR website www.sebidifar.nic.in.



(9) Code of Business Conduct and Ethics for Directors and Senior Management

The Board is committed to follow the Code of Business Conduct and Ethics for Directors and Senior Management ('the Code') as recommended by the Corporate Governance and Shareholders/Investors' Grievance Committee. This Code is a comprehensive Code applicable to all Directors, Executive as well as Non-Executive as well as members of Senior Management. The Code of ethics and compliance with the code of ethics is attached as an Annexure to this report.

(10) Subsidiary Monitoring Framework

All the subsidiary companies of the Company are Board managed with their Boards of Directors having the rights and obligations to manage such companies in the best interest of their Shareholders. As a majority shareholder, the Company nominates its representatives on the Boards of subsidiary companies and monitors the performance of such companies inter alia, by the following means-

- a) Financial statements, in particular the investments made by the unlisted subsidiary companies, are reviewed quarterly by the Audit Committee of the Company.
- b) All minute of the meetings of subsidiary companies are placed before the Company's Board regularly.
- c) A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Indian Footwear Industry has demonstrated exponential growth and continues to take advantage of the favorable current economic climate to further leverage growth opportunities. The Government has acted as an important catalyst in bringing greater investment to this sector and has granted fiscal relief and incentives to augment production and exports. Innovation continues to be the focal point in your Company's manufacturing, sales, marketing and various brand-building efforts.

During the previous year the company has started manufacturing of shoes uppers at Chennai. The company has expanded the manufacturing and export base during the current year and achieved a turn over of Rs. 2335.82 Lacs during the current year as compared to Rs. 1875.83 Lacs during the previous year.

Your Company is always striving to create a favorable work environment with the available resources at its command and is doing its best to retain the available talents within the company.

The Company is having expertise in the product line in which it has been operating. The Company in the past was a continuously profit earning and dividend paying Company. Your company is well aware of the opportunities, threats and risks involved in the business and it takes every effort to convert the threats and risks into opportunities. Your Company annually reviews "risk maps" to help identify potential business threats. The capability of these risk mitigation plans, developed to redress identified threats, is honed to protect the interests of all Shareholders. Crisis management plans are well documented.

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized and reported correctly.

(11) General Shareholder Information

(a) Annual General Meeting

- Date & Time : 30/09/2010 at 09:30 A.M.
- Place : Lok Kala Manch, 20 Institutional Area, Lodhi Road, New Delhi-110003

(b) Financial Calendar : 20010-11

Financial Results for the Quarter Ended:

- 30th June, 2010 - 30th July 2010
- 30th September, 2010 - End October, 2010
- 31st December, 2010 - End January, 2010
- 31st March, 2011 - End April, 2011
- Approval of Audited Results for the year ended - 31.03.2011-31st August, 2011

(c) Date of book Closure - 30th September, 2010

(d) Listing on Stock Exchanges:

The shares of the Company are listed on the following stock exchanges:

S. No.	STOCK EXCHANGE	ADDRESS
(a)	Bombay Stock Exchange	The Bombay Stock Exchange Phiroze Jeejeebhoy Tower, 25th Floor, Dalal Street, Mumabi- 400 001
(b)	Delhi Stock Exchange	The Delhi Stock Exchange, DSE House, 3/1, Asaf Ali Road, New delhi – 110002

The Company has paid Annual Listing Fees to Stock Exchanges.



PHOENIX INTERNATIONAL LIMITED

(e) Stock Exchange Code at BSE : 526481

Stock Market Data: High & Low during each month in last financial year from April, 2009 to March, 2010 on Bombay Stock Exchange.

YEAR	MONTH	HIGHEST RATE (Rs.)	LOWEST RATE (Rs.)
2009	April	8.61	6.41
2009	May	12.1	7.47
2009	June	17.1	11.77
2009	July	12.42	9.51
2009	August	13.84	9.72
2009	September	16.15	12.65
2009	October	22.45	13.15
2009	November	21.3	15.3
2009	December	24.6	17.95
2010	January	22.6	17
2010	February	18.7	16.2
2010	March	18	14.8

(f) Share Transfer System:

The Company has out sourced share transfer function to M/s Mas Services Limited, which is registered with SEBI as a Category-I Registrar and Transfer Agent.

(g) Dematerialization of Shares:

The Company has entered into agreement with NSDL and CDSL for the purpose. The Company ISIN No. is INE245B01011.

(h) (i) Distribution of Shareholding as on 31st March, 2010

Shareholding of Nominal Value (Rs.)	Shareholders		Share Amount	
	Number	% to Total	In Rs.	% to Total
1	2	3	4	5
Up to 5000	8957	91.017	1,65,70,740	9.870
5001 – 10,000	492	4.999	39,46,450	2.351
10,001-20,000	214	2.175	33,64,140	2.004
20,001-30,000	61	0.620	15,73,680	0.937
30,001-40,000	24	0.244	8,52,700	0.508
40,001-50,000	24	0.244	11,22,200	0.668
50,001-1,00,000	31	0.315	22,42,040	1.335
1,00,001- and above	38	0.386	13,82,23,650	81.977
	9841	100.00	16,78,95,600	100.00



(i) (ii) Shareholding Pattern as on 31st March, 2010

Category		No. of shares held	Percentage of shareholding
A.	Promoter's holding		
1.	Promoters		
	– Indian Promoters	27,36,000	16.296
	– Foreign Promoters	Nil	Nil
2.	Persons acting in concert	91,03,450	54.221
	Sub – Total :	1,18,39,450	70.517
B.	Non-Promoters Holding		
3.	Institutional Investors		
	a. Mutual Funds and UTI	Nil	Nil
	b. Banks, Financial Institutions, Insurance Companies (Central/Sale Govt. Institutions/ Non-Government Institutions)	Nil	Nil
	c. FIs	Nil	Nil
	Sub Total	Nil	Nil
4.	Others		
	a. Corporate Bodies	8,14,304	4.850
	b. Indian Public	29,92,954	16.349
	c. NRIs/OCBs	11,20,577	6.674
	d. Any other (please specify)- Clearing Members	22,275	0.133
	Sub-Total	49,50,110	29.484
	Grand Total	1,67,89,560	100.00

(h) Registrar and Transfer Agent

Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110 020

(i) Plant Location

Phoenix International Ltd.

No77/70A, Thiruneermalai Main Road, Nagalkeni, Chromepet, Chennai, Tamilnadu India Pin - 600044

(j) Address for Correspondence

Phoenix International Limited

3rd Floor, Gopala Tower, 25, Rajendra Place, New Delhi – 110008

NON MANDATORY REQUIREMENT

The company has not adopted non-mandatory requirement.

For and on behalf of the Board
PHOENIX INTERNATIONAL LIMITED

Place: New Delhi

Date : 30.07.2010

Narender Makkar
Director & Company Secretary

Arun Kumar Sinha
Director



PHOENIX INTERNATIONAL LIMITED

ANNEXURE – 1

INFORMATION AS PER CLAUSE 49(IV) (G) (i) OF THE LISTING AGREEMENT FOR ITEM NO. 2 OF THE NOTICE FOR RE-APPOINTMENT OF DIRECTOR OF THE COMPANY:

Item No. 2

Name of the Director	:	Mr. P.M. Alexander
Date of Birth	:	14.11.1954
Date of appointment	:	30.09.2008
Expertise in Specific Functional area	:	Liaisoning & PR
Qualification	:	Graduate

Mr. P.M. Alexander is Director in the following Companies:

1. Phoenix International Limited
2. Phoenix Industries Limited
3. Phoenix Cement Limited
4. Phoenix Capital Services Limited
5. Phoenix Power Development Limited
6. Focus Energy Limited
7. Multidot Entertainment Limited
8. Phoenix Footwear Private Limited
9. Phoenix Hydro Carbon Limited
10. Phoenix Real Time Services Limited
11. Sasoon Agencies Private Limited
12. Phoenix Land Development Limited
13. Yellow Leasing and Finance Limited
14. Savare Trade Enterprises Limited
15. Phoenix International Finance Limited

Mr. P.M. Alexander is a member of Committee in the following Companies:

1. Phoenix International Limited (Audit Committee).
2. Phoenix Real Time Services Limited (Audit Committee).
3. Savare Trade Enterprises Limited (Audit Committee).
4. Yellow Valley Leasing and Finance Limited (Audit Committee).
5. Focus Energy Limited (Remuneration Committee).

He does not hold any Share in the Company.



CODE OF CONDUCT AND COMPLIANCE WITH THE CODE OF CONDUCT

"The Company's Board of Directors and Senior Management are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the need of investors and all other stakeholders as also reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in spirit."

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Whole Time Director is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the financial year 2009-2010.

PHOENIX INTERNATIONAL LIMITED

Place : New Delhi
Date : 31.08.2010

Narender Makkar
Director & Company Secretary

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,

THE MEMBERS OF PHOENIX INTERNATIONAL LIMITED

We have examined the compliance of conditions of Corporate Governance by Phoenix International Limited ("Company") for the year ended on 31st March, 2010 as stipulated in the Clause 49 of the Listing Agreement in respect of equity shares of the said Company with the Stock Exchanges.

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

According to the information and explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreements with the Stock Exchanges.

We state that no shareholder grievance is pending for a period exceeding one month against the Company as per the information furnished by the Registrar & Transfer Agent and records maintained by the company.

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

**For M/s RKM & Associates
Chartered Accountants**

Place : New Delhi
Date : 31.08.2010

(Rakesh Mathur)
(Partner)



AUDITORS' REPORT

TO THE MEMBERS OF PHOENIX INTERNATIONAL LIMITED

We have audited the attached Balance Sheet of PHOENIX INTERNATIONAL LIMITED as at 31st March, 2010, the Profit & Loss Account and the Cash Flow Statement for the year 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 these financial statements based on our audit.

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 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.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended 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 give in the Annexure a statement on the matters specified in the paragraph 4 and 5 of the said Order, to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph '1' above, we report that:-
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) on the basis of the written representations received from the Directors of the Company as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as Director 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 financial statements, read together with the Notes thereon, 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:-
 - in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
 - in the case of the Profit & Loss Account, of the loss of the Company for the year ended on that date ; and
 - in the case of the Cash Flow Statement of the cash flows of the company for year ended on that date.

For RKM & Associates
Chartered Accountants

Place: New Delhi
Date : 31.08.2010

(Rakesh Mathur)
Prop.

ANNEXURE REFERRED TO IN PARAGRAPH '1' OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF PHOENIX international LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH' 2010

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. However, the records need to be updated with regard to situation of fixed assets and sufficient description to make identification of fixed assets possible.
- (b) As explained to us, the fixed assets have been physically verified by the management at the end of the accounting year. As explained to us, no material discrepancies were noticed on comparison of physical quantities with those as per fixed assets register. In our opinion, the program of physical verification of fixed assets is reasonable having regard to the size of the company and nature of its fixed assets.
- (c) The Company during the year has not disposed off any substantial / major part of its fixed assets.
2. (a) As explained to us, the inventories have been physically verified by the management at the end of the accounting year. In our opinion, the frequency of physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. According to the information and explanations given to us, no material discrepancies have been noticed on physical verification of inventory as compared to the book records.
3. (a) According to the Information -and explanations to us, the Company during the year has not granted any loans, secured or unsecured, to companies, firms or others parties covered in the register maintained under Section 301 of the Companies Act, 1956 except an interest free loan of Rs. 330.00 lacs granted to its subsidiary company Phoenix Industries Ltd. The maximum amount involved during the year was Rs. 330.00 lacs and the year end balance of loan granted to subsidiary company was Rs. 330.00 lacs.
- (b) The company has not charged any interest on above loan granted to its subsidiary company. Other than the above, in our opinion, the terms and conditions of above loan granted by the Company are not prima facie, prejudicial to the interest of the Company.
- (c) The terms and conditions of the above loan granted to subsidiary company have not been stipulated in writing.
- (d) According to the information and explanations given to us, there is no overdue amount of loan granted to subsidiary company.
- (e) The Company has taken an interest free unsecured loans of Rs. 625.39 lacs from two companies / parties covered in the register maintained under Section 301 of the Companies Act, 1956. The opening balance of the unsecured loans taken was Rs. 625.39 lacs. The maximum amount involved during the year was Rs. 625.39 lacs and the year-end balance of the interest free unsecured loans were Rs. 87.00 lacs.
- (f) The above stated unsecured loans taken by the company are interest free. In our opinion, the terms and conditions of the same are prima facie, not prejudicial to the interest of the Company.
- (g) The terms of repayment of interest free unsecured loans obtained have not been stipulated in writing and as explained to us, the said unsecured loans are repayable on demand.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
5. (a) According to the information and explanations given to us, particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) Excluding certain transactions of purchase/sale of goods and material of special nature for which alternate quotations/source of supply was not available and on the basis of technical evaluation in respect of the quality of the items and because of the special type of work involved, the transactions entered into pursuant to such contracts and arrangements, in our opinion and according to the information and explanations given to us, have been made at prices which are prima facie reasonable having regard to the prevailing market price at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
7. According to the information and explanations given to us, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
8. The Company has maintained Cost Accounting records as prescribed for Footwear and its components by the Central Government under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company. However, we have not made detailed examination of such records with a view to determine whether they are accurate and complete.
9. (a) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales-tax, wealth tax, customs duty, excise-duty, cess and other material statutory dues as applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales tax, customs duty, excise duty and cess were outstanding as at 31st March' 2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the disputed statutory dues, which have not been deposited with appropriate authorities on account of any dispute, are as under: -



Nature of the dues	Period to which relates	Amount involved Rs.	Forum where dispute is pending
1. Sales Tax	1994-95	291,515	Hbn'ble Allahabad High Court, Allahabad
2. Wealth Tax	(i) 2002-03	465,431	Income Tax Appellate
	(ii) 2003-04	379,713	Tribunal, New Delhi

10. The Company does not have any accumulated losses at the end of the financial year. The company has not incurred any cash losses during the current financial year covered by our audit and also in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company during the year has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
13. According to the information and explanations given to us, the Company is not a Chit Fund or a Nidhi or a Mutual Benefit Fund / Society. Accordingly, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
14. According to the information and explanations given to us, the Company is not trading in shares, securities, debentures & other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. In our opinion, the terms and conditions on which the company has given guarantees for loans taken by others from banks or financial institutions are not prima-facie prejudicial to the interest of the Company.
16. To the best of our information & according to explanations given to us, the Company has applied its term loan for the purposes for which the said term loan was obtained.
17. According to the information and explanations given to us, no funds raised on short-term basis have been used for long term investment and vice versa.
18. The Company during the year has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 and the question of whether the price at which the shares have been issued is prejudicial to the interest of the Company does not arise. Accordingly, the provisions of clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
19. The Company during the year has not issued any debentures. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. The Company during the year has not raised any money by way of public issues. Accordingly, the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
21. During the course of our examination of the books and records of the Company, no fraud on or by the Company has been noticed or reported during the year covered by our audit.

For RKM & Associates
Chartered Accountants

Place: New Delhi
Date : 31.08.2010

(Rakesh Mathur)
Prop.



PHOENIX INTERNATIONAL LIMITED

BALANCE SHEET AS AT 31'st MARCH,2010

DESCRIPTION	SCHEDULE		AS AT 31.03.2010 (Rs.)		AS AT 31.03.2009 (Rs.)
SOURCES OF FUNDS					
SHARE HOLDERS' FUNDS					
Share Capital	1	167,895,600		167,895,600	
Reserves and Surplus	2	475,707,853		468,306,727	
			643,603,453		636,202,327
LOAN FUNDS	3				
Secured Loans			614,949,311		335,440,072
Unsecured Loans			8,700,000		8,700,000
			1,267,252,764		980,342,399
APPLICATION OF FUNDS					
FIXED ASSETS	4				
Gross Block		691,187,532		469,871,268	
Less: Depreciation		222,958,639		201,066,569	
Net Block		468,228,893		268,804,699	
Capital work in progress		44,062,405		254,778,820	
			512,291,298		523,583,519
INVESTMENTS	5		159,082,580		159,082,580
CURRENT ASSETS, LOANS AND ADVANCES	6				
Inventories		42,378,104		34,075,714	
Sundry Debtors		138,967,640		62,556,399	
Cash and Bank Balances		11,306,748		12,119,853	
Loans and Advances		991,644,857		619,213,583	
		1,184,297,348		727,965,549	
LESS : CURRENT LIABILITIES AND PROVISIONS	7				
Liabilities		578,954,990		422,878,893	
Provisions		9,463,471		7,410,356	
		588,418,461		430,289,249	
Net Current Assets			595,878,886		297,676,300
			1,267,252,764		980,342,399
Accounting Policies and Notes to the Accounts	13				

As per our Report of Even Date Attached

for R.K.M & ASSOCIATES

Chartered Accountants

Rakesh Mathur

Prop.

Place : New Delhi

Date: 31.08.2010

For and on behalf of the Board of Directors

Narender Makkar
Director & Company Secretary

Narendra Aggarwal
Director



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

DESCRIPTION	SCHEDULE	YEAR ENDED	
		31' st MARCH, 2010 (Rs.)	YEAR ENDED 31' st MARCH, 2009 (Rs.)
INCOME			
Sales and Services	8	212,374,904	172,347,341
Other Income	9	21,207,299	15,235,918
		<u>233,582,203</u>	<u>187,583,259</u>
EXPENDITURE			
Manufacturing Expenses	10	121,966,028	104,824,284
Administration and other Expenses	11	31,095,833	11,496,502
Interest	12	49,583,133	48,332,750
Depreciation		22,026,082	14,884,902
		<u>224,671,075</u>	<u>179,538,438</u>
PROFIT FOR THE YEAR BEFORE EXTRA ORDINARY ITEM		8,911,128	8,044,821
Add Extra Ordinary Item			-
PROFIT AFTER EXTRA ORDINARY ITEMS BUT BEFORE TAX		8,911,128	8,044,821
Less :- Tax paid/Adjustment for Earlier Year			92,696
Less: -Provision for Income Tax		1,510,000	830,000
Less: -Provision for Fringe Benefit Tax		-	160,000
PROFIT AFTER TAXATION		7,401,128	6,962,125
Add: Profit /(Loss) Balance brought forward		243,986,032	237,023,907
		<u>251,387,160</u>	<u>243,986,032</u>
Balance carried to Balance Sheet		251,387,160	243,986,032
Earning per share- Basic and Diluted		0.44	0.41
Accounting Policies and Notes to the Accounts	13		

AS PER OUR REPORT OF EVEN DATE ATTACHED

for R.K.M & ASSOCIATES
Chartered Accountants

Rakesh Mathur
Prop.

Place : New Delhi
Date: 31.08.2010

For and on behalf of the Board of Directors

Narender Makkar
Director & Company Secretary

Narendra Aggarwal
Director



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

Name of the subsidiary	Phoenix Industries Ltd.	Phoenix Cement Ltd.
1. Financial year of the Subsidiary ended on	March 31, 2010	March 31, 2010
2. Holding company's Interest		
i) No. and Face Value of Shares	Holding of 84,32,300 Equity Shares of Rs. 10/- each fully paid-up.	Holding of 4,19,53,510 Equity Shares of Rs. 10/- each fully paid-up.
ii) Extent of holding	89.40%	50.57%
3. Net aggregate amount of Subsidiary's Profit / Loss so far as they concerns the member of the Holding Company and not dealt with in the Holding Company's accounts		
i) For Subsidiary Financial Year	(4.66) Lacs	(2.48) Lacs
ii) For Subsidiary previous financial year since it became Subsidiary	(886.67) Lacs	(1154.92) Lacs
4. Net aggregate amount of Subsidiary's Profits/(Loss) so far as it concerns the member of the Holding Company and dealt with in the Holding Company's accounts		
i) For subsidiary financial year	Nil	Nil
ii) For Subsidiary previous financial year since it became subsidiary	Nil	Nil
5. Change in the interest of Holding Company between the end of Subsidiary financial year and the end of Holding Company's financial year.	Not applicable	Not Applicable
6. Material change between the end of Subsidiary company financial year and the Holding Company's financial year		
i. Fixed Assets	Not applicable	Not applicable
ii. Investments	Not applicable	Not applicable
iii. Monies lent by the subsidiary	Not applicable	Not applicable
iv. Monies borrowed by the subsidiary Other than for meeting current liabilities	Not applicable	Not applicable

For and on behalf of the Board
PHOENIX INTERNATIONAL LIMITED

Place: New Delhi
Date: 31.08.2010

Narender Makkar
Director & Company Secretary

Arun Kumar Sinha
Director

Narendra Agarwal
Director



PHOENIX INTERNATIONAL LIMITED

DESCRIPTION	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
5,00,00,000 Equity Shares of Rs. 10/- each	500,000,000	500,000,000
1,00,00,000 4% Cumulative Redeemable Preference Shares of Rs.100/- each	1,000,000,000	1,000,000,000
	<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, Subscribed and Paid up		
167,89,560 Equity Shares of Rs. 10/- each fully paid up [Of the above 143,75,080 Equity Shares of Rs. 10/- each allotted as fully paid up bonus shares by capitalisation of accumulated profits and share premium]	167,895,600	167,895,600
	<u>167,895,600</u>	<u>167,895,600</u>
SCHEDULE - 2		
RESERVES AND SURPLUS		
A. General Reserve		
As per last Year	100,121,793	100,121,795
Less; Transitional effects on Account of AS-15 (Revised)	-	-
	<u>100,121,793</u>	<u>100,121,795</u>
B. Share Premium Account		
As per last year	124,198,900	124,198,900
C. Profit & Loss Account (As per annexed Account)	251,387,160	243,986,032
	<u>475,707,853</u>	<u>468,306,727</u>
SCHEDULE - 3		
SECURED LOANS		
Term Loan		
From Bank (Note a)	614,949,311	335,440,072
	<u>614,949,311</u>	<u>335,440,072</u>
UNSECURED LOANS		
Loan from Promotor/ Share Holder	8700000	8,700,000
	<u>8,700,000</u>	<u>8,700,000</u>

NOTES

- A) Term Loan from Oriental Bank of Commerce of Rs 6149.49 lacs (Previous year Rs 2166.67 lacs) is secured by way of Equitable Mortgage of Land and Building measuring 61,690 sq. meters at A=37, Sector=60, Noida assignment by way of security of the rights of borrower under sub lease/ lease agreements including assignment of receivable of future rentals/ lease money and first charge on all moveable/ Fixed Assets & inventory (existing and future) of the company. The loan is Repayable in 120 Equated monthly instalments from the date of disbursement. Due with in a year Rs 936.00 lacs (previous year Rs 514.44 lacs)

PHOENIX INTERNATIONAL LIMITED

SCHEDULE - 4
FIXED ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2009 (Rs.)	ADDITIONS DURING THE YEAR (Rs.)	SALE/ ADJUST- MENT (Rs.)	AS AT 31.03.2010 (Rs.)	UPTO 31.03.2009 (Rs.)	FOR THE Period (Rs.)	SALE/ ADJUST- MENT (Rs.)	UPTO 31.03.2010 (Rs.)	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
Leasehold Land	35,715,590	—	—	35,715,590	—	—	—	—	35,715,590	35,715,590
Buildings	349,391,563	220,162,972	—	569,554,535	146,710,335	18,957,700	—	165,668,035	403,886,500	202,681,228
Wooden Structure	2,878,972	—	—	2,878,972	2,878,972	—	—	2,878,972	—	—
Plant & Machinery	40,467,296	1,068,801	219,845	41,316,252	26,133,926	1,555,032	106,787	27,582,171	13,734,081	14,333,370
Office & Other Equipments	3,606,342	194,777	—	3,801,119	3,074,422	139,145	—	3,213,567	587,552	531,920
Vehicles	6,366,574	—	137,023	6,229,551	5,822,970	118,579	27,224	5,914,325	315,226	543,604
Electrical Installations	28,887,253	28,400	—	28,915,653	14,090,194	1,208,336	—	15,298,530	13,617,123	14,797,059
Furniture & Fixtures	2,557,678	218,182	—	2,775,860	2,355,750	47,289	—	2,403,039	372,821	201,928
TOTAL	469,871,268	221,673,132	356,868	691,187,532	201,066,569	22,026,081	134,011	222,958,639	468,228,893	268,804,699
Capital Work-in-progress :-										
Building under construction (B Block)	220,162,972	9,446,557	220,162,972	9,446,557	—	—	—	—	9,446,557	220,162,972
Machinery Pending Installation	23,242,075	—	—	23,242,075	—	—	—	—	23,242,075	23,242,075
Air Conditioner	11,373,773	—	—	11,373,773	—	—	—	—	11,373,773	11,373,773
Total	254,778,820	9,446,557	220,162,972	44,062,405	—	—	—	—	44,062,405	254,778,820
Grand Total	724,650,088	231,119,689	—	735,249,937	201,066,569	22,026,081	134,011	222,958,639	512,291,298	523,583,519
Previous Year	704,923,961	20,283,324	557,197	724,650,088	186,725,157	14,884,902	543,490	201,066,589	523,583,519	518,198,804

* Capitalised to Building a/c

SCHEDULE - 5

DESCRIPTION	AS AT 1.04.2009 (Rs.)	ADDITIONS DURING THE YEAR (Rs.)	SALES DURING THE YEAR (Rs.)	AS AT 31.03.2010 (Rs.)
Investments				
Long Term Trade Investments - At Cost Unquoted Shares in Subsidiary Companies Phoenix Industries Limited				
84,32,300 Equity Shares of Rs. 10/- each fully paid up. (Previous year 84,32,300)	148,084,590			148,084,590
Less :- Provision for diminution in value of Investments	120979863	27,104,727	—	120,979,863
PHOENIX CEMENT LIMITED				
419,53,510 Equity Shares of Rs. 10/- each fully paid up (Previous year 4,19,53510)	419,535,100			419,535,100
Less :- Provision for diminution in value of Investments	288,688,144	130,846,956	—	130,846,956
SHARES IN OTHER COMPANIES				
BLOOMSBURY TRADING PTE. LTD., SINGAPORE				
46,000 Equity Shares of Singapore Dollar 1/- each fully paid up (Previous year 46,000)	1130597	—	—	1,130,597
PHOENIX HYDRO CARBONS LIMITED				
10 Equity Shares of Rs.10/- each fully paid up (Previous year 10)	100	—	—	100
PHOENIX FOOTWEAR PRIVATE LIMITED				
10 Equity Shares of Rs.10/- each fully paid up(Previous year 10)	100	—	—	100
10 Equity Shares of Rs.10/- each fully paid up (Previous year 10)	100	—	—	100
	159,082,580			159,082,580

NOTES :

- 100 Equity Shares of Rs.10/- each of Phoenix Industries Ltd. are held by a nominee having no beneficial interest therein.
- A Provision of Rs. 1209.80 lacs had been made in the previous year for diminution in the value of investment in Phoenix Industries Ltd. based on intrinsic value of equity shares.
- A Provision of Rs. 2886.88 lacs had been made in the previous year for diminution in the value of investment in Phoenix Cement Ltd based on intrinsic value of equity shares.



PHOENIX INTERNATIONAL LIMITED

DESCRIPTION	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
SCHEDULE - 6		
CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS		
INVENTORIES (AS TAKEN, VALUED AND CERTIFIED BY THE MANAGEMENT)		
Raw Materials	36,713,988	26,494,367
Work In Process	5,664,116	7,581,347
	<u>42,378,104</u>	<u>34,075,714</u>
NOTES:		
a. Valuation of Inventories as per Accounting Policy No. 3		
b. Inventories include:		
With third Parties	<u>3,887,680</u>	<u>3,529,580</u>
SUNDRY DEBTORS - UNSECURED		
Debts outstanding for a period exceeding six months		
– Considered Good	72,537,084	–
– Considered Doubtful	59,960,832	59,960,832
Others debts		
– Considered Good	66,430,556	62,556,399
– Considered Doubtful		
	<u>198,928,472</u>	<u>122,517,231</u>
Less : Provision for Doubtful Debts	<u>59,960,832</u>	<u>59,960,832</u>
	<u>138,967,640</u>	<u>62,556,399</u>
CASH AND BANK BALANCES		
a) Cash in hand	823,365	3,571,810
b) Balance with Scheduled Banks in		
– Current Accounts	1,457,123	3,100,783
– Fixed Deposit *	9,026,260	5,447,260
	<u>11,306,748</u>	<u>12,119,853</u>
NOTES:		
a. Balance in current account includes		
– uncashed dividend warrants	213,670	953,383
* Balance in Fixed deposits includes deposits pledged with banks, sales Tax	278,538	278,538

PHOENIX INTERNATIONAL LIMITED



DESCRIPTION	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
B) LOANS AND ADVANCES (UNSECURED)		
(CONSIDERED GOOD UNLESS OTHERWISE STATED)		
Loans		
– Considered Good	468,042,337	33,000,000
Advances recoverable in cash or in kind or for value to be received		
– Considered Good	489,021,123	554,889,492
– Considered Doubtful	456,206	456,206
	<u>957,519,666</u>	<u>588,345,698</u>
Less: Provision for Doubtful Advances	456,206	456,206
	<u>957,063,460</u>	587,889,492
Due from Subsidiary Companies	16,478,069	17,461,235
Advance Tax / Tax deducted at Source	15,626,429	11,385,957
Deposits - Considered Good	2,476,899	2,476,899
	<u>991,644,857</u>	<u>619,213,583</u>
SCHEDULE - 7		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors*	288,203,659	153,267,618
Security Deposit	262,083,337	240,146,471
Unclaimed Dividend	210,350	946,791
Other Liabilities	28,034,768	28,365,115
Book Over Draft	422,876	152,898
	<u>578,954,990</u>	<u>422,878,893</u>
PROVISIONS		
Gratuity	2,104,026	1,694,899
Leave Encashment	1,203,341	1,068,079
Taxation-Income Tax/Wealth Tax/Fringe Benefit Tax	6,156,104	4,647,378
	<u>9,463,471</u>	<u>7,410,356</u>
NOTES:		
*Include due to SSI Units -NIL- (Previous Year NIL) Refer note no 3 of Schedule 13		
SCHEDULE - 8		
SALES AND SERVICES		
Sales and Services	136,336,807	126,863,868
Export Entitlements/Benefits	–	1,058,847
Rent Received (Gross) (Tax deducted at source Rs 22,67,236 (Previous Year Rs 50,82,398)	76,038,097	44,424,626
	<u>212,374,904</u>	<u>172,347,341</u>
SCHEDULE - 9		
OTHER INCOME		
Interest Received (Gross) (Tax deducted at source Rs 14,41,730 (Previous Year Rs 85,764)	14,258,678	416,350
Sale of scrap		424,190
Exchange Gain (Net)	675,929	–
Profit on sale of fixed Assets	4,921	16,293
Credit / Unclaimed balances written back	–	6,313,313
Excess Provision written back (Net)	–	1,931,202
Other Receipts	6,267,771	6,134,570
	<u>21,207,299</u>	<u>15,235,918</u>



PHOENIX INTERNATIONAL LIMITED

DESCRIPTION	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
SCHEDULE - 10		
MANUFACTURING EXPENSES		
Raw Material Consumed		
Opening Stocks	26,494,367	19,240,240
Add; Purchases	<u>109,703,793</u>	<u>96,201,735</u>
	136,198,160	115,441,975
Less; Closing Stocks	<u>36,713,988</u>	<u>26,494,367</u>
(Increase)/Decrease in Stocks	99,484,172	88,947,608
Opening Stocks		
Finished Goods		-
Work in Process	<u>7,581,347</u>	<u>5,066,656</u>
	7,581,347	5,066,656
Less:- Closing Stocks		
Finished Goods		
Work in Process	<u>5,664,116</u>	<u>7,581,347</u>
	5,664,116	7,581,347
Fabrication Charges	1,917,231	(2,514,691)
Power and Fuel	7,244,518	4,968,571
Repairs and Maintenance	346,389	330,214
– Building	127,620	261,914
– Others	<u>1,058,661</u>	<u>424,081</u>
Salaries, Wages, Allowance, Bonus, Exgratia etc.	1,186,281	685,995
Contribution to Provident Fund, E.S.I.C , etc.	10,246,420	10,668,015
Staff Welfare	916,683	971,823
	624,334	766,749
	<u>121,966,028</u>	<u>104,824,284</u>
SCHEDULE - 11		
ADMINISTRATIVE AND OTHER EXPENSES		
Rent , rates and taxes	3,175,732	2,832,356
Insurance	196,331	171,775
Auditors Remuneration:		
– Audit Fee	66,180	66,180
– Tax Audit Fee	16,545	16,545
Directors Sitting fee	16,000	24,000
Advertisement & Publicity and Business Promotion	193,259	162,983
Brokerage Charges	11,032,034	-
Exchange Loss (Net)	-	1,851,923
Vehicle Maintenance	337,750	240,539
Telephone & Telex Expenses	309,428	315,761
Bank and Financial Charges	7,863,316	401,274
Legal & Professional Charges	2,383,858	1,881,679
Travelling and Conveyance	543,767	750,771
Miscellaneous Expenses	2,669,153	611,731
Freight Outward, Handling and Clearing Charges	1,758,164	1,362,821
Watch and Ward	534,316	806,164
	<u>31,095,833</u>	<u>11,496,502</u>



DESCRIPTION	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
SCHEDULE - 12		
INTEREST		
Term Loan	46,178,365	47,677,778
Others	<u>3,404,768</u>	654,972
	<u>49,583,133</u>	<u>48,332,750</u>

SCHEDULE – 13

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

1. a) Basis of Preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention, on accrual basis, in accordance with Generally Accepted Accounting Principles (GAAP) and comply in all respect with the mandatory applicable accounting standards and relevant provisions and presentational requirements of the Companies Act, 1956.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2. Fixed Assets

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. All costs relating to the acquisition and installation of Fixed Assets are capitalized and include financing costs relating to borrowed funds attributable to construction or acquisition of fixed asset up to the asset is put to use. Capital work in progress is stated at amount expended up to the date of Balance Sheet.

3. Valuation of Inventories

- a) Raw materials, stores and spares are valued at lower of cost or net realizable value.
- b) Works in progress are valued at lower of cost or net realizable value and includes cost of raw material, direct labour and proportionate overheads including fabrication charges.
- c) Finished goods and trade goods are valued at lower of cost or net realizable value. Finished Goods lying in the factory-bonded premises are valued inclusive of excise duty.
- d) Goods in transit are valued at lower of cost or net realizable value.
- e) Cost is determined on FIFO basis for all categories of inventories

4. Depreciation

- a) Depreciation on fixed assets has been provided on prorata basis on Straight Line Method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956. Fixed Assets shifted from erstwhile two units , H.O and Chennai are depreciated at written Down Value Method as per past practice.
- b) No write off is made in respect of long term leasehold land.

5. Foreign Exchange Transactions

Transactions in foreign currency are recorded at the exchange rates existing at the time of the transaction. All current assets and liabilities are converted at the exchange rates prevailing on the last working day of the accounting year and loss or gain on conversion, if any has been charged to the Profit and Loss Account. Foreign Exchange differences relating to acquisition of fixed assets are adjusted to the carrying cost of the relevant fixed assets.

6. Sales

Export sales are accounted for on the basis of the date of Bill of Lading. Domestic sales are accounted for on the basis of ex-factory/ godown dispatches. Sales include excise duty but exclude discounts, sales tax and all other charges.

7. Export Benefits

Sale of advance licenses is accounted for on realization basis. Duty Drawbacks and Duty Entitlement Pass Book benefits are accounted for on accrual basis.



PHOENIX INTERNATIONAL LIMITED

8. Employee Benefits

Employee Benefits are recognized/accounted for on the basis of revised AS-15 detailed as under :-

- i) Short Term Employee benefits are recognized as expense at the undiscounted amount in the Profit & Loss account of the year in which they are incurred.
- ii) Employee benefits under defined contribution plans comprise of contribution to Provident Fund. Contributions to Provident Fund are deposited with appropriate authorities and charged to Profit & Loss account.
- iii) Employee Benefits under defined benefit plans comprise of gratuity and leave encashment which are accounted for as at the year end based on actuarial valuation by following the Projected Unit Credit (PUC) method.
- iv) Termination benefits are recognized as an Expense as and when incurred.
- v) The actuarial gains and losses arising during the year are recognized in the Profit & Loss account of the year without resorting to any amortization.

9. Investments

Investment in subsidiary and other companies are treated as long-term investments and are stated at cost. Provision for diminution in the market value of long-term investments is made only if such decline is considered permanent by the management.

10. Impairment of Fixed Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's Fixed Assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the assets in prior year.

11. Contingencies

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation, in respect of which the likelihood of outflow of resources, is remote, provision or disclosure will be made.

B) NOTES TO THE ACCOUNTS

1. Contingent Liabilities not provided for

		As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. in Lacs)
(a)	Income Tax, Sales Tax, Excise Duty and Custom Duty demands under Appeals.	11.37	11.37
(b)	Corporate Guarantee for loans availed by Focus Energy Limited.	19700.00	19700.00

2. The accounts of the Company have been prepared on going concern basis.
3. No creditor has intimated about their status being of small scale industrial undertaking.
4. As the Company has unabsorbed depreciation and unabsorbed losses to the tune of Rs. 4629.13 lacs which are to be carried forward as per the provisions of the Income Tax Act, 1961, in the opinion of the management there is no certainty that sufficient future taxable income will be available, the Company has not recorded cumulative Deferred Tax Assets / Liabilities on account of timing differences as stipulated in Accounting Standard (AS-22) "Accounting for Taxes on Income".
5. Disclosure pursuant to Accounting Standard – 15
 - a) Consequent upon the adoption of Accounting Standard – 15 (Revised) – Employee Benefits, in accordance with the stipulations contained therein, the company has adjusted Rs.6,78,205/- towards the transitional effect of defined benefit obligation in respect of employee benefits up-to 31st March, 2007 to the balance of General Reserve as on 1st April, 2007.
 - b) Defined Contribution Plan

Amount recognized as expense for defined contribution plans are as under:—

Particulars	Amount (in Rs.)	Head under which shown in Profit & Loss Account
Contribution to Provident Fund	7,02,654	Contribution to Provident Fund

- c) Defined Benefit Plan
Movement in net liability

Particulars	Gratuity (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
Present value of obligations as on 01.04.09 (A)	16,94,899	1237440	10,68,079	930034
Adjustment for increase (decrease) in opening obligation (B)	—	—	—	—
Interest Cost (C)	1,18,643	98995	74,766	74403
Current service cost (D)	2,32,346	249074	1,01,152	168117
Benefits paid (E)	Nil	Nil	(2,99,993)	(200769)
Actuarial loss on obligation (F)	58,138	109.390	2,59,337	96294
Present value of obligations as on 31.03.2010 (G=A+B+C+D-E+F)	21,04,026	1694899	12,03,341	1068079

- d) The amounts recognized in the balance sheet and Profit & loss account are as follows :

Particulars	Gratuity (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
Present value of obligations (A)	21,04,026	1694899	12,03,341	1068079
Estimated fair value of plan assets (B)	Nil	—	Nil	
Net liability (C=A-B)	21,04,026	1694899	12,03,341	1068079
Amount in the Balance Sheet				
Laibilities	21,04,026	1694899	12,03,341	1068079
Amount charged to Profit & Loss Account				
Current Service Cost	2,32,346	249074	1,01,152	168117
Interest Cost	1,18,643	98995	74,766	74403
Actuarial(Gain)/Loss	58,138	109390	2,59,337	96294
	4,09,127	457459	4,35,255	338814
Head under which shown in the Profit & Loss account	Salary& benefits	Salary& benefits	Salary& benefits	Salary& benefits

- e) Following are the Principal Actuarial Assumptions used as at the balance sheet date

Particulars	
Discount Rate	7.8%
Salary Escalation Rate	10%

6. Segment Reporting:

- i) Based on the guiding principles given in Accounting Standard (AS-17) "Segment Reporting", there are no separate reportable segment.

7. Related Party Transactions:-

- i) In accordance with the requirements of Accounting Standard -(AS-18) on Related Party Disclosures, the name of the related parties where control exists and / or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:-

a) Key Managerial Personnel

Mr. Narender Kumar Makkar
Mr. Narendra Aggarwal
Mr. Arun K.Sinha
Mr. P. M. Alexander



PHOENIX INTERNATIONAL LIMITED

b) Subsidiary Companies

Phoenix Cement Limited
Phoenix Industries Limited

c) Enterprises under direct / indirect common control:

Focus Energy Limited

ii) The following transactions were carried out with related parties in the ordinary course of business:

Particulars	YEAR ENDED 31.03.2010			PERIOD ENDED 31.03.2009		
	Key Management Personnel	Subsidiary	Associates	Key Management Personnel	Subsidiary	Associates
Purchase of goods		–	–	–	–	3,52,632
Sales of Goods				–		
Directors Remuneration and contribution to provident fund	15,33,174	–	–	10,62,088	–	–
Directors Sitting Fees	16,000	–	–	24,000	–	–
Outstanding as at the year end:						
Unsecured Loans	87,00,000	–	–	87,00,000	–	–
Investments (net of provisions)		15,79,51,683	–		15,79,51,683	–
Current Liabilities		–		–	–	
Sundry Debtors		–	6,64,30,556	–	–	4,98,30,923
Loans granted		3,40,00,000	43,40,42,337	–	3,30,00,000	–
Advances recoverable in cash or in kind or for value to be received		66,454	45,17,52,986	–	1,74,61,235	52,52,68,896
Guarantee Given	–	–	197,00,00,000	–	–	197,00,00,000

8. Particulars of Earning per Share pursuant to Accounting Standard -(AS-20)

	Year Ended 31.3.2010	Year Ended 31.3.2009
Net Loss / Profit	Rs 74,01,128	Rs. 69,62,125
Number of Equity Shares	1,67,89,560	1,67,89,560
Nominal Value of the share	Rs.10	Rs.10
Earning / (Loss) per share (Basic and Diluted)	Rs0.44	Rs. 0.41

9 The Company generally enters into cancelable operating leases for office premises, godowns, factory premises and residence of the employees, normally renewable on expiry. Lease payments amounting to Rs. 9.49 (Previous Year Rs.7.18 lacs) made under operating leases have been recognized as an expenses in the profit and loss account.

10 Details of Extra ordinary items in Profit and Loss Accounts are as under;

(Rs. In Lacs)

SL. NO.	PARTICULARS	Year Ended 31.03.2010	Year Ended 31.03.2009
(i)	Provision made in earlier years for diminishing in value of fixed assets written back.	–	–
(ii)	Provision made in earlier year for discount / provision for doubt full debts / advances written back.	–	–
(iii)	Provision on accounts of settlement of outstanding dues with banks and financial institutions written back.	–	–
	TOTAL	–	–

11. Prior Period expenditure of Rs. lacs have been included under normal head of expenses.
 12. Auditors remuneration is as under: -

	YEAR ENDED 31.03.2010 (Rs.)	PERIOD ENDED 31.03.2009 (Rs.)
1. Audit Fees	66,180	66,180
2. Tax Audit Fees	16,545	16,545

13. Debit / Credit balances as on 31st March, 2010 in Debtors, Creditors, Loans & Advances and other parties accounts are subject to confirmations.
 14. In the opinion of the management, the value on realization of Current Assets and Loans & Advances in the ordinary course of business would be at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities is adequate.
 15. Disclosure of Loans/Advances and Investments in its own shares by the listed companies, their subsidiaries, associates etc. (as certified by the management)

Particulars		Outstanding Balance as on 31.03.2010 (Rs.)	Max Balance outstanding during the year (Rs.)
I.	Loans & Advances in the nature of loans to Subsidiaries.	3,40,00,000 (Nil)	3,40,00,000 (Nil)
II.	Loans & Advances in the nature of loans to Associates.	Nil (Nil)	Nil (Nil)
III.	Loans & Advances in the nature of loans where there is no repayment schedule, no interest or interest below Section 372(A) of Companies Act, 1956.	Nil (Nil)	Nil (Nil)
IV.	Loans & Advance in the nature of loans to firms / companies to which directors are interested.	Nil (Nil)	Nil (Nil)
V.	Investment by Loanee in the shares of parent company and subsidiary company when the company has made loan or advance in the nature of loan; - Phoenix Industries Ltd.	No. Shares 84,32,300 (84,32,300)	Amount (Rs.) 2,71,04,727 (2,71,04,727)

16. Previous period figures have been regrouped / rearranged wherever considered necessary to conform to the classification adopted in the current year.
 17. Information pursuant to part IV of Schedule VI to the Companies Act, 1956 is attached.
 18. Director's Remuneration

PARTICULARS		CURRENT YEAR ENDED 31.03.2010	PREVIOUS YEAR ENDED 31.03.2009
I.	Whole Time Director		
	- Salaries and Allowances	14,29,800	9,89,200
	- Contribution to Provident & Other Funds	1,03,374	72,888
		15,33,174	10,62,088



PHOENIX INTERNATIONAL LIMITED

19. STATEMENT OF ADDITIONAL INFORMATION

(I) PARTICULARS OF CAPACITY AND PRODUCTION

DESCRIPTION	UNIT	INSTALLED CAPACITY		PRODUCTION	
		YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
SHOE UPPER	PAIRS	Refer note 1 below	–	1,01,984	93,920
FOOTWEAR	PAIRS	Refer note 1 below	–	-	-
TOTAL		–	–	1,01,984	93,920

NOTE:

- The installed capacity has not been assessed / ascertained by the management.

(II) PARTICULARS OF RAW MATERIAL CONSUMED

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	IN RS	IN RS
Leather/other Raw Material	9,94,84,172	8,89,47,608

(III) PARTICULARS OF PURCHASES-FINISHED GOODS

DESCRIPTION	UNIT	YEAR ENDED		YEAR ENDED	
		QUANTITY 31.03.2010	VALUE (RS. IN LACS) 31.03.2010	QUANTITY 31.03.2009	VALUE (RS. IN LACS) 31.03.2009
SHOE UPPER	PAIRS	–	–	–	–
		–	–	–	–

(IV) OTHER ADDITIONAL INFORMATION

DESCRIPTION	YEAR ENDED 31.03.2010 (Rs in Lacs)	PERCENTAGE	YEAR ENDED 31.03.2009 (Rs in Lacs)	PERCENTAGE
(A) Value of imports on C.I.F Basis	870.71	NIL	733.93	NIL
(B) Expenditure in Foreign currency				
Interest	NIL		NIL	
(C) Earnings in foreign currency				
Export on FOB basis	81.77		82.58	
(D) Value of imported/indigenous Raw Material ,stores, Spares and components consumed	1014.01	NIL	864.32	NIL

for RKM & Associates
Chartered Accountants

for and on behalf of the Board of Directors

Rakesh Mathur
Prop.

Narender Makkar
Director & Company Secretary

Narendra Aggarwal
Director

Place: New Delhi
Date : 31.08.2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2010

(Rs in Lacs)

	YEAR ENDING 31.03.2010	YEAR ENDING 31.03.2009
CASH FLOW FROM OPERATING ACTIVITIES		
A. Net Profit(Loss) Before Tax & Extraordinary Items	89.11	80.48
Add. Extra Ordinary items	-	-
Net Profit(Loss) Before Tax & Extraordinary Items	89.11	80.48
Adjusted for other items		
depreciation	220.26	148.85
Foreign Exchange (Net)	6.76	(18.52)
Interest (Net)	353.24	479.17
Profit on Sale of Investment	-	-
Loss on Sale of investment	-	-
Adjustment for gratuity and leave encashment AS-15	-	-
Loss on sale of Fixed Assesr (Net)		
Profit on Sale of Fixed Assesr(Net)	0.05	0.16
Loss on sale of Assets held for sale	-	-
Provision for Discount and Doubtful Debts\Advances	-	-
Provision for Inventory Write Down		
Operative Profit(Loss) Before Working Capital Changes	669.42	690.11
Adjusted for;		
Trade Recivables & Other Current Assets	(764.12)	337.03
Other current assets	(3,681.95)	469.02
Inventories	(83.02)	(97.69)
Trade & Other Payable	1,574.53	50.65
Cash Generated from Operations	(2,270.00)	1,449.12
Direct Tax Receipts (Net)	(57.50)	(62.06)
Net Cash from Operatives Activities	(2,327.50)	1,387.06
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets\Capital WIP	(109.57)	(202.83)
Sale of Fixed Assets	-	-
Purchase of Investment		
sale of Investments	-	-
Interest Received	142.59	4.16
Net Cash from Investing Activities	33.02	(198.67)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Unsecured	-	-
Proceeds from Secured Loan	-	-
Repayment of Long Term Borrowings (Net)	2,795.09	(167.06)
Repayment of unsecured loan	-	(538.39)
Interest Paid	(495.83)	(483.33)
Net Cash from Financing Activities	2,299.26	(1,188.78)
Net Increase (Decrease) in cash and Cash Equivalents	(8.13)	(0.39)
Cash and Cash Equivalents as at 01.04.2009 (Opening Balance)	121.2	121.59
Cash and Cash Equivalents as at 31.03.2010 (Closing Balance)	113.07	121.20

Narender Makkar
Company Secretary

Narender Aggarwal
Director

AUDITOR's CERTIFICATE

We have examined the above cash flow statement of Phoenix International Limited for the period ended 31.03.2010. The statement has been prepared by the management in accordance with the listing requirements of the stock exchange in India and is based on and derived from the audited financial statements of the company for the year ended 31.03.2010.

for R.K.M & ASSOCIATES

Place: New Delhi
Dated: 31.08.2010

Rakesh Mathur
Prop.



PART - IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

i Registration Details

Registration No.

0	5	5	-	3	0	0	9	2
---	---	---	---	---	---	---	---	---

 State Code

5	5
---	---

Balance Sheet Date

31	03	2010
----	----	------

Date	Month	Year
------	-------	------

ii Capital raised During the year

N	I	L
---	---	---

 Right Issue

N	I	L
---	---	---

Bonus Issue

N	I	L
---	---	---

 Private Placement

N	I	L
---	---	---

iii. Position of Mobilisation and Development of Funds (Rs. in Thousand)

Total Liabilities

1	2	6	7	2	5	3
---	---	---	---	---	---	---

 Total Assets

1	2	6	7	2	5	3
---	---	---	---	---	---	---

Source of Fund

Paid-up Capital

1	6	7	8	9	6
---	---	---	---	---	---

 Reserve & Surplus

4	7	5	7	0	8
---	---	---	---	---	---

Secured Loans

6	1	4	9	4	9
---	---	---	---	---	---

 Unsecured Loans

8	7	0	0
---	---	---	---

Application Funds

Net Fixed Assets

5	1	2	2	9	1
---	---	---	---	---	---

 Investments

1	5	9	0	8	3
---	---	---	---	---	---

Net Current Assets *

5	9	5	8	7	9
---	---	---	---	---	---

 Misc. Expenditure

N	I	L
---	---	---

Accumulated Losses

-

iv Performance of Company

Turnover

2	1	2	3	7	5
---	---	---	---	---	---

 Total Expenditure

2	2	4	6	7	1
---	---	---	---	---	---

Profit / (Loss) Before Tax

8	9	1	1
---	---	---	---

 Profit / (Loss) After Tax

7	4	0	1
---	---	---	---

Earning Per Shares

0	.	4	4
---	---	---	---

 Dividend Rate %

N	I	L
---	---	---

v Generic Names of Three principal products/Services of the Company (As monetary terms)

Item Code No. (ITC Code)

6	4	0	2
---	---	---	---

2	3	0	4	0	3
---	---	---	---	---	---

 64039102

Product Description

F	O	O	T	W	E	A	R
---	---	---	---	---	---	---	---

S	O	Y	A
---	---	---	---

S	H	O	E	U	P	P	E	R
---	---	---	---	---	---	---	---	---

* Net of Current Liabilities & Provisions

Place: New Delhi
Date : 31.08.2010

NARENDER MAKKAR
Director

NARENDER AGGARWAL
Director