



## PHOENIX INTERNATIONAL LIMITED

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### NOTICE

NOTICE IS HEREBY GIVEN THAT THE 26TH ANNUAL GENERAL MEETING OF THE MEMBERS OF PHOENIX INTERNATIONAL LIMITED WILL BE HELD ON MONDAY THE 30TH DAY OF SEPTEMBER, 2013 AT 10.00 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 31.03.2013 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. Narendra Aggarwal, 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: 29.08.2013**

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 30/09/2013.
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.



## PHOENIX INTERNATIONAL LIMITED

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### 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. Narendra Aggarwal.  
Date of Birth : 15.07.1964.  
Date of appointment : 31.01.2005.  
Expertise in Specific Functional area : International Trade.  
Qualification : Graduate, Post Grad. Dip. In International Trade.

Mr. Narendra Aggarwal is Director in other following Companies:

Sr. No:- Nature Of Interest

- 1 Phoenix Real Time Services Limited - Listed Companies
- 2 Granada Services Private Limited
- 3 Phoenix Hydrocarbons Limited
- 4 Phoenix Power Development Corporation Ltd
- 5 Phoenix Cement Limited
- 6 Phoenix International Finance Limited
- 7 Phoenix Land Development Limited
- 8 Spartan Agro Industries Limited
- 9 I Energizer India Private Limited
- 10 Phoenix Industries Limited
- 11 Focus Offshore Private Limited
- 12 Granada Elevator Private Limited
- 13 Deccan I services Private Limited
- 14 I Services India Private Limited

Mr. Narendra Aggarwal is a member of Committee in the following Companies:

1. Phoenix Industries Limited (Audit Committee).
2. Phoenix Real Time Services Limited (Audit Committee).
3. Phoenix Cement Limited (Audit 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 26th Annual Report along with the Audited Statement of Accounts of the company for the year ended 31st March 2013.

#### **FINANCIAL RESULTS**

(Rs. In Lacs)

	Year Ended 31.03.2013	Year Ended 31.03.2012
Sales & Other Income	3623.00	2989.00
Profit /(Loss) before depreciation	362.18	350.75
Less: Depreciation	224.52	223.69
Profit / (loss) after Depreciation but before Extra Ordinary Items	137.66	127.06
Add: Extra Ordinary Items	-	-
Profit / (loss) after Extra Ordinary Items - but before Tax	137.66	127.06
Less: Provision for Income Tax/Fringe benefit Tax	40.00	33.52
Profit / (Loss) After Tax	<b>97.66</b>	<b>93.54</b>

#### **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. 3623.00 Lacs during the current year as compared to Rs. 2989.08 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 31.03.2013.

#### **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. Narendra Aggarwal, 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, 2013 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, 2013 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
- 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, 2013 has been prepared on a going concern basis.



**AUDITORS**

The Auditors, M/s Pradip Bhardwaj & Co, Chartered Accountant, New Delhi, retires at the conclusion of ensuring Annual General Meeting and being eligible, offers them for re- appointment. A certificate as required under section 224(1B) 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.

**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 Director and Certificate from the Auditors of the Company, M/s Pradip Bhardwaj & Co, 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: 29.08.2013**

**Narender Makkar  
Director & Company Secretary**

**P.M. Alexander  
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.	<b>CONSERVATION OF ENERGY</b>		
	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.	<b>TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION</b>		
	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.	<b>FOREIGN EXCHANGE EARNING &amp; OUTGO</b>		
	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 NIL 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	NIL	NIL
	Foreign Exchange Outgo	NIL	NIL

#### CHAIRMAN AND DIRECTOR CERTIFICATION

We, Narender Makkar, Chairman, and Narendra Aggarwal, 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, 2013, 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.

For and on behalf of the Board  
PHOENIX INTERNATIONAL LIMITED

Place: New Delhi  
Date: 29.08.2013

Narender Makkar  
Director & Company Secretary

P.M. Alexander  
Director



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REPORT ON CORPORATE GOVERNANCE

**(1) CORPORATE GOVERNANCE:**

Sound Corporate Governance practices are guided by culture, conscience and mindset of an organization and are based on principles of openness, fairness, professionalism, transparency and accountability with an aim to building confidence of its various stakeholders and paving way for its long-term success. In Phoenix International Limited, Corporate Governance is defined as a systematic process by which companies are directed and controlled keeping in mind the long-term interests of all their stakeholders. Achievement of excellence in good Corporate Governance practices requires continuous efforts and focus on its resources, strengths and strategies towards ensuring fairness and transparency in all its dealings with its stakeholders including society at large. Corporate Governance has indeed assumed greater significance as the world has moved towards closer integration and free trade.

**COMPANY'S PHILOSOPHY ON GOVERNANCE:**

Your Company's philosophy on the Corporate Governance is founded upon a rich legacy of fair and transparent governance practices which are essentially aimed at ensuring transparency in all dealings and hence seeks to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. Your Company has continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies and prudent business plans, thereby ensuring that the Company pursues policies and procedures to satisfy its legal and ethical responsibilities. The Company's comprehensive written code of conduct serves as a guide for your company and its employees on the standards of values, ethics and business principles, which should govern their conduct. Your company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its stakeholders. Even in a fiercely competitive business environment that the Company is operating in, the management and employees of your Company are committed to uphold the core values of transparency, integrity, honesty and accountability, which are fundamental to the Company and for achieving Corporate Excellence.

**CORPORATE GOVERNANCE PRACTICES:**

The Company's Corporate Governance practices seek to go beyond the regulatory requirements and with a view to ensuring commitment to transparent, law abiding behavior and good Corporate Governance, the Company has put in place the following practices:-

a) Code of Conduct:

The Company's Code of Conduct is based on the principle that business should be conducted in a professional manner with honesty, integrity and law abiding behavior and thereby enhancing the reputation of the Company. The Code ensures lawful and ethical conduct in all affairs and dealings of the Company.

b) Business Policies:

The Business Policies of Company ensures transparency and accountability to its stakeholders. The policies provide motivation and support for professional development of employees, fair market practices and high level of integrity in financial reporting. The policies recognize Corporate Social Responsibility of the Company and also seek to promote health, safety and quality of environment.

c) Prohibition of Insider Trading:

The Code on prevention of Insider Trading, which applies to the Board Members and all officers and employees, seeks to prohibit trading in the securities of the Company based on unpublished price sensitive information. Trading window remains closed so long unpublished price sensitive information is not made public.

d) Risk Management:

The Company has developed and implemented a comprehensive risk management policy for risk identification, assessment and minimization procedure. The risk management procedures are clearly defined and periodically reviewed by the Board of Directors with a view to strengthening the risk management framework and to continuously review and reassess the risk that the Company may confront with.

e) Environment Policy:

The Company is committed to conducting its business in a manner that values the environment and helps to ensure the safety and health of all its employees and society at large. The policy is aimed towards strengthening pollution prevention and control measures.

f) Equal Employment Opportunity:

The employment policy of the Company assure that there shall be no discrimination or harassment against an employee or applicant on the grounds of race, color, religion, sex, age, marital status, disability, national origin, or any other factor made unlawful by applicable laws and regulations. The policy also ensures fair and respectful treatment of all fellow employees.

A brief report on Corporate Governance for the year ended on 31st March 2012 is given below:



## PHOENIX INTERNATIONAL LIMITED

### (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 2012, the last Annual General Meeting and their Directorships/Committee Memberships in other Companies as on 31st March 2012 is as follows:

#### (B) Details of Meeting of Board of Directors held during the year ended on 31<sup>st</sup> March, 2013

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	5	Yes	5	4	3
Mr. Narendra Agarwal	Non Executive and Independent Director	4	No	14**	3	Nil
Mr. Narender Makkar	Executive Director	5	Yes	16***	4	2
Mr. P.M. Alexander	Non Executive and Independent Director	5	Yes	15****	4	Nil

\*\* Out of them 7 Directorships are in Private Limited Companies

\*\*\* Out of them 7 Directorships are in Private Limited Companies

\*\*\*\* Out of them 4 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
14.05.2012	4
14.08.2012	4
27.08.2012	4
10-11-2012	3
12-02-2013	4

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

#### 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 2012-2013.

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

Mr. Narender Kumar 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 14.05.2012, 14-08-2012, 27-08-2012, 12-11-2012 and 12-02-2013. The attendance particulars are as follows:





## PHOENIX INTERNATIONAL LIMITED

Name of the Chairman /Member	Meeting	
	Held	Attended
Mr. Narendra Agarwal	5	4
Mr. Arun K. Sinha	5	5
Mr. P. M. Alexander	5	5

#### (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.

	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 2012–2013:

a)	Name	Designation	All elements of Remuneration package i.e. Salary benefits bonus, pension etc
1	Mr. Narender Kumar Makkar	Director & Company Secretary	18,00,000

  

b)	Name	Particulars	Sitting Fees
	Mr. Arun K. Sinha	Non Executive Directors	20,000/-
	<b>Total</b>		<b>20,000/-</b>

#### (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, six meetings of the committee were held on the following dates;

16.04.2012, 30.07.2012, 29.09.2012, 30.10.2012, 17.12.2012, 07.11.2013

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 "narendermakkar@yahoo.com.

The number of complaints received during the year were 05 (Five) and there were no 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
30th September, 2010 at 9:30 a.m.	Lok Kala Manch, 20 Institutional Area, Lodhi Road, New Delhi – 110003
30th September, 2011 at 10:00 a.m.	Lok Kala Manch, 20 Institutional Area, Lodhi Road, New Delhi – 110003
27th September, 2012 at 10:00 a.m.	Lok Kala Manch, 20 Institutional Area, Lodhi Road, New 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.	Website has been developed and is active. Steps taken to display it on website. Notice of Annual General Meeting along the Annual Report is being sent to each shareholder well within time frame.
iii. Newspapers where Audited Financial Results, Un-audited quarterly and yearly results are published	Pioneer 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.

**(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.



## PHOENIX INTERNATIONAL LIMITED

### 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 turnover of Rs.2846.00 Lacs during the current year as compared to Rs. 2335.82 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 : 30/09/2013 at 10:00 A.M.  
Place : Lok Kala Manch, 20, Institutional Area, Lodhi Road, New Delhi-110003

##### (b) Financial Calendar : 2013-14

###### (Tentative)

Financial Results for the Quarter Ended:

30<sup>th</sup> June, 2013 – 13<sup>th</sup> August, 2013  
30<sup>th</sup> September, 2013 – 13<sup>th</sup> November, 2013  
31<sup>st</sup> December, 2013 – 11<sup>th</sup> February, 2014  
31<sup>st</sup> March, 2014 – 12<sup>th</sup> May, 2014

Approval of Audited Results for the year ended 31.03.2014 - 13<sup>th</sup> August, 2014

##### (c) Date of book Closure – 29<sup>th</sup> September, 2014

###### 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, 25 <sup>th</sup> 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.

##### (d) Stock Exchange Code at BSE : 526481

Stock Market Data: High & Low during each month in last financial year from April, 2011 to March, 2012 on Bombay Stock Exchange.

YEAR	MONTH	HIGHEST RATE (Rs.)	LOWEST RATE (Rs.)
2012	April	9.99	8.52
2012	May	11.20	9.63
2012	June	10.80	9.63
2012	July	10.55	7.91
2012	August	10.35	7.79
2012	September	10.50	7.67
2012	October	9.80	7.80
2012	November	10.05	7.07
2012	December	9.87	8.24
2013	January	10.78	8.60
2013	February	10.10	9.26
2013	March	10.49	9.70

##### (e) 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.

**PHOENIX INTERNATIONAL LIMITED**



**(f) Dematerialization of Shares:**

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

**(i) Distribution of Shareholding as on 31<sup>st</sup> March, 2013**

Shareholding of Nominal Value (Rs.) 1	Shareholders		Share Amount	
	Number 2	% to Total 3	In Rs. 4	% to Total 5
Up to 5000	8417	90.369	15438700	9.195
5001 – 10,000	500	5.368	4013160	2.39
10,001-20,000	206	2.212	3095500	1.844
20,001-30,000	65	0.698	1667660	0.993
30,001-40,000	29	0.311	1020040	0.608
40,001-50,000	31	0.333	1451040	0.864
50,001-1,00,000	27	0.29	2014200	1.2
1,00,001- and above	39	0.419	139195300	82.906
	<b>9314</b>	<b>100.00</b>	<b>16,78,95,600</b>	<b>100.00</b>

**(g) (ii) Shareholding Pattern as on 31<sup>st</sup> March, 2013**

Category		No. of shares held	Percentage of shareholding
<b>A.</b>	<b>Promoter's holding</b>		
1.	<u>Promoters</u>		
	- Indian Promoters	27,36,000	16.296
	- Foreign Promoters	Nil	Nil
2.	Persons acting in concert	9053450	53.923
	<b>Sub – Total :</b>	<b>11789450</b>	<b>70.219</b>
<b>B.</b>	<b>Non-Promoters Holding</b>		
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
	<b>Sub Total</b>	<b>Nil</b>	<b>Nil</b>
4.	Others		
	a. Corporate Bodies	781560	4.655
	b. Indian Public	3084465	18.371
	c. NRIs/OCBs	1120438	6.673
	d. Any other (please specify)- Clearing Members	13647	0.081
	Sub-Total	<b>5000110</b>	<b>29.781</b>
	Grand Total	<b>1,67,89,560</b>	<b>100.00</b>

**(h) Registrar and Transfer Agent**

Mas Services Limited, T-34,2<sup>nd</sup> 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

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**Phoenix International Limited**

3<sup>rd</sup> 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 : 29.08.2013**

Narender Makkar  
**Director & Company Secretary**

P.M. Alexander  
**Director**



**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:**

Name of the Director : Mr. Narendra Aggarwal.  
Date of Birth : 15.07.1964.  
Date of appointment : 31.01.2005.  
Expertise in Specific Functional area : International Trade.  
Qualification : Graduate, Post Grad. Dip. In International Trade.

Mr. Narendra Aggarwal is Director in other following Companies:

Sr. No:- Nature Of Interest

- 1 Phoenix Real Time Services Limited - Listed Companies
- 2 Granada Services Private Limited
- 3 Phoenix Hydrocarbons Limited
- 4 Phoenix Power Development Corporation Ltd
- 5 Phoenix Cement Limited
- 6 Phoenix International Finance Limited
- 7 Phoenix Land Development Limited
- 8 Spartan Agro Industries Limited
- 9 I Energizer India Private Limited
- 10 Phoenix Industries Limited
- 11 Focus Offshore Private Limited
- 12 Granada Elevator Private Limited
- 13 Deccan I services Private Limited
- 14 I Services India Private Limited

Mr. Narendra Aggarwal is a member of Committee in the following Companies:

1. Phoenix Industries Limited (Audit Committee).
2. Phoenix Real Time Services Limited (Audit Committee).
3. Phoenix Cement Limited (Audit Committee).

He does not hold any Share in the Company.



## PHOENIX INTERNATIONAL LIMITED

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### ANNEXURE – 2

#### 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 2012-2013.

PHOENIX INTERNATIONAL LIMITED

Place : New Delhi  
Date : 29.08.2013

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 31<sup>st</sup> March, 2013 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 Pradip Bharadwaj & Co,  
Chartered Accountants  
Firm Regd. No. 013697C

Pradip Bhardwaj  
Partner.  
M.No. 500219

Place : New Delhi  
Date : 29.08.2013



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

<b>Name of the subsidiary</b>	<b>Phoenix Industries Ltd.</b>	<b>Phoenix Cement Ltd.</b>
1. Financial year of the Subsidiary ended on	March 31, 2013	March 31, 2013
2. Holding company's Interest i) No. and Face Value of Shares ii) Extent of holding	Holding of 84,32,300 Equity Shares of Rs. 10/- each fully paid-up. 89.40%	Holding of 4,19,53,510 Equity Shares of Rs. 10/- each fully paid-up. 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 ii) For Subsidiary previous financial year since it became Subsidiary	(10.72) Lacs (922.99) Lacs	(0.55) Lacs (1158.54) 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 ii) For Subsidiary previous financial year since it became subsidiary	Nil NIL	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 ii) Investments iii) Monies lent by the subsidiary iv) Monies borrowed by the subsidiary Other than for meeting current liabilities	Not applicable Not applicable Not applicable Not applicable	Not applicable Not applicable Not applicable Not applicable

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

Place : New Delhi  
Date : **29.08.2013**

Narender Makkar  
**Director & Company Secretary**

P.M. Alexander  
**Director**

Narendra Aggarwal  
**Director**





## PHOENIX INTERNATIONAL LIMITED

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### Auditors' Report

TO THE MEMBERS OF PHOENIXINTERNATIONAL LIMITED

We have audited the attached Balance Sheet of PHOENIX INTERNATIONAL LIMITED as at 31 March, 2013, the Profit and Loss Account and 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.

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 from material misstatement. An Audit includes examining, on the test basis, evidences supporting the amount 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 statements presentation. We believe that our Audit provides a reasonable basis for our opinion
2. Companies (Auditor's Report)(Amended)order,2004 issued by Central Government of India in terms of Sub Section (4A) of Section 227 of Companies Act, 1956 is applicable and report on CARO is annexed.
- 3 Further subject to our comments in the Annexure referred to in paragraph 2 above or elsewhere given, we report that subject to Notes No.28 :-
  - 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, the Company has kept books of accounts as required by law, so far, as appears from our examination of those books.
  - c) The Balance Sheet dealt with in this report is in agreement with the books of accounts.
  - d) In our opinion the Balance Sheet dealt with in this report complies with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies act 1956.
  - e) On the basis of written representation received from the Directors as on 31st March 2013 and taken on record by the Board of Directors we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a 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 accounts give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India:
    - i. in case of the Balance Sheet , the statement of affairs of the Company as at 31stMarch, 2013;
    - ii. in the case of Profit and Loss Account , the profit for the year ended on that date; and
    - iii. in the case of the Cash Flow Statement, the cash flows of the company for the year ended on that date.

*For M/s Pradip Bharadwaj & Co,*  
Chartered Accountants  
Firm Regd. No. 013697C

**Pradip Bhardwaj**  
Partner  
M.No. 500219

Place : Noida  
Date : 29.08.2013

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**ANNEXURE TO THE AUDIT REPORT OF PHOENIX INTERNATIONAL LIMITED**

(REFERRED TO IN PARAGRAPH '2' OF OUR REPORT OF EVEN DATE)

**In respect of its fixed assets:**

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. However, the records need to be updated with regard to the situation of fixed assets and sufficient description to make identification of fixed assets possible.
- (b). As explained to us, the company has physically verified certain assets, in accordance with phased program of verification, which in our opinion is reasonable, having regards to the size of the company. The discrepancies noticed at the time of such verification were properly dealt with in these books of accounts.
- (c). The Fixed Assets disposed off during the period, in our opinion, do not constitute a substantial parts of fixed assets of company and such disposal has, in our opinion, not affect the going concern status of the company.
2. (a) According to the information and explanation given to us, the inventories have been physically verified by the management at the end of accounting year.
- (b) In our opinion, the frequency and procedure of physical verification is reasonable in relation to the size of company and nature of its business.
- (c). According to the information and explanation given to us, the Company has maintained proper records of inventory and no material discrepancies have been noticed on physical verification of inventory as compared to the book records.
3. (a) The company during the year has not granted and / or taken any loans, secured or Unsecured, to companies, firm or other parties covered in the register maintained under section 301 of the companies Act, 1956 except an interest free loan of Rs.4840.00 lacs granted to its subsidiary company Phoenix Industries Ltd. The maximum amount involved during the year was 4840.00 lacs and the year-end balance of loan granted to subsidiary company was Rs 4840.00 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 other terms and conditions of above loan granted by the company are not prima facie, prejudicial to the interest of the company.
- (c) The term and condition of 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 its subsidiary company.
- (e) The company has not taken any interest free unsecured loans during the year from parties covered in the register maintain under section 301 of the Companies Act, 1956. The opening balance of the unsecured loans taken was Rs. 87.00 lacs. The maximum amount involved during the year was Rs.87.00 lacs and the year-end balance of the interest free unsecured loans was Rs. Nil.
- (f) The above stated unsecured loans taken by company are interest free. In our opinion, the term and condition of the same are prima facie, not prejudicial to the interest of the company.
- (g) The term of repayment of interest free unsecured loans obtained have not been stipulated in writing.
4. 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. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control procedures.
5. (a) According to the information and explanations given to us, particulars of contract 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 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 items and because of special type of work involved, the transactions entered in to pursuant to such contracts and arrangements, in our opinion and according to the information and explanation 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 provision of section 58A and 58AA of the companies Act, and the companies (Acceptance of deposits) Rules, 1975 apply.
7. In our opinion and according to the information and explanations given to us, the company has an effective internal audit system commensurate with size and 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 any of 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. However Cost Compliance report for the year ended 31st March 2013 has not been provided.
9. (a) According to the records of the company, the company is generally regular in deposit the appropriate authorities undisputed statutory dues including Provident Fund,Investor Education and Protection Fund,Employees State Insurance , Income Tax, Sales Tax, Wealth Tax, Excise duty,CustomDuty and other material statutory due as applicable to it.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of income-tax, sales-tax, wealth tax, excise duty, and cess were outstanding as at 31stMarch 2013, for a period for more than six month from the date they become payable



## PHOENIX INTERNATIONAL LIMITED

(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
3 EPF, DLIF	03/2011 to 12/2012	1863744	Asst. P.F. Commissioner, Chennai.
4 Service Tax	(i) 2007-08	3090000	CESTAT, New Delhi.
	(ii) 2008-09	3954465	
	(iii) 2009-10	3090000	
	(iv) 2010-11	3090000	

10. The Company does not have accumulated losses at the end of financial year and also not incurred any cash losses during the current financial year (1.4.2012 to 31.3.2013) and also 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 holder.
12. According to the information and explanations given to us, the company has not granted any loans and advance on the basis of security by way of pledge of shares debenture and other securities.
13. The company is not chit fund, a nidhi or a mutual benefit fund / society. Accordingly, the provision of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
14. The company is not dealing in or trading in shares, securities debentures and other investment. Accordingly, the provision of 4 (xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the company has not availed any fresh term loan. Accordingly, the provision of 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
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. Accordingly, the provision of 4 (xvii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
18. According to the information and explanations given to us, the company has not made a preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the company has not issued any debenture. Accordingly, the provision of 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
20. During the year covered by our report the Company has not raised any money by public issue. Accordingly, the provision of 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 M/s Pradip Bhargwaj & Co,  
Chartered Accountants  
Firm Regd. No. 013697C

Pradip Bhardwaj  
Partner  
M.No. 500219

Place : Noida  
Date : 29.08.2013



BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2013

DESCRIPTION	Note No	As at 31st March, 2013 (Rupees)	As at 31st March, 2012 (Rupees)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	187,895,600	187,895,600
(b) Reserves and Surplus	3	505,775,772	496,010,125
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	506,774,526	556,709,993
(b) Other Long-Term Liabilities	5	43,446,339	43,446,339
(c) Long Term Provisions	6	2,104,026	2,104,026
<b>(3) Current Liabilities</b>			
(a) Trade Payables	7	167,035,457	252,594,285
(b) Other Current Liabilities	8	39,192,943	39,682,736
(c) Short-Term Provisions	9	13,043,500	12,153,899
<b>TOTAL</b>		<b>1,465,268,163</b>	<b>1,590,597,003</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	10	405,928,911	427,972,863
(ii) Capital Work-in-Progress	10	23,242,075	34,615,848
<b>(b) Non-Current Investments</b>	11	159,082,580	159,082,580
<b>(c) Long Term - Loans and Advances</b>	12	505,299,294	53,513,279
<b>(2) Current Assets</b>			
(a) Inventories	13	65,110,803	34,300,180
(b) Trade Receivables	14	112,350,462	247,022,104
(c) Cash and Cash Equivalents	15	39,580,961	23,137,128
(d) Short Term Loans & Advances	16	40,954,439	29,284,247
(e) Other Current Assets	17	113,718,638	581,668,774
<b>TOTAL</b>		<b>1,465,268,163</b>	<b>1,590,597,003</b>

Significant Accounting Policies

WAs Per Our Report of Even Date Annexed

For Pradip Bhardwaj & Co.  
Chartered Accountants  
FRN- 013697C

For and on behalf of the Board of Directors

Narender Makkar  
Director

P. M. Alexander  
Director

Pradip Bhardwaj  
Partner  
M.No. 500219  
Place : New Delhi  
Dated : 29/08/2013

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

DESCRIPTION	Note No	For the Year Ended 31st March, 2013 (Rupees)	For the Year Ended 31st March, 2012 (Rupees)
<b>I Revenue from Operations</b>	18	353,217,240	291,649,659
<b>II Other Income</b>	19	9,101,623	7,258,233
<b>III Total Revenue (I +II)</b>		<b>362,318,863</b>	<b>298,907,892</b>
<b>IV Expenses</b>			
Cost of Material Consumed	20	168,766,419	137,335,098
Changes in Inventories of finished goods, Work-in-progress and Stock-in-Trade	21	(1,245,148)	(1,274,736)
Employees' Benefit Expenses	22	25,995,640	23,798,422
Financial Costs	23	91,650,019	77,946,574
Depreciation	10	22,452,782	22,369,083
Miscellaneous Expenses Written off		7,140,233	6,755,964
Other Expenses	24	33,793,272	19,271,739
<b>Total Expenses (IV)</b>		<b>348,553,217</b>	<b>286,202,144</b>
<b>V Profit before Tax (III - IV)</b>		<b>13,765,646</b>	<b>12,705,749</b>
<b>VI Tax Expenses</b>			
(1) Current tax		4,000,000	3,351,500
(2) Deferred tax			
<b>VII Profit/(Loss) for the year (V-VI)</b>		<b>9,765,646</b>	<b>9,354,249</b>
<b>VIII Earning per equity share:</b>			
Basic & Diluted	25	0.58	0.56

Significant Accounting Policies

1

Notes on Financial Statements

2 to 42

As Per Our Report of Even Date

For **Pradip Bhardwaj & Co.**  
Chartered Accountants  
FRN- 013697C

For and on behalf of the Board of Directors

**Pradip Bhardwaj**  
Partner  
M.No. 500219

**Narender Makkar**  
Director

**P.M. Alexander**  
Director

Place : **New Delhi**  
Date : **29.08.2013**



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013**

PARTICULARS	For the Year Ended 31st March, 2013 (Rs. In Lacs)	For the Year Ended 31st March, 2012 (Rs. In Lacs)
<b>A. Cash Flow from Operating Activities</b>		
Net Profit /(Loss) before Tax	137.66	127.06
<b>Adjustments for</b>		
Depreciation & Amortisation Exp.	295.93	291.25
Foreign Exchange (Net)	179.24	-
Interest (Net)	728.21	769.17
Loss on sale of Fixed Assets	80.02	-
Misc. Income Written back	(71.29)	(49.62)
Misc. Exp. Written off	-	4.76
<b>Operating profit before Working Capital Changes</b>	<b>1,349.77</b>	1,142.62
Trade receivables & Other current assets	5,909.52	(885.43)
Changes in Stock in Trade	(308.11)	81.70
Trade Payables & other liabilities	(851.59)	931.53
<b>Cash from Operating Activities</b>	<b>6,099.59</b>	1,270.43
<b>Taxes paid</b>	40.00	33.51
<b>Net cash from operating activities</b>	<b>6,059.59</b>	1,236.92
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets / CWIP	(9.81)	(46.41)
Foreign Exchange (Net)	(179.24)	-
Sale of Fixed Assets	39.33	-
Interest Received	9.05	10.29
<b>Net Cash used in investing activities</b>	<b>(140.66)</b>	(36.12)
<b>C. Cash flow from Financing Activities</b>		
Advances to Subsidiaries	(4,500.00)	-
Repayment of Long Term Borrowing (Net)	(499.35)	(206.87)
Refund of Security Deposits	-	(124.53)
Security Deposits paid	(17.87)	(2.55)
Interest Paid	(737.26)	(779.47)
<b>Net Cash from Financing Activities</b>	<b>(5,754.49)</b>	(1,113.42)
<b>Net Increases (Decreases) in cash and cash Equivalents</b>	164.44	87.38
<b>Cash and Cash Equivalent at the beginning</b>	231.37	143.99
<b>Cash and Cash Equivalent at the end of the Year</b>	<b>395.81</b>	231.37

As Per Our Report of Even Date

For and on behalf of the Board of Directors

Narender Makkar  
Director

P.M. Alexander  
Director

**AUDITOR'S CERTIFICATE**

We have examined the above cash flow statement of Phoenix International Limited for the period ended 31.03.2013. The statement has been prepared by the management in accordance with the listing requirements of stock exchange in India and is based on and derived from the audited financial statement of the company for the year ended 31.03.2013.

For Pradip Bhardwaj & Co.  
Chartered Accountants  
FRN- 013697C

Pradip Bhardwaj  
Partner

M.No. 500219

Place : New Delhi  
Date : 29/08/2013



## PHOENIX INTERNATIONAL LIMITED

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### Note - 1

#### SIGNIFICANT ACCOUNTING POLICIES

##### 1. a) BASIS OF PREPARATION OF FINANCIAL STATEMENT

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 material respect with the mandatory applicable accounting standards and relevant provisions and presentational requirements of the Companies Act, 1956.

##### b) USE OF ESTIMATES

The preparations 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 disclosure 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 cost relating to the acquisition and installation of Fixed Assets are capitalized and include financing costs relating to the borrowed funds attributable to construction or acquisition of fixed asset up to the assets 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 cost or net realizable value.
- b) Works in Progress are valued at lower of cost or net realizable value and includes cost of raw materials, direct labour and proportionate overheads including fabrication charges.
- c) Finished 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 the Straight Line Method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956. Fixed Assets shifted from erstwhile two units, H.O. and Chennai are depreciated at Writted Down Value Method as per past practice
- b) No write off is made in respect of long term lease hold land.

##### 5. FOREIGN EXCHANGE TRANSACTION

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 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 & 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 relizations basis, Duty Drawbacks and Duty entitlement Pass Book benefits are accounted for on accrual basis.

##### 8. RETIREMENT BENEFITS

- a) Contributions to Provident fund are made at the prescribed rates in the recognized funds and charged to the Profit and Loss A/c.
- b) Provision for Gratuity are to be made on the basis of actuarial valuation.
- c) The company operate defined benefits plans for its employees viz gratuity. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year end.
- d) Leave encashment is accounted for on year to year basis and not accumulated to be encashed at the time of retirement.



## PHOENIX INTERNATIONAL LIMITED

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### 9. INVESTMENTS

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

### 10. IMPAIRMENT OF FIXED ASSETS

- (a) 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
- (b) Reversal of impairment losses recognized in prior years is recorded when there is an indication that impairment losses recognized for the assets 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. RENOVATION EXPENSES

Renovation Expenses on building have been amortized over a period 3 years.

### 12. 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 possible obligation or a present obligation that may, but probably will not; require an out flow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS

DESCRIPTION	Year Ended 31st March, 2013 Rs.		Year Ended 31st March, 2012 Rs.	
	Nos of Shares	Value Rs.	Nos of Shares	Value Rs.
<b>2. SHARE CAPITAL</b>				
<b>(a) Authorised Capital</b>				
Equity Share	50,000,000	500,000,000	50,000,000	500,000,000
4% Cumulative Redeemable Preference Share	10,000,000	1,000,000,000	10,000,000	1,000,000,000
<b>TOTAL</b>	<b>60,000,000</b>	<b>1,500,000,000</b>	<b>60,000,000</b>	<b>1,500,000,000</b>
<b>(b) Issued, Subscribed and fully paid up</b>				
Equity Share	16,789,560	167,895,600	16,789,560	167,895,600
4% Cumulative Redeemable Preference Share	200,000	20,000,000	200,000	20,000,000
<b>TOTAL</b>	<b>16,989,560</b>	<b>187,895,600</b>	<b>16,989,560</b>	<b>187,895,600</b>
<b>(c) Disclosure for Shareholding (holding more than 5%)</b>				
<b>Name of Shareholder</b>	<b>No. of Shares held</b>	<b>% age of Holding</b>	<b>No. of Shares held</b>	<b>% age of Holding</b>
Vanguard Services Pvt. Ltd.	3,120,000	18.58%	3,120,000	18.58%
Mayflower Management Services Pvt. Ltd.	2,880,000	17.15%	2,880,000	17.15%
Sparton Management Services Pvt. Ltd.	2,880,000	17.15%	2,880,000	17.15%
Ajay Kalsi	2,734,400	16.29%	2,734,400	16.29%
<b>TOTAL</b>	<b>11,614,400</b>	<b>69.18%</b>	<b>11,614,400</b>	<b>69.18%</b>
<b>(d) Reconciliation of Shares Outstanding</b>	<b>Nos of Shares</b>	<b>Value</b>	<b>Nos of Shares</b>	<b>Value</b>
<b>Shares outstanding at the beginning of the year</b>	16,989,560	187,895,600	16,789,560	167,895,600
Shares Issued during the year	-	-	200,000	20,000,000
Shares bought back during the year	-	-	-	-
Any other movement	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>16,989,560</b>	<b>187,895,600</b>	<b>16,989,560</b>	<b>187,895,600</b>
<b>3. RESERVE &amp; SURPLUS</b>				
<b>General Reserve</b>				
- As per last Balance Sheet		100,121,793		100,121,793
- Share Premium Account		124,198,900		124,198,900
<b>Profit &amp; Loss Account - Balance</b>				
Opening Balance	271,689,432		262,335,183	
Net Profit for the Current Year	9,765,646	281,455,079	9,354,249	271,689,433
<b>TOTAL</b>		<b>505,775,772</b>		<b>496,010,126</b>
<b>4. LONG TERM BORROWINGS</b>	<b>Non Current</b>	<b>Current</b>	<b>Non Current</b>	<b>Current</b>
<b>Term Loan from Bank: Secured</b>	506,774,526	35,000,000	556,709,993	20,687,005
<b>TOTAL</b>	<b>506,774,526</b>	<b>35,000,000</b>	<b>556,709,993</b>	<b>20,687,005</b>

**Note:**

Term Loan from Oriental Bank of Commerce Of Rs. 5,417.74 Lacs (Previous year Rs. 5,773.96 Lacs) is secured by way of Equitable Mortgage of Land and Building measuring 61,690 Sq. Meters at A=37, Sector 60, Noida assigned by way of security of the rights of borrower under sub lease/lease agreements including assignment of receivables 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 installments from the date of disbursement. Due with in a year Rs. 1,044.00 Lacs including interest (Previous Year Rs. 1044.00 Lacs including interest).

**5. OTHER LONG TERM LIABILITIES**

Security Deposit		43,446,339	43,446,339
<b>TOTAL</b>		<b>43,446,339</b>	<b>43,446,339</b>

**PHOENIX INTERNATIONAL LIMITED**


DESCRIPTION		Year Ended 31st March, 2013 Rs.	Year Ended 31st March, 2012 Rs.
<b>6. Long-Term Provisions</b>			
Gratuity		2,104,026	2,104,026
	<b>TOTAL</b>	<b>2,104,026</b>	<b>2,104,026</b>
<b>7. TRADE PAYABLES</b>			
Payables against Supplies, Services & Others		167,035,457	252,594,285
	<b>TOTAL</b>	<b>167,035,457</b>	<b>252,594,285</b>
<b>8. OTHER CURRENT LIABILITIES</b>			
Current Maturity of Long Term Borrowing (Refer Not No. 4)		35,000,000	20,687,005
Other Payables		4,192,943	18,995,731
	<b>TOTAL</b>	<b>39,192,943</b>	<b>39,682,736</b>
<b>9. SHORT TERM PROVISIONS</b>			
Taxation - Income Tax		13,043,500	12,153,899
	<b>TOTAL</b>	<b>13,043,500</b>	<b>12,153,899</b>

**10. FIXED ASSETS**
*Amount in Rs.*

ASSETS	GROSS BLOCK				DEPRICIATION				NET BLOCK	
	Particulars	Aa at 01.04.2012	Additions for the Period	Sales/ Transfer Adjustment	As at 31.03.2013	Upto 31.03.2012	For the Period	Sale/ Transfer Adjustment	Upto 31.03.2013	As at 31.03.2013
Land	35,715,590	-	-	35,715,590	-	-	-	-	35,715,590	35,715,590
Building	571,513,620	-	-	571,513,620	203,671,050	19,049,670	-	22,720,720	348,792,900	367,842,570
Plant and Machinery	42,512,110	750,087	-	43,262,197	30,929,662	1,739,802	-	32,669,464	10,592,733	11,582,448
Electrical Installation	29,005,953	-	786,000	28,219,953	17,885,258	1,303,745	214,010	18,974,993	9,244,960	11,120,695
Vehicles	6,629,432	-	-	6,629,432	6,115,236	133,124	-	6,248,360	381,072	514,196
Office and Other Equipment	3,964,854	125,669	-	4,090,523	3,386,373	89,674	-	3,476,047	614,476	578,481
Furniture & Fixtures	3,204,794	105,065	-	3,309,859	2,585,912	136,767	-	2,722,679	587,180	618,882
Wooden Structure	2,878,972	-	-	2,878,972	2,878,972	-	-	2,878,972	-	-
<b>TOTAL</b>	<b>695,425,325</b>	<b>980,821</b>	<b>786,000</b>	<b>695,620,146</b>	<b>267,452,463</b>	<b>22,452,782</b>	<b>214,010</b>	<b>289,691,235</b>	<b>405,928,911</b>	<b>427,972,863</b>
<b>Capital Work In Progress:-</b>										
Machinery	23,242,075	-	-	23,242,075	-	-	-	-	23,242,075	23,242,075
Air Conditioner	11,373,773	-	11,373,773	-	-	-	-	-	-	11,373,773
<b>CURRENT YEAR</b>	<b>34,615,848</b>	<b>-</b>	<b>11,373,773</b>	<b>23,242,075</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,242,075</b>	<b>34,615,848</b>
<b>GRAND TOTAL - Current Year</b>	<b>730,041,173</b>	<b>980,821</b>	<b>12,159,773</b>	<b>718,862,221</b>	<b>267,452,463</b>	<b>22,452,782</b>	<b>214,010</b>	<b>289,691,235</b>	<b>429,170,986</b>	<b>462,588,711</b>
<b>GRAND TOTAL - Previous Year</b>	<b>727,670,421</b>	<b>2,370,752</b>	<b>-</b>	<b>730,041,173</b>	<b>245,083,379</b>	<b>22,369,083</b>	<b>-</b>	<b>267,452,462</b>	<b>462,588,710</b>	<b>-</b>

**11. NON-CURRENT INVESTMENTS**
**Long Term Investments - At Cost**
**Investments, Unquoted in Equity Instruments -fully paid up  
equity shares**

	Nos of Share	*Value (In Rs.)	Nos of Share	Value (In Rs.)
Phoenix Industries Limited (Subsidiary Company)	8,432,200	27,104,727	8,432,200	27,104,727
Phoenix Cement Limited (Subsidiary Company)	41,953,510	130,846,956	41,953,510	130,846,956
Bloomsbury Trading PTE Limited, Singapore	46,000	1,130,597	46,000	1,130,597
Phoenix Hydro Carbons Limited	10	100	10	100
Phoenix Footwear Private Limited	10	100	10	100
Phoenix Power Development Corporation Limited	10	100	10	100
<b>TOTAL</b>	<b>50,431,740</b>	<b>159,082,580</b>	<b>50,431,740</b>	<b>159,082,580</b>

\* Value is net of provision of decline in value of investment.



DESCRIPTION	Year Ended 31st March, 2013 Rs.	Year Ended 31st March, 2012 Rs.
<b>12. LONG TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured, Considered Goods</b>		
Security Deposits	4,873,550	3,087,535
Loans and Advances to Related Parties *	500,425,744	50,425,744
<b>TOTAL</b>	<b>505,299,294</b>	<b>53,513,279</b>
* Rs. 48,40,00,000 advance given to M/s. Phoenix Industries Limited and Rs. 1,64,25,744 advance given to M/s. Phoenix Cement Lt. (Subsidiary Companies)		
	<b>Year Ended 31st March, 2013 Rs.</b>	<b>Year Ended 31st March, 2013 Rs.</b>
<b>13. INVENTORIES</b>		
Raw Material	56,160,060	26,594,585
Work In Progress	8,950,743	7,705,595
<b>TOTAL</b>	<b>65,110,803</b>	<b>34,300,180</b>
<b>14. TRADE RECEIVABLES</b>		
<b>Outstanding for a period exceeding six months</b>		
Unsecured, considered good	68,345,078	183,811,929
Less : Provision for Doubtful Debts	61,307,832	7,037,246
<b>Other Receivables</b>		
Unsecured, considered good	3,477,373	8,193,163
Receivables from Related Parties	101,835,843	116,324,844
<b>TOTAL</b>	<b>112,350,462</b>	<b>247,022,104</b>
<b>15. CASH &amp; BANK BALANCES</b>		
<b>(i) Cash &amp; Cash equivalents</b>		
<b>(a) Balances with Scheduled Banks</b>		
In current Accounts	25,028,527	8,588,041
In Deposit Accounts	11,184,057	36,212,584
<b>(b) Cash in hand</b>	3,368,377	3,365,030
<b>TOTAL</b>	<b>39,580,961</b>	<b>23,137,128</b>
<b>16. SHORT TERM LOANS &amp; ADVANCES</b>		
Others	2,702,172	253,127
Short Term Deposits	38,252,267	29,031,120
<b>TOTAL</b>	<b>40,954,439</b>	<b>29,284,247</b>
<b>17. OTHER CURRENT ASSETS</b>		
Prepaid Expenses	8,380,783	10,320,613
Other Receivables	105,335,789	564,593,937
Interest accrued but not due	2,066	2,066
Unamortized Expenditure	-	6,752,158
<b>TOTAL</b>	<b>113,718,638</b>	<b>581,668,774</b>
<b>18. REVENUE FROM OPERATIONS</b>		
Sale of Products	235,306,613	198,819,495
Sales of Services - Rent	117,910,627	92,830,164
<b>TOTAL</b>	<b>353,217,240</b>	<b>291,649,659</b>

DESCRIPTION	Year Ended 31st March, 2013 Rs.	Year Ended 31st March, 2012 Rs.
<b>19. OTHER INCOME</b>		
Interest on Deposits, Margin Money etc.	905,166	1,029,102
Other Receipts / Misc. Income	2,191,445	2,974,509
Sundry Balance Written off	6,005,012	3,254,622
<b>TOTAL</b>	<b>9,101,623</b>	<b>7,258,233</b>
<b>20. COST OF MATERIAL CONSUMED</b>		
Inventory at the beginning of the year	26,594,585	36,039,736
Add: Purchase of Raw Material , components, packing material	198,331,894	127,889,947
Less: Inventory at the end of the year	56,160,060	26,594,585
<b>TOTAL</b>	<b>168,766,419</b>	<b>137,335,098</b>
<b>21. CHANGES IN FINISHED GOODS/WORK IN PROGRESS</b>		
<b>Closing Stock -</b>		
Finished Goods	-	-
Work in Progress	8,950,743	7,705,595
<b>Opening Stock -</b>		
Finished Goods	-	-
Work in Progress	7,705,595	6,430,859
<b>Changes in Inventory</b>	<b>(1,245,148)</b>	<b>(1,274,736)</b>
<b>22. EMPLOYEES' BENEFIT EXPENSES</b>		
Salary & Benefits	23,894,567	21,850,473
Employer Contribution to Provident Fund & ESIC	1,192,043	1,226,071
Staff Welfare Expenses	909,030	721,878
<b>TOTAL</b>	<b>25,995,640</b>	<b>23,798,422</b>
<b>23. FINANCIAL COST</b>		
<b>a) Interest paid :</b>		
On Term Loan	71,944,962	77,941,422
Others	1,781,241	5,152
<b>b) Foreign Exchnage Gain / (Loss)</b>	<b>17,923,816</b>	
<b>TOTAL</b>	<b>91,650,019</b>	<b>77,946,574</b>
<b>24. OTHER EXPENSES</b>		
Insurance Expenses	127,909	17,837
Rent Paid	4,011,546	3,812,906
Rates & Taxes	362,879	97,720
Fabrication Expenses	7,116,953	3,236,471
Power & Fuel Expenses	733,276	586,883
Audit Fee	100,000	100,000
Tax Audit Fee	25,000	25,000
Repairs & Maintainance - Building	433,032	390,791
Repairs & Maintainance - Others	1,392,485	1,325,069
Loss on Sale of Assets	8,002,311	-
Duties & Taxes Paid	2,119,397	574,899
Advertisement, Publicity & Business Promotion	99,569	127,063
Vehicle Running & Maintenace Expenses	123,590	141,558
Bank & Charges	340,871	719,906
Freight Outward, handling and cleaning Expenses	4,481,125	3,565,030
Travelling & Convenyance Expenses	725,952	156,518



## PHOENIX INTERNATIONAL LIMITED

DESCRIPTION	Year Ended 31st March, 2013 Rs.	Year Ended 31st March, 2012 Rs.
Legal & Professional Fees	1,410,240	2,113,600
Miscellaneous Expenses	496,242	1,080,790
Printing & Stationery	285,662	-
Watch & Ward Expenses	972,535	840,089
Telephone & Telex Charges	432,698	359,610
<b>TOTAL</b>	<b>33,793,272</b>	<b>19,271,740</b>
<b>25. BASIC AND DILUTED EARNING PER SHARE</b>		
Net Profit After Tax (Rupees)	9,765,646	9,354,249
Weighted Average Number of Equity Shares	16,789,560	16,789,560
Nominal Value of Equity Shares (Rupees)	10	10
<b>Basic and Diluted Earning Per Share</b>	<b>0.58</b>	<b>0.56</b>

### 26. RELATED PARTY DISCLOSURE

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

**(a) Key Managerial Personnel (KMP)**

Mr. Narender Kumar Makkar  
Mr. Arun Kr. Sinha  
Mr. Narender Aggarwal  
Mr. P.M. Alexander

**(b) Subsidiary Companies**

Phoenix Industries Limited  
Phoenix Cement Limited

**(c) Enterprise under direct/indirect common control:**

Focus Energy Limited

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

Name of the Related Party	Relationship	Nature of Transactions	Volume of Transactions In Rs.	Outstanding Amount as on 31/03/2013	Outstanding Amount as on 31/03/2012
Mr. Narender Kumar Makkar	Key Managerial Personnel	Directors Remuneration	1,800,000	45,400	777,200
Mr. Arun Kr. Sinha	Key Managerial Personnel	Directors Sitting Fees	*20,000	-	-
Mr. Ajay Kalsi	Promoters	Unsecured Loans	8,700,000	-	8,700,000
Phoenix Industries Limited	Subsidiary Companies	Advance Recoverable	450,000,000	484,000,000	34,000,000
Phoenix Industries Limited	Subsidiary Companies	Advance Recoverable	-	199,020	199,020
Phoenix Industries Limited	Subsidiary Companies	Investment (Net of Provision)		27,104,727	27,104,727
Phoenix Cement Limited	Subsidiary Companies	Investment (Net of Provision)		130,846,956	130,846,956
Phoenix Cement Limited	Subsidiary Companies	Advance Recoverable	-	16,425,744	16,425,744
Focus Energy Limited	Associated Enterprises	Sales of Goods	**21,57,22,314	101,835,843	116,324,844
Focus Energy Limited	Associated Enterprises	Advance Recoverable	-	105,330,274	564,593,937

\*Director sitting fee of Mr Arun Kumar Sinha during the F.Y. ended 31/03/2012 is Rs. 20,000.

\*\*Sale of Goods from Focus Energy Ltd. During the F.Y. ended 31/03/2012 is Rs.18,52,30,839.

### 27. AUDITORS REMUNERATION IS AS UNDER

Audit Fees (including service tax)	112,360	112,360
Tax Audit Fees (including service tax)	28,090	28,090
<b>Total</b>	<b>140,450</b>	<b>140,450</b>

**28. DISCLOSURE WITH RESPECT TO EMPLOYEES' BENEFITS**

Company has neither made the provision for Gratuity during the year nor provide the Actuarial certificate for the Gratuity provision as stipulated in Accounting Standard AS-15 'Employee Benefits'. As per policy of the company, Leave Encashment has to be accounted for year to year basis, hereby as per management, there is no Leave Encashment during the year.

**29. CONTINGENT LIABILITIES NOT PROVIDED FOR**

Income Tax, Sales Tax, Excise Duty and Custom Duty Demands under Appeals	<b>157.00 Lacs</b>	24.50 Lacs
Employees Provident Fund, Pension Fund, Deposit Linked Insurance Fund Demands under Appeals	<b>18.64 Lacs</b>	-

**30. Additional information pursuant to the provisions of Part II of Schedule VI of the Companies Act, 1956, to the extent relevant, are given as under :**

**I) PARTICULARS OF CAPACITY AND PRODUCTION**

DESCRIPTION	UNIT	LICENSED CAPACITY		INSTALLED CAPACITY		PRODUCTION	
		YEAR ENDED 31.03.2013	YEAR ENDED 31.03.2012	Year ended on 31st March, 2013	Year ended on 31st March, 2012	Year ended on 31st March, 2013	Year ended on 31st March, 2012
Shoes Upper	PAIRS	N.A	N.A	Refer note 1 below	-	143,757	131,919
Footwear	PAIRS	N.A	N.A	Refer note 1 below	-	-	-

Notes: Installed Capacity is as certified by the Management

**II) PARTICULARS OF STOCKS AND SALES & SERVICES**

STOCKS							
UNIT	OPENING STOCK			Sales		Closing Stock	
	Year ended on 1st April, 2012		Production During the year	Year ended on 31st March, 2013		Year ended on 31st March, 2013	
	QTY.	(Rs. In Lacs)	QTY.	QTY.	(Rs. In Lacs)	QTY.	(Rs. In Lacs)
Sport Shoes Pairs	-	-	0	-	-	-	-
Shoes Upper Pairs	7,573	77.06	142019	140,630	2,261.82	8,962	89.51
Others	-	-	1738	1,738	91.25	-	-
<b>TOTAL</b>	<b>7,573</b>	<b>77.06</b>	<b>143757</b>	<b>142,368</b>	<b>2,353.07</b>	<b>8,962</b>	<b>89.51</b>

**III) PARTICULARS OF MATERIALS CONSUMED**

DESCRIPTION	UNIT	Year ended on 31st March, 2013		Year ended on 31st March, 2012	
		QTY.	(Rs. In Lacs)	QTY.	(Rs. In Lacs)
Finished Leather	SQ. DM	8768932	1,540.11	7062386	1,240.39
Others			147.55		132.96
<b>TOTAL</b>		<b>8768932</b>	<b>1,687.66</b>	<b>7062386</b>	<b>1,373.35</b>

**IV) VALUE OF IMPORTED / INDIGENOUS RAW MATERIAL, STORE SPARES AND COMPONENTS CONSUMED**

DESCRIPTION	Year ended on 31st March, 2013		Year ended on 31st March, 2012	
	Consumption (Rs. In Lacs)	% of	Consumption (Rs. In Lacs)	% of
Imported	1,232.43	73.03%	978.49	71.25%
Indigenous	455.23	26.97%	394.86	28.75%
<b>TOTAL</b>	<b>1,687.66</b>	<b>100%</b>	<b>1,373.35</b>	<b>100%</b>

**V) VALUE OF IMPORTS OF C.I.F BASIS**

DESCRIPTION	Year ended on 31st March, 2013		Year ended on 31st March, 2012	
	(Rs. in lacs)		(Rs. in lacs)	
Raw Material Stores & Spares and Component	-	1,598.46	-	945.74
Capital Goods	-	-	-	-



## PHOENIX INTERNATIONAL LIMITED

### VI) EARNING / EXPENDITURE IN FOREIGN CURRENCY

DESCRIPTION	Year ended on 31st March, 2013	Year ended on 31st March, 2012
Earnings in foreign currency	91.25	95.41
Remittance in foreign currency	-	-
Expenditure in foreign currency	1,598.46	945.74

### 31. FAIR VALUE OF CURRENT AND NON CURRENT ASSETS

In the opinion of Management, Non Current / Current Assets, Loans and Advances are of the value stated. If realised in the ordinary course of business and provision for all known liabilities is adequate.

### 32. Disclosure of Loans/Advances and Investment in its own shares by the listed companies, their subsidiaries, associated etc. (as certified by management)

Particulars	Outstanding Balance Year ended on 31st March, 2013 Rupees		Outstanding Balance Year ended on 31st March, 2012 Rupees	
1. Loans & Advances in the nature of loans to Subsidiaries		484,000,000		34,000,000
2. Loans & Advances in the nature of loans to Associates		Nil		Nil
3. 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
4. Loans & Advances in the nature of loans to firms/Companies to which directors are interested		Nil		Nil
5. Investment by loans in the shares of parent company and subsidiary company when the company has made loans or advances in the nature of loan:-				
Phoenix Industries Limited		84,32,300 (No. of Shares)		8432300 (No. of Shares)

### 33. DIRECTORS REMUNERATION

Particulars	For the Year ended 31st March, 2013 Rupees		For the Year ended 31st March, 2012 Rupees	
<b>1. Whole Time Director</b>				
-Salaries and Allowances		1,785,600		1,777,422
-Contribution to Provident & Other Funds		14,400		22,578
		<b>1,800,000</b>		<b>1,800,000</b>

34. Debit/ Credit balances as on 31st March, 2013 in Debtors, Creditors, Loans & Advances and other Parties accounts are subjects to confirmations.
35. Based on the guiding principles given in Accounting Standard ( AS-17)"SEGMENT REPORTING", there are no separate reportable segments.
36. The accounts of the company have been prepared on going concern basis as per Accounting Standard( AS-1) "Disclosure of Accounting Policies"
37. Unamortized Expense of Rs. 7140233/- (Previous year of RS. 6755964/-) has been recognised as an expense in the profit & loss account.
38. As the Company has unabsorbed depreciation and unabsorbed losses which are to be carried forward as per the provision of 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 on account of timing differences as stipulated in Accounting Standard (AS - 22) "Accounting for Taxes of Income"
39. The Company generally enters into cancelable operating leases for office premises, factory premises and residence of the employees, normally renewable on expiry. Lease payments amounting to Rs. 18.20 lacs (Previous Year RS. 18.24 lacs) made under operating lease have been recognised as an expense in the profit and loss account.
40. Some Banks balances as on 31st March,2013 are subject to confirmations.
41. No Creditors has intimated about their status being of small scale industrial undertaking.
42. Previous year's figures have been regrouped/rearranged & reclassified as necessary.

As per our report of even date annexed

**For Pradip Bhardwaj & Co.**

Chartered Accountants  
FRN- 013697C

**Pradip Bhardwaj**  
**Partner**

M.No. 500219

Place : **New Delhi**

Date : **29.08.2013**

For and on behalf of the Board of Directors

**Narender Makkar**  
**Director**

**P.M. Alexander**  
**Director**



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 2013		
	Date Month Year		

**ii Capital raised During the year**

Public Issue	N I L	Right Issue	N I L
Bonus Issue	N I L	Private Placement	N I L

**iii. Details of Mobilisation and Deployed of funds (Rs. In Thousand)**

<b>Total Liabilities</b>	1 2 4 5 9 9 6	<b>Total Assets</b>	1 2 4 5 9 9 6
<b>Source of Fund</b>			
Paid-up Capital	1 8 7 8 9 6	Reserve & Surplus	5 0 5 7 7 6
Secured Loans	5 4 1 7 7 5	Unsecured Loans/ Long Term Liabilities	4 5 5 5 0
<b>Application Funds</b>			
Net Fixed Assets	4 2 9 1 7 1	Investments	1 5 9 0 8 2
Net Current Assets *	1 5 4 4 3	Other Long Term Assets	5 0 5 2 9 9
Accumulated Losses	-		

**iv Performance of Company**

Turnover	3 6 2 3 1 9	Total Expenditure	3 4 8 5 5 3
Profit / (Loss) Before Tax	1 3 7 6 6	Profit / (Loss) After Tax	9 7 6 6
Earning Per Shares	0. 5 8	Dividend Rate %	-

**v Generic Name of Three Principal Products/Services of Company (as per monetary terms):**

Item Code No. (ITC Code)	6 4 0 2	Production Description	F O O T W E A R
Item Code No. (ITC Code)	2 3 0 4 0 3	Production Description	S O Y A
Item Code No. (ITC Code)	6 4 0 3 9 1 0 2	Production Description	S H O E U P P E R

\* Net of Current Liabilities & Provisions

For **Pradip Bhardwaj & Co.**  
Chartered Accountants  
FRN- 013697C

For and on behalf of the Board of Directors

**Pradip Bhardwaj**  
Partner  
M.No. 500219  
Place : **New Delhi**  
Date : **29/08/2013**

**Narender Kumar Makkar**  
Director

**P.M. Alexander**  
Director





AUDITOR'S REPORT

TO THE MEMBERS OF PHOENIX INDUSTRIES LIMITED

We have audited the attached Balance Sheet of PHOENIX INDUSTRIES LIMITED as at 31st March, 2013, 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, 2013 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2013 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, **subject to non-inclusion of Financial Statement of "Pelle Fine Leather Inc., USA", a foreign subsidiary of the company** and read with other 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, 2013; 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 **R.K.M & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No. 007536N

Rakesh Mathur  
**Prop.**  
**M.No.81851**

Place : New Delhi  
Date: 13.08.2013

**ANNEXURE REFERRED TO IN PARAGRAPH '1' OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF PHOENIX INDUSTRIES LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH' 2013**

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 have been adjusted in the books of account.  
(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 given to us, the Company during the year has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, therefore, provisions of Clause 4(iii) (a), 4(iii)(b), 4(iii)(c) and 4(iii)(d) of Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.  
(e) The Company has taken an interest free unsecured loans of Rs.2232.60 lacs from three parties / companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.2269.40 lacs and the year-end balance of interest free unsecured loans taken were Rs. 2232.60 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. In our opinion and 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. As explained to us, the audit of the cost records shall be carried out by an independent firm of Cost Accountants.
9. (a) The Company is generally regular in depositing with the appropriate authorities the 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, sales tax, wealth tax, customs duty, excise duty and cess were outstanding as at 31st March 2012 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 :-
10. As at 31st March, 2013, the accumulated losses of the company are more than its net worth. The Company has not incurred cash losses



## PHOENIX INDUSTRIES LIMITED

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during the current financial year covered by our audit as well as in the immediately preceding financial year.

11. There are no outstanding dues of the Banks/ Financial Institution at the end of the current financial year as the Company has repaid all the outstanding dues to financial institution and banks. The Company has not issued any debentures.
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. According to the information and explanations given to us, the Company during the year has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
16. The Company during the year has not availed any term loans. Accordingly, the provisions of clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
17. According to the information and explanations given to us, no funds raised on short term basis have been used for long terms 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 R.K.M & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No. 007536N

Rakesh Mathur  
**Prop.**  
**M.No.81851**

Place : **New Delhi**  
Date : **13.08.2013**

## BALANCE SHEET AS AT 31st, MARCH, 2013

PARTICULARS	Note No	As at 31st March, 2013	As at 31st March, 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	<u>2</u>	94,323,000	94,323,000
(b) Reserves and Surplus	<u>3</u>	(218,910,378)	(216,897,352)
<b>(2) Non-Current Liabilities</b>			
Long Term Liability - Unsecured	<u>4</u>	676,940,000	232,660,000
<b>(3) Current Liabilities</b>			
(a) Other Current Liabilities	<u>5</u>	10,278,530	9,926,250
(b) Short - Term Provisions	<u>6</u>	82,423	82,423
<b>TOTAL</b>		<b>562,713,575</b>	<b>120,094,321</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<i>(a) Fixed assets</i>			
(i) Tangible assets	<u>7</u>	3,612,509	4,995,150
(b) Long term Loans and Advances	<u>8</u>	445,971	3,384,222
(c) Non Current Investment	<u>9</u>	98,178,505	98,178,505
<b>(2) Current Assets</b>			
(a) Inventories	<u>10</u>	2,555,624	2,555,624
(b) Trade Receivables	<u>11</u>	5,058,651	5,058,651
(c) Cash and Cash Equivalents	<u>12</u>	11,545,442	5,846,087
(d) Other Current Assets	<u>13</u>	441,316,873	76,082
<b>TOTAL</b>		<b>562,713,575</b>	<b>120,094,321</b>
Notes forming part of the financial statements	1- 32		

## Significant Accounting Policies as per Annexure - "A" Annexed

As Per Our Report of Even Date  
For RKM & Associates  
CHARTERED ACCOUNTANTS  
Firm Reg. No. - 007536N

For and on behalf of the Board of Directors

(Rakesh Mathur)  
Prop.  
M.No. 81851

Narendra Aggarwal  
Director

P. M. Alexander  
Director

PLACE : NEW DELHI  
DATED : 13.08.2013

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Note No	As at 31st March, 2013	As at 31st March, 2012
<b>I. Revenue from operations</b>			
Sale of Products / Raw Materials		-	305,900
<b>II. Other Income</b>	<u>28</u>	<b>5,252</b>	1,076,235
<b>Total Revenue</b>		<b>5,252</b>	1,382,135
<b>III. Expenses</b>			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	<u>29</u>	-	291,333
Employees' benefit expense	<u>30</u>	<b>556,956</b>	600,089
Depreciation and amortization expense		<b>1,382,641</b>	1,382,641
Other expenses	<u>31</u>	<b>78,681</b>	171,174
<b>Total Expenses</b>	<u>w</u>	<b>2,018,278</b>	2,445,237
<b>IV. Profit / (Loss) before Tax</b>		<b>(2,013,026)</b>	(1,063,102)
<b>V. Tax Expense</b>			
(1) Current tax			
(2) Deferred tax Asset / (Liability)			
<b>VI. Profit / (Loss) after Tax (IV - V)</b>		<b>(2,013,026)</b>	(1,063,102)
<b>VII. Tax Paid for Earlier Years</b>		-	8,488
<b>Profit / (Loss) for the year (VI - VII)</b>		<b>(2,013,026)</b>	(1,071,590)
Notes forming part of the financial statements	1- 32		

Significant Accounting Policies as per Annexure - "A" Annexed

As Per Our Report of Even Date  
For RKM & Associates  
CHARTERED ACCOUNTANTS  
Firm Reg. No. - 007536N

For and on behalf of the Board of Directors

(Rakesh Mathur)  
Prop.  
M.No. 81851

Narendra Aggarwal  
Director

P. M. Alexnder  
Director

PLACE : NEW DELHI  
DATED : 13.08.2013

Cash Flow Statement for the Year Ended 31st March, 2013

(All Figures in Lacs)

PARTICULARS	For the Year Ended	
	31st March, 2013 Rs	31st March, 2012 Rs
<b>A. Cash Flow from Operating Activities</b>		
Net Profit /(Loss) before Tax	(20.13)	(10.63)
<b>Adjustments for</b>		
Depreciation	13.83	13.83
Interest Income	-	0.34
Exchange fluctuation on Translation of Foreign currency		
Miscellaneous Income-Provisions Written Back	-	(1.57)
Profit/(Loss) on Sale/Retirement of Fixed Assets	-	1.07
	13.83	13.67
<b>Operating profit before Working Capital Changes</b>	<b>(6.30)</b>	<b>3.04</b>
Trade Receivables	-	(1.99)
Changes in Stock in Trade	-	2.91
Non-Current Assets (Other Fixed Assets)		
Loans and Advances	29.38	5.50
Other Current Assets	(4,412.41)	2.71
Trade Payables		
Other Current Liabilities	3.52	(1.02)
Short Term Provisions	-	(0.77)
Long Term Liabilities	4,442.80	7.34
	63.29	
<b>Cash generated from operating activities</b>	<b>56.99</b>	<b>10.38</b>
<b>Taxes paid</b>	<b>-</b>	<b>0.08</b>
<b>Net cash from operating activities</b>	<b>56.99</b>	<b>10.46</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets		
<b>Net Cash used in investing activities</b>	<b>-</b>	<b>-</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Unsecured Loans	-	-
Investments in Shares & Securities		
TDS		
<b>Net Cash from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalent at the beginning</b>	<b>58.47</b>	<b>48.01</b>
Net Cash flow during the Year	56.99	10.46
Exchange fluctuation on translation of foreign currency		
<b>Cash and Cash Equivalent at the end of the Year</b>	<b>115.46</b>	<b>58.47</b>

As Per Our Report of Even Date  
For RKM & Associates  
CHARTERED ACCOUNTANTS  
Firm Reg. No. - 007536N

For and on behalf of the Board of Directors

(Rakesh Mathur)  
Prop.  
M.No. 81851

Narendra Aggarwal  
Director

P. M. Alexnder  
Director

PLACE : NEW DELHI  
DATED : 13.08.2013



**SIGNIFICANT ACCOUNTING POLICIES**

**1 a) BASIS OF PREPARATION OF FINANCIAL STATEMENT**

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 material respect with the mandatory applicable accounting standards and relevant provisions and presentational requirements of the Companies Act, 1956.

**b) USE OF ESTIMATES**

The preparations 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 disclosure 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 cost relating to the acquisition and installation of Fixed Assets are capitalized and include financing costs relating to the borrowed funds attributable to construction or acquisition of fixed asset up to the assets 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 cost or net realizable value.
- b) Works in Progress are valued at lower of cost or net realizable value and includes cost of raw materials, direct labour and proportionate overheads including fabrication charges.
- c) Finished 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**

Depreciation on fixed assets has been provided on prorata basis on the Straight Line Method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

**5 FOREIGN EXCHANGE TRANSACTION**

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 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 & 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 realizations basis, Duty Drawbacks and Duty entitlement Pass Book benefits are accounted for on accrual basis.

**8 RETIREMENT BENEFITS**

- a) Contributions to Provident fund are made at the prescribed rates in the recognized funds and charged to the Profit and Loss Account.
- b) Provision for Gratuity is made on the basis of actuarial valuation.

**9 INVESTMENTS**

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



**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 impairment losses recognized for the assets no longer exist or have decreased. However, the increases 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 possible obligation or a present obligation that may, but probably will not; require an out flow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



NOTES TO ACCOUNTS

1. Contingent Liabilities Not Provided For :	As at 31st March, 2013 Rupees		As at 31st March, 2012 Rupees	
Guarantee given by the bankers on behalf of Company (net of Margin Money)	20.41 Lacs		20.41 Lacs	
<b>2. SHARE CAPITAL</b>	<b>Nos of Share</b>	<b>Value</b>	<b>Nos of Share</b>	<b>Value</b>
<b>(a) Authorised Capital</b>	10,000,000	100,000,000	10,000,000	100,000,000
<b>TOTAL</b>	<b>10,000,000</b>	<b>100,000,000</b>	<b>10,000,000</b>	<b>100,000,000</b>
<b>(b) Issued, Subscribed and fully paid up</b>	9,432,300	94,323,000	9,432,300	94,323,000
<b>TOTAL</b>	<b>9,432,300</b>	<b>94,323,000</b>	<b>9,432,300</b>	<b>94,323,000</b>
<b>(c) Disclosure for Shareholding</b>	<b>No. of</b>	<b>% age</b>	<b>No. of</b>	<b>% age</b>
<b>Name of Shareholder</b>	<b>Shares held</b>	<b>of Holding</b>	<b>Shares held</b>	<b>of Holding</b>
<b>Phoenix International Limited</b>	8,432,200	89.40%	8,432,300	89.40%
(Holding Company)				
<b>Phoenix Cement Limited</b>	1,000,000	10.60%	1,000,000	10.60%
(Subsidiary of Phoenix International Ltd.)				
<b>TOTAL</b>	<b>9,432,200</b>	<b>100%</b>	<b>9,432,300</b>	<b>100%</b>
<b>(d) Reconciliation of Shares Outstanding</b>	<b>Nos of Share</b>	<b>Value</b>	<b>Nos of Share</b>	<b>Value</b>
<b>Shares outstanding at the beginning of the year</b>	9,432,300	94,323,000	9,432,300	94,323,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>9,432,300</b>	<b>94,323,000</b>	<b>9,432,300</b>	<b>94,323,000</b>
<b>3. RESERVES &amp; SURPLUS</b>				
<b>General Reserve</b>				
- As per last Balance Sheet	91,210,013		91,210,013	
Less : adjusted as per Contra P & L A/c	(91,210,013)	-	(91,210,013)	-
Share Premium Account		100,000,000		100,000,000
Investment Allowance Reserve		442,744		442,744
<b>Profit &amp; Loss Account - Balance</b>				
Opening Balance	(317,340,096)		(316,268,506)	
Net Loss for the Current Year	(2,013,026)	(319,353,122)	(1,071,590)	(317,340,096)
<b>TOTAL</b>		<b>(218,910,378)</b>		<b>(216,897,352)</b>



4. OTHER LONG TERM BORROWINGS	As at 31st March, 2013 Rupees	As at 31st March, 2012 Rupees
<b>Unsecured Loans</b>		
From Phoenix International Limited - Holding Company	484,000,000	34,000,000
From Focus Energy Limited	189,940,000	189,940,000
From Spartan Agro Industries Limited	3,000,000	3,000,000
From Directors	-	5,720,000
<b>TOTAL</b>	<b>676,940,000</b>	<b>232,660,000</b>
<b>5. OTHER CURRENT LIABILITIES</b>		
Others - Against Supplies & Services	2,486,642	2,183,633
Other Payables	7,791,888	7,742,617
<b>TOTAL</b>	<b>10,278,530</b>	<b>9,926,250</b>
<b>6. SHORT TERM PROVISIONS</b>		
Gratuity	82,423	82,423
<b>TOTAL</b>	<b>82,423</b>	<b>82,423</b>

7. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2012	Addition During the Year	Deletions During the Year	As at 31st March, 2013	Upto 31st March, 2012	For the Year	Adjustment During the Year	Total Upto 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
<b>TANGIBLE ASSETS</b>										
Furniture & Fixtures	3,054,779			3,054,779	3,051,837	408		3,052,245	2,534	2,942
Office Equipments	1,872,914			1,872,914	1,866,733	1,740		1,868,473	4,441	6,181
Electrical Installations	1,931,545			1,931,545	1,925,323	1,532		1,926,855	4,690	6,222
Plant & Machinery	28,084,849			28,084,849	23,105,044	1,378,961		24,484,005	3,600,844	4,979,805
Vehicles	1,541,755			1,541,755	1,541,755			1,541,755	-	-
Temporary Structures	2,210,664			2,210,664	2,210,664			2,210,664	-	-
<b>Current Year</b>	<b>38,696,506</b>			<b>38,696,506</b>	<b>33,701,356</b>	<b>1,382,641</b>		<b>35,083,997</b>	<b>3,612,509</b>	<b>4,995,150</b>
<b>Previous Year</b>	<b>38,696,506</b>			<b>38,696,506</b>	<b>32,318,715</b>	<b>1,382,641</b>		<b>33,701,356</b>	<b>4,995,150</b>	

8. LONG TERM LOANS & ADVANCES	As at 31st March, 2013	As at 31st March, 2012
<b>(Unsecured, Considered Good)</b>		
Security Deposits	322,437	322,437
Loans and Advances to Related Parties *	123,534	3,061,785
<b>TOTAL</b>	<b>445,971</b>	<b>3,384,222</b>

\*Due from Focus Energy Ltd. a Company in which Directors are interested as Directors.



## PHOENIX INDUSTRIES LIMITED

9. NON CURRENT INVESTMENTS	As at 31st March, 2013		As at 31st March, 2012	
	Nos of Share	Value	Nos of Share	Value
<b>Long Term Investments - At Cost</b>				
<b>Unquoted - Trade</b>				
Super Bazaar Co-operative Store Ltd.	1,000	10,010	1,000	10,010
<b>Unquoted - Non Trade</b>				
Pelle Fine Leather Inc. (Foreign Company)	1,246,000	58,837,618	1,246,000	58,837,618
Phoenix Cement Limited (Subsidiary of Phoenix International Limited)	21,000,000	37,894,500	21,000,000	37,894,500
Phoenix Power Development Corporation Limited	10	100	10	100
<b>Quoted</b>				
Yellow Valley Leasing and Finance Limited	24,600	344,400	24,600	344,400
Savare Trade Enterprises Ltd.	72,200	1,091,877	72,200	1,091,877
<b>TOTAL</b>	<b>22,343,810</b>	<b>98,178,505</b>	<b>22,343,810</b>	<b>98,178,505</b>

Note :

Aggregate cost of Quoted Investment	14.36 Lacs	14.36 Lacs
Aggregate Market Value of Quoted Investment	18.14 Lacs	18.14 Lacs
Aggregate cost of Unquoted Investment	967.42 Lacs	967.42 Lacs

The Market value of Share of Yellow Valley Leasing and Finance Limited has been taken on the basis of last traded rate of Rs. 26/80 per share as per Delhi Stock Exchange quotation. The Market value of Share of Savare Trade Enterprises Limited has been taken on the basis of last traded rate of Rs. 16 per share as per Delhi Stock Exchange quotation.

10. INVENTORIES	As at 31st March, 2013 Rupees	As at 31st March, 2012 Rupees
<b>Stock in Trade</b>		
Raw Material	1,879,942	1,879,942
Finished Goods	675,682	675,682
<b>TOTAL</b>	<b>2,555,624</b>	<b>2,555,624</b>

11. TRADE RECEIVABLES (Unsecured Considered Good)		
<b>Receivables from Related Parties</b> (From Phoenix International Ltd. - Holding Company)	199,020	199,020
<b>Considered Doubtful</b>	22,059,105	22,059,105
	22,258,125	22,258,125
<b>Less : Provision for Doubtful Debts</b>	17,199,474	17,199,474
<b>TOTAL</b>	<b>5,058,651</b>	<b>5,058,651</b>

12. CASH & CASH EQUIVALENTS	31st March, 2013 Rupees		31st March, 2012 Rupees	
(i) Balances with Scheduled Banks				
In current Accounts	6,680,989		981,634	
In Deposit Accounts	2,297,170	8,978,159	2,297,170	3,278,804
(ii) Cash on hand		2,567,283		2,567,283
<b>TOTAL</b>		<b>11,545,442</b>		<b>5,846,087</b>



13. OTHER CURRENT ASSETS	As at 31st March, 2013 Rupees	As at 31st March, 2012 Rupees
Other Receivables	441,299,141	58,350
Interest accrued but not due	1,591	1,591
Advances Taxes & Withholding Taxes	16,141	16,141
<b>TOTAL</b>	<b>441,316,873</b>	<b>76,082</b>

**14. SEGEMENTAL REPORTING**

Based on guiding principles given Accounting Standard (AS-17) "Segement Reporting", there are no separate reportable segments.

15. RELATED PARTY DISCLOSURE				
Name of the Related Party	Relationship	Nature of Transactions	Volume of Transactions	Outstanding Amount
Phoenix International Limited	Holding Company		Amount (In Rs.)	
			-	199,020

**16. FAIR VALUE OF CURRENT AND NON CURRENT ASSETS**

In the opinion of Management, the value on realization of current and non current assets 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 loans and liabilities is adequate.

17. PAYMENT TO AUDITORS	As at 31st March, 2013 Rupees	As at 31st March, 2012 Rupees
Audit Fees	39,326	28,090
<b>TOTAL</b>	<b>39,326</b>	<b>28,090</b>

18. BASIC AND DILUTED EARNING PER SHARE		
Net Profit / (Loss) After Tax	(2,013,026)	(1,071,590)
Number of Equity Shares	9,432,300	9,432,300
Nominal Value of Equity Shares (Rupees)	10.00	10.00
Basic and Diluted Earning Per Share (Rupees)	<b>(0.21)</b>	<b>(0.11)</b>

The Company has not shown diluted earning per share because the Company has not issued any potential equity share.

**19. DISCLOSURE WITH RESPECT TO EMPLOYEE'S BENEFITS**

Every employee who has completed five years or more of service gets a Gratuity on leaving at 15 days salary (last drawn salary for each completed year of service). Year and liability on account of retirement benefits to employees are provided and funded to approved Gratuity Fund under the Group Gratuity cum Life Assurance scheme of Life Insurance Corporation of India. Contribution to defined contribution scheme such as Provided and Family Pension fund are charged to Profit & Loss Account as incurred. Leave Encashment is accounted for on year to year basis and not accumulated to be encashed at the time of retirement.

**20. STATEMENT OF ADDITIONAL INFORMATION PURSUANT OT THE PROVISIONS OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956, TO THE EXTENT RELEVANT, ARE GIVEN AS UNDER :**

I ) PARTICULARS OF CAPACITY AND PRODUCTION							
DESCREPTION	UNIT	LICENSED CAPACITY		INSTALLED CAPACITY		PRODUCTION	
		YEAR ENDED 31.03.2013	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2013	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2013	YEAR ENDED 31.03.2012
SHOES UPPER	PAIRS	N.A	N.A				
FOOTWEAR	PAIRS	N.A	N.A				

Notes :-- Installed capacity is as certified by the management and relied upon by the auditors being a technical matter.



II ) PARTICULARS OF STOCKS AND SALES & SERVICES								
STOCKS								
OPENING STOCK					CLOSING STOCK			
UNIT	As at 01.04.2013		As at 01.04.2012		As at 31.03.2013		As at 31.03.2012	
	QTY.	Amount (In Rs.)	QTY.	Amount (In Rs.)	QTY.	Amt. (In Rs.)	QTY.	Amt. (In Rs.)
Sport Shoes Pairs	36282	647,088	36282	647,088	36282	647,088	36282	647,088
Shoes Upper Pairs		28,094		28,094		28,094		28,094
Others								
<b>TOTAL</b>	<b>36282</b>	<b>675,182</b>	<b>36282</b>	<b>675,182</b>	<b>36282</b>	<b>675,182</b>	<b>36282</b>	<b>675,182</b>

III ) PARTICULARS OF MATERIALS CONSUMED						
DESCRIPTION QTY.	UNIT Amt. (In Rs.)	As at 31.03.2013		As at 31.03.2012		
		QTY.	Amt. (In Rs.)	QTY	Amt. (In Rs.)	
FINISHED LEATHER	SQ. DM	NIL	NIL	NIL	NIL	
CHEMICAL		NIL	NIL	NIL	NIL	
OTHERS		NIL	NIL	NIL	NIL	
<b>TOTAL</b>						

IV ) VALUE OF IMPORTED / INDIGENEOUS RAW MATERIAL, STORE SPARES AND COMPONENTS CONSUMED				
DESCRIPTION	As at 31.03.2013		As at 31.03.2012	
	Amt. (In Rs.) Consumption	% of	Amt. (In Rs.) Consumption	% o
IMPORTED	NIL	NIL	NIL	NIL
INDIGENEOUS	NIL	NIL	NIL	NIL
<b>TOTAL</b>				

V ) VALUE OF IMPORTS OF C.I.F BASIS			
DESCRIPTION	As at 31.03.2013		As at 31.03.2012
	Amt. (In Rs.)	% of	Amt. (In Rs.)
RAW MATERIAL STORES & SPARES AND COMPONENTS	NIL		NIL
CAPITAL GOODS	NIL		NIL

VI ) EARNING / EXPENDITURE IN FOREIGN CURRENCY		
DESCRIPTION	As at 31.03.2013	As at 31.03.2012
EARNING IN FOREIGN CURRENCY	NIL	NIL
REMITANCE IN FOREIGN CURRENCY	NIL	NIL
EXPENDITURE IN FOREIGN CURRENCY	NIL	NIL

21. The accounts of the Company have been prepared on going concern basis.
22. As per accounting policy of the Company, the valuation of closing stock of Finished Goods has been done by including Excise Duty. In the current year, the excise duty payable on finished goods lying at factory (Bounded Store Room) amounting to Rs. Nil (Previous year Rs. Nil) has been included in the value of finished goods stock. It does not have any impact on the Profit & Loss Account of the Company.
23. In view of the losses and uncertainty of future taxable income, the Company has not recorded Cumulative Deferred Tax Assets/Liability on account of timing differences as stipulated in Accounting Standards (AS-22)-"Accounting for Taxes on Income"
24. Debit / Credit balance as on 31st March, 2013 in Debtors, Creditors, Loans, Advances and other parties account are subject to confirmations.
25. 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.
26. No Creditor has intimated about their status being of small industrial undertaking.
27. Prior Period expenditure have been included under normal heads of expenses.

**PHOENIX INDUSTRIES LIMITED**



<b>28. OTHER INCOME</b>	<b>Current Year 31st March, 2013 Rupees</b>	<b>Previous Year 31st March, 2012 Rupees</b>
Interest on Deposit, Margin Money etc..	-	33,568
Sundry Balance Written Back	5,252	157,354
Miscellaneous Income	-	885,313
<b>TOTAL</b>	<b>5,252</b>	<b>1,076,235</b>

<b>29. CHANGE IN STOCK IN TRADE</b>		
Opening Stock - Raw Material / Finished Goods	2,555,624	2,846,957
Closing Stock - Raw Material / Finished Goods	2,555,624	2,555,624
<b>Change in Stock in Trade</b>	<b>TOTAL</b>	<b>-</b>
		291,333

<b>30. EMPLOYEES' BENEFIT EXPENSES</b>	<b>Current Year 31st March, 2013 Rupees</b>	<b>Previous Year 31st March, 2012 Rupees</b>
Salary & Wages	540,624	568,340
Contribution to Provident Fund / ESIC	16,332	31,749
<b>TOTAL</b>	<b>556,956</b>	<b>600,089</b>

<b>31. OTHER EXPENSES</b>	<b>Current Year 31st March, 2013 Rupees</b>	<b>Previous Year 31st March, 2012 Rupees</b>
Rent, Rate & Taxes Paid	-	4,345
Bank Charges	645	3,531
Payment to Auditors	39,326	28,090
Legal & Professional fees	24,710	25,371
Other expenses	2,000	2,390
Advertisement & Publicity Exp.	12,000	-
Sundry Balance Write off	-	107,447
<b>TOTAL</b>	<b>78,681</b>	<b>171,174</b>

"32. Figures for the previous year have been regrouped / rearranged wherever necessary to confirm to the classification adopted in the current year."

**As Per Our Report of Even Date**

**For RKM & Associates**  
Chartered Accountants  
Firm Reg. No. - 007536N

(Rakesh Mathur)  
Prop.  
Mem. No. 81851

Place : **New Delhi**  
Date : **13.08.2013**

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

**Narender Aggarwal**  
Director

**P.M Alexnder**  
Director



PART - IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

**i Registration Details**

Registration No. 

0	5	5	1	0	1	5	9	3
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 State Code 

5	5
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Balance Sheet Date 

31	03	2013
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**ii Capital raised During the year**

Public Issue <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	Right Issue <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
N	I	L					
N	I	L					
Bonus Issue <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	Private Placement <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
N	I	L					
N	I	L					

**iii. Details of Mobilisation and Deployed of Funds (Rs. in Thousand)**

Total Liabilities <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>5</td><td>5</td><td>2</td><td>3</td><td>5</td><td>3</td></tr></table>	5	5	2	3	5	3	Total Assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>5</td><td>5</td><td>2</td><td>3</td><td>5</td><td>3</td></tr></table>	5	5	2	3	5	3
5	5	2	3	5	3								
5	5	2	3	5	3								
<b>Source of Fund</b>													
Paid-up Capital <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>9</td><td>4</td><td>3</td><td>2</td><td>3</td></tr></table>	9	4	3	2	3	Reserve & Surplus <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>1</td><td>8</td><td>9</td><td>1</td><td>0</td></tr></table>	2	1	8	9	1	0	
9	4	3	2	3									
2	1	8	9	1	0								
Secured Loans <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td></tr></table>	-	Long Term Liability/Unsecured Loans <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>6</td><td>7</td><td>6</td><td>9</td><td>4</td><td>0</td></tr></table>	6	7	6	9	4	0					
-													
6	7	6	9	4	0								
<b>Application Funds</b>													
Net Fixed Assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>6</td><td>1</td><td>3</td></tr></table>	3	6	1	3	Investments <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>9</td><td>8</td><td>1</td><td>7</td><td>9</td></tr></table>	9	8	1	7	9			
3	6	1	3										
9	8	1	7	9									
Net Current Assets * <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>4</td><td>5</td><td>0</td><td>1</td><td>1</td><td>6</td></tr></table>	4	5	0	1	1	6	Other Long Term Assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>4</td><td>4</td><td>6</td></tr></table>	4	4	6			
4	5	0	1	1	6								
4	4	6											
Accumulated Losses <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-							
-	-	-	-	-	-								

**iv Performance of Company**

Turn Over <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>5</td></tr></table>	5	Total Expenditure <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>0</td><td>1</td><td>3</td></tr></table>	2	0	1	3			
5									
2	0	1	3						
Profit / (Loss) Before Tax <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>0</td><td>1</td><td>3</td></tr></table>	2	0	1	3	Profit / (Loss) After Tax <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>0</td><td>1</td><td>3</td></tr></table>	2	0	1	3
2	0	1	3						
2	0	1	3						
Earning Per Shares (in Rs.) <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>.</td><td>2</td><td>1</td></tr></table>	0	.	2	1	Dividend Rate % <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	
0	.	2	1						
N	I	L							

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

Item Code No. (ITC Code) <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>6</td><td>4</td><td>0</td><td>4</td><td>1</td><td>0</td><td>0</td></tr></table>	6	4	0	4	1	0	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>6</td><td>3</td><td>0</td><td>2</td><td>2</td><td>1</td><td>0</td><td>0</td></tr></table>	6	3	0	2	2	1	0	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>6</td><td>4</td><td>0</td><td>3</td><td>9</td><td>1</td><td>0</td><td>2</td></tr></table>	6	4	0	3	9	1	0	2												
6	4	0	4	1	0	0																															
6	3	0	2	2	1	0	0																														
6	4	0	3	9	1	0	2																														
Product Description <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>S</td><td>P</td><td>O</td><td>R</td><td>T</td><td>S</td><td>H</td><td>O</td><td>E</td><td>S</td></tr></table>	S	P	O	R	T	S	H	O	E	S	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>B</td><td>E</td><td>D</td><td>S</td><td>H</td><td>E</td><td>E</td><td>T</td></tr></table> <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>C</td><td>O</td><td>V</td><td>E</td><td>R</td></tr></table>	B	E	D	S	H	E	E	T	C	O	V	E	R	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>L</td><td>E</td><td>A</td><td>T</td><td>H</td><td>E</td><td>R</td><td>S</td><td>H</td><td>O</td><td>E</td><td>S</td></tr></table>	L	E	A	T	H	E	R	S	H	O	E	S
S	P	O	R	T	S	H	O	E	S																												
B	E	D	S	H	E	E	T																														
C	O	V	E	R																																	
L	E	A	T	H	E	R	S	H	O	E	S																										

\* Net of Current Liabilities & Provisions

For and on behalf of the Board of the Directors

Place : New Delhi  
Date : 13.08.2013

NARENDRA AGGARWAL  
Director

P.M. ALEXANDER  
Director

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 AUDITOR'S REPORT
 

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TO

## THE MEMBERS OF PHOENIX CEMENT LIMITED

We have audited the attached Balance Sheet of **PHOENIX CEMENT LIMITED** as at 31st March 2013, 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 written representations received from the Directors of the Company as on 31st March, 2013 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2013 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, **subject to non-inclusion of Financial Statement of Buildwell Cement Ltd, a foreign subsidiary of the company** and read with other 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, 2013 and;
    - in the case of the Profit and 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 the year ended on that date.

**for R.K.M & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No. 007536N

Rakesh Mathur  
**Prop.**  
**M.No.81851**

Place : **New Delhi**Date : **13.08.2013**
**ANNEXURE REFERRED TO IN PARAGRAPH '1' OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF PHOENIX CEMENT LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH' 2013**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained to us, the fixed assets have been physically verified by the management at the end of the accounting year except Capital Assets lying in the Customs bonded Warehouse. As explained to us, no material discrepancies were noticed on comparisons of physical quantities with those as per fixed assets register.
 

The Company during the year has not disposed off any substantial / major part of its fixed assets.
2. (a) The Company does not have any inventories. Accordingly, the provisions of clause 4 (ii) (b) and 4 (ii) (c) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
3. (a) According to the information and explanations given to us, the Company during the year has not granted/ taken any loans, secured or unsecured, to / from companies,, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of Clause 4(iii) (b), 4(iii) (c) and 4(iii) (d), 4(iii) (e), 4(iii) (f) ,4(iii) (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.





## PHOENIX CEMENT LIMITED

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 weaknesses 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 and
  - b) There are no transactions of purchase of goods, materials and services & sale of goods, materials and services made in pursuance of contracts or arrangement required to be entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs 5 lacs in respect of any party during the year.
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. In our opinion and 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 Central Government has not prescribed for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
9.
  - a) The Company is regular in depositing with the appropriate authorities the undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, service 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, service tax, sales tax, customs duty and excise duty 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, there are no amounts in respect of sales tax, income tax, customs duty, service tax, wealth tax, excise duty and cess which have not been deposited with the appropriate authorities on account of any dispute.
10. As at 31st March, 2013, the accumulated losses of the Company are more than fifty percent of its net worth. The Company has incurred cash losses during the current financial year and also in the immediately preceding financial year.
11. The Company has not borrowed any loan from banks and / or financial Institution and the company have not issued any debentures.
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.
13. According to information and explanations given to us, the Company is not a Chit Fund, 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 and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company during the year has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4 (xv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
16. The Company during the year has not availed any term loans. Accordingly, the provisions of clause 4 (xvi) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
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 has not made any preferential allotment of shares to any company or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (xviii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
19. The Company 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 R.K.M & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No. 007536N

Rakesh Mathur  
**Prop.**  
**M.No.81851**

Place : **New Delhi**  
Date : **13.08.2013**

BALANCE SHEET AS AT 31st, MARCH, 2013

PARTICULARS	Note No	Current Year 31st March, 2013 Rs	Previous Year 31st March, 2012 Rs
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	829,535,700	829,535,700
(b) Reserves and Surplus	3	(555,907,743)	(555,871,515)
<b>(2) Current Liabilities</b>			
(a) Other current liabilities	4	44,114,538	44,078,310
<b>Total</b>		<b>317,742,495</b>	<b>317,742,495</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets		-	-
(ii) Plant & Machinery for Re Export	5	22,874,720	22,874,720
<b>(b) Long term loans and advances</b>	6	<b>95,108,279</b>	95,108,279
<b>(C) Non Current Investment</b>	7	<b>199,612,500</b>	199,612,500
<b>(2) Current Assets</b>			
(a) Cash and cash equivalents	8	146,996	146,996
<b>Total</b>		<b>317,742,495</b>	<b>317,742,495</b>
<b>Notes on Financial Statement</b>	<b>1 to 19</b>		

Significant Accounting Policies as per Annexure - "A" Annexed

As Per Our Report of Even Date

**For RKM & Associates**  
Chartered Accountants  
Firm Reg. No. - 007536N

For and on behalf of the Board of Directors

Rakesh Mathur  
Prop.  
Mem. No. 81851

**Narender Makkar**  
Director

**Narender Aggarwal**  
Director

Place : **New Delhi**  
Date : **13.08.2013**



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2013

PARTICULARS	Note No	Current Year 31st March, 2013	Previous Year 31st March, 2012
<b>I. Other Income</b>			
<b>Total Revenue</b>	-	-	-
<b>II. Expenses</b>			
Other expenses	<u>12</u>	<b>36,228</b>	55,041
<b>Total Expenses</b>		<b>36,228</b>	55,041
<b>III. Profit / (Loss) before tax (I - II)</b>		<b>(36,228)</b>	(55,041)
<b>IV. Tax Expense</b>			
(1) Current tax		-	-
(2) Deferred tax Asset / (Liability)		-	-
<b>V. Profit / (Loss) after tax (III - IV)</b>		<b>(36,228)</b>	(55,041)
<b>VI. Profit / (Loss) for the year (III - IV)</b>		<b>(36,228)</b>	(55,041)
<b>Notes on Financial Statement</b>	<b>1 to 19</b>		

As Per Our Report of Even Date Annexed

**For RKM & Associates**  
Chartered Accountants  
Firm Reg. No. - 007536N

For and on behalf of the Board of Directors

Rakesh Mathur  
Prop.  
Mem. No. 81851

**Narender Kumar Makkar**  
Director

**Narender Aggarwal**  
Director

Place : **New Delhi**  
Date : **13.08.2013**



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

(Rs. In Lacs)

PARTICULARS	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
<b>A. Cash Flow from Operating Activities</b>		
Net Profit /(Loss) before Tax	(0.36)	(0.55)
<b>Adjustments for</b>		
Depreciation		
Interest Income		
Exchange fluctuation on Translation of Foreign currency		
Miscellaneous Income-Provisions Written Back		
Profit/(Loss) on Sale/Retirement of Fixed Assets		
	(0.36)	(0.55)
<b>Operating profit before Working Capital Changes</b>		
Trade Receivables		
Changes in Stock in Trade		
Non-Current Assets (Other Other Fixed Assets)		
Loans and Advances	-	0.13
Other Current Assets		
Trade Payables		
Other Current Liabilities	0.36	0.42
Short Term Provisions		
Long Term Provisions		
	0.36	0.55
Cash generated from operating activities		
Taxes paid	-	-
<b>Net cash from operating activities</b>	-	-
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets		
Sale of Fixed Assets		
<b>Net Cash used in investing activities</b>		
<b>C. Cash flow from Financing Activities</b>		
Interest Income		
Investments in Shares & Securities		
TDS		
<b>Net Cash from Financing Activities</b>		
<b>Cash and Cash Equivalent as on 01.04.2012</b>	1.47	1.47
Net Cash flow during the Year		
Exchange fluctuation on translation of foreign currency		
<b>Cash and Cash Equivalent as on 31.03.2013</b>	1.47	1.47
<b>Notes :</b>		
Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard (AS 3): Cash Flow Statements as specified in the Companies (Accounting Standards) Rules, 2006.		

As Per Our Report of Even Date Annexed

**For RKM & Associates**  
Chartered Accountants  
Firm Reg. No. - 007536N

Rakesh Mathur  
Prop.  
Mem. No. 81851

Place : **New Delhi**  
Date : **13.08.2013**

For and on behalf of the Board of Directors

Narender Makkar  
**Director**

Narender Aggarwal  
**Director**

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 Annexure - "A" SIGNIFICANT ACCOUNTING POLICIES
 

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**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 material respect with the mandatory applicable accounting standards and relevant provisions and presentational requirements of the Companies Act, 1956.

**b) USE OF ESTIMATES**

The preparations 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 disclosure 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 cost relating to the acquisition and installation of Fixed Assets are capitalized and include financing costs relating to the borrowed funds attributable to construction or acquisition of fixed asset up to the assets is put to use. Capital Work in Progress is stated at amount expended up to the date of Balance Sheet.

**3. DEPRECIATION**

Depreciation on fixed assets has been provided on prorata basis on the straight – line method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

**4. FOREIGN EXCHANGE TRANSACTION**

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 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 & Loss Account. Foreign Exchange differences relating to acquisition of fixed assets are adjusted to the carrying cost of the relevant fixed assets.

**5. INVESTMENTS**

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

**6. 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 impairment losses recognized for the assets no longer exist or have decreased. However, the increases 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.

**7. 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 possible obligation or a present obligation that may, but probably will not; require an out flow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

For RKM & Associates  
Chartered Accountants  
Firm Reg. No. - 007536N

For and on behalf of the Board of Directors

Rakesh Mathur  
Prop.  
Mem. No. 81851

Narender Makkar  
Director

Narender Aggarwal  
Director

Place : New Delhi  
Date : 13.08.2013

NOTES TO ACCOUNTS

DESCRIPTION	YEAR ENDED 31st MARCH, 2013 (Rs.)		YEAR ENDED 31st MARCH, 2012 (Rs.)	
	<b>1. Contingent Liabilities Not Provided For</b>	-	-	-
<b>2. SHARE CAPITAL</b>				
<b>(a) Authorised Capital</b>	<b>1,000,000,000</b>	<b>10,000,000,000</b>	1,000,000,000	10,000,000,000
<b>TOTAL</b>	<b>1,000,000,000</b>	<b>10,000,000,000</b>	1,000,000,000	10,000,000,000
<b>(b) Issued, Subscribed and Fully Paid Up</b>				
	<b>82,953,570</b>	<b>829,535,700</b>	82,953,570	829,535,700
<b>TOTAL</b>	<b>82,953,570</b>	<b>829,535,700</b>	82,953,570	829,535,700
<b>Out of the above total paid up share capital</b>				
1) 58,200,000 Equity shares allotted pursuant to a contract without payment in cash.				
<b>(c) Disclosure for Shareholding (holding more than 5%)</b>				
<b>Name of Shareholder</b>	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
<b>Phoenix International Limited</b> (Holding Company)	<b>41,953,510</b>	<b>51%</b>	41,953,510	51%
<b>Phoenix Industries Limited</b> (Subsidiary of Phoenix International Ltd.)	<b>21,000,000</b>	<b>25%</b>	21,000,000	25%
<b>Phoenix Real Time Services Ltd.</b>	<b>20,000,000</b>	<b>24%</b>	20,000,000	24%
<b>TOTAL</b>	<b>82,953,510</b>	<b>100%</b>	82,953,510	100%
<b>(d) Reconciliation of Shares Outstanding</b>	<b>Nos of Share</b>	<b>Amount (In Rs.)</b>	<b>Nos of Share</b>	<b>Amount (In Rs.)</b>
Shares outstanding at the beginning of the year	<b>82,953,570</b>	<b>829,535,700</b>	82,953,570	829,535,700
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>82,953,570</b>	<b>829,535,700</b>	82,953,570	829,535,700
<b>3. RESERVES &amp; SURPLUS</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>General Reserve</b>				
- As per last Balance Sheet				
<b>Profit &amp; Loss Account- Balance</b>				
Opening Balance	<b>(555,871,515)</b>		(555,816,474)	
Net Loss for the Current Year	<b>(36,228)</b>	<b>(555,907,743)</b>	(550,41)	(555,871,515)
<b>TOTAL</b>		<b>(555,907,743)</b>		(555,871,515)



## PHOENIX CEMENT LIMITED

DESCRIPTION	YEAR ENDED 31st MARCH, 2013 (Rs.)	YEAR ENDED 31st MARCH, 2012 (Rs.)
<b>4. OTHER CURRENT LIABILITIES</b>		
<b>Other advances</b>		
From Related Parties*	16,425,744	16,425,744
Others– Against Supplies & Services	24,010,074	24,010,074
Other Payables	3,678,720	3,642,492
<b>TOTAL</b>	<b>44,114,538</b>	<b>44,078,310</b>

\* Payable to Phoenix International Limited– Holding Company

### 5. FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS AT 1st APRIL, 2012	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31st MARCH, 2013	UP TO 31st MARCH, 2012	FOR THE YEAR	ADJUST- MENTS FOR DELETION DURING THE YEAR	TOTAL UPTO 31st MARCH, 2013	AS AT 31st MARCH, 2013	AS AT 31st MARCH, 2012
<b>TANGIBLE ASSETS</b>										
<i>(Not under Lease)</i>										
Furniture & Fixtures	51,342			51,342	51,342			51,342	–	–
Office Equipments	150,046			150,046	150,046			150,046	–	–
<b>TOTAL</b>	201,388			201,388	201,388			201,388	–	–
Plant & Machinery	22,874,720			22,874,720	–			–	22,874,720	22,874,720
<b>Current Year</b>	23,076,108			23,076,108	201,388			201,388	22,874,720	22,874,720
<b>Previous Year</b>	23,076,108			23,076,108	201,388			201,388	22,874,720	

### 6. LONG TERM LOANS & ADVANCES

#### (Unsecured, Considered Good)

	YEAR ENDE 31st MARCH, 2013 (Rs.)	YEAR ENDE 31st MARCH, 2012 (Rs.)
Security Deposits *	5,044,179	5,044,179
Loans and Advances to Others	90,064,100	90,064,100
<b>TOTAL</b>	<b>95,108,279</b>	<b>95,108,279</b>

- I) Deposit for custom duty paid in earlier years amounting to Rs. 50.44 lacs is refundable by the Custom Department. The company is making efforts for refund of this amount from custom Authorities.
- II) The Company had paid a deposit of Rs. 70.64 Lacs in earlier years to the Madhya Pradesh Audhyogic Kendra Vikas Nigam (Gwalior) Limited for acquisition of land in District Satna, Madhya Pradesh for setting up of cement plant in that area. The project for setting up of the Cement Plant has been abandoned. The land owners had filed a petition against the notification for acquisition of land by the Government in the High Court, which has been decided in the favour of landowners. The company has requested the authorities for refund of the amount, which has been considerably delayed. The Government is likely to issue de- notification in the near future and the deposit will be refunded in due course.

### 7. CURRENT INVESTMENTS

#### Long Term Investments– At Cost

#### Unquoted– Non Trade

	YEAR ENDE 31st MARCH, 2013		YEAR ENDE 31st MARCH, 2012	
	No. of Share	Value	No. of Share	Value
<b>Build Well Cement Ltd. (Foreign Company)</b>	4,000,000	176,440,000	4,000,000	176,440,000
<b>Phoenix Industries Limited</b> (Subsidiary of Phoenix International Ltd.)	1,000,000	23,172,500	1,000,000	23,172,500

**PHOENIX CEMENT LIMITED**



DESCRIPTION	YEAR ENDED 31st MARCH, 2013 (Rs.)	YEAR ENDED 31st MARCH, 2012 (Rs.)
<b>TOTAL</b>	<b>199,612,500</b>	199,612,500
<b>8. CASH &amp; CASH EQUIVALENTS</b>		
(i) Balances with Scheduled Banks		
In current Accounts	<b>119,496</b>	119,496
(ii) Cash on hand	<b>27,500</b>	27,500
<b>TOTAL</b>	<b>146,996</b>	146,996
<b>9. FAIR VALUE OF CURRENT AND NON CURRENT ASSETS</b>		
In the opinion of the management, the value on realization of current assets, loans and 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.		
<b>10. PAYMENT TO AUDITORS</b>		
Audit Fees	<b>28,090</b>	16,854
<b>TOTAL</b>	<b>28,090</b>	16,854
<b>11. BASIC AND DILUTED EARNING PER SHARE:</b>		
Net Profit / (Loss) After Tax	<b>(36,228)</b>	(55,041)
Number of Equity Shares	<b>82,953,570</b>	82,953,570
Nominal Value of Equity Shares ( <i>Rupees</i> )	<b>10</b>	10
Basic and Diluted Earning Per Share ( <i>Rupees</i> )	<b>(0.0004)</b>	(0.001)
<b>12. OTHER EXPENSES</b>		
Auditors Remuneration	<b>28,090</b>	16,854
Legal & Professional fees	<b>5,618</b>	25,258
Filing Fees	<b>1,520</b>	-
Insurance	-	12,929
Travelling & Conveyance	<b>1,000</b>	-
<b>TOTAL</b>	<b>36,228</b>	55,041

**13. SEGMENT REPORT**

Accounting Standard AS 17 regarding Segment Reporting issued by Institute of Chartered Accountants of India is not applicable as the company does't have any other segment.

14. Other statutory information is presently not applicable as the company has not started any business activities.

15. AS 22 regarding taxes on income is not presently applicable to the company as it has not commenced any business activity.

16. The accounts of the Company have been prepared on going concern basis.

17. In view of losses and uncertainty of future taxable income, 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"

18. Debit/Credit Balances as on 31<sup>st</sup> March, 2013 in Loans & Advances and other parties' accounts are subject to confirmations.

19. Figures for the previous year have been regrouped / rearranged wherever necessary to confirm to the classification adopted in the current year.

**For RKM & Associates**  
Chartered Accountants  
Firm Reg. No. - 007536N

For and on behalf of the Board of Directors

Rakesh Mathur  
Prop.  
Mem. No. 81851

Narender Makkar  
**Director**

Narender Aggarwal  
**Director**

Place : **New Delhi**  
Date : **13.08.2013**





PART - IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

**i Registration Details**

Registration No. 

0	5	5	-	3	0	0	9	2
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 State Code 

5	5
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Balance Sheet Date 

31	03	2013
----	----	------

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

**ii Capital raised During the year**

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 

2	7	3	6	2	8
---	---	---	---	---	---

 Total Assets 

2	7	3	6	2	8
---	---	---	---	---	---

**Source of Fund**

Paid-up Capital 

8	2	9	5	3	6
---	---	---	---	---	---

 Reserve & Surplus 

(5	5	5	9	0	8)
----	---	---	---	---	----

Secured Loans 

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

 Unsecured Loans 

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

**Application Funds**

Net Fixed Assets 

2	2	8	7	5
---	---	---	---	---

 Investments 

1	9	9	6	1	3
---	---	---	---	---	---

Net Current Assets \* 

(4	3	9	6	8)
----	---	---	---	----

 Other Long Term Assets 

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

Accumulated Losses 

--	--	--	--	--	--

**iv Performance of Company**

Turnover 

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

 Total Expenditure 

3	6
---	---

Profit/(Loss) Before tax 

(3	6)
----	----

 Profit/(Loss) After tax 

(3	6)
----	----

Earning per Share (in Rs.) 

(0	.	0	0	0	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) 

4	1	0	4	3	9	0	5
---	---	---	---	---	---	---	---

 Production Description 

C	H	R	O	M	E	T	A	N	N	E	D
---	---	---	---	---	---	---	---	---	---	---	---

Product Description 

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

 Production Description 

S	P	L	I	T
---	---	---	---	---

Item Code No. (ITC Code) 

4	1	1	0	0	0	0	9
---	---	---	---	---	---	---	---

 Production Description 

C	E	M	E	N	T	W	A	S	T	E
---	---	---	---	---	---	---	---	---	---	---

Product has been abandoned

Rakesh Mathur  
Prop.  
Mem. No. 81851

Narender Makkar  
Director

Narender Aggarwal  
Director

Place : New Delhi  
Date : 13.08.2013



**Members/Proxy Holders Attending the Annual General Meeting  
May please note that no Gifts/coupons will be distributed**

**ATTENDANCE SLIP**

Please complete the Attendance Slip and hand it over at the entrance of Meeting Hall

Name of the Share holder/Proxy (in block letters) .....

Folio No.	
DPID	
Account ID/Client ID	
No. of Shares	

I hereby record my presence at the 26th Annual General Meeting of the Company held on Monday the 30th day of September, 2013 at 10.00 A.M at **LOK KALA MANCH , 20 INSTITUTIONAL AREA, LODHI ROAD, NEW DELHI-110003.**

Please tick (√) in the Box

Member       Proxy

\_\_\_\_\_  
Signature of Shareholder/Proxyholder

**NOTE:**

Shareholder/Proxy is requested to bring the Attendance Slip with him/her when they come to the meeting. No attendance slip will be issued at the time of meeting.

----- Tear Here -----

**PROXY FORM**

**PHOENIX INTERNATIONAL LID.**

**Regd. Office: 3rd Floor, Gopala Tower, 25 Rajendra Place, New Delhi 110 008**

I/We of ..... of .....  
being a Share holder(s) of .....  
the above named Company, hereby appoint ..... of .....  
or failing him/her ..... of .....  
as my/our proxy to vote for me/our behalf at the 26th Annual General Meeting of the Company held on Monday the 30th September, 2013 at 10.00 A.M. at **LOK KALA MANCH , 20, INSTITUTIONAL AREA, LODHI ROAD, NEW DELHI-110003.**

Folio No.	
DPID	
Account ID/Client ID	
No. of Shares	

Affix Revenue Stamp Rs 1/-
-------------------------------------

Signed this.....day of.....2013

Signature of Shareholder

**NOTES:**

- (a) The form should be signed across the stamp as per specimen signature registered with the company.
- (b) The instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than Forty Eight hours before the time fixed for holding the meeting.
- (c) A proxy need not be a shareholder of the company.



**26TH**  
**ANNUAL REPORT**  
2012 – 2013

**PHOENIX INTERNATIONAL LIMITED**

Regd. Office: 3<sup>RD</sup> 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 Pradip Bhardwaj & Co.  
MZ-12A, Ansal Fortune Arcade,  
Sector-18, Noida - 201301

**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

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