

PHIL CORPORATION LIMITED

ANNUAL REPORT

2012 - 2013

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "**Green Initiative**" in the Corporate Governance by allowing paperless compliances by the Companies, and issued circulars stating that service of notices/documents including Annual Reports can be effected to its members in electronic form.

In order to fully support this Green Initiative of the Ministry, members are requested to come forward and register their email addresses, and update the same from time to time.

Members holding their shares in demat form may please register their email addresses with their concerned Depository Participants.

Members holding their shares in physical form may intimate their email addresses either to the Company by sending a mail to companysecretary@philproducts.com or to the Company's Registrar & Share Transfer Agents, mentioning their Folio Numbers.

Company's Website : www.philproducts.com

Board of Directors

A. Y. Fazalbhoy - Chairman
K. D. Bhat - Vice Chairman
Kavas D. Patel - Director
Dr. J. C. Almeida - Director
Sadashiv V Shet - Director
A. V. Gaikwad - Director
B. S. Sridhara - Managing Director

Audit & Shareholders' Grievance Committee

Kavas D. Patel - Chairman
A. Y. Fazalbhoy - Member
Sadashiv V. Shet - Member
A. V. Gaikwad - Member

Remuneration Committee

Kavas D. Patel - Chairman
A. Y. Fazalbhoy - Member
Dr. J. C. Almeida - Member
K. D. Bhat - Member

Secretary & Compliance Officer

Teja Gadekar

Registered Office

Vision House, Tivim Industrial Estate,
Mapusa, Goa-403 526

Auditors

V. C. Shah & Co.,
Chartered Accountants, Mumbai

Solicitors

Gagrats,
Vigil Juris

Factory

Mauxi Road, Valpoi,
Sattari - Goa.

Executive Office

Excom House, 7 Saki Vihar Road, Mumbai - 400 072.

Registrars & Share Transfer Agents

Datamatics Financial Services Ltd.,
Plot No. B-5, Part B, Cross Lane, MIDC,
Marol, Andheri (E), Mumbai - 400 093.

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DIRECTORS' REPORT / MANAGEMENT DISCUSSION AND ANALYSIS

TO THE MEMBERS OF PHIL CORPORATION LIMITED

1. The Directors present herewith the Annual Report along with the audited Accounts of the Company for the financial year ended 31st March, 2013.

2. Financial Results at a glance :

	Rs. in Lacs 20012-13	Rs. in Lacs 2011-12
Sales & Services	127.14	128.43
Other Income	105.58	31.38
	<u>232.72</u>	<u>159.82</u>
Gross Operating Profit/(Loss)	(52.20)	(100.02)
Profit/(Loss) for the year	(52.20)	(100.02)

3. Dividend :

In view of the operating cash loss made during the year and the accumulated losses, the Directors do not recommend any dividend for the financial year 2012-13.

4. Management Discussion and Analysis Report :

i) Financial Results

Sales during the period amounted to Rs. 127.14 lacs compared to Rs. 128.43 lacs during the previous financial year. The Other Income mainly consisted of profit from sale of fixed assets.

The loss for the year was Rs. 52.20 lacs.

ii) Operations & Restructuring

The Company had taken various initiatives and adopted different strategies for restructuring Company's business operations and particularly for ensuring steady growth of Food Business, and the results are encouraging.

iii) Risks and Concerns

Infusing funds for development of business and suitably managing the same, would be required to exploit fully the available opportunities and to minimise the risks of competition.

iv) Internal Control and Systems

The Company has an adequate internal control system to review the risks and control measures, maintenance of proper accounting records and reliability of information and data.

5. Corporate Governance :

The Company has complied with the Corporate Governance requirements as per the Listing Agreement. Report on compliance with Corporate Governance and certificate from Auditors are given as Annexure-I to this Report.

6. Conservation of Energy :

Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo :

The details required under the Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 are given in Annexure-II to this Report.

7. Fixed Deposits :

The Company did not accept any fixed deposits during the year.

There were 61 nos. of fixed deposits amounting to Rs. 10.33 lacs which remained unclaimed as of 31st March, 2013. In respect of unclaimed deposits, the Company has created Liquid Asset by transferring the equivalent amount to a separate Bank Account. The unclaimed deposits are being paid out of the said Bank Account.

8. Directors :

In accordance with the provisions of the Companies Act, 1956 and Article 134 of the Articles of Association of the Company, Shri Kavas D. Patel and Shri A. V. Gaikwad retire by rotation and are eligible for re-appointment. The resolutions pertaining to their re-appointment are placed for approval.

9. Directors' Responsibility Statement:

The Board of Directors of the Company confirm :

- that in the preparation of the Annual Accounts the applicable Accounting Standards have been followed and there has been no material departure;
- that the selected accounting policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the operating loss of the Company for the year ended on that date;

- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the annual accounts on a going concern basis.

10. Qualifications in the Auditors' Report :

There are no qualifications in the Auditors' Report regarding audited Accounts for the year ended 31st March 2013.

The Auditors have made certain comments and observations in their report in respect of non-payment of undisputed and disputed statutory dues. In respect of these matters we have to state and clarify as under:

- a) In respect of House Tax, the Company has received the demand notice only in August 2012 and the actual details of the claim are being ascertained. In respect of Gratuity the Company had funded the liability in respect of continuing employees. And in respect of ex-employees and employees transferred to other associate Companies, the Company is making the payments directly as mentioned in Note No. 21(5) of Notes to Accounts.
- b) As regards various disputed statutory liabilities stated as Contingent Liabilities the Company has submitted its appeals before adjudication /appellate authorities and is of the opinion that the matters will be decided in Company's favour.

11. Auditors :

The members will be appointing the Auditors for the next financial year and to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and fixing their remuneration. The Company has received a Certificate from M/s. V. C. Shah & Co., Chartered Accountants, Mumbai, under Section 224(1B) of the Companies Act, 1956 confirming their eligibility for their reappointment.

12. Particulars of the employees :

Particulars of the employees as required under Section 217(2A) of the Companies Act, 1956 are not applicable as the Company did not have any employee drawing remuneration in excess of the sums prescribed.

13. Appreciation :

The Directors place on record their appreciation of the excellent contribution made by the employees of the Company at all levels.

For and on behalf of Board of Directors

A. Y. Fazalbhoj
Chairman

Place : Mapusa, Goa
Dated : 21st May, 2013

ANNEXURE – I REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance :

The Company follows the philosophy of Corporate Governance to create an organisation culture that ensures good conscience, transparency, integrity and openness. The aim is to achieve desired goals with accountability and create a system that brings stability, growth, increased employee and customer satisfaction and increased shareholder value.

The Board of Directors appreciates the spirit behind Corporate Governance Code which will bring transparency in disclosure and communication. By initiating steps to improve Corporate Governance we can expect the resultant benefits to shareholders, employees and other stakeholders.

Board of Directors – Composition :

The Board of Directors of your Company is led by Non-Executive Chairman Shri A.Y. Fazalbhoy. The composition of the Board of Directors is in conformity with clause 49 of the Listing Agreement with the Stock Exchange.

Name of the Director	Business Relationship	Executive/Non-Executive/Independent	No. of other Directorships	No. of other Committee Memberships	
				Chairman	Member
Shri A.Y. Fazalbhoy	Chairman	Promoter, Non-Executive	-	-	2
Shri Kavas D. Patel	Director	Independent, Non-Executive	5	2	1
Shri K. D. Bhat	Vice Chairman	Independent, Non-Executive	-	-	1
Dr. J. C. Almeida	Director	Independent, Non-Executive	-	-	1
Shri Sadashiv V. Shet	Director	Independent, Non-Executive	1	-	1
Shri A.V. Gaikwad	Director	Non-Executive	-	-	1
Shri B. S. Sridhara	Managing Director	Executive	-	-	-

85.71% Non-Executive

57.14% Independent

NOTES:

1. Except the Managing Director the other Directors retire by rotation.
2. Number of other Directorships is given excluding Pvt. Ltd. Companies and Section 25 Bodies Corporates.
3. For Committee Membership / Chairmanship; the Committees considered are Audit Committee, Shareholders' Grievance Committee and Remuneration Committee.
4. None of the Directors is holding Membership of more than 10 Committees and Chairmanship of more than 5 committees as specified by Clause 49(l)(c)(ii) of the Listing Agreement.

Number of Board Meetings, Attendance at Board Meetings and previous Annual General Meeting:

Name of the Director	Board Meetings held during the year:6	29th AGM 10th September 2012	Date of Board Meeting held during the year
Shri. A. Y. Fazalbhoy	4	Y	24.04.12
Shri. Kavas D. Patel	2	Y	25.05.12
Shri. K. D. Bhat	6	Y	23.07.12
Shri. A. V. Gaikwad	1	N	10.09.12
Dr. J. C. Almeida	5	Y	13.10.12
Shri. Sadashiv V. Shet	6	Y	11.01.13
Shri. B. S. Sridhara	6	Y	

Shareholding of Non-Executive Directors :

The shareholding of the Non-Executive Directors as on 31st March, 2013 is as follows :

Name of the Non-Executive Director	No. of Equity Shares held	% of paid up Equity Capital
1. Shri Kavas D. Patel	10000	0.09%
2. Dr. J. C. Almeida	100	-
3. Shri Sadashiv V. Shet	Nil	-
4. Shri A.V. Gaikwad	1200	0.01%
5. Shri K. D. Bhat	15000	0.13%

Code of conduct :

Guidelines for Philcorp Code of Conduct to be observed by all the employees of the Company including the Whole Time Directors are issued. The Board of Directors have approved and adopted the Philcorp Code of Conduct. All the members of the Board of Directors and senior personnel as per Clause 49 of the Listing Agreement have affirmed compliance with the Code of Conduct. A declaration to this effect signed by Managing Director (CEO) forms part of this report.

Audit & Shareholders' Grievance Committee

The Board has constituted the Audit and Shareholders' Grievance Committee of the following members :

- Shri Kavas D. Patel -- Chairman
 Shri A.Y. Fazalbhoy -- Member
 Shri Sadashiv V. Shet -- Member
 Shri A. V. Gaikwad -- Member

The composition of the Audit Committee is in conformity with clause 49(II)(A) of the Listing Agreement. Shri Kavas D. Patel, Chairman of the Committee is a member of the Institute of Chartered Accountants, England & Wales.

The Committee deals with all matters indicated in Clause 49(II-D) of the Listing Agreement. In all four Meetings of the Audit and Shareholders' Grievance Committee were held during the year and the attendance at the Meeting was as follows :

Name of the Member	No. of Audit Committee Meetings held during the period : 4	Dates of the Audit Committee Meetings held during the year
	Attended	
Shri Kavas D. Patel	1	25.05.2012
Shri A.Y. Fazalbhoy	3	23.07.2012
Shri Sadashiv V. Shet	4	13.10.2012
Shri A. V. Gaikwad	1	11.01.2013

Remuneration Committee :

The Remuneration Committee consists of the following Members :

1. Shri Kavas D. Patel -- Chairman
2. Dr. J. C. Almeida -- Member
3. Shri A. Y. Fazalbhoy -- Member
4. Shri K. D. Bhat -- Member

The Committee is responsible for revising remuneration packages to Managing Director, Whole Time Directors, Senior Executives and Managers. No stock options are issued to the Directors or Employees.

Remuneration Policy :

Non Executive Directors : Presently no commission or any other remuneration except the sitting fees are paid to the Non-Executive Directors. Sitting fees are paid for attending the Board Meetings, Audit Committee Meetings and Remuneration Committee Meetings. The Company

pays Rs. 3,000/- per meeting towards the sitting fees to Directors for attending the Board Meeting / Audit Committee Meeting / Remuneration Committee Meeting. No sitting fees are paid for Executive Committee Meetings.

The Company did not have any pecuniary relationship or transactions with any of the Non-Executive Directors, except in case of Shri A. V. Gaikwad to whom Consultancy Fees have been paid as per approval of the Board / Shareholders.

Managing Director/Whole-time Director :

As approved by the Shareholders, the Company has paid remuneration to Managing Director by way of salary and perquisites (Fixed component). No commission or incentive is paid or payable to the Managing Director. No sitting fees for attending Board Meetings or any other Committee Meetings of the Company are paid to Managing Director.

The Board approves the appointment and the terms and conditions of appointment and remuneration of Whole Time Directors (including Managing Director) on the basis of recommendations of the Remuneration Committee. The terms and conditions and remuneration payable to the present Managing Director are within the ceilings prescribed as per the Schedule XIII of the Companies Act, 1956.

Service Contracts, Severance Pay and Restrictive Covenants:

Managing Director (Shri B. S. Sridhara) :

Period of contract : Two years from 1st April, 2012

Restrictive covenants/ Severance Pay : As per Board Resolution dated 1st February 2012 and the Agreement entered into between Shri. B. S. Sridhara and the Company.

Remuneration paid to the Directors :

Non-Executive Directors are paid sitting fees for attending the Board Meetings / Audit Committee Meetings / Remuneration Committee Meetings. During the Financial year ended 31st March, 2013 the sitting fees paid to Non-Executive Directors are as follows :

Name of the Director	Remuneration Rs.	Sitting fee Rs.	Total Rs.
Shri A.Y. Fazalbhoy	-	21,000/-	21,000/-
Shri Kavas D. Patel	-	9,000/-	9,000/-
Shri A. V. Gaikwad	*3,40,000/-	6,000/-	3,46,000/-
Dr. J. C. Almeida	-	15,000/-	15,000/-
Shri Sadashiv V. Shet	-	30,000/-	30,000/-
Shri K. D. Bhat	-	18,000/-	18,000/-

* Consultation Fees

The details of Remuneration paid to Shri B. S. Sridhara, Managing Director are given below :

Name of the Director	Salary Rs.	Contribution to PF & Other Funds Rs.	Perquisites Allowances Rs.	Total Rs.
Shri B. S. Sridhara Managing Director	6,48,000/-	77,760/-	8,19,359/-	15,45,119/-

Executive Committee of Directors :

This Non-Mandatory Committee was constituted in the year 1985 and its composition as at 31st March, 2013 is as follows :

- Shri A.Y. Fazalbhoy - Chairman
- Shri Kavas D. Patel - Member
- Shri K.D. Bhat - Member
- Shri A.V. Gaikwad - Member

Terms of Reference :

- i. Review and sanction of Capital Expenditure within delegated limits and recommendations to the Board for approval above its limits.
- ii. To examine and study new proposals for investment and recommend to the Board for approval of any expansion or diversification projects.
- iii. To formulate future strategies for business development.
- iv. To consider all administrative matters/approvals within its delegated powers.

The powers delegated to this Committee as per Board Resolution dated 28th June, 2001 inter alia, include the following :

- a) Power to borrow moneys otherwise than on Debentures with limits.
- b) Power to invest the funds of the Company.
- c) Power to make loans.
- d) Purchase/disposal of fixed assets.
- e) Powers as per Article 162 of the Articles of Association.
- f) Powers in respect of operation/closing of Bank Accounts/Branches/Depots etc., and other administrative matters.

Share Transfer Committee & Share Transfer System :

The Share Transfer Committee consists of two Directors of the Company. The Share Transfer Committee meets regularly. The Registrars and Share Transfer Agents process the physical Share Transfers and any defects while processing the Share Transfer Deeds are immediately intimated by objection letters by the Registrars and Share Transfer Agents to the concerned Transferor / Transferee.

In all 10 Meetings of Share Transfer Committee were held during the year.

Means of Communication :

The Unaudited quarterly results of the Company are taken on Record by the Directors and are communicated to the Bombay Stock Exchange where the Shares of the Company are listed. The Unaudited quarterly results are published as per Clause 41 of the Listing Agreement.

The Company publishes the results in the following newspapers :

- (1) Pudhari / Sunaparant (Goa) (Konkani)
- (2) Times of India (English)

Venue & Time of previous three Annual General Meetings :

Day	Date	Time	Venue
Monday	10th September, 2012	4.00 p.m.	Mapusa Residency (Tourist Hostel, Mapusa, Goa)
Thursday	8th September, 2011	4.30 p.m.	Mapusa Residency (Tourist Hostel, Mapusa, Goa)
Wednesday	29th September, 2010	4.30 p.m.	Mapusa Residency (Tourist Hostel, Mapusa, Goa)

Disclosures :

The Company has complied with the statutory provisions, rules and regulations relating to the 'Capital Market' during the last three years and no penalties or strictures have been imposed by Stock Exchange or SEBI or any other Statutory Authority.

GENERAL SHAREHOLDER INFORMATION :

30th Annual General Meeting – Day, Date, Time and Venue

Day	Date	Time	Venue
Wednesday	21st August, 2013	4.00 p.m.	Mapusa Residency (Tourist Hostel, Mapusa, Goa)

There are no Special Resolutions for approval of the members by Postal Ballot system at the 30th Annual General Meeting

Financial Calendar :

Financial Year	: 1st April, 2012 to 31st March, 2013
Unaudited Results	: 1st Quarter - (April - June, 2012) July, 2012
Unaudited Results	: 2nd Quarter - (July - September, 2012) October, 2012
Unaudited Results	: 3rd Quarter - (October - December, 2012) January, 2013
Unaudited Results	: 4th Quarter - (January - March, 2013) May, 2013
Accounts Approval / Audited Results	: May, 2013

Dates of Book Closure (Both days inclusive) & Dividend payment date :

Book Closure :	Dividend Payment
From 13th to 21st August, 2013 (both days inclusive)	Not Applicable

The Company's Equity Shares are listed on the following Stock Exchange

The Bombay Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 Stock Code : Physical - 458 Demat - 500458

Demat ISIN in NSDL & CSDL : INE601A01017

Revocation of Suspension of trading of Equity Shares on BSE :

The Bombay Stock Exchange vide its letter dated 29th January 2013 has given in-principle approval for revocation of suspension subject to the Company complying with the clauses of the Listing Agreement within the time specified therein, for a period of two consecutive quarters, namely the quarters ending 31st December 2012 and 31st March 2013, which is referred to as the "watch out period" by the Bombay Stock Exchange. The revocation would actually be effected after satisfactory compliance by the Company in respect of the said watch out period.

The Company has since completed compliances for the first of the two quarters, i.e. quarter ended 31st December 2012. The Company has also paid the reinstatement fees to the Bombay Stock Exchange as directed by it. The Company will be completing the compliances for the quarter ended 31st March 2013 in due course within the prescribed time limits. It is hoped that the suspension would be revoked by the Bombay Stock Exchange immediately thereafter.

Shareholding Pattern as on 31st March, 2013

Category	No. of Shares held	% of Shareholding
Directors, their relatives and Promoter Group	58,61,073	50.31
Mutual Fund and UTI	5,300	0.05
Banks, Financial Institutions, Insurance Companies (Central/State Govt.) Institutions / Non-Governmental Insurance	43,100	0.37
Foreign Institutional Investors	1,000	0.01
Private Corporate Bodies	2,01,746	1.73
Indian Public	54,85,813	47.08
Non-resident Indians/OCBs	51,968	0.45
Total	1,16,50,000	100.00

Distribution of Shareholding as on 31st March, 2013

Shares Range		Shares	% to Capital	No. of Holders	% to Total Holders
From	To				
1	500	24,31,390	20.87	13,646	87.89
501	1000	8,91,250	7.65	1,079	6.95
1001	2000	6,91,903	5.94	425	2.74
2001	3000	3,93,735	3.38	151	0.97
3001	4000	2,22,855	1.91	62	0.4
4001	5000	2,89,570	2.49	60	0.39
5001	10000	4,98,527	4.28	68	0.44
10001	50000	4,55,154	3.91	25	0.16
50001	and above	57,75,616	49.58	10	0.06
TOTAL		1,16,50,000	100.00	15,526	100.00

Status of Shareholders' Complaints/Service Requests received and attended during the period :

As per the quarterly reports received from Registrars and Share Transfer Agents the status of complaints and service requests received and attended during the year is as follows :

	Complaints	Service Requests
(i) Pending as on 1st April, 2012	0	0
(ii) Received during the year	2	35
(iii) Resolved/Attended during the year.	2	35
(iv) Pending as on 31st March, 2013	0	0

Registrars & Share Transfer Agents:

Datamatics Financial Services Ltd.
Plot No. B-5, Part B Cross Lane,
MIDC, Andheri (East),
Mumbai 400 093.

ANNEXURE TO THE REPORT OF THE DIRECTORS

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Shareholders of Phil Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Phil Corporation Limited, for the financial year ended 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing

Agreement; except as mentioned in the report on Corporate Governance.

We state that in respect of investor grievances received during the financial year ended 31st March, 2013, no investor grievances are pending against the Company for a period exceeding one month as per records maintained by the Company which are presented to the Shareholders' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company or the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V. C. Shah & Co.
Chartered Accountants

Place : Mumbai
Dated : 21th May, 2013

V. C. Shah
Partner
Membership No. 10360

DECLARATION

I, B. S. Sridhara, Managing Director of Phil Corporation Ltd., hereby declare that all the members of the Board of Directors and Senior Management Personnel as defined by Clause 49 of the Listing Agreement have affirmed compliance with the code of conduct for the financial year ended 31st March, 2013.

For PHIL CORPORATION LIMITED

Place : Mapusa, Goa
Dated : 21th May, 2013

B. S. SRIDHARA
Managing Director

ANNEXURE –II – TO DIRECTORS’ REPORT

(Disclosure as per Notification GSR No. 1029 dated December 31, 1988)

A. Conservation of Energy :

Energy conservation is a continuous programme and the Company has laid emphasis on creating awareness amongst employees for optimizing operations and improving efficiency of machinery and equipment. The Company is installing energy efficient devices in its new projects. The measures taken by the Company have resulted in saving in energy consumption.

B. Technology Absorption :

Research and Development :

1. Specific areas in which R & D carried out by the Company :
 - Product/Process improvement and development.
 - Import Substitution of various components and spares.
 - Quality improvement.

2. Benefits derived as a result of R & D :
 - Improvement in quality and new product/process development.
 3. Future plan of action:
 - Continuous development of products and processes.
 4. Expenditure on R & D Rs. in lacs

Capital	-
Recurring	<u>0.00</u>
TOTAL	<u>0.00</u>
Total R & D Expenditure	
As percentage of turnover	-
 5. Imported Technology :

(a) Technology imported over past 5 years	Nil
(b) Has the technology been fully developed	N/A
- C. Foreign Exchange Earnings and Outgo :** Nil

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
PHIL CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of PHIL CORPORATION LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Forming an Opinion and Reporting on Financial Statements Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, "Loss" for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, And Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

- e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For V. C. Shah & Co.
Chartered Accountants
Firm Reg. No. 109818W

Place : Mumbai
Dated : 21st May, 2013

V. C. Shah
Partner
Membership No. 10360

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Report on Other Legal and Regulatory Requirements of our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) A substantial portion of the fixed assets has been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) There has been no substantial disposal of fixed assets during the year.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and these have been properly dealt with in the books of account.
- (iii) The Company has not granted nor 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, Sub-Clause (b), (c), (d), (e), (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) Based upon the audit procedures performed and according to the information and explanations given to us, the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, such transactions exceeding the value of Rs. 5.00 lacs in respect of any party during the period have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any fixed deposits from the public during the year. There are unclaimed deposits, in respect of which the Company has complied with the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. In respect of the orders passed by the Company Law Board in earlier years the Company has complied with the said orders.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We are informed that the Central Government has not prescribed maintenance of cost records under Section 209(i)(d) of the Companies Act, 1956 for any of the products of the Company.
- (ix) (a) According to the records of the Company, in respect of Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Cess have been generally, regularly deposited during the year with the appropriate authorities. As per the explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at 31st March, 2013 for a period of more than six months from the date on which they became payable. In respect of House Tax, Gratuity payments the extent of arrears of outstanding dues, as at the last day of the financial year for a period of more than six months from the date they became payable are given below:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the Amount Relates
GIDC	House Tax	2,79,774	01/04/2004-31/03/2013
Under the Payment of Gratuity Act, 1972	Gratuity	8,11,401	Up to 31st March, 2013

(b) According to the records of the Company, Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute are given below :

Name of the statute (nature of dues)	Period to which the amount relates	A Forum where dispute is pending	Amount (Rs.)
Duty Drawback Rules	1989-1990	High Court, Mumbai	7,04,000
Foreign Trade (Development & Regulation) Act, 1992	1999-2000	DGFT/Jt.DGFT	1,92,73,000
State Sales Tax\ Central Sales Tax	1993-2004	Appellate Authorities	2,98,78,973
Central Excise\ Service Tax	1990-2004	Appellate Authorities	36,15,000

(x) The accumulated losses at the end of the financial year are more than 50% of the net worth. The Company has incurred cash loss of Rs. 36,11,678/- in the current financial year and Rs. 1,02,18,388/- in the preceding financial year.

(xi) In our opinion and according to information given to us, the Company does not own any dues to Financial Institutions, Banks or Debenture holders. Therefore the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(xii) Based on our examination of the records 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.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of the clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

(xvi) According to the information and explanations given to us, the Company has not taken any term loan during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the Company has not raised any fund on short term or long term basis.

(xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.

(xix) The Company has not issued any debentures during the year.

(xx) During the year, the Company has not raised any money by public issue.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For V. C. Shah & Co.
Chartered Accountants
Firm Reg. No. 109818W

Place : Mumbai
Dated : 21st May, 2013

V. C. Shah
Partner
Membership No. 10360

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at	As at
		31st March, 2013	31st March, 2012
		Rs.	Rs.
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	2	12,65,00,000	12,65,00,000
(b) Reserves and surplus	3	(10,95,01,702)	(10,42,81,296)
		1,69,98,298	2,22,18,704
2. Non-current liabilities			
(a) Long-term provisions	4	3,79,312	5,25,195
		3,79,312	5,25,195
3. Current Liabilities			
(a) Trade payables	5	30,85,161	51,79,840
(b) Other current liabilities	6	28,02,694	1,27,38,940
(c) Short-term provisions	7	17,71,523	29,12,246
		76,59,378	2,08,31,026
TOTAL		2,50,36,988	4,35,74,925
B. ASSETS			
1. Non-current Assets			
(a) Fixed Assets			
(i) Tangible assets	8	1,68,41,388	3,51,58,746
(b) Non-current investments	9	10,000	10,000
(c) Long-term loans and advances	10	24,55,965	26,55,965
		1,93,07,353	3,78,24,711
2. Current Assets			
(a) Inventories	11	22,08,111	13,20,889
(b) Trade receivables	12	13,55,550	13,87,215
(c) Cash and cash equivalents	13	19,13,569	23,64,167
(d) Short-term loans and advances	14	1,78,719	6,47,943
(e) Other current assets	15	73,686	30,000
		57,29,635	57,50,214
TOTAL		2,50,36,988	4,35,74,925
Statement of Significant Accounting Policies	1		
Notes to the Accounts	21		
The notes referred to above form an integral part of Balance Sheet			

For and on behalf of the Board of Directors

In terms of our report attached
For V. C. Shah & Co.
Chartered Accountants
Firm Reg No. 109818W

V. C. Shah
Partner
Membership No. 10360

Date : 21st May, 2013

B.S. SRIDHARA
Managing Director

TEJA GADEKAR
Company Secretary

A. Y. FAZALBHOY - *Chairman*K. D. BHAT - *Vice Chairman*DR. J. C. ALMEIDA - *Director*SADASHIV V. SHET - *Director*A. V. GAIKWAD - *Director*

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Particulars	Note No.	For the year ended	For the year ended
			31st March, 2013	31st March, 2012
			Rs.	Rs.
	REVENUE			
1.	Revenue from operations	16	1,27,14,650	1,28,43,780
2.	Other income	17	1,05,57,756	31,38,363
3.	Total Income (1 + 2)		2,32,72,406	1,59,82,143
4.	Expenses			
	(a) Cost of materials consumed	18a	94,49,950	95,53,952
	(b) Changes in inventories of finished goods	18b	(1,71,417)	(69,482)
	(c) Employee benefits expense	19	53,06,968	50,10,410
	(d) Depreciation	8	18,00,905	21,37,577
	(e) Other expenses	20	1,21,06,405	93,51,835
	Total Expenses		2,84,92,811	2,59,84,293
5.	Profit / (Loss) before extraordinary items and tax (3 - 4)		(52,20,405)	(1,00,02,150)
6.	Extraordinary items		-	-
7.	Profit / (Loss) before tax (5 - 6)		(52,20,405)	(1,00,02,150)
8.	Tax expense		-	-
9.	Profit / (Loss) from continuing operations		(52,20,405)	(1,00,02,150)
10.	Profit / (Loss) for the year		(52,20,405)	(1,00,02,150)
11.	Earnings per share (of Rs 10/- each):			
	Basic		(0.45)	(0.86)
	Statement of Significant Accounting Policies	1		
	Notes To The Accounts	21		
	The Notes Referred to Above form an integral part of Profit and Loss account			

In terms of our report attached
For V. C. Shah & Co.
Chartered Accountants
Firm Reg No. 109818W

V. C. Shah
Partner
Membership No. 10360

Date : 21st May, 2013

B.S. SRIDHARA
Managing Director

TEJA GADEKAR
Company Secretary

For and on behalf of the Board of Directors

A. Y. FAZALBHOY - *Chairman*

K. D. BHAT - *Vice Chairman*

DR. J. C. ALMEIDA - *Director*

SADASHIV V. SHET - *Director*

A. V. GAIKWAD - *Director*

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

(i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements have been prepared to comply in all material respect with the mandatory Accounting standard issued by the Institute of Chartered Accountants of India and the relevant provision of Companies Act 1956. The Financial Statement have been prepared under the historical cost convention on accrual basis except in case of assets for which provision for impairment is made and valuation is carried out. The Accounting policies have been consistently applied by the Company and are consistent with those used in previous year.

(ii) FIXED ASSETS, DEPRECIATION & IMPAIRMENT LOSS:

Fixed Assets are stated at cost net of modvat/cenvat. The cost includes all pre-operative expenses and the financing cost of borrowed fund relating to the construction period in the case of new projects. Depreciation has been provided on straight line basis at the rates prescribed in Schedule XIV of the Companies Act. 1956.

The carrying amounts of the fixed assets are reviewed at each Balance Sheet date to assess whether they are recorded in excess of their recoverable amounts. In case the recoverable amount of the Fixed Assets is lower than its carrying amount a provision is made for the Impairment loss.

(iii) INVESTMENT:

Long term investment are stated at cost, provision is made to recognize a decline, other than temporary, in the value of long term investments.

(iv) INVENTORIES:

The raw material & components, stores, packing materials and work-in-progress are valued at cost and finished goods are valued at lower of cost or net realizable value on "First in First out" basis. Excise and Custom Duties payable in respect of finished goods/imported material held in bond are provided for and consequently include cost of conversion and other cost incurred in bringing the inventories to their present location and conditions. Obsolete unserviceable and slow moving inventories are duly recognized and provided.

(v) TRADE RECEIVABLES :

Trade Receivables are stated after making adequate provision for doubtful debts / advances.

(vi) RECOGNITION OF INCOME AND EXPENDITURE:

a) All income and expenditure are accounted on accrual basis.

b) SALES:

Sales are inclusive of Excise Duty, but net of Sales Tax, returns and trade discounts. Revenue from sales is recognized on transfer of all significant risk and rewards of ownership to the buyer.

(vii) RETIREMENT BENEFITS:

(a) Contribution to Provident Fund is made to Regional Provident Fund Commissioner. Contributions towards Super Annuation Fund and Gratuity are made to the schemes of Life Insurance Corporation of India based on premium actuarially assessed and intimated in terms of the policies taken with them. These contributions are charged to Profit & Loss Account.

(b) Provision for incremental liability in respect of encashable privilege leave is made on the basis of independent actuarial valuation at the year end.

(viii) FOREIGN CURRENCY TRANSACTIONS:

Transactions in Foreign Currencies are recorded at the exchange rate prevailing at the date of transaction. Foreign currency denominated Current Assets and Current Liabilities at year end exchange rates. The resulting gains or losses are recognised in the Statement of Profit & Loss. The premia or gain/losses arising from forward cover transactions are recognised in the Statement of Profit & Loss Account over the life of the forward contract.

(ix) TAXES ON INCOME:

Income tax expenses comprise Current Tax and Deferred Tax charge or credit. Provision for Current Tax is made on the assessable income at the tax rate applicable to the relevant Assessment Year. The Deferred Tax Asset and Deferred Tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is virtual certainty of its realization, supported by convincing evidence. Deferred Tax Assets on account of other timing differences are recognized, only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amounts of Deferred Tax Assets are reviewed to reassure realization.

(x) EARNINGS PER SHARE:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xi) CASH FLOW STATEMENT:

Cash flows are reported using the indirect method, where by profit before tax is adjusted for effects of transactions of a non-cash nature, any deferrals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

(xii) EVENTS OCCURRING AFTER THE DATE OF BALANCE SHEET:

Events occurring after the date of the Balance Sheet, wherever material, are considered up to the date of approval of accounts by the Board of Directors.

Note 2 Share Capital

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Rs.	No. of Shares	Rs.
(a) Authorised				
Equity shares of Rs. 10 each with voting rights	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
Cumulative Redeemable Non-Convertible preference shares of Rs. 100 each	10,00,000	10,00,00,000	10,00,000	10,00,00,000
(b) Issued				
Equity shares of Rs. 10 each with voting rights of 1 share 1 vote	1,16,50,000	11,65,00,000	1,16,50,000	11,65,00,000
13.75% Cumulative Redeemable Non-Convertible preference shares of Rs. 100 each	1,00,000	1,00,00,000	1,00,000	1,00,00,000
These shares were due for redemption on 9th June, 2003. Proposal for settlement of redemption of the said preference shares and waiver of right to cumulative dividend has been submitted by the company. Dividend on non-convertible cumulative redeemable preference shares amounting to Rs. 41,25,000 upto the due date of redemption has not been provided since there have been no profits.				
(c) Subscribed and fully paid up				
Equity shares of Rs. 10 each with voting rights	1,16,50,000	11,65,00,000	1,16,50,000	11,65,00,000
Cumulative Redeemable Non-Convertible preference shares of Rs. 100 each	1,00,000	1,00,00,000	1,00,000	1,00,00,000
TOTAL	1,17,50,000	12,65,00,000	1,17,50,000	12,65,00,000

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh Issue	Bonus	Closing Balance
Issued / Subscribed/Fully Paid				
Equity shares with voting rights				
Year ended 31st March, 2013				
- Number of shares	1,16,50,000	-	-	1,16,50,000
- Amount (₹)	11,65,00,000	-	-	11,65,00,000
Year ended 31st March, 2012				
- Number of shares	1,16,50,000	-	-	1,16,50,000
- Amount (₹)	11,65,00,000	-	-	11,65,00,000
Issued / Subscribed/Fully Paid				
Cumulative Redeemable Non-Convertible preference shares				
Year ended 31st March, 2013				
- Number of shares	1,00,000	-	-	1,00,000
- Amount (₹)	1,00,00,000	-	-	1,00,00,000
Year ended 31st March, 2012				
- Number of shares	1,00,000	-	-	1,00,000
- Amount (₹)	1,00,00,000	-	-	1,00,00,000

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% holding in that class of shares	No. of Shares held	% holding in that class of shares
Equity shares with voting rights				
New Vision Group Holding Pvt. Ltd.	16,52,860	14.19	16,52,860	14.19
Abdullah Y. Fazalbhoy	-	-	13,74,683	11.80
Yasmin Abdullah Fazalbhoy	15,42,923	13.24	-	-
Rialto Investments Ltd.	9,88,100	8.48	9,88,100	8.48
Polaroid Corporation	9,00,000	7.73	9,00,000	7.73
Non convertible Cumulative Redeemable preference shares				
General Insurance Corporation of India	50,000	50	50,000	50
New India Assurance Company Limited	50,000	50	50,000	50

Note 3 Reserves and Surplus

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Capital reserve		
Opening Balance	35,06,438	35,06,438
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing Balance	35,06,438	35,06,438
(b) Capital redemption reserve		
Opening Balance	4,20,00,000	4,20,00,000
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing Balance	4,20,00,000	4,20,00,000
© Securities premium account		
Opening Balance	9,56,09,909	9,56,09,909
Add: Premium on shares issued during the year	-	-
Less: Utilised during the year for	-	-
Closing Balance	9,56,09,909	9,56,09,909
(d) Surplus		
Opening Balance	(24,53,97,643)	(23,53,95,493)
Add: Balance in statement of profit and loss account	(52,20,405)	(1,00,02,150)
Closing Balance	(25,06,18,049)	(24,53,97,643)
TOTAL	(10,95,01,702)	(10,42,81,296)

Note 4 Long-term provisions

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Provision for employee benefits:		
(i) Provision for gratuity	3,79,312	5,25,195
TOTAL	3,79,312	5,25,195

Note 5 Trade payables

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Trade payables :		
(i) Other than acceptances	28,10,357	46,41,765
(ii) Related Party	2,74,804	5,38,075
TOTAL	30,85,161	51,79,840

Note 6 Other Current Liabilities

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Unpaid matured deposits	10,33,000	10,73,000
(b) Other payables		
(i) Statutory remittances	6,51,055	2,60,369
(ii) Trade / security deposits received	2,72,820	3,37,000
(iii) Advances against sale of property	5,00,000	1,08,10,000
(iv) Others		
Salary Payable	2,51,330	2,20,134
Advances received from party	94489	-
Expenses payable to related party	-	38,437
TOTAL	28,02,694	1,27,38,940

Note 7 Short-term provisions

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Provision for employee benefits:		
(i) Provision for bonus / LTA and Medical	62,228	35,000
(ii) Provision for Leave Encashment	2,65,979	1,57,295
(iii) Provision for Gratuity	4,32,089	13,25,315
(iv) Provision for super annuation	18,500	61,500
(b) Provision - Others:		
(i) Provision for expenses	9,92,727	13,33,136
TOTAL	17,71,523	29,12,246

Note 8 Fixed Assets

A.	Tangible assets	Gross Block				
		Balance as at 1st April, 2012	Additions	Disposals	Other adjustments	Balance as at 31st March, 2013
		₹	₹	₹	₹	₹
	(a) Land					
	Freehold	2,20,050	-	-	-	2,20,050
	Leasehold	11,69,821	-	11,69,821	-	-
	(b) Buildings					
	Own use	7,04,45,312	6,11,654	4,51,06,902	-	2,59,50,064
	(c) Plant and Equipment					
	Owned	8,74,07,021	1,05,050	-	1,14,07,475	7,61,04,596
	(d) Furniture and Fixtures					
	Owned	1,00,79,500	60,000	-	93,24,805	8,14,695
	(e) Vehicles					
	Owned	13,81,846	35,000	-	21,551	13,95,295
	(f) Office equipment					
	Owned	19,96,980	77,294	-	19,80,404	93,870
	TOTAL	17,27,00,530	8,88,998	4,62,76,723	2,27,34,236	10,45,78,569
	Previous year	17,27,00,530	-	-	-	17,27,00,530

Note 8 Fixed Assets (contd.)

Tangible assets	Accumulated depreciation and impairment						Net Block		
	Depreciation Balance as on 1st April, 2012	Impairment Balance as on 1st April, 2012	Total as at 1st April, 2012	Depreciation expense for the year	Deduction on disposal of assets/ Adjustment- Depreciation	Deduction on disposal of assets/ Adjustment- Impairment	Balance as on 31st March, 2013	Balance as on 31st March, 2013	Balance as on 31st March, 2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹
(a) Land									
Freehold	-	-	-	-	-	-	-	2,20,050	2,20,050
Leasehold	-	-	-	-	-	-	-	-	11,69,821
(b) Buildings									
Own use	1,75,77,187	3,21,06,553	4,96,83,740	10,37,154	1,17,74,479	1,78,73,183	2,10,73,232	48,76,832	2,07,61,574
(c) Plant and Equipments									
Owned	5,93,95,441	1,69,44,137	7,63,39,578	5,30,504	73,46,926	40,60,549	6,54,62,607	1,06,41,989	1,10,67,443
(d) Furniture and Fixtures									
Owned	64,29,397	28,29,645	92,59,042	92,614	59,45,122	28,29,645	5,76,889	2,37,805	8,20,458
(e) Vehicles									
Owned	474,648	1,837	4,76,485	1,35,387	7,403	1,837	6,02,632	7,92,662	9,05,361
(f) Computers									
Owned	17,82,939	-	17,82,939	5,246	17,66,364	-	21,821	72,049	2,14,039
Total	8,56,59,612	5,18,82,172	13,75,41,784	18,00,905	2,68,40,294	2,47,65,214	8,77,37,181	1,68,41,388	3,51,58,746
Previous year	8,35,22,035	5,18,82,172	13,54,04,207	21,37,577	-	-	13,75,41,784	3,51,58,746	3,72,96,322

Note 9 Non-current investments

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Investment in government or Trust securities		
(i) Trust Securities - Unquoted	10,000	10,000
TOTAL	10,000	10,000

Note 10 Long-term loans and advances

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Security deposits		
(i) Unsecured, considered good	24,55,965	26,55,965
TOTAL	24,55,965	26,55,965

Note 11 Inventories

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Raw materials at cost	18,89,530	11,73,725
(b) Finished goods (At lower of cost and net realisable value)	3,18,581	1,47,164
TOTAL	22,08,111	13,20,889

Note 12 Trade receivables

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	-	25,098
Unsecured, considered Doubtful	84,862	-
Less: Provision made for Doubtful debts	84,862 (84,862)	25,098 -
-	-	25,098
(b) Other Trade receivables		
Unsecured, considered good	8,71,839	9,13,960
(c) Private Companies in which any director is a director or member New Vision Printing Services Pvt. Ltd.	4,83,711	4,48,157
TOTAL	13,55,550	13,87,215

Note 13 Cash and cash equivalents

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Cash on hand	84,280	32,171
(b) Cheque, drafts on hand	22,003	-
(c) Balances with banks		
(i) In current accounts	7,74,286	11,42,999
(ii) In earmarked accounts For unpaid matured deposits	10,33,000	11,88,997
TOTAL	19,13,569	23,64,167

Note 14 Short-Term Loans and Advances

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Loans and advances to employee Unsecured, considered good	7,537	62,476
(b) Prepaid Expenses Unsecured, considered good	20,001	3,880
(c) Balances with government authorities Unsecured, considered good		
(i) Tax Income	1,51,181	56,367
(d) Others Unsecured, considered good		
(i) Legal matters	-	3,49,500
(ii) Miscellaneous Advances	-	1,75,720
TOTAL	1,78,719	6,47,943

Note 15 Other current assets

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Others		
(i) Rent receivable	73,686	30,000
TOTAL	73,686	30,000

Note 16 Revenue from operations

	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
		Rs.	Rs.
(a)	Sale of Products	1,22,17,778	1,20,47,939
(b)	Sale of Service	4,96,872	7,95,841
	TOTAL	1,27,14,650	1,28,43,780

Note	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
		Rs.	Rs.
(i)	Sale of Products comprises:		
	Manufactured goods		
	Processed Nuts	1,22,17,778	1,20,47,939
	Total - Sale of manufactured goods	1,22,17,778	1,20,47,939
	Total - Sale of products	1,22,17,778	1,20,47,939
(ii)	Sale of Service	4,96,872	7,95,841
	Total - Sale of Service	4,96,872	7,95,841
	Total - Revenue from Operations	1,27,14,650	1,28,43,780

Note 17 Other Income

Note	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
		Rs.	Rs.
(i)	Interest income comprises:		
	Interest from banks on deposits	80,946	99,942
	Total - Interest income	80,946	99,942
(ii)	Other non-operating income comprises:		
	Profit on sale of property	83,70,935	-
	Rental income from property	10,75,307	6,34,124
	Reduction in Gratuity liability	-	17,39,069
	Sundry balance written off (Net)	9,94,029	6,14,746
	Miscellaneous income	36,539	50,482
	Total - Other non-operating income	1,04,76,810	30,38,421
TOTAL		1,05,57,756	31,38,363

Note 18a Cost of Materials consumed

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rs.	Rs.
Opening Stock	11,73,725	12,55,526
Add: Purchases	1,01,65,755	94,72,152
Less: Closing Stock	(18,89,530)	11,73,725
Cost of material consumed	94,49,950	95,53,952
Material consumed comprises:		
Dry Nuts, cereals and pulses	94,49,950	95,53,952
TOTAL	94,49,950	95,53,952

Note 18b Changes in inventories of finished goods

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rs.	Rs.
Inventories at the end of the year:		
Finished goods	3,18,581	1,47,164
	3,18,581	1,47,164
Inventories at the beginning of the year:		
Finished goods	1,47,164	77,682
	1,47,164	77,682
Net (increase) / decrease	(1,71,417)	(69,482)

Note 19 Employee benefits expense

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rs.	Rs.
Salaries and wages	44,37,596	45,54,708
Contributions to provident and other funds	6,92,746	3,71,521
Staff welfare expenses	1,76,626	84,181
TOTAL	53,06,968	50,10,410

Note 20 Other Expenses

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rs.	Rs.
Auditor's Remunerations		
(I) Audit Fees	2,00,000	2,00,000
(ii) Other Services	36,000	36,000
(iii) Travelling and out of pocket Expenses including Service Tax	29,170	29,170
Total Auditors remuneration	2,65,170	2,65,170
Store Consumed	11,389	13,486
Rent	1,92,600	54,400
Power, Fuel & Lightings	5,15,128	3,81,109
Repairs and maintenance - Buildings	2,86,675	5,04,691
Repairs and maintenance - Machinery	1,80,304	2,58,819
Repairs and Maintenance - Others	1,95,680	1,12,596
Rates & Taxes	6,24,301	1,17,681
Freight and forwarding	1,53,900	2,96,884
Insurance	73,246	82,725
Legal & Professional Charges	28,12,191	22,50,121
Advertising and Sales Promotion	2,04,909	2,97,004

Note 20 Other Expenses (Continued)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rs.	Rs.
Postage and Telephone	4,06,482	3,05,786
Printing and Stationery	2,46,146	2,24,005
Security and housekeeping charges	4,29,446	2,24,678
Statutory Fees	2,31,845	2,53,837
Vehicle Expenses	8,10,534	14,31,204
Travel Expenses and Conveyance	12,86,829	10,10,182
Sales Tax Paid	8,86,987	7,66,298
Directors' Fees	99,000	1,17,000
Stock Listing Reinstatement fees	9,93,264	-
Bad Debts	5,612	-
Provision for Doubtful debts	84,862	-
Assets scrapped	7,76,389	-
Other Expenses	3,33,516	3,84,161
TOTAL	1,21,06,405	93,51,836

SCHEDULES TO THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

NOTE NO 21 : NOTES TO THE ACCOUNTS

	2013 Rs.	2012 Rs.
1. Contingent Liabilities not provided for:		
(i) Claims for Sales Tax/Excise/Service tax not accepted by the Company for which appeals are pending	3,34,93,973	4,69,81,313
(ii) Claims against the Company not acknowledged as debts.	11,33,669	1,32,25,000
(iii) Export obligations not fulfilled against EPCG licences.	1,92,73,000	1,92,73,000
(iv) Duty drawback claim granted and later revoked.	7,04,000	7,04,000
(v) The Income Tax Assessments have been completed upto the Assessment year 2010-11 and there is no demand raised by Income tax Department.		
(vi) Penalty imposed by Commissioner - Customs & Central Excise, Goa, in respect of CVD on bulk (semi-packed / semi-finished) films which were imported by Phil Marketing Services Pvt. Ltd. and given to Company for further packing and in respect of which excise duty has been paid by the Company. Customs, Excise & Service Tax Tribunal, Western Region have passed order in July, 2012 against the recovery of the penalty.	-	1,70,46,000
2. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business. The provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably necessary.		
3. In respect of fixed assets the provision for impairment loss of Rs. 27116958/- on existing fixed assets is continued. Further the management has reviewed the realisable value of assets in use and are of the opinion that no further provision for impairment of fixed assets is considered necessary.		
4. The Company has effected transfer of Lease Hold rights of the plot obtained from GIDC and the sale of factory building built thereon. However formal consent of GIDC is awaited.		
5. Gratuity liability in respect of ex-employees and employees transferred to Associate Companies is being paid directly by the Company for which the necessary provision has been made in the Books of Accounts.		
6. The Company has unabsorbed depreciation and carried forward losses etc available for set off under Income Tax Act 1961. However in view of present uncertainty regarding generation of sufficient future taxable income, Net Deferred Tax Asset in respect of related credit for the year has not been recognised in the accounts on prudent basis.		
7. The names of Micro, Small and Medium Enterprises to whom the company owes sums exceeding Rs. 1 Lakh each and which are outstanding for more than 30 days as at 31st March, 2013 are NIL as the vendors of the company have not filed intimation about their recognition as "Supplier" under the provisions of The Micro Small & Medium Enterprises Development Act 2006.		
8. The company operates mainly in food processing segment.		
9. Earning Per Share Calculation.		
Net Profit (Loss) after Tax	(52,20,405)	(1,00,02,150)
No of Equity Shares	1,16,50,000	1,16,50,000
Earning Per Share (Basic)	(0.45)	(0.86)
Diluted	(0.45)	(0.86)
10. Related party relationships have been identified by the management and relied upon by the auditors.		

	2013 Rs.	2012 Rs.
11. Transaction with Related Parties		
a) List of Related Parties		
With whom transactions have taken place during the year		
New Vision Imaging Private Limited		
New Vision Printing Services Private Limited		
La Costa Enterprises Private Limited		
Cherish Specialties Limited		
Performance Logistics (India) Private Limited		
A. Y. Fazalbhoy		
B. S. Sridhara		
b) Sales		
Cherish Specialties Limited	17,80,628	5,37,086
New Vision Imaging Private Limited	-	13,39,923
New Vision Printing Services Private Limited	14,766	-
c) Purchases		
Cherish Specialties Limited	-	15,11,750
New Vision Printing Services Private Limited	2,55,066	1,77,551
d) Advance Against Sale of Property		
Performance Logistics (India) Private Limited	-	1,03,10,000
e) Sale of Property		
Performance Logistics (India) Private Limited	2,50,00,000	-
f) Expenses		
La Costa Enterprises Private Limited (E-ZY Travels) (Reimbursement of travel expenses)	2,76,776	5,35,035
New Vision Printing Services Private Limited	2,07,784	-
A. Y. Fazalbhoy	2,40,000	-
(Lease Rent & Maintenance)		
B. S. Sridhara	14,68,859	-
(Director's remuneration)		
g) Closing Balance		
New Vision Imaging Pvt. Ltd.	-	3,922 Cr
New Vision Printing Services Pvt. Ltd.	4,83,711 Dr	4,48,157 Dr
La Costa Enterprises Pvt. Ltd.	-	38,437 Cr
Cherish Specialties Ltd.	2,74,804 Cr	5,34,153 Cr
Performance Logistics (India) Pvt. Ltd.	-	1,03,10,000 Cr

12. Previous year's figures have been regrouped where necessary.

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

Particulars	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net Profit/(Loss) before extraordinary items and taxes		(52,20,405)		(1,00,02,150)
<i>Adjustments for :</i>				
Depreciation and amortisation	18,00,905		21,37,577	
(Profit)/Loss on sale / write off of assets	(75,94,550)		-	
Interest Income	(80,946)		(99,942)	
Rental income from properties	(10,75,307)		(6,34,124)	
Liabilities/Provisions no longer required written back	-		(17,39,069)	
Sundry Balances written off	(9,94,029)		(6,14,746)	
		(79,43,927)		(9,50,304)
Operating Profit/(Loss) before working capital changes		(1,31,64,332)		(1,09,52,454)
<i>Changes in working capital :</i>				
<i>Adjustments for (increase)/decrease in Operating Assets:</i>				
Inventories	(8,87,222)		12,319	
Trade receivables	31,665		6,05,903	
Short-term advances	4,69,224		(1,09,600)	
Long-term advances	2,00,000		34,747	
Other current assets	(43,686)		(30,000)	
<i>Adjustments for increase/(decrease) in Operating Liabilities:</i>				
Trade payables	(20,94,679)		7,89,846	
Other current liabilities	(89,42,217)		75,06,629	
Short-term provisions	(11,40,723)		20,13,875	
Long-term provisions	(1,45,883)		(13,25,316)	
Cash generated from operations		(1,25,53,521)		94,98,403
Net income tax (paid) / refunds		(2,57,17,853)		(14,54,051)
		-		-
Net Cash Flow from / (used in) operating activities		(2,57,17,853)		(14,54,051)
CASH FLOW FROM INVESTING ACTIVITY				
Purchase of Fixed Assets	(8,88,998)		-	
Sale of Fixed Assets	2,50,00,000		-	
Rental income from properties	10,75,307		6,34,124	
Net Cash from investing Activities	2,51,86,309		6,34,124	
Net Cash Flow from investing Activities		2,51,86,309		6,34,124
CASH FLOW FROM FINANCING ACTIVITY				
Interest & Dividend received	80,946		99,942	
Net Cash from Financing Activities	80,946		99,942	
Net Cash Flow from Financing Activities		80,946		99,942
Net Increase in Cash & Cash Equivalents		(4,50,598)		(7,19,985)
Cash at the beginning of the year		23,64,167		30,84,152
Cash at the end of the year		19,13,569		23,64,167

As per our report attached
M/s. V. C. Shah & Co.
Chartered Accountants
Firm Reg No. 109818W

V. C. Shah
Partner
Membership No. 10360

Date : 21st May, 2013

B.S. SRIDHARA
Managing Director

TEJA GADEKAR
Company Secretary

For and on behalf of the Board of Directors

A. Y. FAZALBHOY - Chairman

K. D. BHAT - Vice Chairman

DR. J. C. ALMEIDA - Director

SADASHIV V. SHET - Director

A. V. GAIKWAD - Director

PHIL CORPORATION LIMITED

NOTICE

NOTICE is hereby given that the **30th ANNUAL GENERAL MEETING** of the Company will be held at **Mapusa Residency (Tourist Hostel), Near Kadamba Bus Stand, Mapusa, Goa - 403 507 on Wednesday the 21st August, 2013 at 4.00 p.m. to transact the following :**

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report, Auditors' Report and the audited Balance Sheet and Profit and Loss Account for the financial year ended 31st March, 2013.
2. To appoint a Director in place of Shri Kavas D. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri A. V. Gaikwad, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

By Order of the Board of Directors

Teja M Gadekar
Company Secretary

Mapusa, Goa
Dated : 21st May, 2013

Registered Office :
Vision House, Tivim Industrial Estate,
Mapusa, Goa 403 526.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. Members/Proxies should fill in and bring the attendance slip for attending the meeting. Members who hold shares in dematerialised form should bring their Client ID and DPID numbers for their identification of attendance at the meeting.
3. For the purpose of Annual General Meeting the **Register of Members and Transfer Books shall remain closed from Tuesday the 13th August, 2013 to Wednesday the 21st August, 2013 (both days inclusive).**
4. The Company has already transferred unclaimed Dividend declared upto the financial year ended 31st March, 2001 to Investor Education and Protection Fund as required under the provisions of Section 205A and Section 205C of the Companies Act, 1956. For subsequent years from the financial year 2001-02 to 2012-13 because of the losses incurred by the Company no Dividend has been recommended / declared.

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

As required under Clause 49 of the Listing Agreement the particulars of Directors who are proposed to be re-appointed are given below :

- I Name : SHRI KAVAS D. PATEL
Age : 66 years
Qualification : B.Com., Fellow Member of the Institute of Chartered Accountants - England and Wales.
Experience : Shri Kavas D. Patel is a qualified Chartered Accountant with 19 years employment experience with Polaroid Corporation in Europe, U.S.A. and Asia. He has been on the Board of Directors of the Company since 1993. He is the Chairman of Audit & Shareholders' Grievance Committee, Chairman of Remuneration Committee and a Member of Board Committee.
Other Directorship : In Public Limited Companies :

Name of the Company	Position / Status	Membership (M) / Chairmanship (C) of Committees
1. Dai-Ichi Karkaria Ltd.	Director	Chairman of Audit Committee
2. Indian Oxides & Chemicals Ltd.	Director	--
3. Inarco Ltd.	Director	--
4. ARI Consolidated Investments Ltd.	Director	--
5. Champion Dai-Ichi Technologies India Ltd.	Director	--

II Name : SHRI A. V. GAIKWAD
Age : 67 Years
Qualification : M.Com., ACS
Experience : Shri A. V. Gaikwad is a Post Graduate in Commerce and an Associate Member of the Institute of Company Secretaries of India. He has overall experience of 38 years in the field of Corporate Finance and Company Secretarial Work. He has been working with the Company for about 20 years and retired as Executive Director and Company Secretary in October 2009. At present he is Non - Executive Director of the Company and a member of Audit & Shareholders' Grievance Committee.

Other directorships : NIL

By Order of the Board of Directors

Teja M Gadekar
Company Secretary

Mapusa, Goa
Dated : 21st May, 2013

Registered Office :
Vision House, Tivim Industrial Estate,
Mapusa, Goa 403 526.

PHIL CORPORATION LIMITED

Regd. Office : Vision House, Tivim Industrial Estate, Mapusa, Goa-403 526

*DPID No.		Folio No.	
*Client ID No.		No. of Shares held	

ATTENDANCE SLIP

Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I/we hereby record my/our presence at the **30th Annual General Meeting of the Company at Mapusa Residency (Tourist Hostel), Near Kadamba Bus Stand, Mapusa, Goa-403 507 on Wednesday, the 21st August, 2013 at 4.00 p.m.**

Full Name of the Shareholder (in Capitals)	Signature of the Shareholder
Full Name of the Proxy (in Capitals)	Signature of the Proxy

* Applicable in case of Beneficial Owners of Dematerialised Shares.

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PHIL CORPORATION LIMITED

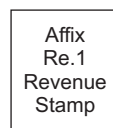
Regd. Office : Vision House, Tivim Industrial Estate, Mapusa, Goa-403 526

*DPID No.		Folio No.	
*Client ID No.		No. of Shares held	

PROXY FORM

I/We _____
of _____ in the District of _____ being
a member/members of the above-named Company, hereby appoint _____
of _____, or failing him / her _____
of _____, as my/our proxy to vote for me/us on my/our behalf on poll
at the **30th Annual General Meeting of the Company, to be held on Wednesday, the 21st August, 2013 at 4.00 p.m.** and any adjournment thereof.

Signed this _____ day of _____ 2013.



* Applicable in case of Beneficial Owners of Dematerialised Shares.

Signature

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "**Green Initiative**" in the Corporate Governance by allowing paperless compliances by the Companies, and issued circulars stating that service of notices/documents including Annual Reports can be effected to its members in electronic form.

In order to fully support this Green Initiative of the Ministry, members are requested to come forward and register their email addresses, and update the same from time to time.

Members holding their shares in demat form may please register their email addresses with their concerned Depository Participants.

Members holding their shares in physical form may intimate their email addresses either to the Company by sending a mail to companysecretary@philproducts.com or to the Company's Registrar & Share Transfer Agents, mentioning their Folio Numbers.

Company's Website : www.philproducts.com

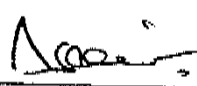
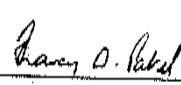
BOOK - POST

PHIL

If undelivered, please return to:
Phil Corporation Ltd., Vision House, Tivim Industrial Estate, Mapusa, Goa - 403 526.

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	Phil Corporation Limited
2	Annual financial statements for the year ended	31 st March 2013
3	Type of Audit observation	Un-qualified / Matter of Emphasis : Auditors' Report : Clause (ix) (a) & (b) of the Annexure to Auditors' Report. Management's response : Clause 10 (a) & (b) of the Directors' Report.
4	Frequency of observation	Clause (ix) (a) : For the year 2012-13 (House Tax) From the year 2005-06 (Gratuity) Clause (ix) (b) : From the year 2005-06
5	To be signed by - CEO/Managing Director (B S Sridhara) Auditors of the Company (V C Shah & Co.) Audit Committee Chairman (Kavas D Patel)	 _____ For V. C. Shah And Co. Chartered Accountants <i>V. C. Shah</i> _____ Partner  _____